



Compulsory Pooling Hearing- Case No. 26354
All of Section 36, T17S R35E
All of Section 1, T18S R35E
(1,279.20-acre Unit, Penn (Cisco) Formation)

Wells:

Old Pal 1 36 State Com #821H
Old Pal 1 36 State Com #822H
Old Pal 1 36 State Com #823H
Old Pal 1 36 State Com #824H
Old Pal 1 36 State Com #831H
Old Pal 1 36 State Com #832H
Old Pal 1 36 State Com #833H
Old Pal 1 36 State Com #834H
Old Pal 1 36 State Com #835H

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

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

CASE NO. 26354

TABLE OF CONTENTS

Exhibit A: Compulsory Pooling Checklist

Exhibit A-1: Application

Exhibit A-2: Self-Affirmed Statement of Sophia Guerra Land Professional

- Exhibit A-3: C-102s
- Exhibit A-4: Lease Tract Map/ Summary of Interests/Working Interest Owners to Be Pooled
- Exhibit A-5: ORRI to Be Pooled
- Exhibit A.6: Sample well proposal letter and AFEs
- Exhibit A.7: Summary of Communications with Other Working Interest Owners
- Exhibit A.8: Committed/Uncommitted Notice Exhibit
- Exhibit A.9: Non-standard Unit Exhibits

Exhibit B: Self-Affirmed Statement of John Harper, 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 Section

Exhibit C: Self-Affirmed Declaration of Deana Bennett

- Exhibit C-1: Sample Notice Letter, dated July 14, 2026
- Exhibit C-1: Mailing List of Interested Parties
- Exhibit C-1: Certified Mailing Tracking List
- Exhibit C-1: Affidavit of Publication for July 21, 2026

COMPULSORY POOLING APPLICATION CHECKLIST		
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 26354	APPLICANT'S RESPONSE	
Hearing Date:	September 3, 2026	
Applicant	Avant Operating II, LLC	
Designated Operator & OGRID (affiliation if applicable)	Avant Operating II, LLC (332947)	
Applicant's Counsel:	Modrall Sperling	
Case Title:	APPLICATION OF AVANT OPERATING II, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO	
Entries of Appearance/Intervenors:	PBEX, LLC (Hardy McLean LLC)	
Well Family	Old Pal 1 36 State Com	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Cisco/Pennsylvanian	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Cisco	
Pool Name and Pool Code:	VACUUM;CISCO-CANYON, NORTHEAST (97202)	
Well Location Setback Rules:	Statewide rules	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	1279.2	
Building Blocks:	40	
Orientation:	North-South	
Description: TRS/County	All of Section 36, Township 17 South, Range 35 East, and Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	N: AO II seeks approval of a 960-acre non-standard spacing unit to allow 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 19.15.167(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).	
Other Situations		
Depth Severance: Y/N. If yes, description	N	
Proximity Tracts: If yes, description	N	
Proximity Defining Well: if yes, description	N	
Applicant's Ownership in Each Tract	See Exhibit A.4	EXHIBIT
Well(s)		A

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Old Pal 1 36 State Com #821H	API No. Pending SHL: 385' FSL & 1875' FWL, (Unit N), Section 1, T18S, R35E BHL: 100' FNL & 907' FWL, (Unit D), Section 36, T17S, R35E FTP: 100' FSL & 907' FWL, Section 1, T18S, R35E LTP: 100' FNL & 907' FWL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,080' TVD) Orientation: North/South
Well #2: Old Pal 1 36 State Com #822H	API No. Pending SHL: 385' FSL & 1915' FWL, (Unit N), Section 1, T18S, R35E BHL: 100' FNL & 2062' FWL, (Unit C), Section 36, T17S, R35E FTP: 100' FSL & 2062' FWL, Section 1, T18S, R35E LTP: 100' FNL & 2062' FWL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,080' TVD) Orientation: North/South
Well #3: Old Pal 1 36 State Com #823H	API No. Pending SHL: 385' FSL & 1955' FWL, (Unit N), Section 1, T18S, R35E BHL: 100' FNL & 2062' FEL, (Unit B), Section 36, T17S, R35E FTP: 100' FSL & 2062' FEL, Section 1, T18S, R35E LTP: 100' FNL & 2062' FEL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,080' TVD) Orientation: North/South
Well #4: Old Pal 1 36 State Com #824H	API No. Pending SHL: 560' FSL & 1040' FEL, (Unit P), Section 1, T18S, R35E BHL: 100' FNL & 907' FEL, (Unit A), Section 36, T17S, R35E FTP: 100' FSL & 907' FEL, Section 1, T18S, R35E LTP: 100' FNL & 907' FEL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,080' TVD) Orientation: North/South
Well #5: Old Pal 1 36 State Com #831H	API No. Pending SHL: 385' FSL & 1855' FWL, (Unit N), Section 1, T18S, R35E BHL: 100' FNL & 330' FWL, (Unit D), Section 36, T17S, R35E FTP: 100' FSL & 330' FWL, Section 1, T18S, R35E LTP: 100' FNL & 330' FWL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,250' TVD) Orientation: North/South

Well #6:Old Pal 1 36 State Com #832H	API No. Pending SHL: 385' FSL & 1895' FWL, (Unit N), Section 1, T18S, R35E BHL: 100' FNL & 1485' FWL, (Unit C), Section 36, T17S, R35E FTP: 100' FSL & 1485' FWL, Section 1, T18S, R35E LTP: 100' FNL & 1485' FWL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,250' TVD) Orientation: North/South
Well #7: Old Pal 1 36 State Com #833H	'API No. Pending SHL: 385' FSL & 1935' FWL, (Unit N), Section 1, T18S, R35E BHL: 100' FNL & 2640' FWL, (Unit C), Section 36, T17S, R35E FTP: 100' FSL & 2640' FWL, Section 1, T18S, R35E LTP: 100' FNL & 2640' FWL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,250' TVD) Orientation: North/South
Well #7: Old Pal 1 36 State Com #834H	API No. Pending SHL: 567' FSL & 1059' FEL, (Unit P), Section 1, T18S, R35E BHL: 100' FNL & 1485' FEL, (Unit B), Section 36, T17S, R35E FTP: 100' FSL & 31485' FEL, Section 1, T18S, R35E LTP: 100' FNL & 1485' FEL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,250' TVD) Orientation: North/South
Well #7: Old Pal 1 36 State Com #835H	API No. Pending SHL: 552' FSL & 1022' FEL, (Unit P), Section 1, T18S, R35E BHL: 100' FNL & 330' FEL, (Unit A), Section 36, T17S, R35E FTP: 100' FSL & 330' FEL, Section 1, T18S, R35E LTP: 100' FNL & 330' FEL, Section 36, T17S, R35E Completion Target: Cisco/Pennsylvanian (Approx. 11,250' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit A.3
Completion Target (Formation, TVD and MD)	Exhibit A.6 (Proposal Letter)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$12,000. See Exhibit A.6 (Proposal Letter)
Production Supervision/Month \$	\$1,200. See Exhibit A. 6 (Proposal Letter)
Justification for Supervision Costs	See Exhibit A.2, Paragraph 19
Requested Risk Charge	200%. See Exhibit A.6 (Proposal Letter)
Notice of Hearing	
Proposed Notice of Hearing	Exhibits A.1; C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C.2 & C.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C.4

Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A.4
Tract List (including lease numbers and owners)	Exhibit A.4
(including lease numbers and owners) of Tracts subject to notice requirements.	A.9
Pooled Parties (including ownership type)	Exhibit A.4/A.5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A.4/A.5
Chronology of Contact with Non-Joined Working Interests	Exhibit A.7
Overhead Rates In Proposal Letter	Exhibit A.6
Cost Estimate to Drill and Complete	Exhibit A.6
Cost Estimate to Equip Well	Exhibit A.6
Cost Estimate for Production Facilities	Exhibit A.6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B.2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B.2
Well Orientation (with rationale)	Exhibit B, Para. 10
Target Formation	Exhibit B.3
HSU Cross Section	Exhibit B.5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A.3
Tracts	Exhibit A.4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A.4
General Location Map (including basin)	Exhibit B.1
Well Bore Location Map	Exhibit B.1
Structure Contour Map - Subsea Depth	Exhibit B.3
Cross Section Location Map (including wells)	Exhibit B.4
Cross Section (including Landing Zone)	Exhibit B.5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	

Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date:	8/27/2026

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

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

CASE NO. 26354

APPLICATION

Avant Operating II, LLC ("AO II"), OGRID Number 332947, 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 spacing unit, and (2) pooling all uncommitted interests within a non-standard 1279.2-acre, more or less Cisco-Canyon horizontal spacing unit comprised of all of Section 36, Township 17 South, Range 35 East, and Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, AO II states as follows:

1. AO II has an interest in the subject lands and has a right to drill and operate a well thereon.
2. AO II seeks to dedicate all of Section 36, Township 17 South, Range 35 East, and Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a 1279.2-acre, more or less, spacing unit in the Cisco-Canyon; Northeast pool (pool code 97202) (the "Unit").
3. AO II seeks approval of the 1279.2-acre non-standard spacing unit to allow AO II to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing.

EXHIBIT A-1

4. AO II seeks to dedicate the Unit to the following wells:

- **Old Pal 1 36 State Com #821H** and **Old Pal 1 36 State Com #831H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 36, Township 17 South, Range 35 East;
- **Old Pal 1 36 State Com #822H, Old Pal 1 36 State Com #832H, and Old Pal 1 36 State Com #833H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 36, Township 17 South, Range 35 East;
- **Old Pal 1 36 State Com #823H** well with proposed a surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East;
- **Old Pal 1 36 State Com #834H** well with proposed a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; and
- **Old Pal 1 36 State Com #824H** and **Old Pal 1 36 State Com #835H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 36, Township 17 South, Range 35 East.

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

6. AO II sought, but has been unable to obtain, a voluntary agreement from all interest owners in the 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 Unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Approval of a non-standard spacing unit will allow AO II to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands and reduce surface disturbance.

WHEREFORE, AO II requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2026, 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 Unit;
- C. Designating AO II as operator of the Unit and the wells to be drilled thereon;
- D. Authorizing AO II 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

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

deana.bennett@modrall.com

Attorneys for Avant Operating II, LLC

CASE NO. 26354: Application of Avant Operating II, 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 1279.2-acre, more or less, Cisco-Canyon horizontal spacing unit and pooling all uncommitted interests in Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico, in the Cisco-Canyon; Northeast pool (pool code 97202). This spacing unit will be dedicated to the following wells: **Old Pal 1 36 State Com #821H** and **Old Pal 1 36 State Com #831H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #822H**, **Old Pal 1 36 State Com #832H**, and **Old Pal 1 36 State Com #833H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #823H** well with proposed a surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #834H** well with proposed a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; and **Old Pal 1 36 State Com #824H** and **Old Pal 1 36 State Com #835H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 36, Township 17 South, Range 35 East. The wells will be drilled at orthodox locations. 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 II, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles southwest from Lovington, New Mexico.

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

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

CASE NO. 26354

SELF-AFFIRMED STATEMENT OF SOPHIA GUERRA

Sophia Guerra hereby states and declares as follows:

1. I am over the age of 18, I am a senior landman for Avant Operating II, LLC ("AO II") 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 AO II includes the area Lea County in New Mexico.

4. I am familiar with the application filed by AO II 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. In this case, AO II seeks an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted interests within a non-standard 1279.2-acre, more or less Cisco-Canyon horizontal spacing unit comprised of all of Section 36, Township 17 South, Range 35 East, and Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico, in the Vacuum Cisco-Canyon; Northeast pool (pool code 97202).

EXHIBIT A-2

8. AO II seeks approval of a 960-acre non-standard spacing unit to allow AO II 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 19.15.167(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

9. AO II seeks to dedicate the unit to the following wells:

- Old Pal 1 36 State Com #821H and Old Pal 1 36 State Com #831H wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 36, Township 17 South, Range 35 East;
- Old Pal 1 36 State Com #822H, Old Pal 1 36 State Com #832H, and Old Pal 1 36 State Com #833H wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 36, Township 17 South, Range 35 East;
- Old Pal 1 36 State Com #823H well with proposed a surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East;
- Old Pal 1 36 State Com #834H well with proposed a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; and
- Old Pal 1 36 State Com #824H and Old Pal 1 36 State Com #835H wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 36, Township 17 South, Range 35 East.

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.

13. The wells will be in the Vacuum Cisco-Canyon; Northeast pool (pool code 97202)

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

15. There are no depth severances within the proposed spacing unit.

16. **Exhibit A-4** includes lease tract maps outlining the unit being pooled. Exhibit A-4 is a unit recapitulation with the working interest owners to be pooled highlighted in yellow.

17. **Exhibit A-5** is a list of the overriding royalty owners to be pooled.

18. **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.

19. AO II requests overhead and administrative rates of \$12,000.00/month for drilling a well and \$1,200.00/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. AO II requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

20. AO II requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

21. 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.

22. In my opinion, AO II 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**.

23. AO II requests that it be designated operator of the wells.

24. AO II seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

25. The parties AO II is seeking to pool were notified of this hearing. **Exhibit A-8** identifies the owners in the proposed unit, whether they are committed or uncommitted, and, if uncommitted, the date notice was provided.

26. **Exhibit A-9** includes a tract map showing the location of the wells within AO II's proposed non-standard unit along with the pool name and pool code for each well. Exhibit A-9 also includes a map comparing standard units to the proposed non-standard unit scenario.

27. AO II also provided notice to offset affected parties for purposes of the non-standard unit application.

28. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

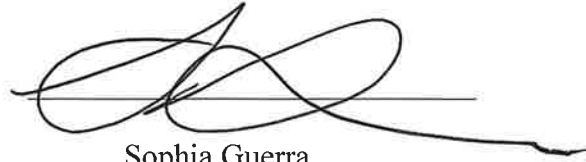
29. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.

30. 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]

8/25/26

Date

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end, positioned above a horizontal line.

Sophia Guerra

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	☒ Initial Submittal
				☐ Amended Report
		☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #821H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3883'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1875' FWL	Latitude 32.770434°	Longitude -103.413432°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL D	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 907' FWL	Latitude 32.798173°	Longitude -103.416653°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1875' FWL	Latitude 32.770434°	Longitude -103.413432°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

First Take Point (FTP)

UL M	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 907' FWL	Latitude 32.769665°	Longitude -103.416580°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

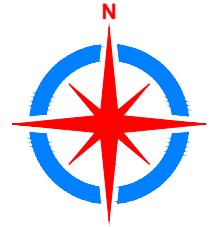
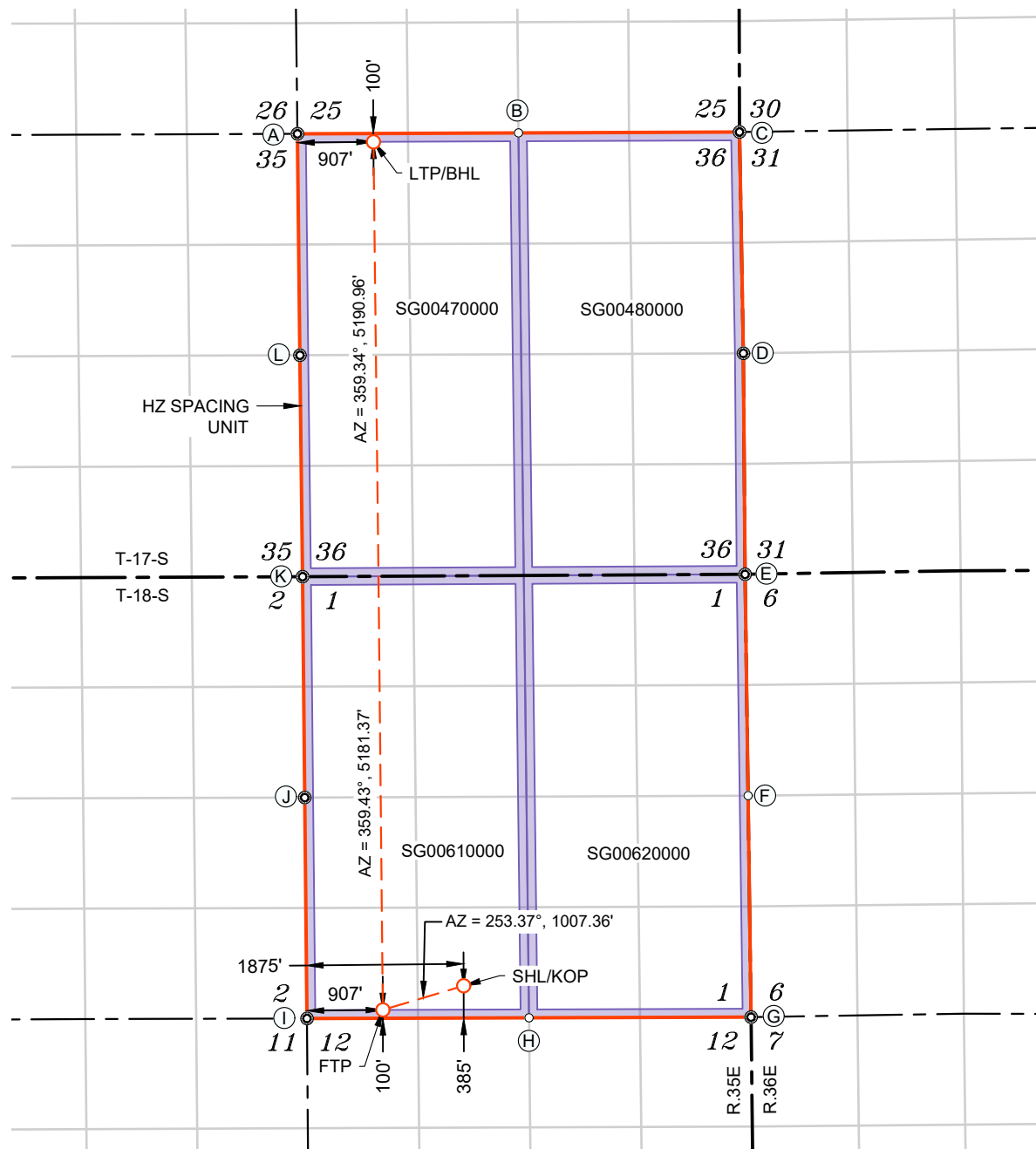
Last Take Point (LTP)

UL D	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 907' FWL	Latitude 32.798173°	Longitude -103.416653°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3910' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number _____ Date of Survey _____	
Email Address _____		EXHIBIT A-3	

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LEASE UNIT COORDINATES	
P.I.	NM NAD 83 N/E
A	Y:655424.45 X:822105.27
B	Y:655435.34 X:824745.39
C	Y:655446.23 X:827385.51
D	Y:652801.26 X:827432.00
E	Y:650161.45 X:827452.26
F	Y:647515.93 X:827488.15
G	Y:644870.40 X:827524.05
H	Y:644862.00 X:824871.78
I	Y:644853.60 X:822219.51
J	Y:647493.30 X:822192.39
K	Y:650132.64 X:822166.65
L	Y:652779.20 X:822134.62

LEASE UNIT COORDINATES	
P.I.	NM NAD 27 N/E
A	Y:655360.15 X:780926.27
B	Y:655371.13 X:783566.38
C	Y:655382.12 X:786206.49
D	Y:652737.21 X:786252.90
E	Y:650097.46 X:786273.08
F	Y:647451.99 X:786308.91
G	Y:644806.53 X:786344.73
H	Y:644798.03 X:783692.47
I	Y:644789.53 X:781040.22
J	Y:647429.18 X:781013.18
K	Y:650068.46 X:780987.50
L	Y:652714.95 X:780955.55

WELL NAME: OLD PAL 1 36 STATE COM #821H ELEVATION: 3883'

(SHL/KOP) 385' FSL & 1875' FWL
NEW MEXICO EAST - NAD 83
X=824090.73 LAT.= 32.770434°
Y=645244.75 LONG.= -103.413432°
NEW MEXICO EAST - NAD 27
X=782911.44 LAT.= 32.770313°
Y=645180.74 LONG.= -103.412939°

(FTP) 100' FSL & 907' FWL
NEW MEXICO EAST - NAD 83
X=823125.50 LAT.= 32.769665°
Y=644956.47 LONG.= -103.416580°
NEW MEXICO EAST - NAD 27
X=781946.21 LAT.= 32.769543°
Y=644892.43 LONG.= -103.416087°

(LTP/BHL) 100' FNL & 907' FWL
NEW MEXICO EAST - NAD 83
X=823013.39 LAT.= 32.798173°
Y=655328.19 LONG.= -103.416653°
NEW MEXICO EAST - NAD 27
X=781834.39 LAT.= 32.798051°
Y=655263.93 LONG.= -103.416158°

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
SG00610000	5181.37'
SG00470000	5190.96'
TOTAL	10372.33'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▣ FOUND FENCE POST BLM OIL & GAS LEASE
 - - - - - WELL BORE - - - - - HORIZONTAL SPACING UNIT - - - - - SECTION BOUNDARY - - - - - TOWNSHIP BOUNDARY STATE OIL & GAS LEASE

DATAPoint
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW

DATE: 07/15/2026

REV.

CHECKED BY: JH

DATE: 07/15/2026

0

PROJECT # 26-05-6727

SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
	Submittal Type:	☒ Initial Submittal ☐ Amended Report ☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #822H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3883'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1915' FWL	Latitude 32.770434°	Longitude -103.413302°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL C	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 2062' FWL	Latitude 32.798158°	Longitude -103.412894°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1915' FWL	Latitude 32.770434°	Longitude -103.413302°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

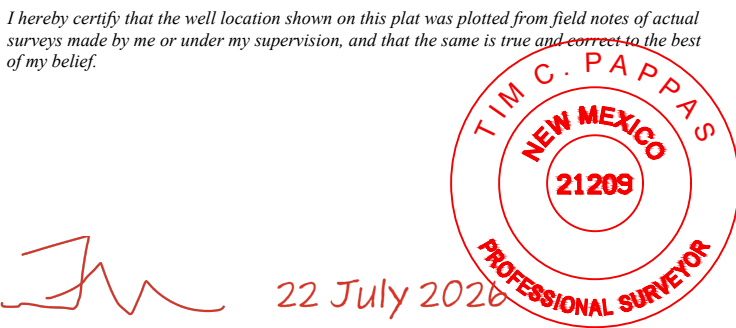
First Take Point (FTP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 2062' FWL	Latitude 32.769648°	Longitude -103.412823°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

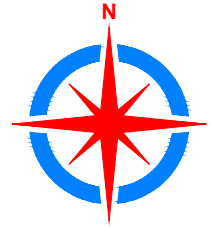
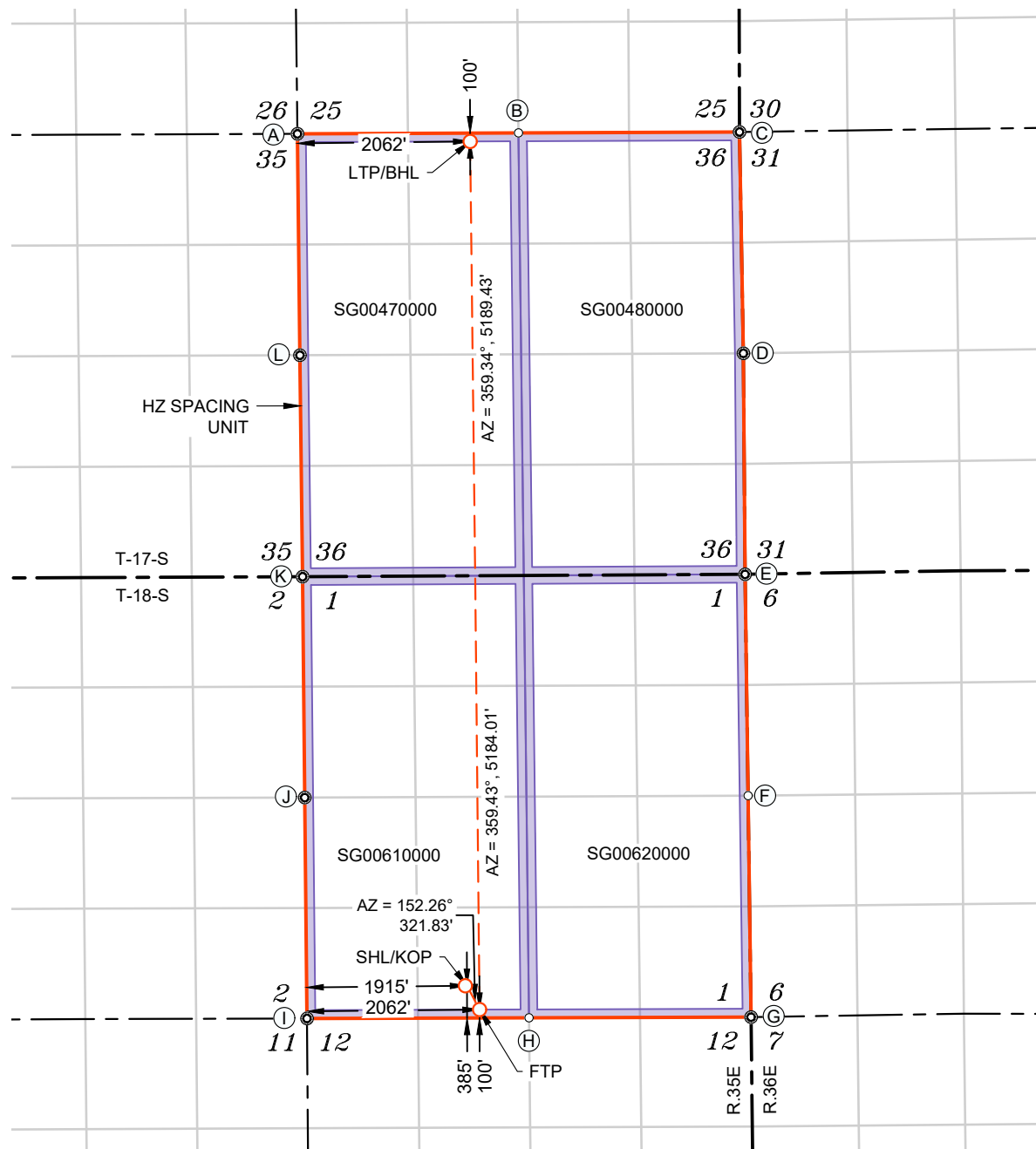
Last Take Point (LTP)

