

CASE NO. 22279

APPLICATION OF TAP ROCK RESOURCES, LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

EXHIBITS (PART I)

- A. Application and Proposed Notice
- B. Landman's Affidavit
- C. Geologist's Affidavit
- D. Affidavit of Notice
- E. Pooling Checklist

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

APPLICATION OF TAP ROCK RESOURCES,
LLC FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

Case No. 22279

APPLICATION

Tap Rock Resources, LLC applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a (proximity tract) horizontal spacing unit underlying the SE/4 of Section 25 and Lots 1, 2, and the N/2NE/4 (the E/2) of Section 36, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the SE/4 of Section 25 and the E/2 of Section 36, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation:
 - (a) the Nailed It Fed. Com. Well No. 123H, with a first take point in Lot 2 of Section 36 and a last take point in the NW/4SE/4 of Section 25;
 - (b) the Nailed It Fed. Com. Well No. 124H, with a first take point in Lot 1 of Section 36 and a last take point in the NE/4SE/4 of Section 25;
 - (c) the Nailed It Fed. Com. Well No. 153H, with a first take point in Lot 2 of Section 36 and a last take point in the NW/4SE/4 of Section 25;
 - (d) the Nailed It Fed. Com. Well No. 154H, with a first take point in Lot 1 of Section 36 and a last take point in the NE/4SE/4 of Section 25; and

EXHIBIT

A

(e) the Nailed It Fed. Com. Well No. 156H, with a first take point in Lot 1 of Section 36 and a last take point in the NE/4SE/4 of Section 25. This is the proximity tract well.

The SE/4 of Section 25 and the E/2 of Section 36 will be dedicated to the wells

3. Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the SE/4 of Section 25 and the E/2 of Section 36 for the purposes set forth herein.

4. Although applicant attempted to obtain to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the SE/4 of Section 25 and the E/2 of Section 36 pursuant to NMSA 1978 §70-2-17.

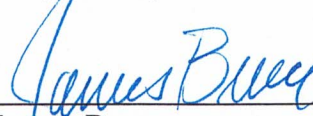
5. The pooling of mineral interests in Bone Spring formation underlying the well unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all uncommitted mineral interests in Bone Spring formation underlying the SE/4 of Section 25 and the E/2 of Section 36;
- B. Designating Tap Rock Operating, LLC as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the costs thereof among the wells' working interest owners;

- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk assumed by applicant in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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

jamesbruc@aol.com

Attorney for Tap Rock Resources, LLC

Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the SE/4 of Section 25 and Lots 1, 2, and the N/2NE/4 (the E/2) of Section 36, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the following wells:

- (a) the Nailed It Fed. Com. Well No. 123H, with a first take point in Lot 2 of Section 36 and a last take point in the NW/4SE/4 of Section 25;
- (b) the Nailed It Fed. Com. Well No. 124H, with a first take point in Lot 1 of Section 36 and a last take point in the NE/4SE/4 of Section 25;
- (c) the Nailed It Fed. Com. Well No. 153H, with a first take point in Lot 2 of Section 36 and a last take point in the NW/4SE/4 of Section 25;
- (d) the Nailed It Fed. Com. Well No. 154H, with a first take point in Lot 1 of Section 36 and a last take point in the NE/4SE/4 of Section 25; and
- (e) the Nailed It Fed. Com. Well No. 156H, with a first take point in Lot 1 of Section 36 and a last take point in the NE/4SE/4 of Section 25. This is the proximity tract well.

Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 11-1/2 miles east of the intersection of U.S. Highway 285 with the New Mexico-Texas border.