UL C	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 2062' FWL	Latitude 32.798158°	Longitude -103.412894°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3910' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number _____ Date of Survey _____	
Email Address _____			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LEASE UNIT COORDINATES	
P.I.	NM NAD 83 N/E
A	Y:655424.45 X:822105.27
B	Y:655435.34 X:824745.39
C	Y:655446.23 X:827385.51
D	Y:652801.26 X:827432.00
E	Y:650161.45 X:827452.26
F	Y:647515.93 X:827488.15
G	Y:644870.40 X:827524.05
H	Y:644862.00 X:824871.78
I	Y:644853.60 X:822219.51
J	Y:647493.30 X:822192.39
K	Y:650132.64 X:822166.65
L	Y:652779.20 X:822134.62

LEASE UNIT COORDINATES	
P.I.	NM NAD 27 N/E
A	Y:655360.15 X:780926.27
B	Y:655371.13 X:783566.38
C	Y:655382.12 X:786206.49
D	Y:652737.21 X:786252.90
E	Y:650097.46 X:786273.08
F	Y:647451.99 X:786308.91
G	Y:644806.53 X:786344.73
H	Y:644798.03 X:783692.47
I	Y:644789.53 X:781040.22
J	Y:647429.18 X:781013.18
K	Y:650068.46 X:780987.50
L	Y:652714.95 X:780955.55

WELL NAME: OLD PAL 1 36 STATE COM #822H ELEVATION: 3883'

(SHL/KOP) 385' FSL & 1915' FWL
NEW MEXICO EAST - NAD 83
X=824130.73 LAT.= 32.770434°
Y=645244.98 LONG.= -103.413302°
NEW MEXICO EAST - NAD 27
X=782951.44 LAT.= 32.770312°
Y=645180.97 LONG.= -103.412809°

(FTP) 100' FSL & 2062' FWL
NEW MEXICO EAST - NAD 83
X=824280.52 LAT.= 32.769648°
Y=644960.13 LONG.= -103.412823°
NEW MEXICO EAST - NAD 27
X=783101.22 LAT.= 32.769526°
Y=644896.14 LONG.= -103.412330°

(LTP/BHL) 100' FNL & 2062' FWL
NEW MEXICO EAST - NAD 83
X=824168.41 LAT.= 32.798158°
Y=655332.96 LONG.= -103.412894°
NEW MEXICO EAST - NAD 27
X=782989.40 LAT.= 32.798037°
Y=655268.73 LONG.= -103.412400°

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
SG00610000	5184.01'
SG00470000	5189.43'
TOTAL	10373.44'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▣ FOUND FENCE POST BLM OIL & GAS LEASE
--- WELL BORE --- HORIZONTAL SPACING UNIT --- SECTION BOUNDARY --- TOWNSHIP BOUNDARY STATE OIL & GAS LEASE

DATAPoint
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW	DATE: 07/15/2026	REV. 0
CHECKED BY: JH	DATE: 07/15/2026	
PROJECT # 26-05-6727		SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	☒ Initial Submittal
				☐ Amended Report
		☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #823H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3883'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1955' FWL	Latitude 32.770434°	Longitude -103.413172°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL B	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 2062' FEL	Latitude 32.798143°	Longitude -103.409130°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1955' FWL	Latitude 32.770434°	Longitude -103.413172°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

First Take Point (FTP)

UL O	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 2062' FEL	Latitude 32.769630°	Longitude -103.408984°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

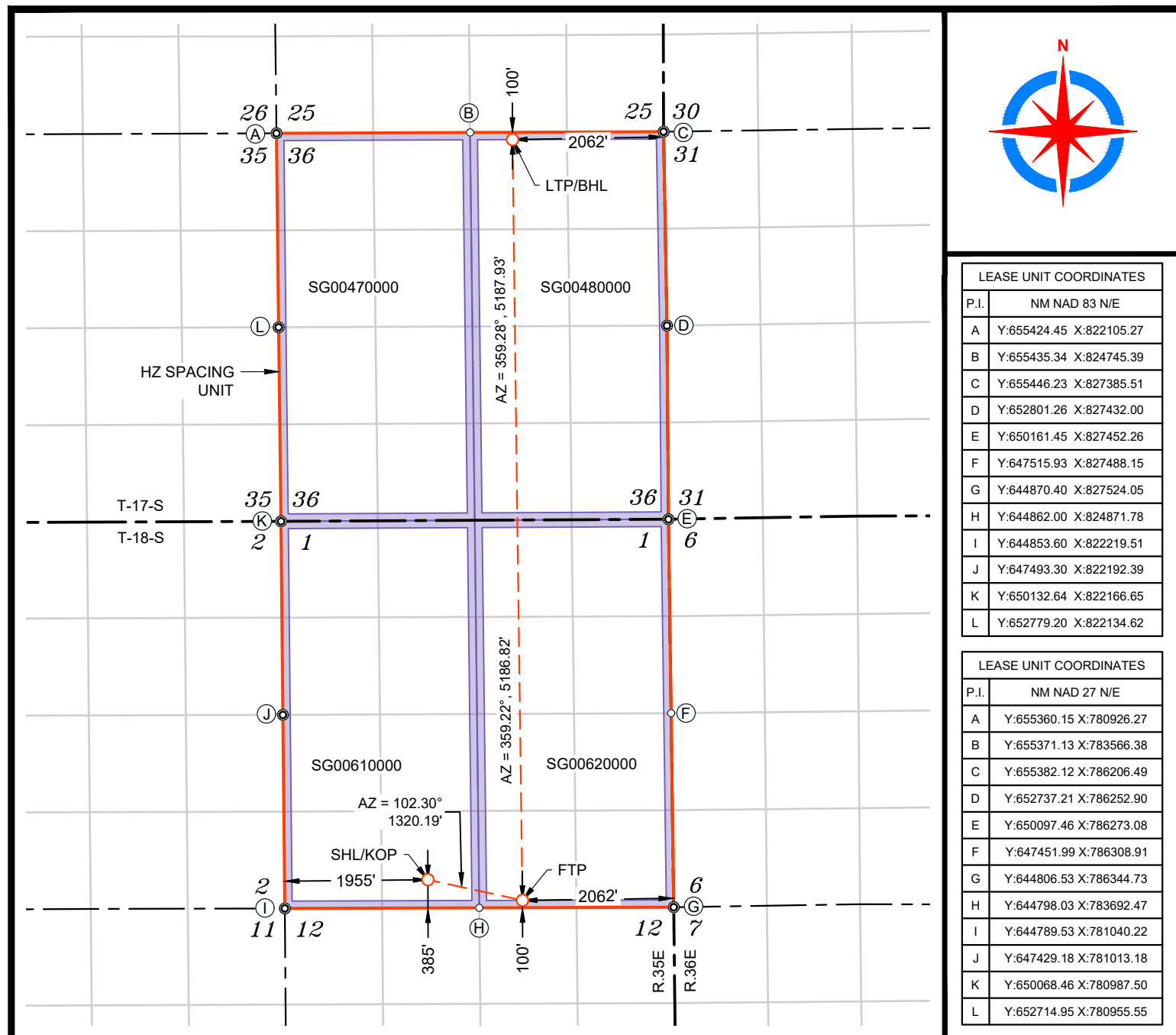
Last Take Point (LTP)

UL B	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 2062' FEL	Latitude 32.798143°	Longitude -103.409130°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3910' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		21209 JULY 15, 2026	
Email Address _____		Certificate Number _____	Date of Survey _____

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



WELL NAME: OLD PAL 1 36 STATE COM #823H ELEVATION: 3883'

(SHL/KOP) 385' FSL & 1955' FWL
NEW MEXICO EAST - NAD 83
X=824170.73 LAT.= 32.770434°
Y=645245.21 LONG.= -103.413172°
NEW MEXICO EAST - NAD 27
X=782991.44 LAT.= 32.770312°
Y=645181.20 LONG.= -103.412679°

(FTP) 100' FSL & 2062' FEL
NEW MEXICO EAST - NAD 83
X=825460.59 LAT.= 32.769630°
Y=644963.87 LONG.= -103.408984°
NEW MEXICO EAST - NAD 27
X=784281.29 LAT.= 32.769508°
Y=644899.92 LONG.= -103.408491°

(LTP/BHL) 100' FNL & 2062' FEL
NEW MEXICO EAST - NAD 83
X=825325.10 LAT.= 32.798143°
Y=655337.73 LONG.= -103.409130°
NEW MEXICO EAST - NAD 27
X=784146.08 LAT.= 32.798022°
Y=655273.55 LONG.= -103.408636°

APPROXIMATE WELL BORE
DISTANCE FROM FTP TO LTP

SG00620000	5186.82'
SG00480000	5187.93'
TOTAL	10374.75'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▣ FOUND FENCE POST BLM OIL & GAS LEASE
 - - - - - WELL BORE - - - - - HORIZONTAL SPACING UNIT - - - - - SECTION BOUNDARY - - - - - TOWNSHIP BOUNDARY STATE OIL & GAS LEASE

DATAPoint
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW

DATE: 07/15/2026

REV.

CHECKED BY: JH

DATE: 07/15/2026

0

PROJECT # 26-05-6727

SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	☒ Initial Submittal
				☐ Amended Report
		☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #824H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3879'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 560' FSL	Ft. from E/W 1040' FEL	Latitude 32.770877°	Longitude -103.405667°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL A	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 907' FEL	Latitude 32.798129°	Longitude -103.405371°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 560' FSL	Ft. from E/W 1040' FEL	Latitude 32.770877°	Longitude -103.405667°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

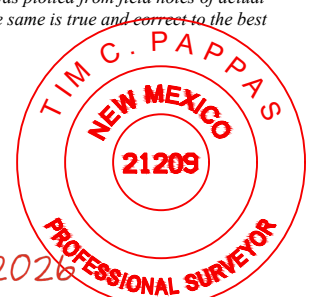
First Take Point (FTP)

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 907' FEL	Latitude 32.769612°	Longitude -103.405227°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

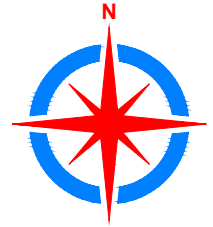
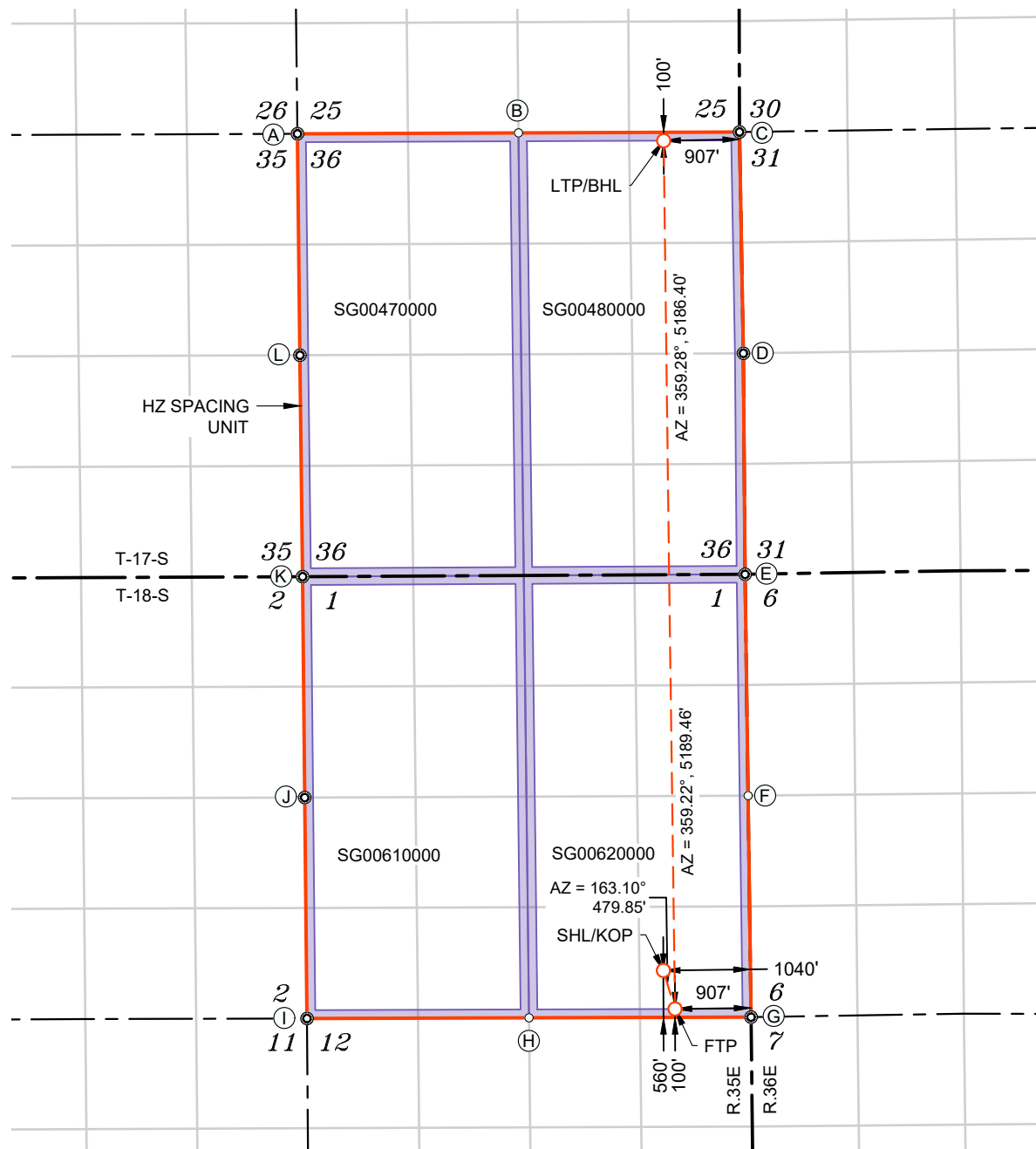
Last Take Point (LTP)

UL A	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 907' FEL	Latitude 32.798129°	Longitude -103.405371°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3906' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number	Date of Survey
Email Address _____			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LEASE UNIT COORDINATES	
P.I.	NM NAD 83 N/E
A	Y:655424.45 X:822105.27
B	Y:655435.34 X:824745.39
C	Y:655446.23 X:827385.51
D	Y:652801.26 X:827432.00
E	Y:650161.45 X:827452.26
F	Y:647515.93 X:827488.15
G	Y:644870.40 X:827524.05
H	Y:644862.00 X:824871.78
I	Y:644853.60 X:822219.51
J	Y:647493.30 X:822192.39
K	Y:650132.64 X:822166.65
L	Y:652779.20 X:822134.62

LEASE UNIT COORDINATES	
P.I.	NM NAD 27 N/E
A	Y:655360.15 X:780926.27
B	Y:655371.13 X:783566.38
C	Y:655382.12 X:786206.49
D	Y:652737.21 X:786252.90
E	Y:650097.46 X:786273.08
F	Y:647451.99 X:786308.91
G	Y:644806.53 X:786344.73
H	Y:644798.03 X:783692.47
I	Y:644789.53 X:781040.22
J	Y:647429.18 X:781013.18
K	Y:650068.46 X:780987.50
L	Y:652714.95 X:780955.55

WELL NAME: OLD PAL 1 36 STATE COM #824H ELEVATION: 3879'

(SHL/KOP) 560' FSL & 1040' FEL
NEW MEXICO EAST - NAD 83
X=826476.19 LAT.= 32.770877°
Y=645426.66 LONG.= -103.405667°
NEW MEXICO EAST - NAD 27
X=785296.89 LAT.= 32.770756°
Y=645362.74 LONG.= -103.405174°

(FTP) 100' FSL & 907' FEL
NEW MEXICO EAST - NAD 83
X=826615.65 LAT.= 32.769612°
Y=644967.53 LONG.= -103.405227°
NEW MEXICO EAST - NAD 27
X=785436.34 LAT.= 32.769490°
Y=644903.62 LONG.= -103.404734°

(LTP/BHL) 100' FNL & 907' FEL
NEW MEXICO EAST - NAD 83
X=826480.19 LAT.= 32.798129°
Y=655342.50 LONG.= -103.405371°
NEW MEXICO EAST - NAD 27
X=785301.17 LAT.= 32.798008°
Y=655278.35 LONG.= -103.404877°

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
SG00620000	5189.46'
SG00480000	5186.40'
TOTAL	10375.85'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▢ FOUND FENCE POST ——— BLM OIL & GAS LEASE
- - - - - WELL BORE ——— HORIZONTAL SPACING UNIT ——— SECTION BOUNDARY ——— TOWNSHIP BOUNDARY ——— STATE OIL & GAS LEASE

DATAPOINT
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW	DATE: 07/15/2026	REV. 0
CHECKED BY: JH	DATE: 07/15/2026	
PROJECT # 26-05-6727		SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	☒ Initial Submittal
				☐ Amended Report
		☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #831H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3883'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1855' FWL	Latitude 32.770435°	Longitude -103.413497°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL D	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 330' FWL	Latitude 32.798180°	Longitude -103.418530°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1855' FWL	Latitude 32.770435°	Longitude -103.413497°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

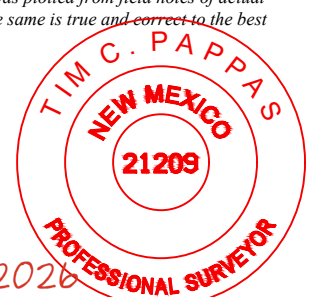
First Take Point (FTP)

UL M	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 330' FWL	Latitude 32.769674°	Longitude -103.418457°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

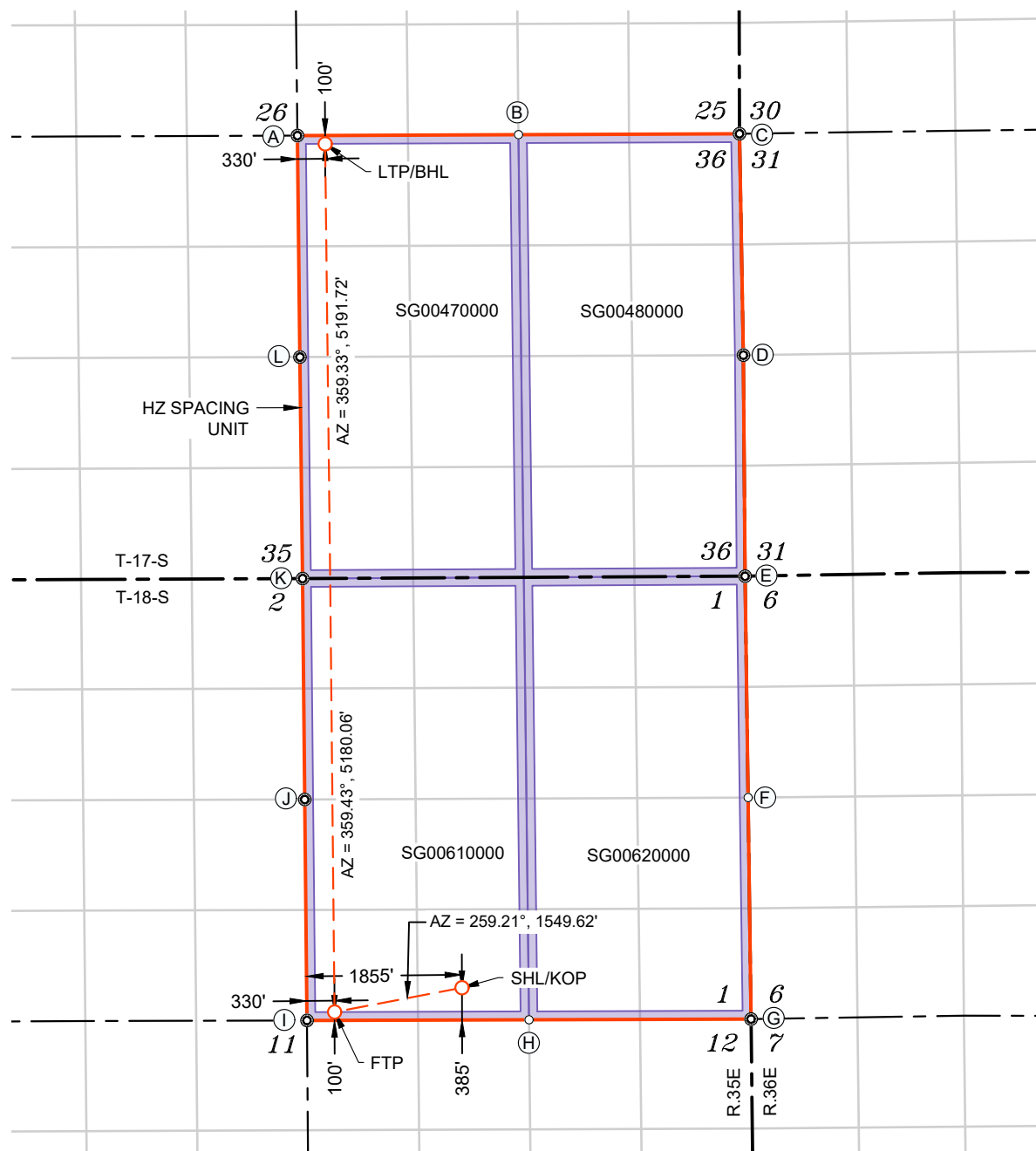
Last Take Point (LTP)

UL D	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 330' FWL	Latitude 32.798180°	Longitude -103.418530°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3910' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number _____ Date of Survey _____	
Email Address _____			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LEASE UNIT COORDINATES

P.I.	NM NAD 83 N/E
A	Y:655424.45 X:822105.27
B	Y:655435.34 X:824745.39
C	Y:655446.23 X:827385.51
D	Y:652801.26 X:827432.00
E	Y:650161.45 X:827452.26
F	Y:647515.93 X:827488.15
G	Y:644870.40 X:827524.05
H	Y:644862.00 X:824871.78
I	Y:644853.60 X:822219.51
J	Y:647493.30 X:822192.39
K	Y:650132.64 X:822166.65
L	Y:652779.20 X:822134.62

LEASE UNIT COORDINATES

P.I.	NM NAD 27 N/E
A	Y:655360.15 X:780926.27
B	Y:655371.13 X:783566.38
C	Y:655382.12 X:786206.49
D	Y:652737.21 X:786252.90
E	Y:650097.46 X:786273.08
F	Y:647451.99 X:786308.91
G	Y:644806.53 X:786344.73
H	Y:644798.03 X:783692.47
I	Y:644789.53 X:781040.22
J	Y:647429.18 X:781013.18
K	Y:650068.46 X:780987.50
L	Y:652714.95 X:780955.55

WELL NAME: OLD PAL 1 36 STATE COM #831H ELEVATION: 3883'

(SHL/KOP) 385' FSL & 1855' FWL
NEW MEXICO EAST - NAD 83
X=824070.73 LAT.= 32.770435°
Y=645244.64 LONG.= -103.413497°
NEW MEXICO EAST - NAD 27
X=782891.44 LAT.= 32.770313°
Y=645180.63 LONG.= -103.413004°

(FTP) 100' FSL & 330' FWL
NEW MEXICO EAST - NAD 83
X=822548.49 LAT.= 32.769674°
Y=644954.65 LONG.= -103.418457°
NEW MEXICO EAST - NAD 27
X=781369.20 LAT.= 32.769552°
Y=644890.59 LONG.= -103.417964°

(LTP/BHL) 100' FNL & 330' FWL
NEW MEXICO EAST - NAD 83
X=822436.38 LAT.= 32.798180°
Y=655325.81 LONG.= -103.418530°
NEW MEXICO EAST - NAD 27
X=781257.38 LAT.= 32.798058°
Y=655261.52 LONG.= -103.418036°

APPROXIMATE WELL BORE
DISTANCE FROM FTP TO LTP

SG00610000	5180.06'
SG00470000	5191.72'
TOTAL	10371.78'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▣ FOUND FENCE POST BLM OIL & GAS LEASE
--- WELL BORE --- HORIZONTAL SPACING UNIT --- SECTION BOUNDARY --- TOWNSHIP BOUNDARY STATE OIL & GAS LEASE

DATAPOINT
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW

DATE: 07/15/2026

REV.

CHECKED BY: JH

DATE: 07/15/2026

0

PROJECT # 26-05-6727

SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	☒ Initial Submittal
				☐ Amended Report
		☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #832H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3883'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1895' FWL	Latitude 32.770434°	Longitude -103.413367°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL C	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1485' FWL	Latitude 32.798165°	Longitude -103.414772°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1895' FWL	Latitude 32.770434°	Longitude -103.413367°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

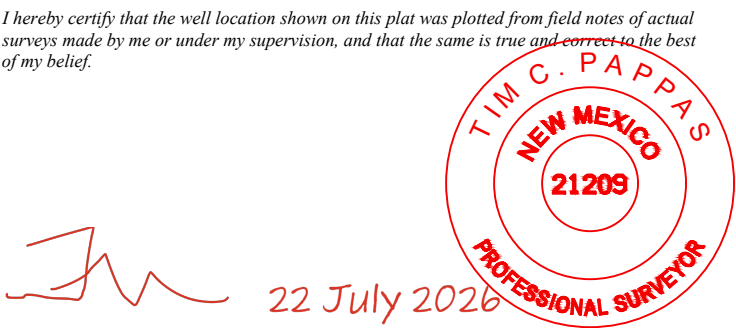
First Take Point (FTP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1485' FWL	Latitude 32.769656°	Longitude -103.414700°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

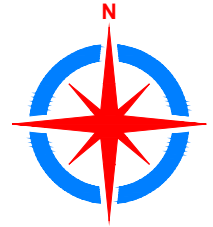
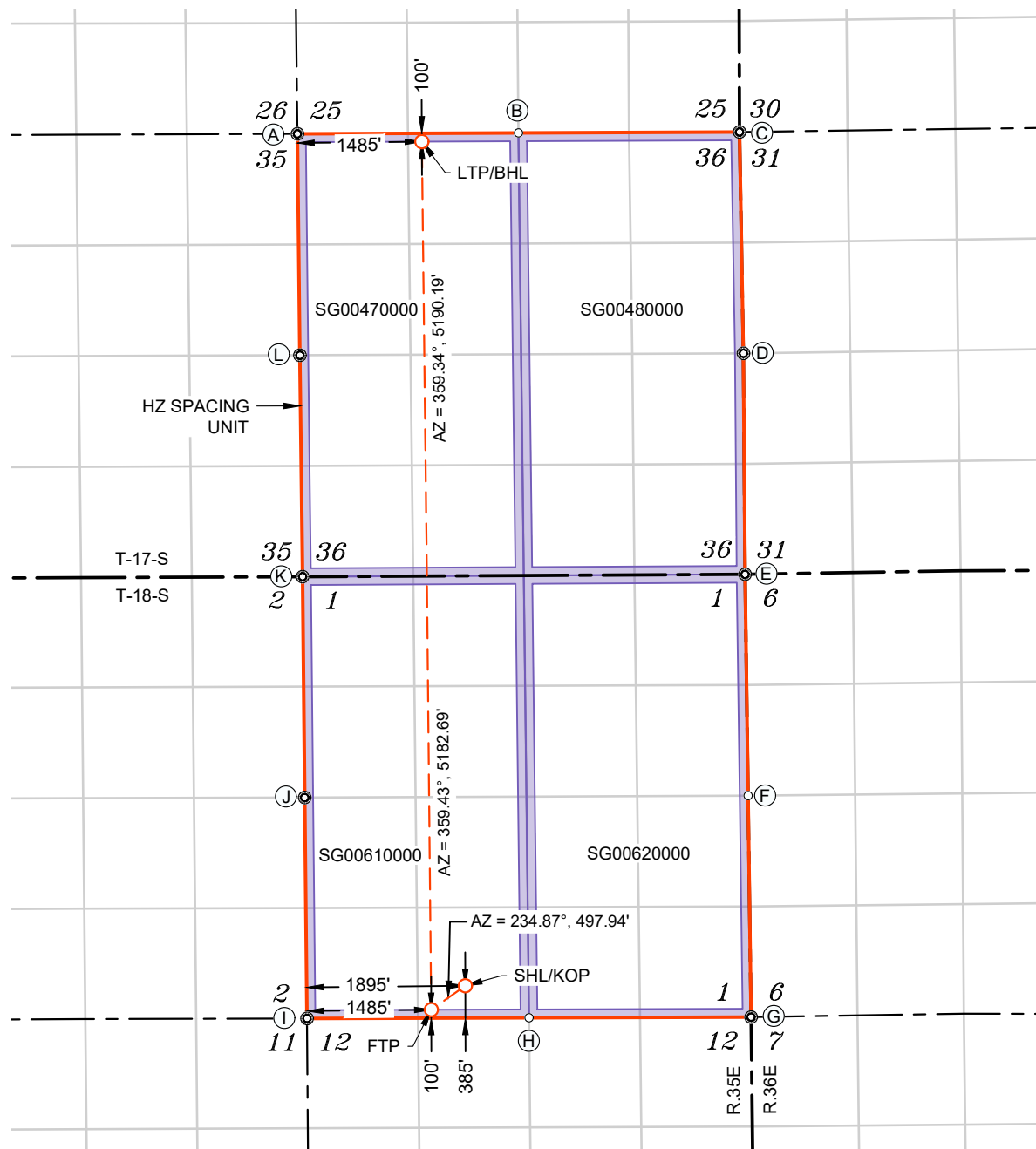
Last Take Point (LTP)

UL C	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1485' FWL	Latitude 32.798165°	Longitude -103.414772°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3910' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number _____ Date of Survey _____	
Email Address _____			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LEASE UNIT COORDINATES	
P.I.	NM NAD 83 N/E
A	Y:655424.45 X:822105.27
B	Y:655435.34 X:824745.39
C	Y:655446.23 X:827385.51
D	Y:652801.26 X:827432.00
E	Y:650161.45 X:827452.26
F	Y:647515.93 X:827488.15
G	Y:644870.40 X:827524.05
H	Y:644862.00 X:824871.78
I	Y:644853.60 X:822219.51
J	Y:647493.30 X:822192.39
K	Y:650132.64 X:822166.65
L	Y:652779.20 X:822134.62

LEASE UNIT COORDINATES	
P.I.	NM NAD 27 N/E
A	Y:655360.15 X:780926.27
B	Y:655371.13 X:783566.38
C	Y:655382.12 X:786206.49
D	Y:652737.21 X:786252.90
E	Y:650097.46 X:786273.08
F	Y:647451.99 X:786308.91
G	Y:644806.53 X:786344.73
H	Y:644798.03 X:783692.47
I	Y:644789.53 X:781040.22
J	Y:647429.18 X:781013.18
K	Y:650068.46 X:780987.50
L	Y:652714.95 X:780955.55

WELL NAME: OLD PAL 1 36 STATE COM #832H ELEVATION: 3883'

(SHL/KOP) 385' FSL & 1895' FWL
NEW MEXICO EAST - NAD 83
X=824110.73 LAT.= 32.770434°
Y=645244.86 LONG.= -103.413367°
NEW MEXICO EAST - NAD 27
X=782931.44 LAT.= 32.770313°
Y=645180.85 LONG.= -103.412874°

(FTP) 100' FSL & 1485' FWL
NEW MEXICO EAST - NAD 83
X=823703.51 LAT.= 32.769656°
Y=644958.31 LONG.= -103.414700°
NEW MEXICO EAST - NAD 27
X=782524.22 LAT.= 32.769535°
Y=644894.29 LONG.= -103.414207°

(LTP/BHL) 100' FNL & 1485' FWL
NEW MEXICO EAST - NAD 83
X=823591.40 LAT.= 32.798165°
Y=655330.58 LONG.= -103.414772°
NEW MEXICO EAST - NAD 27
X=782412.39 LAT.= 32.798044°
Y=655266.33 LONG.= -103.414277°

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
SG00610000	5182.69'
SG00470000	5190.19'
TOTAL	10372.88'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▢ FOUND FENCE POST BLM OIL & GAS LEASE
 - - - - - WELL BORE - - - - - HORIZONTAL SPACING UNIT - - - - - SECTION BOUNDARY - - - - - TOWNSHIP BOUNDARY STATE OIL & GAS LEASE

DATAPoint
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW	DATE: 07/15/2026	REV. 0
CHECKED BY: JH	DATE: 07/15/2026	
PROJECT # 26-05-6727		SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	☒ Initial Submittal
				☐ Amended Report
		☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #833H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3883'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1935' FWL	Latitude 32.770434°	Longitude -103.413237°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL C	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 2640' FWL	Latitude 32.798151°	Longitude -103.411013°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 385' FSL	Ft. from E/W 1935' FWL	Latitude 32.770434°	Longitude -103.413237°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

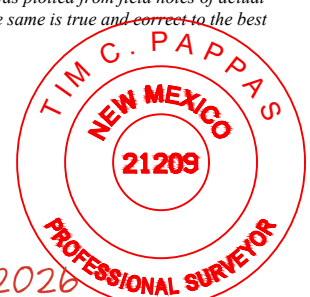
First Take Point (FTP)

UL N	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 2640' FWL	Latitude 32.769639°	Longitude -103.410943°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

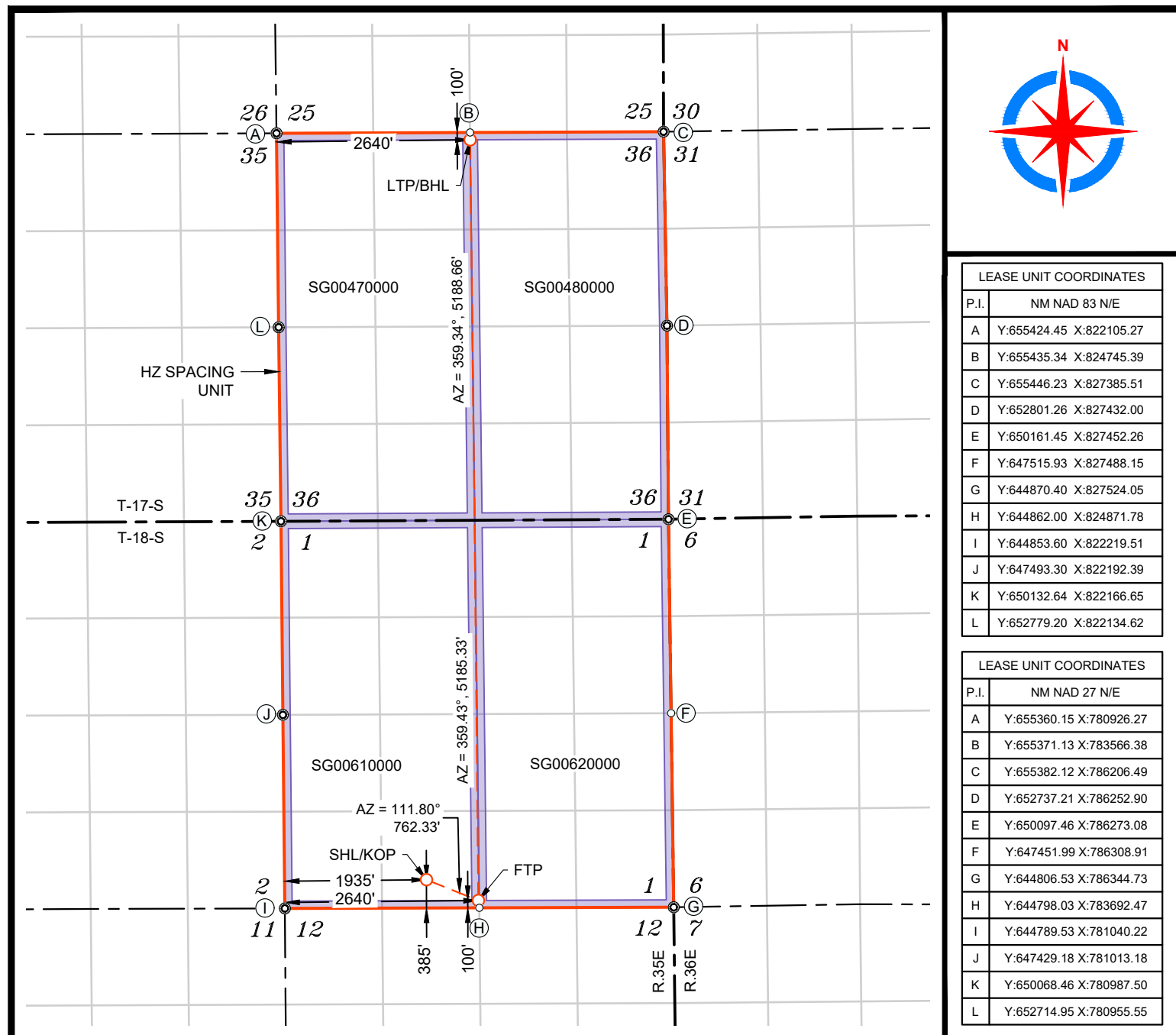
Last Take Point (LTP)

UL C	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 2640' FWL	Latitude 32.798151°	Longitude -103.411013°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3910' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number _____ Date of Survey _____	
Email Address _____			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



WELL NAME: OLD PAL 1 36 STATE COM #833H ELEVATION: 3883'

(SHL/KOP) 385' FSL & 1935' FWL
NEW MEXICO EAST - NAD 83
X=824150.73 LAT.= 32.770434°
Y=645245.09 LONG.= -103.413237°
NEW MEXICO EAST - NAD 27
X=782971.44 LAT.= 32.770312°
Y=645181.08 LONG.= -103.412744°

(FTP) 100' FSL & 2640' FWL
NEW MEXICO EAST - NAD 83
X=824858.54 LAT.= 32.769639°
Y=644961.96 LONG.= -103.410943°
NEW MEXICO EAST - NAD 27
X=783679.23 LAT.= 32.769517°
Y=644897.99 LONG.= -103.410449°

(LTP/BHL) 100' FNL & 2640' FWL
NEW MEXICO EAST - NAD 83
X=824746.42 LAT.= 32.798151°
Y=655335.34 LONG.= -103.411013°
NEW MEXICO EAST - NAD 27
X=783567.40 LAT.= 32.798029°
Y=655271.14 LONG.= -103.410519°

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
SG00610000	5185.33'
SG00470000	5188.66'
TOTAL	10373.99'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▣ FOUND FENCE POST BLM OIL & GAS LEASE
 --- WELL BORE --- HORIZONTAL SPACING UNIT --- SECTION BOUNDARY --- TOWNSHIP BOUNDARY STATE OIL & GAS LEASE

DATAPoint
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW

DATE: 07/15/2026

REV.

CHECKED BY: JH

DATE: 07/15/2026

0

PROJECT # 26-05-6727

SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
	Submittal Type:	☒ Initial Submittal ☐ Amended Report ☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #834H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3879'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 567' FSL	Ft. from E/W 1059' FEL	Latitude 32.770897°	Longitude -103.405728°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL B	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1485' FEL	Latitude 32.798136°	Longitude -103.407252°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Infill	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 567' FSL	Ft. from E/W 1059' FEL	Latitude 32.770897°	Longitude -103.405728°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

First Take Point (FTP)

UL O	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1485' FEL	Latitude 32.769621°	Longitude -103.407107°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

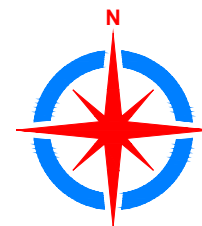
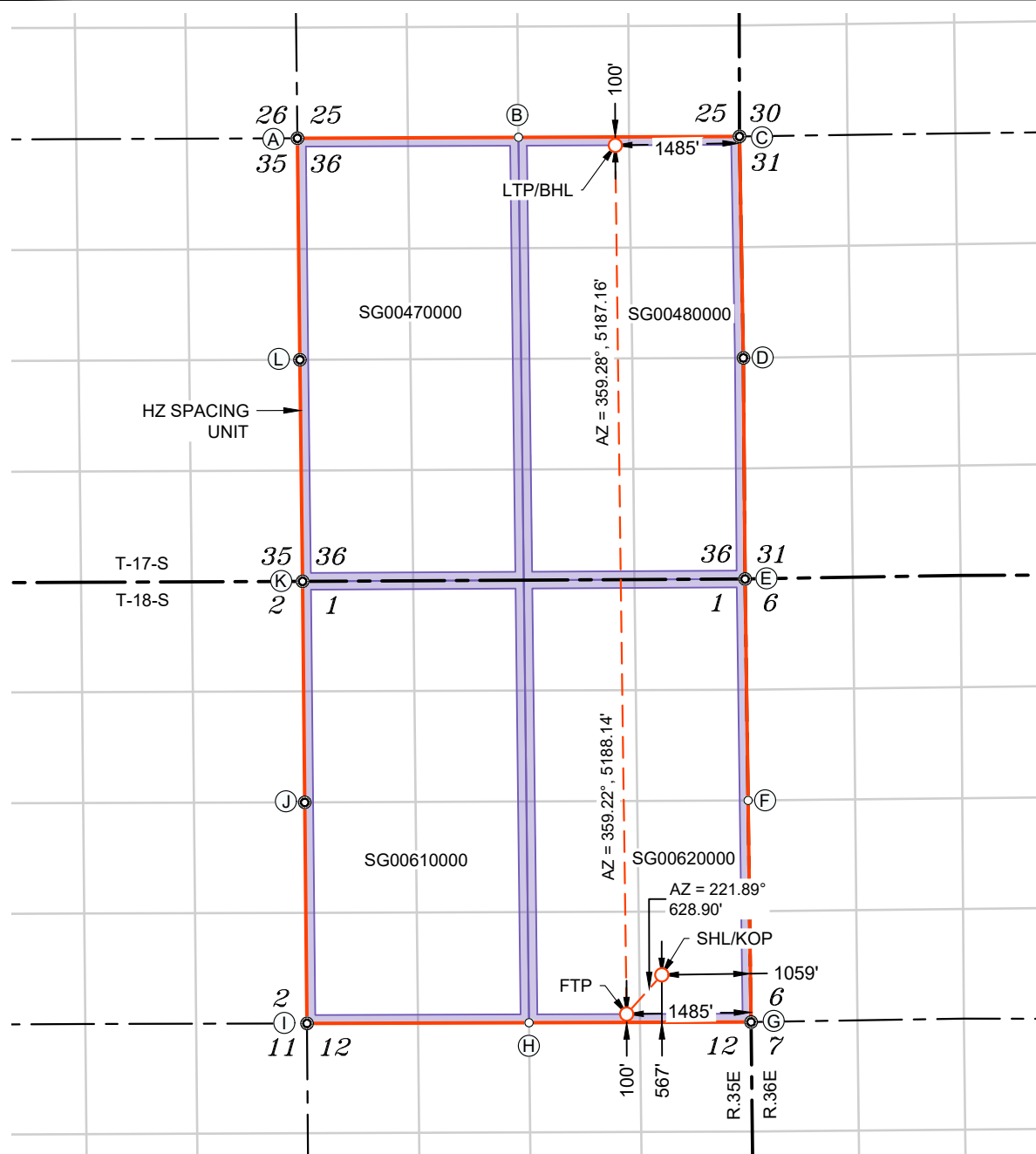
Last Take Point (LTP)

UL B	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1485' FEL	Latitude 32.798136°	Longitude -103.407252°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3906' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number _____ Date of Survey _____	
Email Address _____			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LEASE UNIT COORDINATES	
P.I.	NM NAD 83 N/E
A	Y:655424.45 X:822105.27
B	Y:655435.34 X:824745.39
C	Y:655446.23 X:827385.51
D	Y:652801.26 X:827432.00
E	Y:650161.45 X:827452.26
F	Y:647515.93 X:827488.15
G	Y:644870.40 X:827524.05
H	Y:644862.00 X:824871.78
I	Y:644853.60 X:822219.51
J	Y:647493.30 X:822192.39
K	Y:650132.64 X:822166.65
L	Y:652779.20 X:822134.62

LEASE UNIT COORDINATES	
P.I.	NM NAD 27 N/E
A	Y:655360.15 X:780926.27
B	Y:655371.13 X:783566.38
C	Y:655382.12 X:786206.49
D	Y:652737.21 X:786252.90
E	Y:650097.46 X:786273.08
F	Y:647451.99 X:786308.91
G	Y:644806.53 X:786344.73
H	Y:644798.03 X:783692.47
I	Y:644789.53 X:781040.22
J	Y:647429.18 X:781013.18
K	Y:650068.46 X:780987.50
L	Y:652714.95 X:780955.55

WELL NAME: OLD PAL 1 36 STATE COM #834H ELEVATION: 3879'

(SHL/KOP) 567° FSL & 1059° FEL
NEW MEXICO EAST - NAD 83
 X=826457.53 LAT.= 32.770897°
 Y=645433.87 LONG.= -103.405728°
NEW MEXICO EAST - NAD 27
 X=785278.23 LAT.= 32.770776°
 Y=645369.95 LONG.= -103.405235°

(FTP) 100' FSL & 1485' FEL
NEW MEXICO EAST - NAD 83
 X=826037.62 LAT.= 32.769621°
 Y=644965.70 LONG.= -103.407107°
NEW MEXICO EAST - NAD 27
 X=784858.31 LAT.= 32.769499°
 Y=644901.77 LONG.= -103.406614°

(LTP/BHL) 100' FNL & 1485' FEL
NEW MEXICO EAST - NAD 83
 X=825902.14 LAT.= 32.798136°
 Y=655340.11 LONG.= -103.407252°
NEW MEXICO EAST - NAD 27
 X=84723.13 LAT.= 32.798015°
 Y=655275.95 LONG.= -103.406758°

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
SG00620000	5188.14'
SG00480000	5187.16'
TOTAL	10375.30'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL

○ CALCULATED POINT

 FOUND MONUMENT

☐ FOUND FENCE POST

BLM OIL & GAS LEASE

WELL BORE ——— HORIZONTAL SPACING UNIT

SECTION BOUNDARY

— TOWNSHIP BOUNDARY

STATE OIL & GAS

SE

DATAPoint
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'



SCALE: 1"=2000'

DRAWN BY: JW

DATE : 07/15/2026

REV.