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

APPLICATION OF TAP ROCK OPERATING, LLC
FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

Case No. 22279

AFFIDAVIT OF MATTHEW PHILLIPS

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am employed as a Landman with Tap Rock Operating, LLC ("Tap Rock"), and I am familiar with the subject application and the lands involved.
3. This affidavit is submitted in connection with the filing by Tap Rock of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
5. The purpose of this application is to force pool working interest owners into the horizontal spacing unit ("HSU") described below, and in the wells to be drilled in the units.
6. No opposition is expected. Chevron USA, Inc. ("Chevron") was contacted regarding the proposed wells. Tap Rock continues to work toward a voluntary agreement with Chevron.
7. Tap Rock seeks an order pooling all mineral interests in the WC 015 G06 S242630A Bone Spring Pool (Pool Code 98319) underlying the SE/4 of Section 25 and E/2 Section

36, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. The proposed 320-acre, more or less, spacing unit will be dedicated to the Nailed It Fed Com #123H, #124H, #153H, #154H, #156H wells (the "Wells"), as the defining wells for the units.

8. A proposed C-102 for each well is attached as **Exhibit 1**. The Wells will develop the WC 015 G06 S242630A Bone Spring Pool (98319) which is an oil pool.

9. The proposed surface hole, bottom hole, and first take point for each Well can be found in the attached **Exhibit 1**. The proposed total vertical depth for each Well can be found in the attached **Exhibit 5**.

10. A tract map containing the composition of the HSU is attached hereto as **Exhibit 2** and shows that the HSU is comprised of one Federal tract and two State tracts.

11. The party being pooled and the nature of its interest is found in **Exhibit 4** attached hereto. **Exhibit 4** also includes information regarding working interest owners and overriding royalty interest owners.

12. There are no depth severances in the Bone Spring formation in the proposed HSU.

13. I have conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties well proposals, including an Authorization for Expenditure ("AFE").

14. Tap Rock has made a good faith effort to obtain voluntary joinder of the working interest owner in the proposed Wells.

15. **Exhibit 5** is a sample proposal letter and the AFE for each of the proposed Wells. The estimated cost of each of the Wells set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

16. Tap Rock requests overhead and administrative rates of \$7000/month for drilling a well and \$700/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. Tap Rock requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. Tap Rock requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

18. Tap Rock requests that it be designated operator of the Wells.

19. The Exhibits to this Affidavit were prepared by me, or compiled from Tap Rock's company business records.

20. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

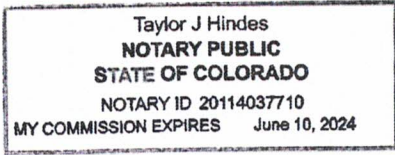
21. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Matthew Phillips
Matthew Phillips

STATE OF COLORADO)
)ss
COUNTY OF JEFFERSON)

Subscribed to and sworn before me this 2nd day of November, 2021.



Taylor J Hinde
Notary Public

My Commission expires June 10, 2024.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
EXHIBIT

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name		
⁴ Property Code		⁵ Property Name NAILED IT FED COM			⁶ Well Number 123H	
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3030'	