CHECKED BY: JH

DATE : 07/15/2026

0

PROJECT # 26-05-6727

SHEET 2 OF 2

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
	Submittal Type:	☒ Initial Submittal ☐ Amended Report ☐ As Drilled		

WELL LOCATION INFORMATION

API Number	Pool Code 97202	Pool Name VACUUM; CISCO-CANYON, NORTHEAST
Property Code	Property Name OLD PAL 1 36 STATE COM	Well Number #835H
OGRID No. 332947	Operator Name AVANT OPERATING II, LLC	Ground Level Elevation 3879'
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 552' FSL	Ft. from E/W 1022' FEL	Latitude 32.770857°	Longitude -103.405607°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

Bottom Hole Location

UL A	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 330' FEL	Latitude 32.798121°	Longitude -103.403493°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Dedicated Acres 1279.20	Infill or Defining Well Defining	Defining Well API 835H	Overlapping Spacing Unit (Y/N) N	Consolidation Code C,F
Order Numbers. Pending			Well setbacks are under Common Ownership: ☐ Yes ☒ No	

Kick Off Point (KOP)

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 552' FSL	Ft. from E/W 1022' FEL	Latitude 32.770857°	Longitude -103.405607°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	----------------------------------	-------------------------------	----------------------------------	----------------------

First Take Point (FTP)

UL P	Section 1	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 330' FEL	Latitude 32.769603°	Longitude -103.403350°	County LEA
----------------	---------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

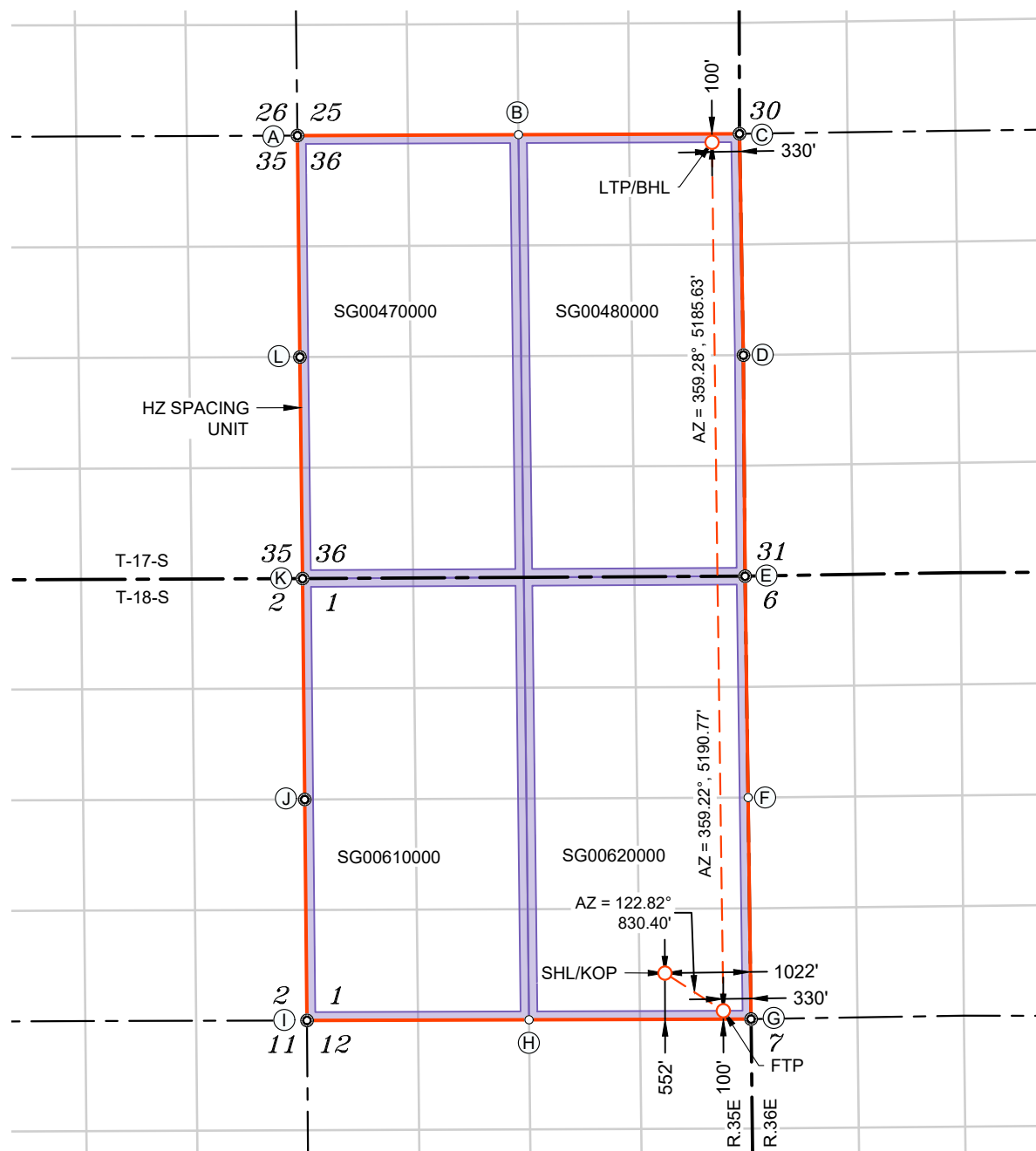
Last Take Point (LTP)

UL A	Section 36	Township 17S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 330' FEL	Latitude 32.798121°	Longitude -103.403493°	County LEA
----------------	----------------------	------------------------	---------------------	-----	---------------------------------	---------------------------------	-------------------------------	----------------------------------	----------------------

Unitized Area or Area of Uniform Interest CA Pending	Spacing Unit Type ☒ Horizontal ☐ Vertical	Ground Floor Elevation: 3906' DF
--	--	--

OPERATOR CERTIFICATIONS <i>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 a 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.</i> <i>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.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat 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.</i>	
Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number _____ Date of Survey _____	
Email Address _____			

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LEASE UNIT COORDINATES

P.I.	NM NAD 83 N/E
A	Y:655424.45 X:822105.27
B	Y:655435.34 X:824745.39
C	Y:655446.23 X:827385.51
D	Y:652801.26 X:827432.00
E	Y:650161.45 X:827452.26
F	Y:647515.93 X:827488.15
G	Y:644870.40 X:827524.05
H	Y:644862.00 X:824871.78
I	Y:644853.60 X:822219.51
J	Y:647493.30 X:822192.39
K	Y:650132.64 X:822166.65
L	Y:652779.20 X:822134.62

LEASE UNIT COORDINATES

P.I.	NM NAD 27 N/E
A	Y:655360.15 X:780926.27
B	Y:655371.13 X:783566.38
C	Y:655382.12 X:786206.49
D	Y:652737.21 X:786252.90
E	Y:650097.46 X:786273.08
F	Y:647451.99 X:786308.91
G	Y:644806.53 X:786344.73
H	Y:644798.03 X:783692.47
I	Y:644789.53 X:781040.22
J	Y:647429.18 X:781013.18
K	Y:650068.46 X:780987.50
L	Y:652714.95 X:780955.55

WELL NAME: OLD PAL 1 36 STATE COM #835H ELEVATION: 3879'

(SHL/KOP) 552' FSL & 1022' FEL
NEW MEXICO EAST - NAD 83
X=826494.84 LAT.= 32.770857°
Y=645419.45 LONG.= -103.405607°
NEW MEXICO EAST - NAD 27
X=785315.54 LAT.= 32.770735°
Y=645355.53 LONG.= -103.405114°

(FTP) 100' FSL & 330' FEL
NEW MEXICO EAST - NAD 83
X=827192.68 LAT.= 32.769603°
Y=644969.36 LONG.= -103.403350°
NEW MEXICO EAST - NAD 27
X=786013.36 LAT.= 32.769482°
Y=644905.47 LONG.= -103.402856°

(LTP/BHL) 100' FNL & 330' FEL
NEW MEXICO EAST - NAD 83
X=827057.24 LAT.= 32.798121°
Y=655344.88 LONG.= -103.403493°
NEW MEXICO EAST - NAD 27
X=785878.22 LAT.= 32.798000°
Y=655280.75 LONG.= -103.402999°

APPROXIMATE WELL BORE
DISTANCE FROM FTP TO LTP

SG00620000	5190.77'
SG00480000	5185.63'
TOTAL	10376.40'

LEGEND

○ SHL / KOP / FTP / PPP / LTP / BHL ○ CALCULATED POINT ● FOUND MONUMENT ● SET MONUMENT ▣ FOUND FENCE POST BLM OIL & GAS LEASE
 - - - - - WELL BORE - - - - - HORIZONTAL SPACING UNIT - - - - - SECTION BOUNDARY - - - - - TOWNSHIP BOUNDARY STATE OIL & GAS LEASE

DATAPOINT
ENGINEERING • LAND SURVEYING • GIS • UAS

12400 Network Blvd. - Suite 130
San Antonio, TX 78249
Phone: 726-777-4240

0' 1000' 2000'
SCALE: 1"=2000'

DRAWN BY: JW

DATE: 07/15/2026

REV.

CHECKED BY: JH

DATE: 07/15/2026

0

PROJECT # 26-05-6727

SHEET 2 OF 2

Lease Tract Map

Old Pal 1 36 State Com #821H-824H, #831-835H

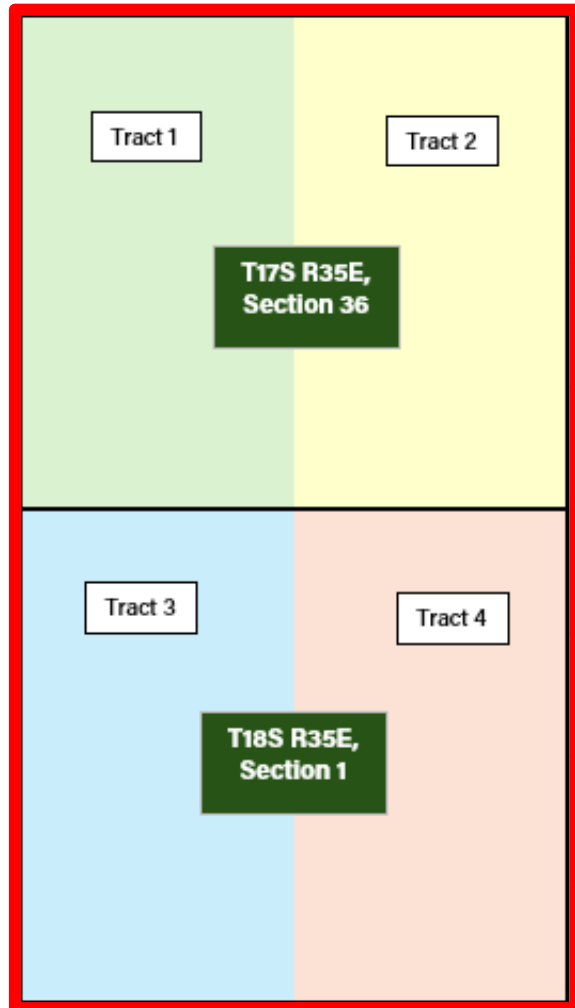
AO II

Case No. 26354

Exhibit A-4



All of Section 36, Township 17 South, Range 35 East and All of Section 1, Township 18 South, Range 35 East,
N.M.P.M., Lea County, New Mexico



Tract #	State/Fed/Fee	Lease #	Acres
1	State	SG-0047	320.00
2	State	SG-0048	320.00
3	State	SG-0061	319.80
4	State	SG-0062	319.40

1279.20



Avant Old Pal Unit



EXHIBIT
A-4

AVANT OPERATING II, |
LLC

Working Interest Owners to be Pooled
 Old Pal 1 36 State Com #821H-824H, #831-835H

AO II
 Case No. 26354
 Exhibit A-4



All of Section 36, Township 17 South, Range 35 East and All of Section 1, Township 18 South, Range 35 East,
 N.M.P.M., Lea County, New Mexico

Summary of Working Interest Owners:

Unit Breakout by Owner	Owner Type	NMA	Unit WI	Tract No.	Status
Avant Operating II, LLC	WI	639.20	49.97%	3, 4	OPERATOR
Chalfant Properties, Inc.	WI	640.00	50.03%	1, 2	Uncommitted - Compulsory Pool
		1279.20	100.00%		

Avant Working Interest - 49.97%
 Avant Working Interest Control - 49.97%

Highlighted = Parties to be Pooled



ORRI Ownership

Old Pal 1 36 State Com #821H-824H, #831-835H

AO II

Case No. 26354

Exhibit A-5



All of Section 36, Township 17 South, Range 35 East and All of Section 1, Township 18 South, Range 35 East,
N.M.P.M., Lea County, New Mexico

Summary of ORRI Owners to be Pooled:

Owner Name	Tract No.	Owner Type
None	1, 2, 3, 4	ORRI





May 18, 2026

Chalfant Properties, Inc.
PO Box 3123
Midland, TX 79702

Sent via USPS

RE: Old Pal 1 36 State Com #821H, #822H, #823H, #824H, #831H, #832H, #833H, #834H, #835H
All of Section 36, Township 17 South, Range 35 East
All of Section 1, Township 18 South, Range 35 East
Lea County, New Mexico

Ladies and Gentlemen:

Avant Operating II, LLC ("Avant") hereby proposes to drill and complete the Old Pal 1 36 State Com #821H, #822H, #823H, #824H, #831H, #832H, #833H, #834H, and #835H wells in Section 36, Township 17 South, Range 35 East and Section 1, Township 18 South, Range 35 East, Lea County, New Mexico. Avant is finalizing reports and title shows you have an interest in the referenced lands.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each proposed well is itemized on the enclosed Authority for Expenditures ("AFE") dated May 13, 2026.
- **Old Pal 1 36 State Com #821H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 2060' FWL and a BHL of S36-T17S-R35E 100' FNL, 907' FWL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,080' TVD and will be drilled horizontally to a Measured Depth of approximately 21,503'.
- **Old Pal 1 36 State Com #822H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 2100' FWL and a BHL of S36-T17S-R35E 100' FNL, 2062' FWL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,080' TVD and will be drilled horizontally to a Measured Depth of approximately 21,503'.
- **Old Pal 1 36 State Com #823H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 2140' FWL and a BHL of S36-T17S-R35E 100' FNL, 2062' FEL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,080' TVD and will be drilled horizontally to a Measured Depth of approximately 21,503'.
- **Old Pal 1 36 State Com #824H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 1020' FEL and a BHL of S36-T17S-R35E 100' FNL, 907' FEL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,080' TVD and will be drilled horizontally to a Measured Depth of approximately 21,503'.
- **Old Pal 1 36 State Com #831H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 2040' FWL and a BHL of S36-T17S-R35E 100' FNL, 330' FWL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,250' TVD and will be drilled horizontally to a Measured Depth of approximately 21,673'.

1515 Wynkoop Street | Suite 700 | Denver, CO 80202
www.avantnr.com

EXHIBIT
A-6



- **Old Pal 1 36 State Com #832H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 2080' FWL and a BHL of S36-T17S-R35E 100' FNL, 1485' FWL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,250' TVD and will be drilled horizontally to a Measured Depth of approximately 21,673'.
- **Old Pal 1 36 State Com #833H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 2120' FWL and a BHL of S36-T17S-R35E 100' FNL, 2640' FWL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,250' TVD and will be drilled horizontally to a Measured Depth of approximately 21,673'.
- **Old Pal 1 36 State Com #834H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 1040' FEL and a BHL of S36-T17S-R35E 100' FNL, 1485' FEL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,250' TVD and will be drilled horizontally to a Measured Depth of approximately 21,673'.
- **Old Pal 1 36 State Com #835H:** to be drilled from a SHL of S1-T18S-R35E 150' FSL, 1000' FEL and a BHL of S36-T17S-R35E 100' FNL, 330' FEL. The Well will have a targeted interval within the Cisco formation at a depth of approximately 11,250' TVD and will be drilled horizontally to a Measured Depth of approximately 21,673'.

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"). This JOA will be sent to you following this proposal with the following general provisions:

- 100%/300%/300% non-consent penalty
- \$12,000/\$1,200 drilling and producing monthly overhead rates
- Contract Area: All of Section 36-T17S-R35E and All of Section 1-T18S-R35E
- This proposed JOA 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 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.

Please indicate your elections in the spaces provided on the following pages. If you elect to participate in the drilling and completion of the wells proposed herein, please sign, and return a copy of this letter along with the enclosed AFEs within thirty (30) days of receipt of this proposal.

In the event you do not wish to participate in this proposed development and would be interested in selling your interest, please let us know. Should you have any questions, please contact the undersigned at sophia@avantnr.com or (303) 519-2870.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sophia Guerra".

Sophia Guerra
Land Operations Manager

1515 Wynkoop Street | Suite 700 | Denver, CO 80202
www.avantnr.com



Chalfant Properties, Inc. elects as follows:

Old Pal 1 36 State Com #821H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #821H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #821H** well.

Old Pal 1 36 State Com #822H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #822H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #822H** well.

Old Pal 1 36 State Com #823H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #823H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #823H** well.

Old Pal 1 36 State Com #824H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #824H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #824H** well.

Old Pal 1 36 State Com #831H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #831H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #831H** well.

Old Pal 1 36 State Com #832H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #832H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #832H** well.

Old Pal 1 36 State Com #833H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #833H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #833H** well.

Old Pal 1 36 State Com #834H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #834H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #834H** well.

Old Pal 1 36 State Com #835H:

_____ I/We hereby elect to participate in the **Old Pal 1 36 State Com #835H** well.
_____ I/We hereby elect **NOT** to participate in the **Old Pal 1 36 State Com #835H** well.

Chalfant Properties, Inc.

By: _____
Printed Name: _____
Title: _____
Date: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1729

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #821H

Projected MD/TVD: 21503/11080

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 2060' FWL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 907' FWL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #821H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,609,424
COMPLETIONS:	\$5,170,335
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,519,695

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1729

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #821H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21503/11080
SHL: S1-T18S-R35E 150' FSL, 2060' FWL
BHL: S36-T17S-R35E 100' FNL, 907' FWL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 957,733	\$ -	\$ -	\$ 957,733
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 455,796	\$ -	\$ -	\$ 455,796
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 957,733	\$ 559,296	\$ 467,424	\$ 1,984,452

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,651,691	\$ -	\$ -	\$ 2,651,691
	8200.102	Drilling - Daywork	\$ 471,293	\$ -	\$ -	\$ 471,293
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 100,917	\$ -	\$ -	\$ 100,917
	8200.106	Transportation	\$ 77,627	\$ -	\$ -	\$ 77,627
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,514	\$ -	\$ -	\$ 162,514
	8200.115	Mud-Drill Water	\$ 4,598	\$ -	\$ -	\$ 4,598
	8200.116	Drill Bits & BHA	\$ 132,053	\$ -	\$ -	\$ 132,053
	8200.117	Mud & Chemicals	\$ 114,042	\$ -	\$ -	\$ 114,042
	8200.119	Mud-Auxiliary	\$ 24,981	\$ -	\$ -	\$ 24,981
	8200.124	Equipment Rental	\$ 144,677	\$ -	\$ -	\$ 144,677
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 309,764	\$ -	\$ -	\$ 309,764
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,372	\$ -	\$ -	\$ 106,372
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 17,919	\$ -	\$ -	\$ 17,919
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,261	\$ -	\$ -	\$ 10,261
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,628	\$ -	\$ -	\$ 33,628
	8200.164	Solids Control & Closed Loop	\$ 70,299	\$ -	\$ -	\$ 70,299



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$	1,497	\$	-	\$	-	\$	1,497
	8200.167	Consulting Services	\$	134,385	\$	-	\$	-	\$	134,385
	8200.168	Roustabout Services	\$	2,405	\$	-	\$	-	\$	2,405
	8200.169	Mud-Brine	\$	21,947	\$	-	\$	-	\$	21,947
	8200.170	Mud-Diesel	\$	103,901	\$	-	\$	-	\$	103,901
Intangible Completion			\$	-	\$	4,048,303	\$	-	\$	4,048,303
	8300.203	Fuel	\$	-	\$	563,214	\$	-	\$	563,214
	8300.205	Location & Roads	\$	-	\$	5,288	\$	-	\$	5,288
	8300.207	Fresh Water	\$	-	\$	478,955	\$	-	\$	478,955
	8300.209	Chemicals	\$	-	\$	238,281	\$	-	\$	238,281
	8300.210	Surface Rental Equip	\$	-	\$	210,999	\$	-	\$	210,999
	8300.212	Contract Labor	\$	-	\$	12,783	\$	-	\$	12,783
	8300.214	Perforating & Plugs	\$	-	\$	297,955	\$	-	\$	297,955
	8300.220	Engineering & Supervision	\$	-	\$	5,052	\$	-	\$	5,052
	8300.229	Transportation	\$	-	\$	2,631	\$	-	\$	2,631
	8300.232	Disposal	\$	-	\$	11,215	\$	-	\$	11,215
	8300.240	Pump Down Services	\$	-	\$	62,897	\$	-	\$	62,897
	8300.248	Mancamp	\$	-	\$	30,377	\$	-	\$	30,377
	8300.250	Downhole Rental Equip	\$	-	\$	42,917	\$	-	\$	42,917
	8300.270	Frac - Equipment	\$	-	\$	1,135,473	\$	-	\$	1,135,473
	8300.271	Coil Tubing	\$	-	\$	98,564	\$	-	\$	98,564
	8300.273	Flowback	\$	-	\$	21,324	\$	-	\$	21,324
	8300.274	Water Transfer	\$	-	\$	73,021	\$	-	\$	73,021
	8300.275	Frac - Sand	\$	-	\$	665,927	\$	-	\$	665,927
	8300.276	Safety & Environmental	\$	-	\$	3,355	\$	-	\$	3,355
	8300.277	Consulting Services	\$	-	\$	80,295	\$	-	\$	80,295
	8300.278	Roustabouts	\$	-	\$	1,579	\$	-	\$	1,579
	8300.279	Completions Overhead	\$	-	\$	6,199	\$	-	\$	6,199
Intangible Workover			\$	-	\$	110,150	\$	-	\$	110,150
	8320.602	Workover Rig	\$	-	\$	30,000	\$	-	\$	30,000
	8320.605	Fuel / Power	\$	-	\$	5,263	\$	-	\$	5,263
	8320.610	Inspection & Testing	\$	-	\$	4,000	\$	-	\$	4,000
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$	10,000	\$	-	\$	10,000
	8320.612	Kill Truck	\$	-	\$	5,000	\$	-	\$	5,000
	8320.617	Contract Labor/Roustabout	\$	-	\$	30,887	\$	-	\$	30,887
	8320.621	Rental Equipment	\$	-	\$	15,000	\$	-	\$	15,000
	8320.625	Wellsite Supervision	\$	-	\$	5,000	\$	-	\$	5,000
	8320.628	Chemicals	\$	-	\$	5,000	\$	-	\$	5,000
Intangible Flowback			\$	-	\$	452,587	\$	-	\$	452,587
	8360.805	Trucked Water Disposal	\$	-	\$	21,464	\$	-	\$	21,464
	8360.810	Frac Water Recovery	\$	-	\$	111,243	\$	-	\$	111,243
	8360.815	Trucking/Vacuum/Transp	\$	-	\$	14,334	\$	-	\$	14,334
	8360.820	Well Testing / Flowback	\$	-	\$	60,746	\$	-	\$	60,746
	8360.825	Rental Equipment	\$	-	\$	190,000	\$	-	\$	190,000
	8360.845	Wellsite Supervision	\$	-	\$	50,400	\$	-	\$	50,400
	8360.850	Safety / Environmental	\$	-	\$	4,400	\$	-	\$	4,400
Intangible Facility			\$	-	\$	-	\$	272,512	\$	272,512
	8350.403	Roads/Location	\$	-	\$	-	\$	36,756	\$	36,756
	8350.404	Equipment Rental	\$	-	\$	-	\$	26,956	\$	26,956
	8350.410	Transportation/Trucking	\$	-	\$	-	\$	4,900	\$	4,900
	8350.411	Safety & Environmental	\$	-	\$	-	\$	7,967	\$	7,967
	8350.415	Engineering / Technical	\$	-	\$	-	\$	15,933	\$	15,933
	8350.416	Supervision	\$	-	\$	-	\$	13,478	\$	13,478
	8350.417	Overhead Power Labor	\$	-	\$	-	\$	12,867	\$	12,867
	8350.418	Mechanical Labor	\$	-	\$	-	\$	68,433	\$	68,433
	8350.419	Automation Labor	\$	-	\$	-	\$	9,433	\$	9,433
	8350.420	Electrical Labor	\$	-	\$	-	\$	27,878	\$	27,878
	8350.421	Commissioning	\$	-	\$	-	\$	1,044	\$	1,044
	8350.422	Flowline Labor	\$	-	\$	-	\$	46,867	\$	46,867
TOTAL INTANGIBLE COSTS >>>			\$	2,651,691	\$	4,611,040	\$	272,512	\$	7,535,243
TOTAL PROJECT COSTS >>>			\$	3,609,424	\$	5,170,335	\$	739,936	\$	9,519,695
				Drilling		Completion		Facility		Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1730

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #822H

Projected MD/TVD: 21503/11080

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 2100' FWL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 2062' FWL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #822H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,609,424
COMPLETIONS:	\$5,170,335
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,519,695

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1730

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #822H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21503/11080
SHL: S1-T18S-R35E 150' FSL, 2100' FWL
BHL: S36-T17S-R35E 100' FNL, 2062' FWL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 957,733	\$ -	\$ -	\$ 957,733
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 455,796	\$ -	\$ -	\$ 455,796
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 957,733	\$ 559,296	\$ 467,424	\$ 1,984,452

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,651,691	\$ -	\$ -	\$ 2,651,691
	8200.102	Drilling - Daywork	\$ 471,293	\$ -	\$ -	\$ 471,293
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 100,917	\$ -	\$ -	\$ 100,917
	8200.106	Transportation	\$ 77,627	\$ -	\$ -	\$ 77,627
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,514	\$ -	\$ -	\$ 162,514
	8200.115	Mud-Drill Water	\$ 4,598	\$ -	\$ -	\$ 4,598
	8200.116	Drill Bits & BHA	\$ 132,053	\$ -	\$ -	\$ 132,053
	8200.117	Mud & Chemicals	\$ 114,042	\$ -	\$ -	\$ 114,042
	8200.119	Mud-Auxiliary	\$ 24,981	\$ -	\$ -	\$ 24,981
	8200.124	Equipment Rental	\$ 144,677	\$ -	\$ -	\$ 144,677
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 309,764	\$ -	\$ -	\$ 309,764
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,372	\$ -	\$ -	\$ 106,372
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 17,919	\$ -	\$ -	\$ 17,919
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,261	\$ -	\$ -	\$ 10,261
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,628	\$ -	\$ -	\$ 33,628
	8200.164	Solids Control & Closed Loop	\$ 70,299	\$ -	\$ -	\$ 70,299



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$ 1,497	\$ -	\$ -	\$ 1,497
	8200.167	Consulting Services	\$ 134,385	\$ -	\$ -	\$ 134,385
	8200.168	Roustabout Services	\$ 2,405	\$ -	\$ -	\$ 2,405
	8200.169	Mud-Brine	\$ 21,947	\$ -	\$ -	\$ 21,947
	8200.170	Mud-Diesel	\$ 103,901	\$ -	\$ -	\$ 103,901
Intangible Completion			\$ -	\$ 4,048,303	\$ -	\$ 4,048,303
	8300.203	Fuel	\$ -	\$ 563,214	\$ -	\$ 563,214
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300.207	Fresh Water	\$ -	\$ 478,955	\$ -	\$ 478,955
	8300.209	Chemicals	\$ -	\$ 238,281	\$ -	\$ 238,281
	8300.210	Surface Rental Equip	\$ -	\$ 210,999	\$ -	\$ 210,999
	8300.212	Contract Labor	\$ -	\$ 12,783	\$ -	\$ 12,783
	8300.214	Perforating & Plugs	\$ -	\$ 297,955	\$ -	\$ 297,955
	8300.220	Engineering & Supervision	\$ -	\$ 5,052	\$ -	\$ 5,052
	8300.229	Transportation	\$ -	\$ 2,631	\$ -	\$ 2,631
	8300.232	Disposal	\$ -	\$ 11,215	\$ -	\$ 11,215
	8300.240	Pump Down Services	\$ -	\$ 62,897	\$ -	\$ 62,897
	8300.248	Mancamp	\$ -	\$ 30,377	\$ -	\$ 30,377
	8300.250	Downhole Rental Equip	\$ -	\$ 42,917	\$ -	\$ 42,917
	8300.270	Frac - Equipment	\$ -	\$ 1,135,473	\$ -	\$ 1,135,473
	8300.271	Coil Tubing	\$ -	\$ 98,564	\$ -	\$ 98,564
	8300.273	Flowback	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.274	Water Transfer	\$ -	\$ 73,021	\$ -	\$ 73,021
	8300.275	Frac - Sand	\$ -	\$ 665,927	\$ -	\$ 665,927
	8300.276	Safety & Environmental	\$ -	\$ 3,355	\$ -	\$ 3,355
	8300.277	Consulting Services	\$ -	\$ 80,295	\$ -	\$ 80,295
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.279	Completions Overhead	\$ -	\$ 6,199	\$ -	\$ 6,199
Intangible Workover			\$ -	\$ 110,150	\$ -	\$ 110,150
	8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.617	Contract Labor/Roustabout	\$ -	\$ 30,887	\$ -	\$ 30,887
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowback			\$ -	\$ 452,587	\$ -	\$ 452,587
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.810	Frac Water Recovery	\$ -	\$ 111,243	\$ -	\$ 111,243
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
Intangible Facility			\$ -	\$ -	\$ 272,512	\$ 272,512
	8350.403	Roads/Location	\$ -	\$ -	\$ 36,756	\$ 36,756
	8350.404	Equipment Rental	\$ -	\$ -	\$ 26,956	\$ 26,956
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 4,900	\$ 4,900
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 7,967	\$ 7,967
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 15,933	\$ 15,933
	8350.416	Supervision	\$ -	\$ -	\$ 13,478	\$ 13,478
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 12,867	\$ 12,867
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 68,433	\$ 68,433
	8350.419	Automation Labor	\$ -	\$ -	\$ 9,433	\$ 9,433
	8350.420	Electrical Labor	\$ -	\$ -	\$ 27,878	\$ 27,878
	8350.421	Commissioning	\$ -	\$ -	\$ 1,044	\$ 1,044
	8350.422	Flowline Labor	\$ -	\$ -	\$ 46,867	\$ 46,867
TOTAL INTANGIBLE COSTS >>>			\$ 2,651,691	\$ 4,611,040	\$ 272,512	\$ 7,535,243
TOTAL PROJECT COSTS >>>			\$ 3,609,424	\$ 5,170,335	\$ 739,936	\$ 9,519,695
			Drilling	Completion	Facility	Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1731

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #823H

Projected MD/TVD: 21503/11080

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 2140' FWL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 2062' FEL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #823H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,609,424
COMPLETIONS:	\$5,170,335
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,519,695

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1731

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #823H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21503/11080
SHL: S1-T18S-R35E 150' FSL, 2140' FWL
BHL: S36-T17S-R35E 100' FNL, 2062' FEL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 957,733	\$ -	\$ -	\$ 957,733
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 455,796	\$ -	\$ -	\$ 455,796
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 957,733	\$ 559,296	\$ 467,424	\$ 1,984,452

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,651,691	\$ -	\$ -	\$ 2,651,691
	8200.102	Drilling - Daywork	\$ 471,293	\$ -	\$ -	\$ 471,293
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 100,917	\$ -	\$ -	\$ 100,917
	8200.106	Transportation	\$ 77,627	\$ -	\$ -	\$ 77,627
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,514	\$ -	\$ -	\$ 162,514
	8200.115	Mud-Drill Water	\$ 4,598	\$ -	\$ -	\$ 4,598
	8200.116	Drill Bits & BHA	\$ 132,053	\$ -	\$ -	\$ 132,053
	8200.117	Mud & Chemicals	\$ 114,042	\$ -	\$ -	\$ 114,042
	8200.119	Mud-Auxiliary	\$ 24,981	\$ -	\$ -	\$ 24,981
	8200.124	Equipment Rental	\$ 144,677	\$ -	\$ -	\$ 144,677
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 309,764	\$ -	\$ -	\$ 309,764
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,372	\$ -	\$ -	\$ 106,372
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 17,919	\$ -	\$ -	\$ 17,919
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,261	\$ -	\$ -	\$ 10,261
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,628	\$ -	\$ -	\$ 33,628
	8200.164	Solids Control & Closed Loop	\$ 70,299	\$ -	\$ -	\$ 70,299



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$ 1,497	\$ -	\$ -	\$ 1,497
	8200.167	Consulting Services	\$ 134,385	\$ -	\$ -	\$ 134,385
	8200.168	Roustabout Services	\$ 2,405	\$ -	\$ -	\$ 2,405
	8200.169	Mud-Brine	\$ 21,947	\$ -	\$ -	\$ 21,947
	8200.170	Mud-Diesel	\$ 103,901	\$ -	\$ -	\$ 103,901
Intangible Completion			\$ -	\$ 4,048,303	\$ -	\$ 4,048,303
	8300.203	Fuel	\$ -	\$ 563,214	\$ -	\$ 563,214
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300.207	Fresh Water	\$ -	\$ 478,955	\$ -	\$ 478,955
	8300.209	Chemicals	\$ -	\$ 238,281	\$ -	\$ 238,281
	8300.210	Surface Rental Equip	\$ -	\$ 210,999	\$ -	\$ 210,999
	8300.212	Contract Labor	\$ -	\$ 12,783	\$ -	\$ 12,783
	8300.214	Perforating & Plugs	\$ -	\$ 297,955	\$ -	\$ 297,955
	8300.220	Engineering & Supervision	\$ -	\$ 5,052	\$ -	\$ 5,052
	8300.229	Transportation	\$ -	\$ 2,631	\$ -	\$ 2,631
	8300.232	Disposal	\$ -	\$ 11,215	\$ -	\$ 11,215
	8300.240	Pump Down Services	\$ -	\$ 62,897	\$ -	\$ 62,897
	8300.248	Mancamp	\$ -	\$ 30,377	\$ -	\$ 30,377
	8300.250	Downhole Rental Equip	\$ -	\$ 42,917	\$ -	\$ 42,917
	8300.270	Frac - Equipment	\$ -	\$ 1,135,473	\$ -	\$ 1,135,473
	8300.271	Coil Tubing	\$ -	\$ 98,564	\$ -	\$ 98,564
	8300.273	Flowback	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.274	Water Transfer	\$ -	\$ 73,021	\$ -	\$ 73,021
	8300.275	Frac - Sand	\$ -	\$ 665,927	\$ -	\$ 665,927
	8300.276	Safety & Environmental	\$ -	\$ 3,355	\$ -	\$ 3,355
	8300.277	Consulting Services	\$ -	\$ 80,295	\$ -	\$ 80,295
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.279	Completions Overhead	\$ -	\$ 6,199	\$ -	\$ 6,199
Intangible Workover			\$ -	\$ 110,150	\$ -	\$ 110,150
	8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.617	Contract Labor/Roustabout	\$ -	\$ 30,887	\$ -	\$ 30,887
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowback			\$ -	\$ 452,587	\$ -	\$ 452,587
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.810	Frac Water Recovery	\$ -	\$ 111,243	\$ -	\$ 111,243
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
Intangible Facility			\$ -	\$ -	\$ 272,512	\$ 272,512
	8350.403	Roads/Location	\$ -	\$ -	\$ 36,756	\$ 36,756
	8350.404	Equipment Rental	\$ -	\$ -	\$ 26,956	\$ 26,956
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 4,900	\$ 4,900
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 7,967	\$ 7,967
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 15,933	\$ 15,933
	8350.416	Supervision	\$ -	\$ -	\$ 13,478	\$ 13,478
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 12,867	\$ 12,867
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 68,433	\$ 68,433
	8350.419	Automation Labor	\$ -	\$ -	\$ 9,433	\$ 9,433
	8350.420	Electrical Labor	\$ -	\$ -	\$ 27,878	\$ 27,878
	8350.421	Commissioning	\$ -	\$ -	\$ 1,044	\$ 1,044
	8350.422	Flowline Labor	\$ -	\$ -	\$ 46,867	\$ 46,867
TOTAL INTANGIBLE COSTS >>>			\$ 2,651,691	\$ 4,611,040	\$ 272,512	\$ 7,535,243
TOTAL PROJECT COSTS >>>			\$ 3,609,424	\$ 5,170,335	\$ 739,936	\$ 9,519,695
			Drilling	Completion	Facility	Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1735

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #824H

Projected MD/TVD: 21503/11080

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 1020' FEL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 907' FEL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #824H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,609,424
COMPLETIONS:	\$5,170,335
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,519,695

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1735

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #824H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21503/11080
SHL: S1-T18S-R35E 150' FSL, 1020' FEL
BHL: S36-T17S-R35E 100' FNL, 907' FEL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 957,733	\$ -	\$ -	\$ 957,733
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 455,796	\$ -	\$ -	\$ 455,796
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 957,733	\$ 559,296	\$ 467,424	\$ 1,984,452

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,651,691	\$ -	\$ -	\$ 2,651,691
	8200.102	Drilling - Daywork	\$ 471,293	\$ -	\$ -	\$ 471,293
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 100,917	\$ -	\$ -	\$ 100,917
	8200.106	Transportation	\$ 77,627	\$ -	\$ -	\$ 77,627
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,514	\$ -	\$ -	\$ 162,514
	8200.115	Mud-Drill Water	\$ 4,598	\$ -	\$ -	\$ 4,598
	8200.116	Drill Bits & BHA	\$ 132,053	\$ -	\$ -	\$ 132,053
	8200.117	Mud & Chemicals	\$ 114,042	\$ -	\$ -	\$ 114,042
	8200.119	Mud-Auxiliary	\$ 24,981	\$ -	\$ -	\$ 24,981
	8200.124	Equipment Rental	\$ 144,677	\$ -	\$ -	\$ 144,677
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 309,764	\$ -	\$ -	\$ 309,764
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,372	\$ -	\$ -	\$ 106,372
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 17,919	\$ -	\$ -	\$ 17,919
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,261	\$ -	\$ -	\$ 10,261
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,628	\$ -	\$ -	\$ 33,628
	8200.164	Solids Control & Closed Loop	\$ 70,299	\$ -	\$ -	\$ 70,299



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$	1,497	\$	-	\$	-	\$	1,497
	8200.167	Consulting Services	\$	134,385	\$	-	\$	-	\$	134,385
	8200.168	Roustabout Services	\$	2,405	\$	-	\$	-	\$	2,405
	8200.169	Mud-Brine	\$	21,947	\$	-	\$	-	\$	21,947
	8200.170	Mud-Diesel	\$	103,901	\$	-	\$	-	\$	103,901
Intangible Completion			\$	-	\$	4,048,303	\$	-	\$	4,048,303
	8300.203	Fuel	\$	-	\$	563,214	\$	-	\$	563,214
	8300.205	Location & Roads	\$	-	\$	5,288	\$	-	\$	5,288
	8300.207	Fresh Water	\$	-	\$	478,955	\$	-	\$	478,955
	8300.209	Chemicals	\$	-	\$	238,281	\$	-	\$	238,281
	8300.210	Surface Rental Equip	\$	-	\$	210,999	\$	-	\$	210,999
	8300.212	Contract Labor	\$	-	\$	12,783	\$	-	\$	12,783
	8300.214	Perforating & Plugs	\$	-	\$	297,955	\$	-	\$	297,955
	8300.220	Engineering & Supervision	\$	-	\$	5,052	\$	-	\$	5,052
	8300.229	Transportation	\$	-	\$	2,631	\$	-	\$	2,631
	8300.232	Disposal	\$	-	\$	11,215	\$	-	\$	11,215
	8300.240	Pump Down Services	\$	-	\$	62,897	\$	-	\$	62,897
	8300.248	Mancamp	\$	-	\$	30,377	\$	-	\$	30,377
	8300.250	Downhole Rental Equip	\$	-	\$	42,917	\$	-	\$	42,917
	8300.270	Frac - Equipment	\$	-	\$	1,135,473	\$	-	\$	1,135,473
	8300.271	Coil Tubing	\$	-	\$	98,564	\$	-	\$	98,564
	8300.273	Flowback	\$	-	\$	21,324	\$	-	\$	21,324
	8300.274	Water Transfer	\$	-	\$	73,021	\$	-	\$	73,021
	8300.275	Frac - Sand	\$	-	\$	665,927	\$	-	\$	665,927
	8300.276	Safety & Environmental	\$	-	\$	3,355	\$	-	\$	3,355
	8300.277	Consulting Services	\$	-	\$	80,295	\$	-	\$	80,295
	8300.278	Roustabouts	\$	-	\$	1,579	\$	-	\$	1,579
	8300.279	Completions Overhead	\$	-	\$	6,199	\$	-	\$	6,199
Intangible Workover			\$	-	\$	110,150	\$	-	\$	110,150
	8320.602	Workover Rig	\$	-	\$	30,000	\$	-	\$	30,000
	8320.605	Fuel / Power	\$	-	\$	5,263	\$	-	\$	5,263
	8320.610	Inspection & Testing	\$	-	\$	4,000	\$	-	\$	4,000
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$	10,000	\$	-	\$	10,000
	8320.612	Kill Truck	\$	-	\$	5,000	\$	-	\$	5,000
	8320.617	Contract Labor/Roustabout	\$	-	\$	30,887	\$	-	\$	30,887
	8320.621	Rental Equipment	\$	-	\$	15,000	\$	-	\$	15,000
	8320.625	Wellsite Supervision	\$	-	\$	5,000	\$	-	\$	5,000
	8320.628	Chemicals	\$	-	\$	5,000	\$	-	\$	5,000
Intangible Flowback			\$	-	\$	452,587	\$	-	\$	452,587
	8360.805	Trucked Water Disposal	\$	-	\$	21,464	\$	-	\$	21,464
	8360.810	Frac Water Recovery	\$	-	\$	111,243	\$	-	\$	111,243
	8360.815	Trucking/Vacuum/Transp	\$	-	\$	14,334	\$	-	\$	14,334
	8360.820	Well Testing / Flowback	\$	-	\$	60,746	\$	-	\$	60,746
	8360.825	Rental Equipment	\$	-	\$	190,000	\$	-	\$	190,000
	8360.845	Wellsite Supervision	\$	-	\$	50,400	\$	-	\$	50,400
	8360.850	Safety / Environmental	\$	-	\$	4,400	\$	-	\$	4,400
Intangible Facility			\$	-	\$	-	\$	272,512	\$	272,512
	8350.403	Roads/Location	\$	-	\$	-	\$	36,756	\$	36,756
	8350.404	Equipment Rental	\$	-	\$	-	\$	26,956	\$	26,956
	8350.410	Transportation/Trucking	\$	-	\$	-	\$	4,900	\$	4,900
	8350.411	Safety & Environmental	\$	-	\$	-	\$	7,967	\$	7,967
	8350.415	Engineering / Technical	\$	-	\$	-	\$	15,933	\$	15,933
	8350.416	Supervision	\$	-	\$	-	\$	13,478	\$	13,478
	8350.417	Overhead Power Labor	\$	-	\$	-	\$	12,867	\$	12,867
	8350.418	Mechanical Labor	\$	-	\$	-	\$	68,433	\$	68,433
	8350.419	Automation Labor	\$	-	\$	-	\$	9,433	\$	9,433
	8350.420	Electrical Labor	\$	-	\$	-	\$	27,878	\$	27,878
	8350.421	Commissioning	\$	-	\$	-	\$	1,044	\$	1,044
	8350.422	Flowline Labor	\$	-	\$	-	\$	46,867	\$	46,867
TOTAL INTANGIBLE COSTS >>>			\$	2,651,691	\$	4,611,040	\$	272,512	\$	7,535,243
TOTAL PROJECT COSTS >>>			\$	3,609,424	\$	5,170,335	\$	739,936	\$	9,519,695
				Drilling		Completion		Facility		Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1732

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #831H

Projected MD/TVD: 21673/11250

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 2040' FWL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 330' FWL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #831H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,618,631
COMPLETIONS:	\$5,170,442
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,529,010

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1732

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #831H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21673/11250
SHL: S1-T18S-R35E 150' FSL, 2040' FWL
BHL: S36-T17S-R35E 100' FNL, 330' FWL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 961,311	\$ -	\$ -	\$ 961,311
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 459,374	\$ -	\$ -	\$ 459,374
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 961,311	\$ 559,296	\$ 467,424	\$ 1,988,031

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,657,320	\$ -	\$ -	\$ 2,657,320
	8200.102	Drilling - Daywork	\$ 473,298	\$ -	\$ -	\$ 473,298
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 101,393	\$ -	\$ -	\$ 101,393
	8200.106	Transportation	\$ 77,895	\$ -	\$ -	\$ 77,895
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,655	\$ -	\$ -	\$ 162,655
	8200.115	Mud-Drill Water	\$ 4,611	\$ -	\$ -	\$ 4,611
	8200.116	Drill Bits & BHA	\$ 132,135	\$ -	\$ -	\$ 132,135
	8200.117	Mud & Chemicals	\$ 114,223	\$ -	\$ -	\$ 114,223
	8200.119	Mud-Auxiliary	\$ 25,017	\$ -	\$ -	\$ 25,017
	8200.124	Equipment Rental	\$ 145,188	\$ -	\$ -	\$ 145,188
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 310,506	\$ -	\$ -	\$ 310,506
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,409	\$ -	\$ -	\$ 106,409
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 18,014	\$ -	\$ -	\$ 18,014
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,305	\$ -	\$ -	\$ 10,305
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,696	\$ -	\$ -	\$ 33,696
	8200.164	Solids Control & Closed Loop	\$ 70,590	\$ -	\$ -	\$ 70,590



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$	1,503	\$	-	\$	-	\$	1,503
	8200.167	Consulting Services	\$	135,018	\$	-	\$	-	\$	135,018
	8200.168	Roustabout Services	\$	2,406	\$	-	\$	-	\$	2,406
	8200.169	Mud-Brine	\$	21,947	\$	-	\$	-	\$	21,947
	8200.170	Mud-Diesel	\$	103,901	\$	-	\$	-	\$	103,901
Intangible Completion			\$	-	\$	4,048,410	\$	-	\$	4,048,410
	8300.203	Fuel	\$	-	\$	563,214	\$	-	\$	563,214
	8300.205	Location & Roads	\$	-	\$	5,288	\$	-	\$	5,288
	8300.207	Fresh Water	\$	-	\$	478,955	\$	-	\$	478,955
	8300.209	Chemicals	\$	-	\$	238,281	\$	-	\$	238,281
	8300.210	Surface Rental Equip	\$	-	\$	210,999	\$	-	\$	210,999
	8300.212	Contract Labor	\$	-	\$	12,783	\$	-	\$	12,783
	8300.214	Perforating & Plugs	\$	-	\$	297,955	\$	-	\$	297,955
	8300.220	Engineering & Supervision	\$	-	\$	5,052	\$	-	\$	5,052
	8300.229	Transportation	\$	-	\$	2,631	\$	-	\$	2,631
	8300.232	Disposal	\$	-	\$	11,215	\$	-	\$	11,215
	8300.240	Pump Down Services	\$	-	\$	62,897	\$	-	\$	62,897
	8300.248	Mancamp	\$	-	\$	30,377	\$	-	\$	30,377
	8300.250	Downhole Rental Equip	\$	-	\$	42,917	\$	-	\$	42,917
	8300.270	Frac - Equipment	\$	-	\$	1,135,473	\$	-	\$	1,135,473
	8300.271	Coil Tubing	\$	-	\$	98,671	\$	-	\$	98,671
	8300.273	Flowback	\$	-	\$	21,324	\$	-	\$	21,324
	8300.274	Water Transfer	\$	-	\$	73,021	\$	-	\$	73,021
	8300.275	Frac - Sand	\$	-	\$	665,927	\$	-	\$	665,927
	8300.276	Safety & Environmental	\$	-	\$	3,355	\$	-	\$	3,355
	8300.277	Consulting Services	\$	-	\$	80,295	\$	-	\$	80,295
	8300.278	Roustabouts	\$	-	\$	1,579	\$	-	\$	1,579
	8300.279	Completions Overhead	\$	-	\$	6,199	\$	-	\$	6,199
Intangible Workover			\$	-	\$	110,150	\$	-	\$	110,150
	8320.602	Workover Rig	\$	-	\$	30,000	\$	-	\$	30,000
	8320.605	Fuel / Power	\$	-	\$	5,263	\$	-	\$	5,263
	8320.610	Inspection & Testing	\$	-	\$	4,000	\$	-	\$	4,000
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$	10,000	\$	-	\$	10,000
	8320.612	Kill Truck	\$	-	\$	5,000	\$	-	\$	5,000
	8320.617	Contract Labor/Roustabout	\$	-	\$	30,887	\$	-	\$	30,887
	8320.621	Rental Equipment	\$	-	\$	15,000	\$	-	\$	15,000
	8320.625	Wellsite Supervision	\$	-	\$	5,000	\$	-	\$	5,000
	8320.628	Chemicals	\$	-	\$	5,000	\$	-	\$	5,000
Intangible Flowback			\$	-	\$	452,587	\$	-	\$	452,587
	8360.805	Trucked Water Disposal	\$	-	\$	21,464	\$	-	\$	21,464
	8360.810	Frac Water Recovery	\$	-	\$	111,243	\$	-	\$	111,243
	8360.815	Trucking/Vacuum/Transp	\$	-	\$	14,334	\$	-	\$	14,334
	8360.820	Well Testing / Flowback	\$	-	\$	60,746	\$	-	\$	60,746
	8360.825	Rental Equipment	\$	-	\$	190,000	\$	-	\$	190,000
	8360.845	Wellsite Supervision	\$	-	\$	50,400	\$	-	\$	50,400
	8360.850	Safety / Environmental	\$	-	\$	4,400	\$	-	\$	4,400
Intangible Facility			\$	-	\$	-	\$	272,512	\$	272,512
	8350.403	Roads/Location	\$	-	\$	-	\$	36,756	\$	36,756
	8350.404	Equipment Rental	\$	-	\$	-	\$	26,956	\$	26,956
	8350.410	Transportation/Trucking	\$	-	\$	-	\$	4,900	\$	4,900
	8350.411	Safety & Environmental	\$	-	\$	-	\$	7,967	\$	7,967
	8350.415	Engineering / Technical	\$	-	\$	-	\$	15,933	\$	15,933
	8350.416	Supervision	\$	-	\$	-	\$	13,478	\$	13,478
	8350.417	Overhead Power Labor	\$	-	\$	-	\$	12,867	\$	12,867
	8350.418	Mechanical Labor	\$	-	\$	-	\$	68,433	\$	68,433
	8350.419	Automation Labor	\$	-	\$	-	\$	9,433	\$	9,433
	8350.420	Electrical Labor	\$	-	\$	-	\$	27,878	\$	27,878
	8350.421	Commissioning	\$	-	\$	-	\$	1,044	\$	1,044
	8350.422	Flowline Labor	\$	-	\$	-	\$	46,867	\$	46,867
TOTAL INTANGIBLE COSTS >>>			\$	2,657,320	\$	4,611,147	\$	272,512	\$	7,540,979
TOTAL PROJECT COSTS >>>			\$	3,618,631	\$	5,170,442	\$	739,936	\$	9,529,010
				Drilling		Completion		Facility		Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1733

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #832H

Projected MD/TVD: 21673/11250

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 2080' FWL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 1485' FWL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #832H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,618,631
COMPLETIONS:	\$5,170,442
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,529,010

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1733

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #832H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21673/11250
SHL: S1-T18S-R35E 150' FSL, 2080' FWL
BHL: S36-T17S-R35E 100' FNL, 1485' FWL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 961,311	\$ -	\$ -	\$ 961,311
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 459,374	\$ -	\$ -	\$ 459,374
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 961,311	\$ 559,296	\$ 467,424	\$ 1,988,031

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,657,320	\$ -	\$ -	\$ 2,657,320
	8200.102	Drilling - Daywork	\$ 473,298	\$ -	\$ -	\$ 473,298
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 101,393	\$ -	\$ -	\$ 101,393
	8200.106	Transportation	\$ 77,895	\$ -	\$ -	\$ 77,895
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,655	\$ -	\$ -	\$ 162,655
	8200.115	Mud-Drill Water	\$ 4,611	\$ -	\$ -	\$ 4,611
	8200.116	Drill Bits & BHA	\$ 132,135	\$ -	\$ -	\$ 132,135
	8200.117	Mud & Chemicals	\$ 114,223	\$ -	\$ -	\$ 114,223
	8200.119	Mud-Auxiliary	\$ 25,017	\$ -	\$ -	\$ 25,017
	8200.124	Equipment Rental	\$ 145,188	\$ -	\$ -	\$ 145,188
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 310,506	\$ -	\$ -	\$ 310,506
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,409	\$ -	\$ -	\$ 106,409
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 18,014	\$ -	\$ -	\$ 18,014
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,305	\$ -	\$ -	\$ 10,305
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,696	\$ -	\$ -	\$ 33,696
	8200.164	Solids Control & Closed Loop	\$ 70,590	\$ -	\$ -	\$ 70,590