¹⁰Surface Location

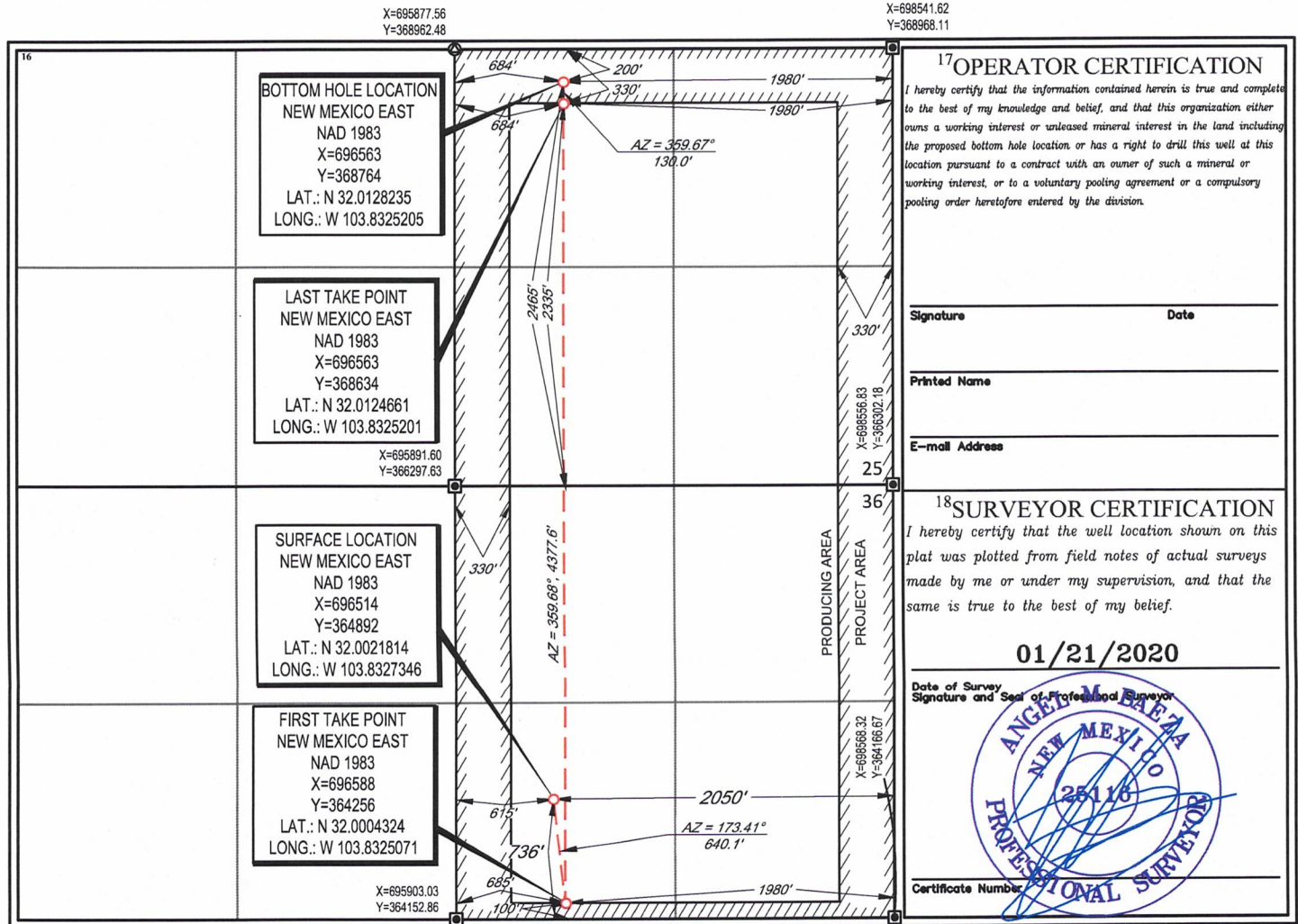
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	36	26-S	30-E	-	736'	SOUTH	2050'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	25	26-S	30-E	-	2465'	SOUTH	1980'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

18 SURVEYOR CERTIFICATION
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 to the best of my belief.

01/21/2020
Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number _____

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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WELL LOCATION AND ACREAGE DEDICATION PLAT