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$	1,503	\$	-	\$	-	\$	1,503
	8200.167	Consulting Services	\$	135,018	\$	-	\$	-	\$	135,018
	8200.168	Roustabout Services	\$	2,406	\$	-	\$	-	\$	2,406
	8200.169	Mud-Brine	\$	21,947	\$	-	\$	-	\$	21,947
	8200.170	Mud-Diesel	\$	103,901	\$	-	\$	-	\$	103,901
Intangible Completion			\$	-	\$	4,048,410	\$	-	\$	4,048,410
	8300.203	Fuel	\$	-	\$	563,214	\$	-	\$	563,214
	8300.205	Location & Roads	\$	-	\$	5,288	\$	-	\$	5,288
	8300.207	Fresh Water	\$	-	\$	478,955	\$	-	\$	478,955
	8300.209	Chemicals	\$	-	\$	238,281	\$	-	\$	238,281
	8300.210	Surface Rental Equip	\$	-	\$	210,999	\$	-	\$	210,999
	8300.212	Contract Labor	\$	-	\$	12,783	\$	-	\$	12,783
	8300.214	Perforating & Plugs	\$	-	\$	297,955	\$	-	\$	297,955
	8300.220	Engineering & Supervision	\$	-	\$	5,052	\$	-	\$	5,052
	8300.229	Transportation	\$	-	\$	2,631	\$	-	\$	2,631
	8300.232	Disposal	\$	-	\$	11,215	\$	-	\$	11,215
	8300.240	Pump Down Services	\$	-	\$	62,897	\$	-	\$	62,897
	8300.248	Mancamp	\$	-	\$	30,377	\$	-	\$	30,377
	8300.250	Downhole Rental Equip	\$	-	\$	42,917	\$	-	\$	42,917
	8300.270	Frac - Equipment	\$	-	\$	1,135,473	\$	-	\$	1,135,473
	8300.271	Coil Tubing	\$	-	\$	98,671	\$	-	\$	98,671
	8300.273	Flowback	\$	-	\$	21,324	\$	-	\$	21,324
	8300.274	Water Transfer	\$	-	\$	73,021	\$	-	\$	73,021
	8300.275	Frac - Sand	\$	-	\$	665,927	\$	-	\$	665,927
	8300.276	Safety & Environmental	\$	-	\$	3,355	\$	-	\$	3,355
	8300.277	Consulting Services	\$	-	\$	80,295	\$	-	\$	80,295
	8300.278	Roustabouts	\$	-	\$	1,579	\$	-	\$	1,579
	8300.279	Completions Overhead	\$	-	\$	6,199	\$	-	\$	6,199
Intangible Workover			\$	-	\$	110,150	\$	-	\$	110,150
	8320.602	Workover Rig	\$	-	\$	30,000	\$	-	\$	30,000
	8320.605	Fuel / Power	\$	-	\$	5,263	\$	-	\$	5,263
	8320.610	Inspection & Testing	\$	-	\$	4,000	\$	-	\$	4,000
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$	10,000	\$	-	\$	10,000
	8320.612	Kill Truck	\$	-	\$	5,000	\$	-	\$	5,000
	8320.617	Contract Labor/Roustabout	\$	-	\$	30,887	\$	-	\$	30,887
	8320.621	Rental Equipment	\$	-	\$	15,000	\$	-	\$	15,000
	8320.625	Wellsite Supervision	\$	-	\$	5,000	\$	-	\$	5,000
	8320.628	Chemicals	\$	-	\$	5,000	\$	-	\$	5,000
Intangible Flowback			\$	-	\$	452,587	\$	-	\$	452,587
	8360.805	Trucked Water Disposal	\$	-	\$	21,464	\$	-	\$	21,464
	8360.810	Frac Water Recovery	\$	-	\$	111,243	\$	-	\$	111,243
	8360.815	Trucking/Vacuum/Transp	\$	-	\$	14,334	\$	-	\$	14,334
	8360.820	Well Testing / Flowback	\$	-	\$	60,746	\$	-	\$	60,746
	8360.825	Rental Equipment	\$	-	\$	190,000	\$	-	\$	190,000
	8360.845	Wellsite Supervision	\$	-	\$	50,400	\$	-	\$	50,400
	8360.850	Safety / Environmental	\$	-	\$	4,400	\$	-	\$	4,400
Intangible Facility			\$	-	\$	-	\$	272,512	\$	272,512
	8350.403	Roads/Location	\$	-	\$	-	\$	36,756	\$	36,756
	8350.404	Equipment Rental	\$	-	\$	-	\$	26,956	\$	26,956
	8350.410	Transportation/Trucking	\$	-	\$	-	\$	4,900	\$	4,900
	8350.411	Safety & Environmental	\$	-	\$	-	\$	7,967	\$	7,967
	8350.415	Engineering / Technical	\$	-	\$	-	\$	15,933	\$	15,933
	8350.416	Supervision	\$	-	\$	-	\$	13,478	\$	13,478
	8350.417	Overhead Power Labor	\$	-	\$	-	\$	12,867	\$	12,867
	8350.418	Mechanical Labor	\$	-	\$	-	\$	68,433	\$	68,433
	8350.419	Automation Labor	\$	-	\$	-	\$	9,433	\$	9,433
	8350.420	Electrical Labor	\$	-	\$	-	\$	27,878	\$	27,878
	8350.421	Commissioning	\$	-	\$	-	\$	1,044	\$	1,044
	8350.422	Flowline Labor	\$	-	\$	-	\$	46,867	\$	46,867
TOTAL INTANGIBLE COSTS >>>			\$	2,657,320	\$	4,611,147	\$	272,512	\$	7,540,979
TOTAL PROJECT COSTS >>>			\$	3,618,631	\$	5,170,442	\$	739,936	\$	9,529,010
				Drilling		Completion		Facility		Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1734

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #833H

Projected MD/TVD: 21673/11250

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 2120' FWL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 2640' FWL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #833H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,618,631
COMPLETIONS:	\$5,170,442
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,529,010

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1734

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #833H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21673/11250
SHL: S1-T18S-R35E 150' FSL, 2120' FWL
BHL: S36-T17S-R35E 100' FNL, 2640' FWL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 961,311	\$ -	\$ -	\$ 961,311
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 459,374	\$ -	\$ -	\$ 459,374
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 961,311	\$ 559,296	\$ 467,424	\$ 1,988,031

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,657,320	\$ -	\$ -	\$ 2,657,320
	8200.102	Drilling - Daywork	\$ 473,298	\$ -	\$ -	\$ 473,298
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 101,393	\$ -	\$ -	\$ 101,393
	8200.106	Transportation	\$ 77,895	\$ -	\$ -	\$ 77,895
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,655	\$ -	\$ -	\$ 162,655
	8200.115	Mud-Drill Water	\$ 4,611	\$ -	\$ -	\$ 4,611
	8200.116	Drill Bits & BHA	\$ 132,135	\$ -	\$ -	\$ 132,135
	8200.117	Mud & Chemicals	\$ 114,223	\$ -	\$ -	\$ 114,223
	8200.119	Mud-Auxiliary	\$ 25,017	\$ -	\$ -	\$ 25,017
	8200.124	Equipment Rental	\$ 145,188	\$ -	\$ -	\$ 145,188
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 310,506	\$ -	\$ -	\$ 310,506
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,409	\$ -	\$ -	\$ 106,409
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 18,014	\$ -	\$ -	\$ 18,014
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,305	\$ -	\$ -	\$ 10,305
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,696	\$ -	\$ -	\$ 33,696
	8200.164	Solids Control & Closed Loop	\$ 70,590	\$ -	\$ -	\$ 70,590



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$	1,503	\$	-	\$	-	\$	1,503
	8200.167	Consulting Services	\$	135,018	\$	-	\$	-	\$	135,018
	8200.168	Roustabout Services	\$	2,406	\$	-	\$	-	\$	2,406
	8200.169	Mud-Brine	\$	21,947	\$	-	\$	-	\$	21,947
	8200.170	Mud-Diesel	\$	103,901	\$	-	\$	-	\$	103,901
Intangible Completion			\$	-	\$	4,048,410	\$	-	\$	4,048,410
	8300.203	Fuel	\$	-	\$	563,214	\$	-	\$	563,214
	8300.205	Location & Roads	\$	-	\$	5,288	\$	-	\$	5,288
	8300.207	Fresh Water	\$	-	\$	478,955	\$	-	\$	478,955
	8300.209	Chemicals	\$	-	\$	238,281	\$	-	\$	238,281
	8300.210	Surface Rental Equip	\$	-	\$	210,999	\$	-	\$	210,999
	8300.212	Contract Labor	\$	-	\$	12,783	\$	-	\$	12,783
	8300.214	Perforating & Plugs	\$	-	\$	297,955	\$	-	\$	297,955
	8300.220	Engineering & Supervision	\$	-	\$	5,052	\$	-	\$	5,052
	8300.229	Transportation	\$	-	\$	2,631	\$	-	\$	2,631
	8300.232	Disposal	\$	-	\$	11,215	\$	-	\$	11,215
	8300.240	Pump Down Services	\$	-	\$	62,897	\$	-	\$	62,897
	8300.248	Mancamp	\$	-	\$	30,377	\$	-	\$	30,377
	8300.250	Downhole Rental Equip	\$	-	\$	42,917	\$	-	\$	42,917
	8300.270	Frac - Equipment	\$	-	\$	1,135,473	\$	-	\$	1,135,473
	8300.271	Coil Tubing	\$	-	\$	98,671	\$	-	\$	98,671
	8300.273	Flowback	\$	-	\$	21,324	\$	-	\$	21,324
	8300.274	Water Transfer	\$	-	\$	73,021	\$	-	\$	73,021
	8300.275	Frac - Sand	\$	-	\$	665,927	\$	-	\$	665,927
	8300.276	Safety & Environmental	\$	-	\$	3,355	\$	-	\$	3,355
	8300.277	Consulting Services	\$	-	\$	80,295	\$	-	\$	80,295
	8300.278	Roustabouts	\$	-	\$	1,579	\$	-	\$	1,579
	8300.279	Completions Overhead	\$	-	\$	6,199	\$	-	\$	6,199
Intangible Workover			\$	-	\$	110,150	\$	-	\$	110,150
	8320.602	Workover Rig	\$	-	\$	30,000	\$	-	\$	30,000
	8320.605	Fuel / Power	\$	-	\$	5,263	\$	-	\$	5,263
	8320.610	Inspection & Testing	\$	-	\$	4,000	\$	-	\$	4,000
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$	10,000	\$	-	\$	10,000
	8320.612	Kill Truck	\$	-	\$	5,000	\$	-	\$	5,000
	8320.617	Contract Labor/Roustabout	\$	-	\$	30,887	\$	-	\$	30,887
	8320.621	Rental Equipment	\$	-	\$	15,000	\$	-	\$	15,000
	8320.625	Wellsite Supervision	\$	-	\$	5,000	\$	-	\$	5,000
	8320.628	Chemicals	\$	-	\$	5,000	\$	-	\$	5,000
Intangible Flowback			\$	-	\$	452,587	\$	-	\$	452,587
	8360.805	Trucked Water Disposal	\$	-	\$	21,464	\$	-	\$	21,464
	8360.810	Frac Water Recovery	\$	-	\$	111,243	\$	-	\$	111,243
	8360.815	Trucking/Vacuum/Transp	\$	-	\$	14,334	\$	-	\$	14,334
	8360.820	Well Testing / Flowback	\$	-	\$	60,746	\$	-	\$	60,746
	8360.825	Rental Equipment	\$	-	\$	190,000	\$	-	\$	190,000
	8360.845	Wellsite Supervision	\$	-	\$	50,400	\$	-	\$	50,400
	8360.850	Safety / Environmental	\$	-	\$	4,400	\$	-	\$	4,400
Intangible Facility			\$	-	\$	-	\$	272,512	\$	272,512
	8350.403	Roads/Location	\$	-	\$	-	\$	36,756	\$	36,756
	8350.404	Equipment Rental	\$	-	\$	-	\$	26,956	\$	26,956
	8350.410	Transportation/Trucking	\$	-	\$	-	\$	4,900	\$	4,900
	8350.411	Safety & Environmental	\$	-	\$	-	\$	7,967	\$	7,967
	8350.415	Engineering / Technical	\$	-	\$	-	\$	15,933	\$	15,933
	8350.416	Supervision	\$	-	\$	-	\$	13,478	\$	13,478
	8350.417	Overhead Power Labor	\$	-	\$	-	\$	12,867	\$	12,867
	8350.418	Mechanical Labor	\$	-	\$	-	\$	68,433	\$	68,433
	8350.419	Automation Labor	\$	-	\$	-	\$	9,433	\$	9,433
	8350.420	Electrical Labor	\$	-	\$	-	\$	27,878	\$	27,878
	8350.421	Commissioning	\$	-	\$	-	\$	1,044	\$	1,044
	8350.422	Flowline Labor	\$	-	\$	-	\$	46,867	\$	46,867
TOTAL INTANGIBLE COSTS >>>			\$	2,657,320	\$	4,611,147	\$	272,512	\$	7,540,979
TOTAL PROJECT COSTS >>>			\$	3,618,631	\$	5,170,442	\$	739,936	\$	9,529,010
				Drilling		Completion		Facility		Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1736

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #834H

Projected MD/TVD: 21673/11250

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 1040' FEL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 1485' FEL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #834H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,618,631
COMPLETIONS:	\$5,170,442
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,529,010

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1736

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #834H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21673/11250
SHL: S1-T18S-R35E 150' FSL, 1040' FEL
BHL: S36-T17S-R35E 100' FNL, 1485' FEL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 961,311	\$ -	\$ -	\$ 961,311
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 459,374	\$ -	\$ -	\$ 459,374
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 961,311	\$ 559,296	\$ 467,424	\$ 1,988,031

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,657,320	\$ -	\$ -	\$ 2,657,320
	8200.102	Drilling - Daywork	\$ 473,298	\$ -	\$ -	\$ 473,298
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 101,393	\$ -	\$ -	\$ 101,393
	8200.106	Transportation	\$ 77,895	\$ -	\$ -	\$ 77,895
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,655	\$ -	\$ -	\$ 162,655
	8200.115	Mud-Drill Water	\$ 4,611	\$ -	\$ -	\$ 4,611
	8200.116	Drill Bits & BHA	\$ 132,135	\$ -	\$ -	\$ 132,135
	8200.117	Mud & Chemicals	\$ 114,223	\$ -	\$ -	\$ 114,223
	8200.119	Mud-Auxiliary	\$ 25,017	\$ -	\$ -	\$ 25,017
	8200.124	Equipment Rental	\$ 145,188	\$ -	\$ -	\$ 145,188
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 310,506	\$ -	\$ -	\$ 310,506
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,409	\$ -	\$ -	\$ 106,409
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 18,014	\$ -	\$ -	\$ 18,014
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,305	\$ -	\$ -	\$ 10,305
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,696	\$ -	\$ -	\$ 33,696
	8200.164	Solids Control & Closed Loop	\$ 70,590	\$ -	\$ -	\$ 70,590



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$	1,503	\$	-	\$	-	\$	1,503
	8200.167	Consulting Services	\$	135,018	\$	-	\$	-	\$	135,018
	8200.168	Roustabout Services	\$	2,406	\$	-	\$	-	\$	2,406
	8200.169	Mud-Brine	\$	21,947	\$	-	\$	-	\$	21,947
	8200.170	Mud-Diesel	\$	103,901	\$	-	\$	-	\$	103,901
Intangible Completion			\$	-	\$	4,048,410	\$	-	\$	4,048,410
	8300.203	Fuel	\$	-	\$	563,214	\$	-	\$	563,214
	8300.205	Location & Roads	\$	-	\$	5,288	\$	-	\$	5,288
	8300.207	Fresh Water	\$	-	\$	478,955	\$	-	\$	478,955
	8300.209	Chemicals	\$	-	\$	238,281	\$	-	\$	238,281
	8300.210	Surface Rental Equip	\$	-	\$	210,999	\$	-	\$	210,999
	8300.212	Contract Labor	\$	-	\$	12,783	\$	-	\$	12,783
	8300.214	Perforating & Plugs	\$	-	\$	297,955	\$	-	\$	297,955
	8300.220	Engineering & Supervision	\$	-	\$	5,052	\$	-	\$	5,052
	8300.229	Transportation	\$	-	\$	2,631	\$	-	\$	2,631
	8300.232	Disposal	\$	-	\$	11,215	\$	-	\$	11,215
	8300.240	Pump Down Services	\$	-	\$	62,897	\$	-	\$	62,897
	8300.248	Mancamp	\$	-	\$	30,377	\$	-	\$	30,377
	8300.250	Downhole Rental Equip	\$	-	\$	42,917	\$	-	\$	42,917
	8300.270	Frac - Equipment	\$	-	\$	1,135,473	\$	-	\$	1,135,473
	8300.271	Coil Tubing	\$	-	\$	98,671	\$	-	\$	98,671
	8300.273	Flowback	\$	-	\$	21,324	\$	-	\$	21,324
	8300.274	Water Transfer	\$	-	\$	73,021	\$	-	\$	73,021
	8300.275	Frac - Sand	\$	-	\$	665,927	\$	-	\$	665,927
	8300.276	Safety & Environmental	\$	-	\$	3,355	\$	-	\$	3,355
	8300.277	Consulting Services	\$	-	\$	80,295	\$	-	\$	80,295
	8300.278	Roustabouts	\$	-	\$	1,579	\$	-	\$	1,579
	8300.279	Completions Overhead	\$	-	\$	6,199	\$	-	\$	6,199
Intangible Workover			\$	-	\$	110,150	\$	-	\$	110,150
	8320.602	Workover Rig	\$	-	\$	30,000	\$	-	\$	30,000
	8320.605	Fuel / Power	\$	-	\$	5,263	\$	-	\$	5,263
	8320.610	Inspection & Testing	\$	-	\$	4,000	\$	-	\$	4,000
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$	10,000	\$	-	\$	10,000
	8320.612	Kill Truck	\$	-	\$	5,000	\$	-	\$	5,000
	8320.617	Contract Labor/Roustabout	\$	-	\$	30,887	\$	-	\$	30,887
	8320.621	Rental Equipment	\$	-	\$	15,000	\$	-	\$	15,000
	8320.625	Wellsite Supervision	\$	-	\$	5,000	\$	-	\$	5,000
	8320.628	Chemicals	\$	-	\$	5,000	\$	-	\$	5,000
Intangible Flowback			\$	-	\$	452,587	\$	-	\$	452,587
	8360.805	Trucked Water Disposal	\$	-	\$	21,464	\$	-	\$	21,464
	8360.810	Frac Water Recovery	\$	-	\$	111,243	\$	-	\$	111,243
	8360.815	Trucking/Vacuum/Transp	\$	-	\$	14,334	\$	-	\$	14,334
	8360.820	Well Testing / Flowback	\$	-	\$	60,746	\$	-	\$	60,746
	8360.825	Rental Equipment	\$	-	\$	190,000	\$	-	\$	190,000
	8360.845	Wellsite Supervision	\$	-	\$	50,400	\$	-	\$	50,400
	8360.850	Safety / Environmental	\$	-	\$	4,400	\$	-	\$	4,400
Intangible Facility			\$	-	\$	-	\$	272,512	\$	272,512
	8350.403	Roads/Location	\$	-	\$	-	\$	36,756	\$	36,756
	8350.404	Equipment Rental	\$	-	\$	-	\$	26,956	\$	26,956
	8350.410	Transportation/Trucking	\$	-	\$	-	\$	4,900	\$	4,900
	8350.411	Safety & Environmental	\$	-	\$	-	\$	7,967	\$	7,967
	8350.415	Engineering / Technical	\$	-	\$	-	\$	15,933	\$	15,933
	8350.416	Supervision	\$	-	\$	-	\$	13,478	\$	13,478
	8350.417	Overhead Power Labor	\$	-	\$	-	\$	12,867	\$	12,867
	8350.418	Mechanical Labor	\$	-	\$	-	\$	68,433	\$	68,433
	8350.419	Automation Labor	\$	-	\$	-	\$	9,433	\$	9,433
	8350.420	Electrical Labor	\$	-	\$	-	\$	27,878	\$	27,878
	8350.421	Commissioning	\$	-	\$	-	\$	1,044	\$	1,044
	8350.422	Flowline Labor	\$	-	\$	-	\$	46,867	\$	46,867
TOTAL INTANGIBLE COSTS >>>			\$	2,657,320	\$	4,611,147	\$	272,512	\$	7,540,979
TOTAL PROJECT COSTS >>>			\$	3,618,631	\$	5,170,442	\$	739,936	\$	9,529,010
				Drilling		Completion		Facility		Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____



AUTHORIZATION FOR EXPENDITURE

AFE: NM1737

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #835H

Projected MD/TVD: 21673/11250

Target: CISCO

SHL: S1-T18S-R35E 150' FSL, 1000' FEL

County: Lea

BHL: S36-T17S-R35E 100' FNL, 330' FEL

State: NM

PROJECT DESCRIPTION:

The proposed AFE is for the Old Pal 1 36 State Com #835H, a 2 section Cisco horizontal well to be drilled in Lea County, NM.

	<u>TOTAL</u>
DRILLING:	\$3,618,631
COMPLETIONS:	\$5,170,442
FACILITIES:	\$739,936
COMPLETED WELL COST:	\$9,529,010

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

AFE: NM1737

Date: May 18, 2026

Well Name: Old Pal 1 36 State Com #835H
Target: CISCO
County: Lea
State: NM

Projected MD/TVD: 21673/11250
SHL: S1-T18S-R35E 150' FSL, 1000' FEL
BHL: S36-T17S-R35E 100' FNL, 330' FEL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling			\$ 961,311	\$ -	\$ -	\$ 961,311
	8400.301	Surface Casing	\$ 75,464	\$ -	\$ -	\$ 75,464
	8400.302	Intermediate 1 Casing	\$ 380,163	\$ -	\$ -	\$ 380,163
	8400.303	Production Casing	\$ 459,374	\$ -	\$ -	\$ 459,374
	8400.340	Wellhead	\$ 46,310	\$ -	\$ -	\$ 46,310
Tangible Completion			\$ -	\$ 15,788	\$ -	\$ 15,788
	8400.352	Wellhead & Equipment	\$ -	\$ 15,788	\$ -	\$ 15,788
Tangible Workover			\$ -	\$ 543,508	\$ -	\$ 543,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility			\$ -	\$ -	\$ 467,424	\$ 467,424
	8355.500	Vessels	\$ -	\$ -	\$ 193,678	\$ 193,678
	8355.510	Tanks	\$ -	\$ -	\$ 54,067	\$ 54,067
	8355.515	Flare	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.520	PVF	\$ -	\$ -	\$ 47,533	\$ 47,533
	8355.525	Containment	\$ -	\$ -	\$ 7,967	\$ 7,967
	8355.530	Compressors	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 22,500	\$ 22,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 30,633	\$ 30,633
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 24,567	\$ 24,567
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 11,211	\$ 11,211
	8355.560	Pipeline	\$ -	\$ -	\$ 2,456	\$ 2,456
	8355.565	Flowline	\$ -	\$ -	\$ 62,389	\$ 62,389
TOTAL TANGIBLE COSTS >>>			\$ 961,311	\$ 559,296	\$ 467,424	\$ 1,988,031

INTANGIBLE COSTS			Drilling	Completion	Facility	Total
Intangible Drilling			\$ 2,657,320	\$ -	\$ -	\$ 2,657,320
	8200.102	Drilling - Daywork	\$ 473,298	\$ -	\$ -	\$ 473,298
	8200.103	Drilling - Rig Move	\$ 94,550	\$ -	\$ -	\$ 94,550
	8200.104	Fuel - Rig	\$ 101,393	\$ -	\$ -	\$ 101,393
	8200.106	Transportation	\$ 77,895	\$ -	\$ -	\$ 77,895
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 141,956	\$ -	\$ -	\$ 141,956
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 162,655	\$ -	\$ -	\$ 162,655
	8200.115	Mud-Drill Water	\$ 4,611	\$ -	\$ -	\$ 4,611
	8200.116	Drill Bits & BHA	\$ 132,135	\$ -	\$ -	\$ 132,135
	8200.117	Mud & Chemicals	\$ 114,223	\$ -	\$ -	\$ 114,223
	8200.119	Mud-Auxiliary	\$ 25,017	\$ -	\$ -	\$ 25,017
	8200.124	Equipment Rental	\$ 145,188	\$ -	\$ -	\$ 145,188
	8200.125	Inspection	\$ 55,783	\$ -	\$ -	\$ 55,783
	8200.127	Contract Labor	\$ 34,505	\$ -	\$ -	\$ 34,505
	8200.128	Drilling - Directional	\$ 310,506	\$ -	\$ -	\$ 310,506
	8200.136	Mudlogging	\$ 12,890	\$ -	\$ -	\$ 12,890
	8200.137	Casing Services	\$ 106,409	\$ -	\$ -	\$ 106,409
	8200.138	Cementing Services	\$ 232,953	\$ -	\$ -	\$ 232,953
	8200.143	Geological Services	\$ 18,014	\$ -	\$ -	\$ 18,014
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.147	Drilling Overhead	\$ 10,305	\$ -	\$ -	\$ 10,305
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 33,696	\$ -	\$ -	\$ 33,696
	8200.164	Solids Control & Closed Loop	\$ 70,590	\$ -	\$ -	\$ 70,590



AUTHORIZATION FOR EXPENDITURE

	8200.165	Safety/Environmental	\$	1,503	\$	-	\$	-	\$	1,503
	8200.167	Consulting Services	\$	135,018	\$	-	\$	-	\$	135,018
	8200.168	Roustabout Services	\$	2,406	\$	-	\$	-	\$	2,406
	8200.169	Mud-Brine	\$	21,947	\$	-	\$	-	\$	21,947
	8200.170	Mud-Diesel	\$	103,901	\$	-	\$	-	\$	103,901
Intangible Completion			\$	-	\$	4,048,410	\$	-	\$	4,048,410
	8300.203	Fuel	\$	-	\$	563,214	\$	-	\$	563,214
	8300.205	Location & Roads	\$	-	\$	5,288	\$	-	\$	5,288
	8300.207	Fresh Water	\$	-	\$	478,955	\$	-	\$	478,955
	8300.209	Chemicals	\$	-	\$	238,281	\$	-	\$	238,281
	8300.210	Surface Rental Equip	\$	-	\$	210,999	\$	-	\$	210,999
	8300.212	Contract Labor	\$	-	\$	12,783	\$	-	\$	12,783
	8300.214	Perforating & Plugs	\$	-	\$	297,955	\$	-	\$	297,955
	8300.220	Engineering & Supervision	\$	-	\$	5,052	\$	-	\$	5,052
	8300.229	Transportation	\$	-	\$	2,631	\$	-	\$	2,631
	8300.232	Disposal	\$	-	\$	11,215	\$	-	\$	11,215
	8300.240	Pump Down Services	\$	-	\$	62,897	\$	-	\$	62,897
	8300.248	Mancamp	\$	-	\$	30,377	\$	-	\$	30,377
	8300.250	Downhole Rental Equip	\$	-	\$	42,917	\$	-	\$	42,917
	8300.270	Frac - Equipment	\$	-	\$	1,135,473	\$	-	\$	1,135,473
	8300.271	Coil Tubing	\$	-	\$	98,671	\$	-	\$	98,671
	8300.273	Flowback	\$	-	\$	21,324	\$	-	\$	21,324
	8300.274	Water Transfer	\$	-	\$	73,021	\$	-	\$	73,021
	8300.275	Frac - Sand	\$	-	\$	665,927	\$	-	\$	665,927
	8300.276	Safety & Environmental	\$	-	\$	3,355	\$	-	\$	3,355
	8300.277	Consulting Services	\$	-	\$	80,295	\$	-	\$	80,295
	8300.278	Roustabouts	\$	-	\$	1,579	\$	-	\$	1,579
	8300.279	Completions Overhead	\$	-	\$	6,199	\$	-	\$	6,199
Intangible Workover			\$	-	\$	110,150	\$	-	\$	110,150
	8320.602	Workover Rig	\$	-	\$	30,000	\$	-	\$	30,000
	8320.605	Fuel / Power	\$	-	\$	5,263	\$	-	\$	5,263
	8320.610	Inspection & Testing	\$	-	\$	4,000	\$	-	\$	4,000
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$	10,000	\$	-	\$	10,000
	8320.612	Kill Truck	\$	-	\$	5,000	\$	-	\$	5,000
	8320.617	Contract Labor/Roustabout	\$	-	\$	30,887	\$	-	\$	30,887
	8320.621	Rental Equipment	\$	-	\$	15,000	\$	-	\$	15,000
	8320.625	Wellsite Supervision	\$	-	\$	5,000	\$	-	\$	5,000
	8320.628	Chemicals	\$	-	\$	5,000	\$	-	\$	5,000
Intangible Flowback			\$	-	\$	452,587	\$	-	\$	452,587
	8360.805	Trucked Water Disposal	\$	-	\$	21,464	\$	-	\$	21,464
	8360.810	Frac Water Recovery	\$	-	\$	111,243	\$	-	\$	111,243
	8360.815	Trucking/Vacuum/Transp	\$	-	\$	14,334	\$	-	\$	14,334
	8360.820	Well Testing / Flowback	\$	-	\$	60,746	\$	-	\$	60,746
	8360.825	Rental Equipment	\$	-	\$	190,000	\$	-	\$	190,000
	8360.845	Wellsite Supervision	\$	-	\$	50,400	\$	-	\$	50,400
	8360.850	Safety / Environmental	\$	-	\$	4,400	\$	-	\$	4,400
Intangible Facility			\$	-	\$	-	\$	272,512	\$	272,512
	8350.403	Roads/Location	\$	-	\$	-	\$	36,756	\$	36,756
	8350.404	Equipment Rental	\$	-	\$	-	\$	26,956	\$	26,956
	8350.410	Transportation/Trucking	\$	-	\$	-	\$	4,900	\$	4,900
	8350.411	Safety & Environmental	\$	-	\$	-	\$	7,967	\$	7,967
	8350.415	Engineering / Technical	\$	-	\$	-	\$	15,933	\$	15,933
	8350.416	Supervision	\$	-	\$	-	\$	13,478	\$	13,478
	8350.417	Overhead Power Labor	\$	-	\$	-	\$	12,867	\$	12,867
	8350.418	Mechanical Labor	\$	-	\$	-	\$	68,433	\$	68,433
	8350.419	Automation Labor	\$	-	\$	-	\$	9,433	\$	9,433
	8350.420	Electrical Labor	\$	-	\$	-	\$	27,878	\$	27,878
	8350.421	Commissioning	\$	-	\$	-	\$	1,044	\$	1,044
	8350.422	Flowline Labor	\$	-	\$	-	\$	46,867	\$	46,867
TOTAL INTANGIBLE COSTS >>>			\$	2,657,320	\$	4,611,147	\$	272,512	\$	7,540,979
TOTAL PROJECT COSTS >>>			\$	3,618,631	\$	5,170,442	\$	739,936	\$	9,529,010
				Drilling		Completion		Facility		Total

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



AUTHORIZATION FOR EXPENDITURE

JOINT INTEREST APPROVAL:

Company: _____

Working Interest: _____

Signature: _____

Date: _____

By: _____

Summary of Contacts

Old Pal 1 36 State Com #821H-824H, #831-835H

AO II

Case No. 26354

Exhibit A-7



Summary of Contacts

- AO II searched public records, phone directory, LexisNexis subscription and conducted various internet searches.
- AOII sent original well proposals on or around May 18, 2026.
- AO II proposed general terms of a Joint Operating Agreement (JOA) within the well proposal letters sent to all working interest owners.
- AO II sent working interest owners a JOA upon request.
- AOII had multiple communications with uncommitted working interest owners, outlined in the following slides.
- AO II counsel sent notices of force pooling applications to the address of record for uncommitted interest owners and overriding royalty owners.
- AO II counsel published notice in a newspaper of general circulation in the County where the wells will be located.



Summary of Contacts

Old Pal 1 36 State Com #821H-824H, #831-835H

AO II

Case No. 26354

Exhibit A-7



AO II has been proactive and consistently engaged with all working interest owners.

Owner Name	Follow-Up / Comments
Chalfant Properties, Inc. (dba PBEX Operations, LLC)	5/18: Sent well proposal to owner of record (Chalfant Properties, Inc). 5/28: Land manager at PBEX Operations, LLC emailed stating their own the leasehold in tracts 1 and 2. PBEX land manager asked if Avant would be interested in trade. 5/29: Avant landman responded to PBEX via email with willingness to negotiate trade. 6/2: PBEX representative sent over several tracts for potential trade. 6/10: Avant landman responded via email stating they will review and respond with their own trade iteration idea. 6/30: Avant landman sent PBEX land manager email saying the trade idea was being escalated to management level. 7/16: PBEX sent trade idea to Avant management and began internal review. 8/7: Avant management sent new trade iteration to PBEX management. 8/24: Avant management spoke on phone with PBEX management to continue trade negotiations. Negotiations ongoing.



Committed/Uncommitted Notice Exhibit

Owner Name	Owner Type (WIO, UMI, ORRI)	Ownership Status (Committed/Un committed)	Commitment Type (JOA, Letter of Support, Etc.)	Date of Hearing Notice Letter	Date of Publication	Exhibit
Avant Operating II, LLC	OPERATOR	OPERATOR	OPERATOR	N/A	N/A	N/A
Chalfant Properties, Inc.	WIO	Uncommitted	N/A	7/14/2026	7/16/2026	C

EXHIBIT
A-8

Lease Tract Map

Old Pal 1 36 State Com #821H-824H, #831-835H

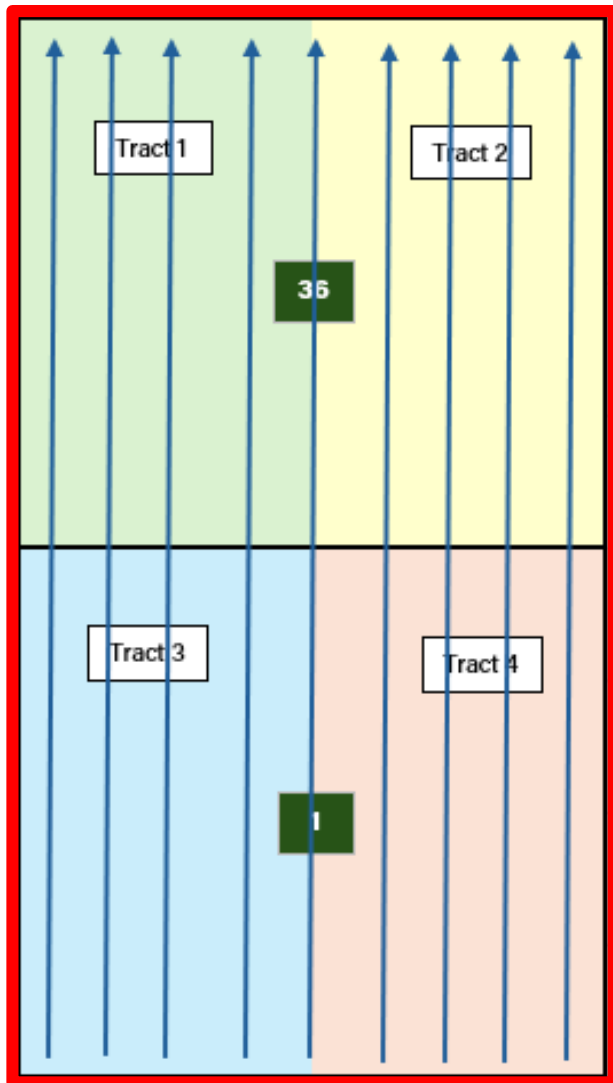
AO II

Case No. 26354

Exhibit A-9



Tract Map with approx. well locations



Pennsylvanian

Well Name	Pool Code / Pool Name
Old Pal 1 36 State Com #821H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #822H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #823H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #824H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #831H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #832H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #833H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #834H	Cisco-Canyon; Northeast Pool [97202]
Old Pal 1 36 State Com #835H	Cisco-Canyon; Northeast Pool [97202]



Avant Old Pal Unit


EXHIBIT
A-9

 AVANT OPERATING II, |
 LLC

Standard vs. Non-Standard Unit Comparison

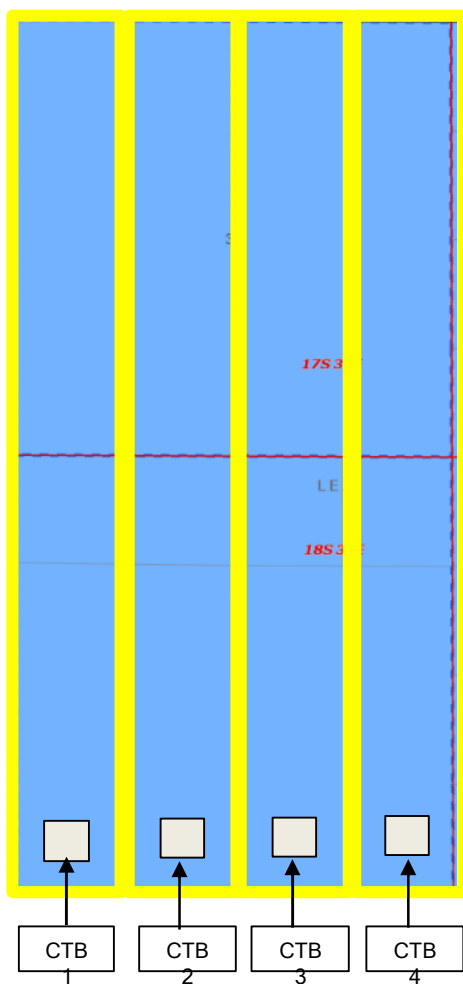
Old Pal 1 36 State Com #821H-824H, #831-835H

AO II
Case No. 26354
Exhibit A-9



NSSU reduces surface facilities and surface impacts

Standard Unit Development



Non-Standard Unit Development

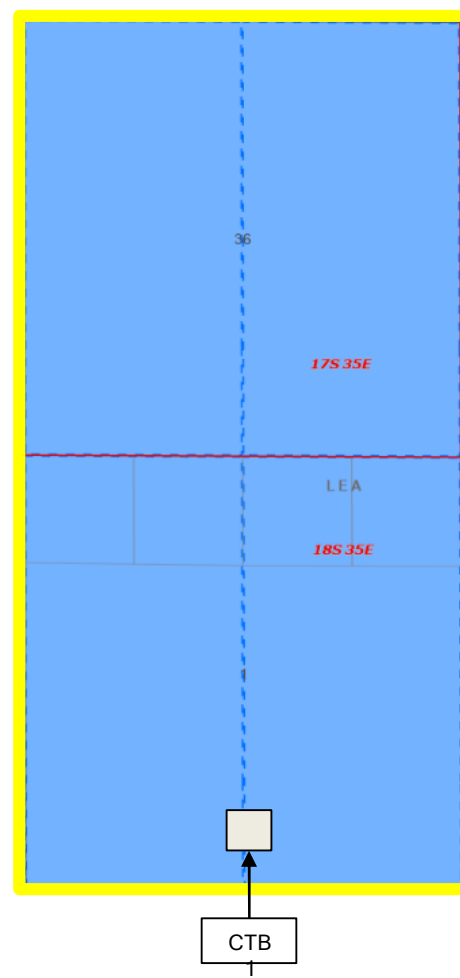


EXHIBIT
A-9 (cont)

AVANT OPERATING II, |
LLC

NSU Offset Notice

Old Pal 1 36 State Com #821H-824H, #831-835H

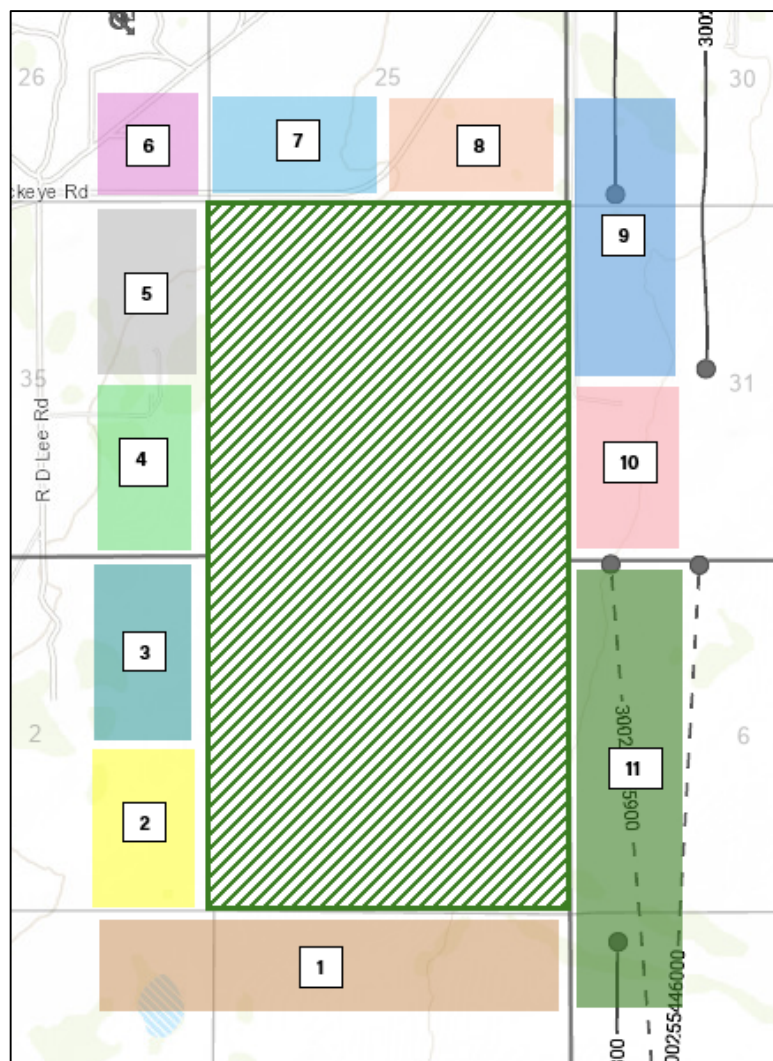
AO II

Case No. 26354

Exhibit A-9



NSSU reduces surface facilities and surface impacts



Tract	Description	Notice Party Name	Address
1	E2NE Sec 11 & N2 Sec 12 T18S R35E UNLEASED State Minerals	State of New Mexico	New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87504
2	E2SE Sec 2 T18S R35E Record Title	MRC Delaware Resources LLC	5400 LBJ Freeway Dallas, TX 75240
3	E2NE Sec 2 T18S R35E UNLEASED Fee Minerals	N/A	N/A
4	E2SE Sec 35 T17S R35E Record Title	OXY USA WTP LP	5 Greenway Plaza, Suite 110 Houston, Texas 77046
5	E2NE Sec 35 T17S R35E UNLEASED State Minerals	State of New Mexico	New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87504
6	E2SE Sec 26 T17S R35E Record Title	ConocoPhillips	600 W. Illinois Avenue Midland, Texas 79701
7	S2SW Sec 25 T17S R35E Record Title	Great Western Drilling LTD	P. O. Box 1659 Midland, TX 79702
8	S2SE Sec 25 T17S R35E Record Title	Chevron USA Inc	1400 Smith Street Houston, TX 77002
9	W2SW Sec 30 & W2NW Sec 31 T17S R35E Offset Operator	BTA Oil Producers	104 S. Pecos Midland, TX 79701
10	W2SW Sec 31 T17S R35E Record Title	Armstrong Energy Corp	PO Box 1973 Roswell, NM 88202
11	W2W2 Sec 6 & W2NW Sec 7 T18S R35E Offset Operator	Texas Standard Oil LLC	3300 North A Street, Suite 105 Midland, TX 79705



**EXHIBIT
A-9 (cont)**

AVANT OPERATING II, |
LLC

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

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

CASE NO. 26354

SELF-AFFIRMED STATEMENT OF JOHN HARPER

John Harper hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Avant Operating II, LLC ("AO II"), 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 AO II includes the area of Lea County in New Mexico.
3. I am familiar with the application filed by AO II 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 wellbore schematic showing AO II's development plan.
6. **Exhibit B-3** is a structure map of the Pennsylvanian Strawn formation. The proposed spacing unit is identified by a red box. The proposed wells are identified by the black-dashed lines. The contour interval used in this exhibit is 100 feet.
7. **Exhibit B-4** includes a cross-section reference map that identifies three wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

EXHIBIT B

8. **Exhibit B-5** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Cisco formation in the area. The target zone for the proposed wells is identified by a red-dashed line and a box identifying the wells.

9. 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.
- c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

10. In my opinion, the preferred well orientation in this area is North South due to the S_{Hmax} direction.

11. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

12. 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.

13. 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]