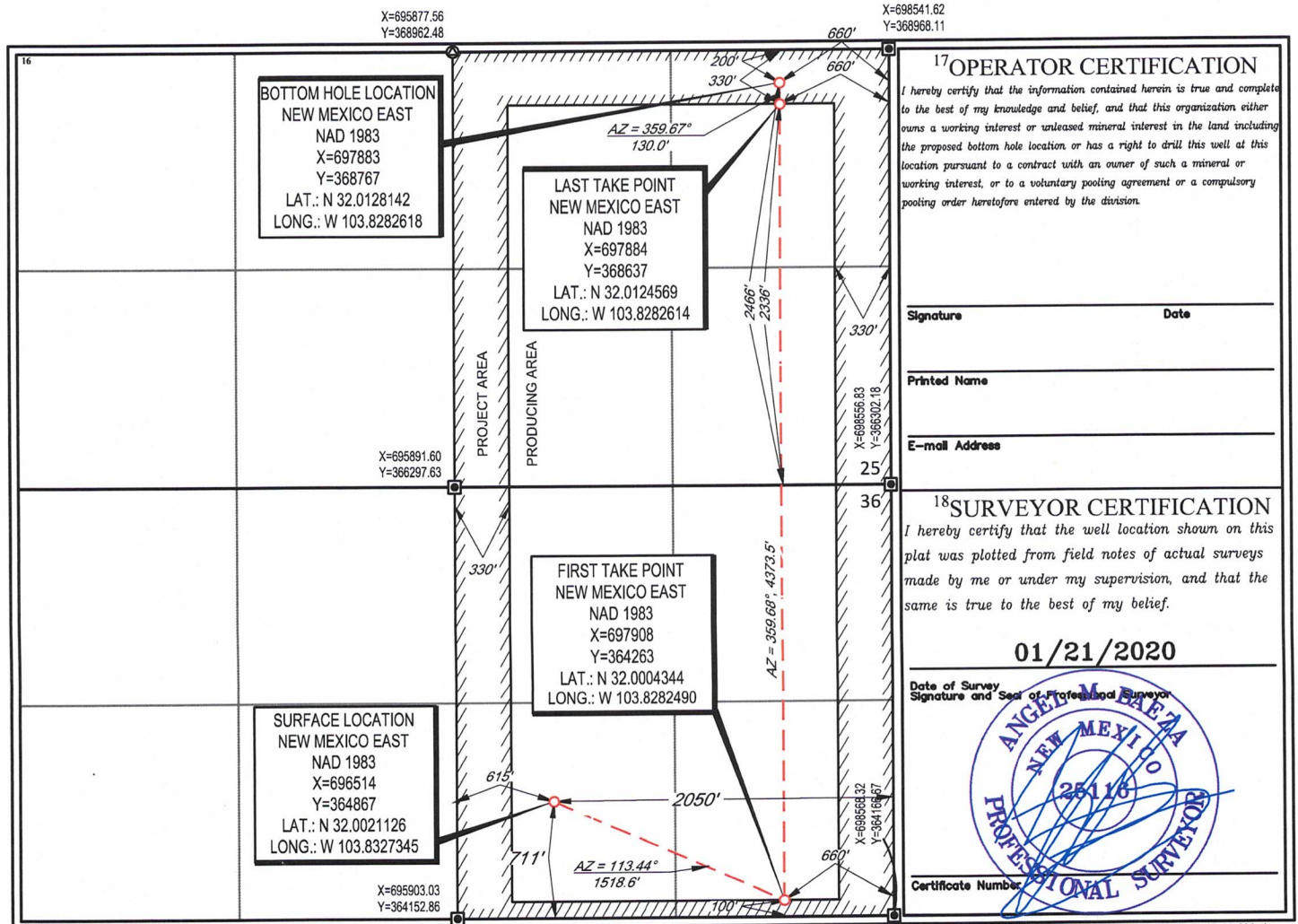
¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name NAILED IT FED COM		⁶ Well Number 124H
⁷ OGRID No. 372043	⁸ Operator Name TAP ROCK OPERATING, LLC.		⁹ Elevation 3030'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	36	26-S	30-E	-	711'	SOUTH	2050'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	26-S	30-E	-	2466'	SOUTH	660'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



S:\SURVEY\TAPROCK\NAILED_IT_UNIT\FINAL_PRODUCTS\ILO_NAILED_IT_FED_COM_124H.DWG 2/2/2021 11:17:50 AM abaeza

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1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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1000 Rio Brazos Road, Aztec, NM 87410
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District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

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Submit one copy to appropriate
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name		
⁴ Property Code		⁵ Property Name NAILED IT FED COM				⁶ Well Number 153H
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.				⁹ Elevation 3031'