8-25-26

Date


John Harper

Regional Locator Map

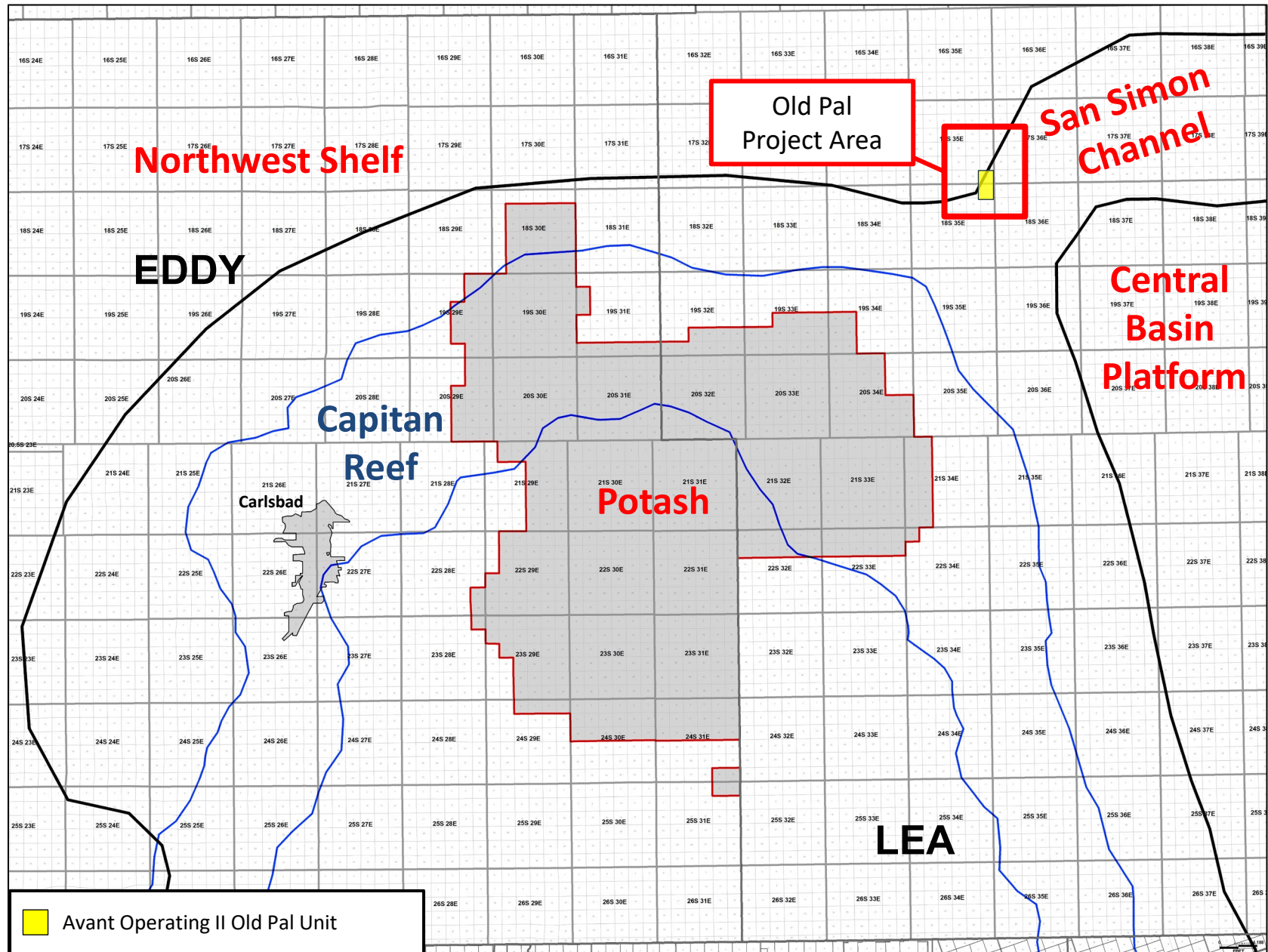
Old Pal 1 36 State Com

#821-824, 831-835H

Avant Operating II, LLC

Case No. 26354

Exhibit B-1

**EXHIBIT
B-1**

AVANT OPERATING II, LLC |

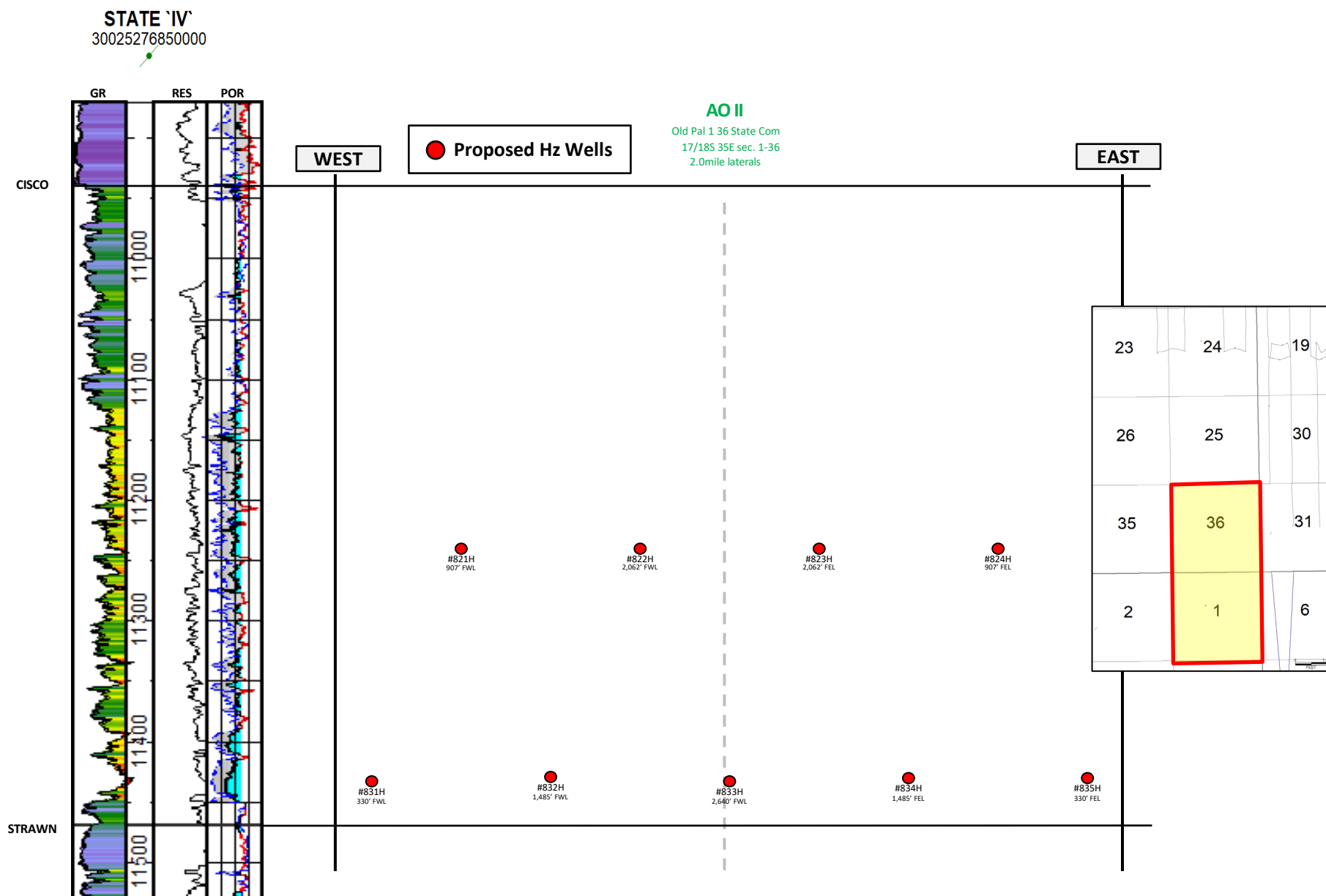
Wellbore Schematic

Old Pal 1 36 State Com
#821-824, 831-835H

Avant Operating II, LLC

Case No. 26354

Exhibit B-2

Proposed Old Pal 1 36 State Com
#821-824, 831-835HEXHIBIT
B-2

AVANT OPERATING II, LLC |

Structure Map – Top Strawn (TVDSS')
 Old Pal 1 36 State Com
 #821-824, 831-835H

Avant Operating II, LLC
 Case No. 26354
 Exhibit B-3

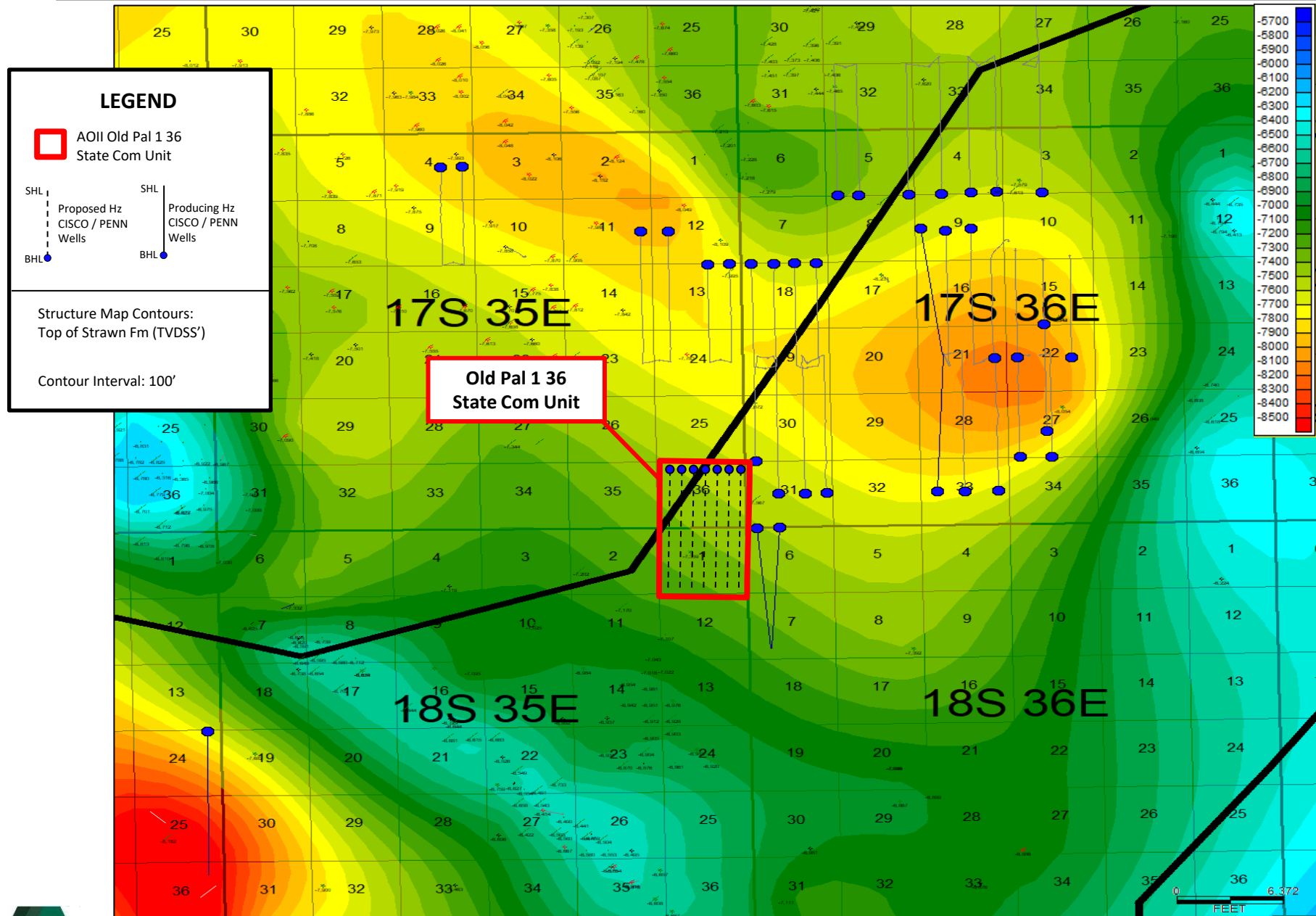


EXHIBIT
 B-3

AVANT OPERATING II, LLC |

Cross-Section Locator Map (A-A')

Old Pal 1 36 State Com

#821-824, 831-835H

Avant Operating II, LLC

Case No. 26354

Exhibit B-4

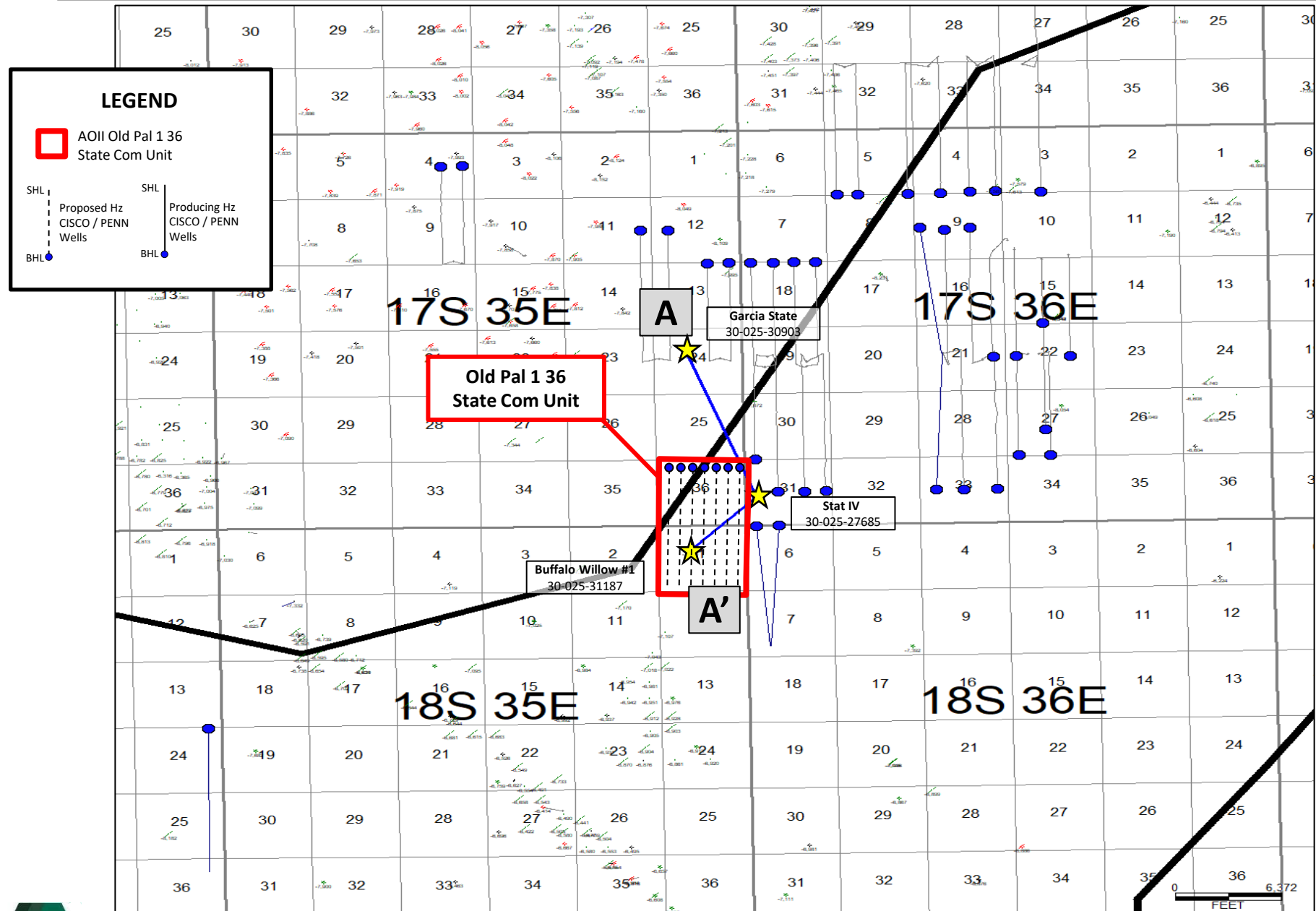


EXHIBIT
B-4

AVANT OPERATING II, LLC |

Stratigraphic Cross-Section A-A'

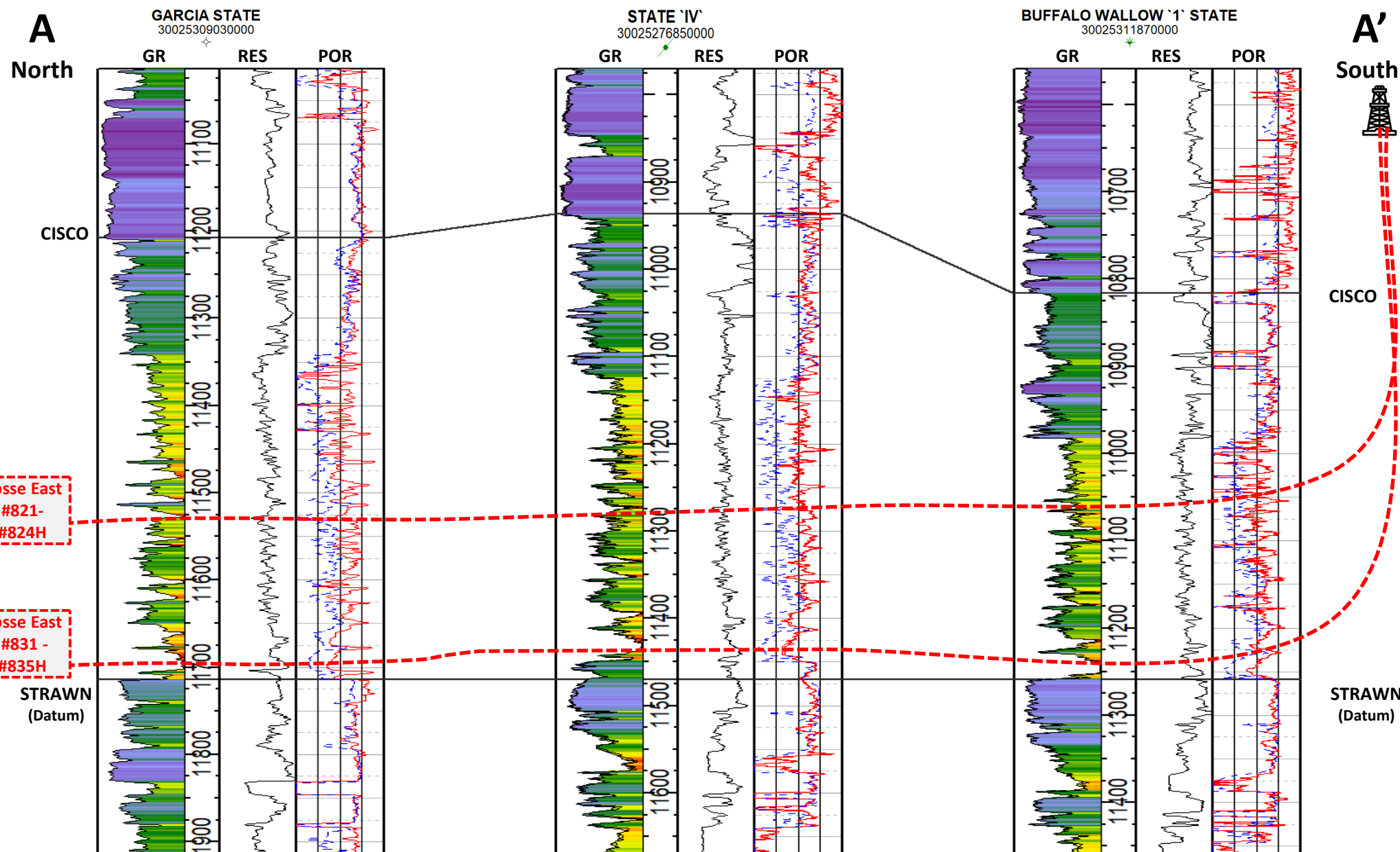
Old Pal 1 36 State Com

#821-824, 831-835H

Avant Operating II, LLC

Case No. 26354

Exhibit B-5

Log Scaling: GR(Gamma Ray): 0-150, RES(Resistivity): 0.2-20000 (log₁₀), POR(Porosity): 30 to -10%, PEF(Photoelectric Factor: 1-6) Depth Scale: Major / Minor Depth Ticks: 500' / 100'EXHIBIT
B-5

AVANT OPERATING II, LLC

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

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

CASE NO. 26354

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Avant Operating II, LLC, and the Applicant herein, declares as follows:

- 1) The above-referenced Application was provided to affected parties under notice letter, dated July 14, 2026, attached hereto, and labeled Exhibit C.1.
- 2) Exhibit C.2 is the certified mailing list, which show the notice letters were delivered to the USPS for mailing on July 14, 2026.
- 3) Exhibit C.3 is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. The 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 August 6, 2026 hearing was published on July 16, 2026.
- 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.

EXHIBIT C

Dated: August 27, 2026

By: Deana M. Bennett
Deana M. Bennett



MODRALL SPERLING
L A W Y E R S

July 14, 2026

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 26354

TO: AFFECTED PARTIES

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

In Case No. 26354, AO II seeks an order from the Division approving a non-standard 1279.2-acre, more or less, Cisco-Canyon horizontal spacing unit and pooling all uncommitted interests in Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico, in the Cisco-Canyon; Northeast pool (pool code 97202). This spacing unit will be dedicated to the following wells: **Old Pal 1 36 State Com #821H** and **Old Pal 1 36 State Com #831H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #822H**, **Old Pal 1 36 State Com #832H**, and **Old Pal 1 36 State Com #833H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #823H** well with proposed a surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #834H** well with proposed a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of

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

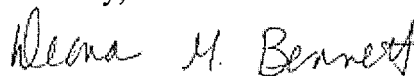
Section 36, Township 17 South, Range 35 East; and **Old Pal 1 36 State Com #824H** and **Old Pal 1 36 State Com #835H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 36, Township 17 South, Range 35 East. The wells will be drilled at orthodox locations. 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 II, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles southwest from Lovington, New Mexico.

The hearing is set for August 6, 2026 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

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

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

CASE NO. 26354

APPLICATION

Avant Operating II, LLC ("AO II"), OGRID Number 332947, 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 spacing unit, and (2) pooling all uncommitted interests within a non-standard 1279.2-acre, more or less Cisco-Canyon horizontal spacing unit comprised of all of Section 36, Township 17 South, Range 35 East, and Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, AO II states as follows:

1. AO II has an interest in the subject lands and has a right to drill and operate a well thereon.
2. AO II seeks to dedicate all of Section 36, Township 17 South, Range 35 East, and Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a 1279.2-acre, more or less, spacing unit in the Cisco-Canyon; Northeast pool (pool code 97202) (the "Unit").
3. AO II seeks approval of the 1279.2-acre non-standard spacing unit to allow AO II to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing.

4. AO II seeks to dedicate the Unit to the following wells:

- **Old Pal 1 36 State Com #821H and Old Pal 1 36 State Com #831H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 36, Township 17 South, Range 35 East;
- **Old Pal 1 36 State Com #822H, Old Pal 1 36 State Com #832H, and Old Pal 1 36 State Com #833H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 36, Township 17 South, Range 35 East;
- **Old Pal 1 36 State Com #823H** well with proposed a surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East;
- **Old Pal 1 36 State Com #834H** well with proposed a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; and
- **Old Pal 1 36 State Com #824H and Old Pal 1 36 State Com #835H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 36, Township 17 South, Range 35 East.

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

6. AO II sought, but has been unable to obtain, a voluntary agreement from all interest owners in the 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 Unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Approval of a non-standard spacing unit will allow AO II to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands and reduce surface disturbance.

WHEREFORE, AO II requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2026, 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 Unit;
- C. Designating AO II as operator of the Unit and the wells to be drilled thereon;
- D. Authorizing AO II 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
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
Attorneys for Avant Operating II, LLC

CASE NO. 26354 : Application of Avant Operating II, 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 1279.2-acre, more or less, Cisco-Canyon horizontal spacing unit and pooling all uncommitted interests in Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico, in the Cisco-Canyon; Northeast pool (pool code 97202). This spacing unit will be dedicated to the following wells: **Old Pal 1 36 State Com #821H and Old Pal 1 36 State Com #831H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #822H, Old Pal 1 36 State Com #832H, and Old Pal 1 36 State Com #833H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #823H** well with proposed a surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; **Old Pal 1 36 State Com #834H** well with proposed a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; and **Old Pal 1 36 State Com #824H and Old Pal 1 36 State Com #835H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 36, Township 17 South, Range 35 East. The wells will be drilled at orthodox locations. 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 II, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles southwest from Lovington, New Mexico.

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
07/14/2026

Firm Mailing Book ID: 314608

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0152 3570 32	Chalfant Properties, Inc. PO Box 3123 Midland TX 79702	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
2	9314 8699 0430 0152 3570 49	PBEX Operating, LLC 223 West Wall Street, Suite 900 Midland TX 79701	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
3	9314 8699 0430 0152 3570 56	BTA Oil Producers 104 S. Pecos Midland TX 79701	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
4	9314 8699 0430 0152 3570 63	Armstrong Energy Corp PO Box 1973 Roswell NM 88202	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
5	9314 8699 0430 0152 3570 70	Texas Standard Oil LLC 3300 North A Street, Suite 105 Midland TX 79705	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
6	9314 8699 0430 0152 3570 87	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
7	9314 8699 0430 0152 3570 94	MRC Delaware Resources LLC 5400 LBJ Freeway Dallas TX 75240	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
8	9314 8699 0430 0152 3571 00	OXY USA WTP LP 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
9	9314 8699 0430 0152 3571 17	ConocoPhillips 600 W. Illinois Avenue Midland TX 79701	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
10	9314 8699 0430 0152 3571 24	Great Western Drilling LTD P. O. Box 1659 Midland TX 79702	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
11	9314 8699 0430 0152 3571 31	Chevron USA Inc 1400 Smith Street Houston TX 77002	\$1.98	\$5.55	\$2.91	\$0.00	10375.15OldPal Notice
Totals:			\$21.78	\$61.05	\$32.01	\$0.00	
			Grand Total:			\$114.84	

List Number of Pieces
Listed by Sender

11

Total Number of Pieces
Received at Post Office

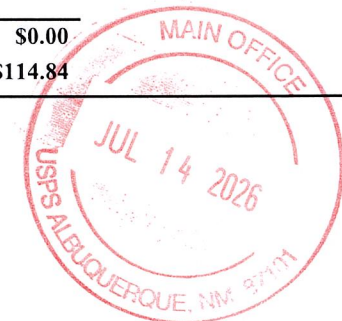
/ /

Postmaster:
Name of receiving employee



Dated:

EXHIBIT C.2



Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 314608 Generated: 8/24/2026 9:22:31 AM									
USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300152357131	2026-07-14 7:21 AM	10375.15OldPal	Chevron USA Inc	Houston	TX	77002	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300152357124	2026-07-14 7:21 AM	10375.15OldPal	Great Western Drilling LTD	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-20 3:34 PM
9314869904300152357117	2026-07-14 7:21 AM	10375.15OldPal	ConocoPhillips	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-20 7:52 AM
9314869904300152357100	2026-07-14 7:21 AM	10375.15OldPal	OXY USA WTP LP	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300152357094	2026-07-14 7:21 AM	10375.15OldPal	MRC Delaware Resources LLC	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-17 9:41 AM
9314869904300152357087	2026-07-14 7:21 AM	10375.15OldPal	State of New Mexico	Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-18 11:04 AM
9314869904300152357070	2026-07-14 7:21 AM	10375.15OldPal	Texas Standard Oil LLC	Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-17 9:48 AM
9314869904300152357063	2026-07-14 7:21 AM	10375.15OldPal	Armstrong Energy Corp	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-20 8:44 AM
9314869904300152357056	2026-07-14 7:21 AM	10375.15OldPal	BTA Oil Producers	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-20 7:35 AM
9314869904300152357049	2026-07-14 7:21 AM	10375.15OldPal	PBEX Operating, LLC	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-21 10:33 AM
9314869904300152357032	2026-07-14 7:21 AM	10375.15OldPal	Chalfant Properties, Inc.	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2026-07-21 12:37 PM

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 that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 16, 2026
and ending with the issue dated
July 16, 2026.



Publisher

Sworn and subscribed to before me this
16th day of July 2026.



Business Manager

My commission expires

January 29, 2027
STATE OF 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.

LEGALS
July 16, 2026

CASE NO. 26354: Notice to all affected parties, as well as heirs and devisees of: Chalfant Properties, Inc.; PBEX Operating, LLC; BTA Oil Producers; Armstrong Energy Corp.; Texas Standard Oil LLC; State of New Mexico; MRC Delaware Resources LLC; OXY USA WTP LP; ConocoPhillips; Great Western Drilling LTD; Chevron USA, Inc. of the Application of Avant Operating II, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:30 a.m. on August 6, 2026 to consider this application. The conference 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 a 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/>. Applicant seeks an order from the Division approving a non-standard 1279.2-acre, more or less, Cisco-Canyon horizontal spacing unit and pooling all uncommitted interests in Lots 1, 2, 3, and 4, the S/2N/2, and the S/2 of Irregular Section 1 (the equivalent of all of Section 1), Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico, in the Cisco-Canyon; Northeast pool (pool code 97202). This spacing unit will be dedicated to the following wells: Old Pal 1 36 State Com #821H and Old Pal 1 36 State Com #831H wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NW/4 NW/4 (Unit D) of Section 36, Township 17 South, Range 35 East; Old Pal 1 36 State Com #822H, Old Pal 1 36 State Com #832H, and Old Pal 1 36 State Com #833H wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 36, Township 17 South, Range 35 East; Old Pal 1 36 State Com #823H well with proposed a surface hole locations in the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; Old Pal 1 36 State Com #834H well with proposed a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and a proposed bottom hole locations in the NW/4 NE/4 (Unit B) of Section 36, Township 17 South, Range 35 East; and Old Pal 1 36 State Com #824H and Old Pal 1 36 State Com #835H wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 1, Township 18 South, Range 35 East, and proposed bottom hole locations in the NE/4 NE/4 (Unit A) of Section 36, Township 17 South, Range 35 East. The wells will be drilled at orthodox locations. 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 II, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells; Said area is located approximately 11 miles southwest from Lovington, New Mexico. #00313047

01104570

00313047

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

EXHIBIT C.4