¹⁰Surface Location

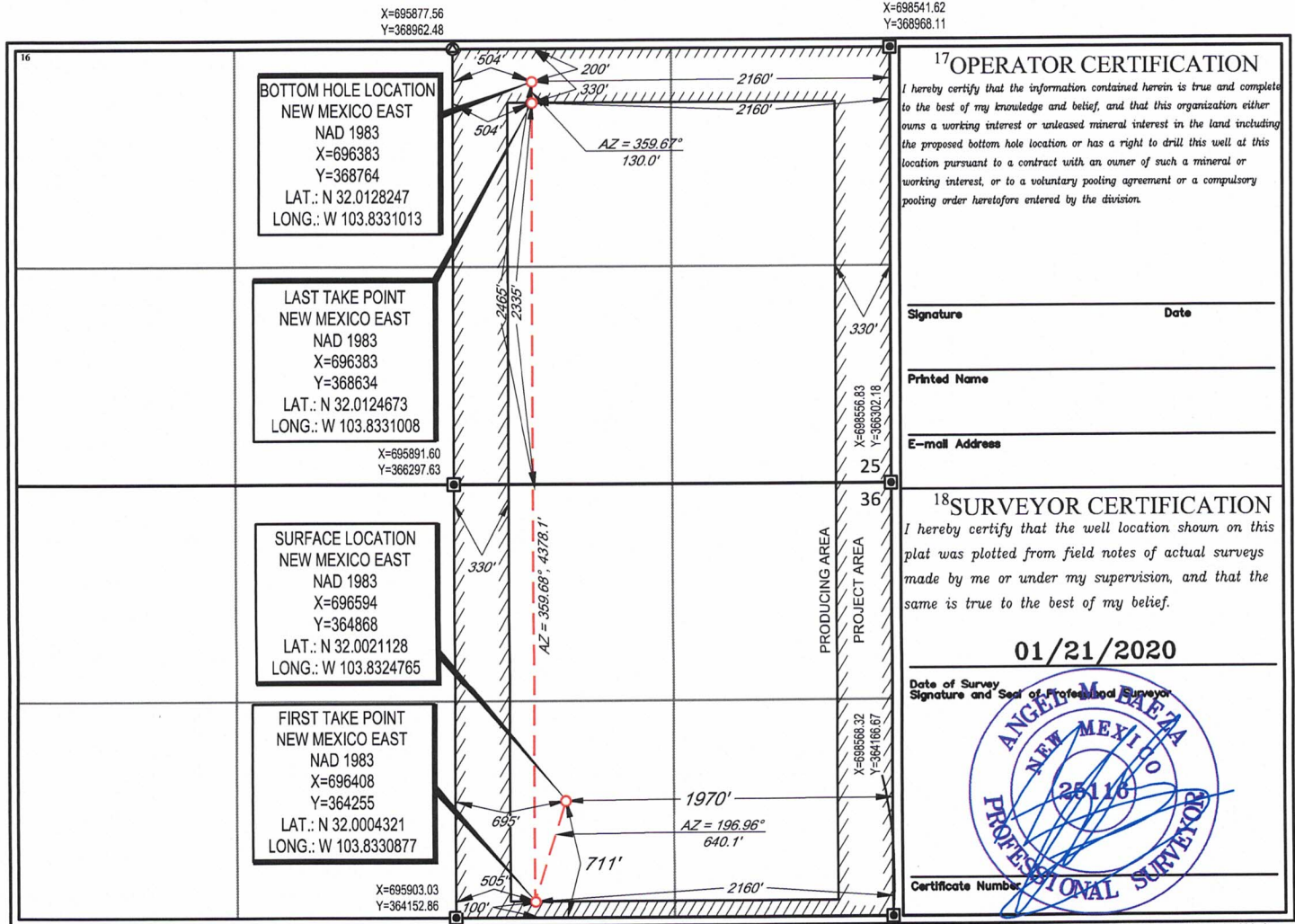
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	36	26-S	30-E	-	711'	SOUTH	1970'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	25	26-S	30-E	-	2465'	SOUTH	2160'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

18 SURVEYOR CERTIFICATION
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 to the best of my belief.

01/21/2020
Date of Survey
Signature and Seal of Professional Surveyor
(Signature and Seal of Angelo M. Baeza)
Certificate Number _____

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name NAILED IT FED COM			⁶ Well Number 154H
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3031'

¹⁰Surface Location

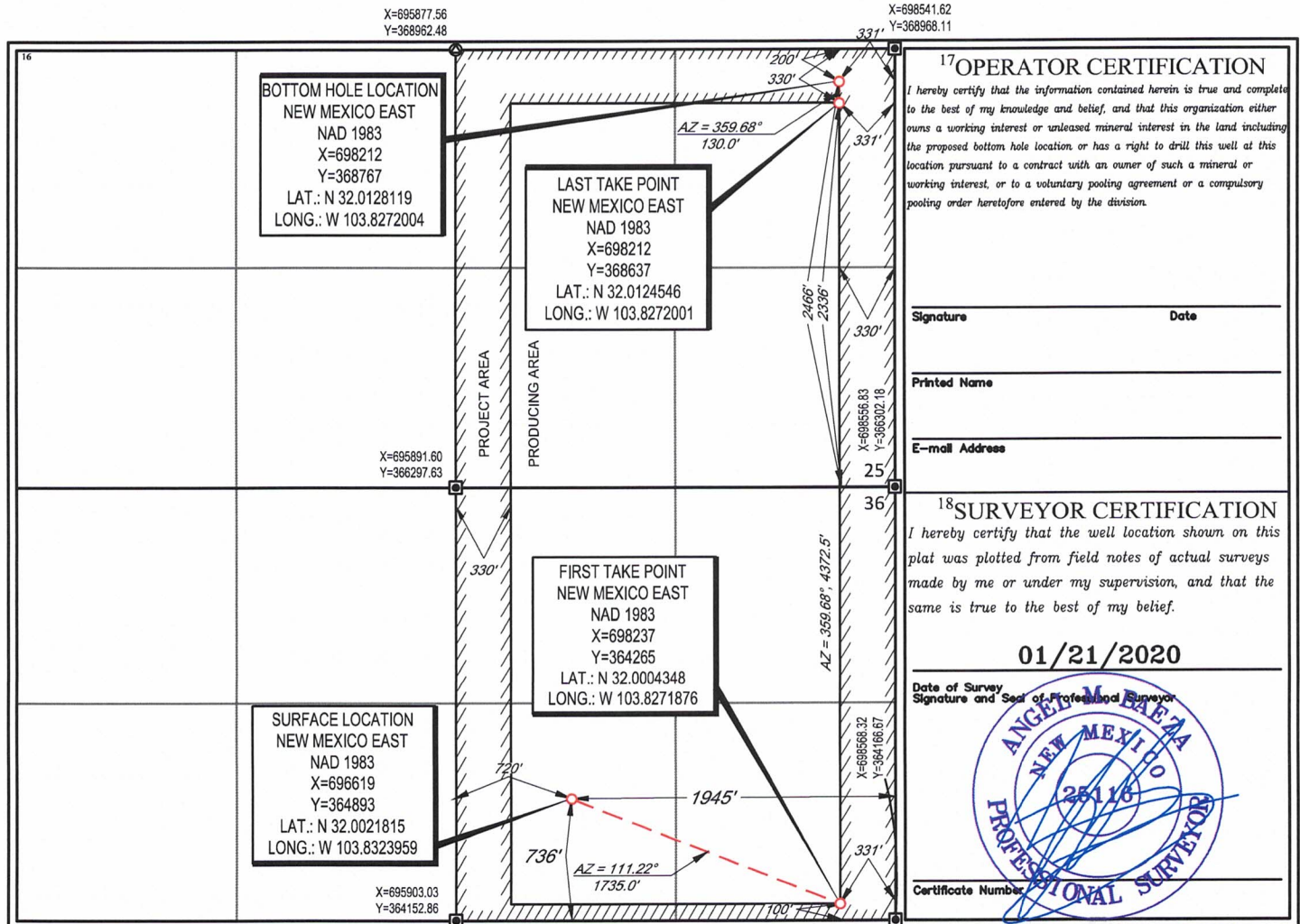
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	36	26-S	30-E	-	736'	SOUTH	1945'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	26-S	30-E	-	2466'	SOUTH	331'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

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 to the best of my belief.

01/21/2020

Date of Survey _____
Signature and Seal of Professional Surveyor



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State of New Mexico
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1220 South St. Francis Dr.
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name		
⁴ Property Code		⁵ Property Name NAILED IT FED COM			⁶ Well Number 156H	
⁷ OGRID No. 372043		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3031'	

¹⁰Surface Location

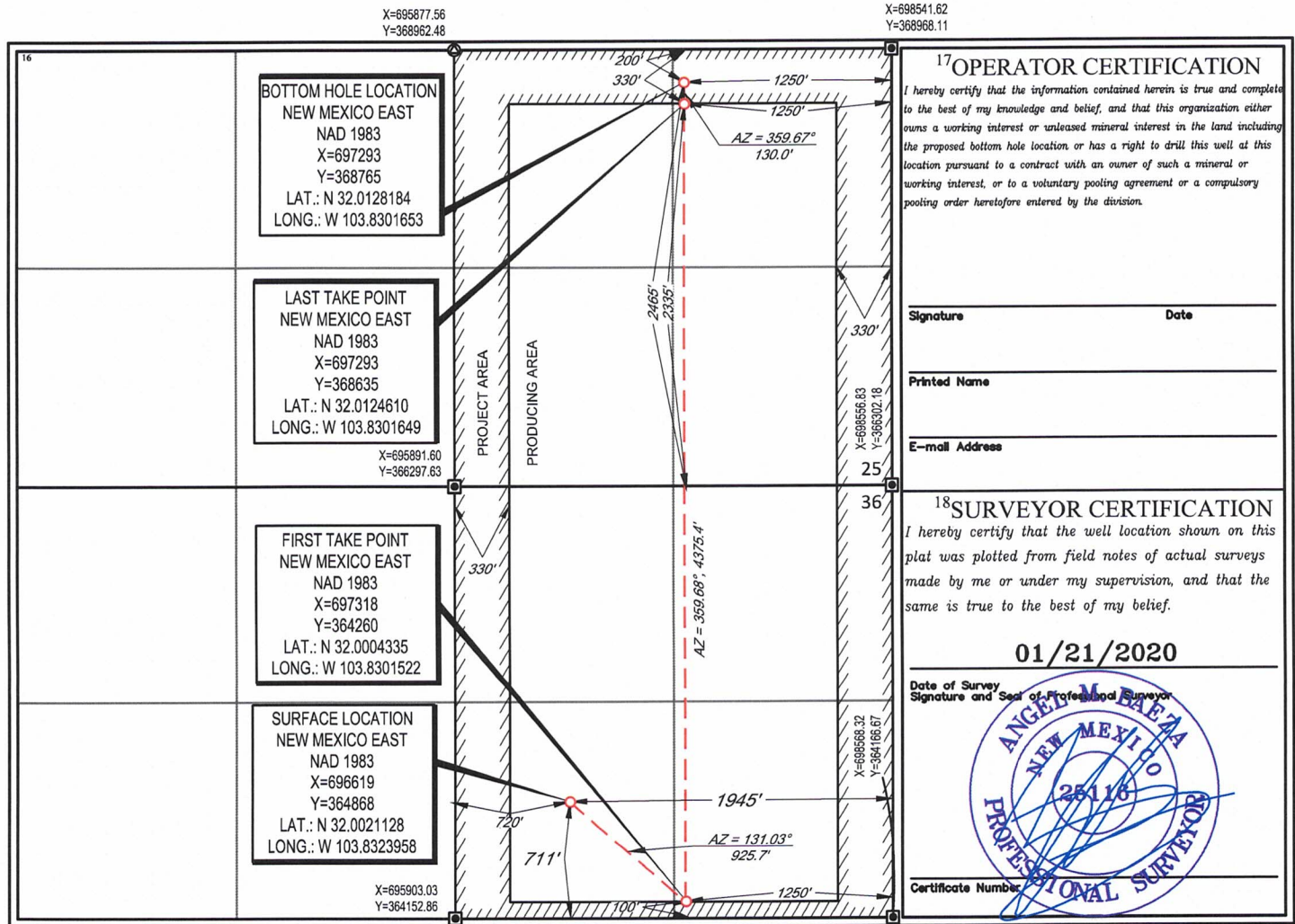
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	36	26-S	30-E	-	711'	SOUTH	1945'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

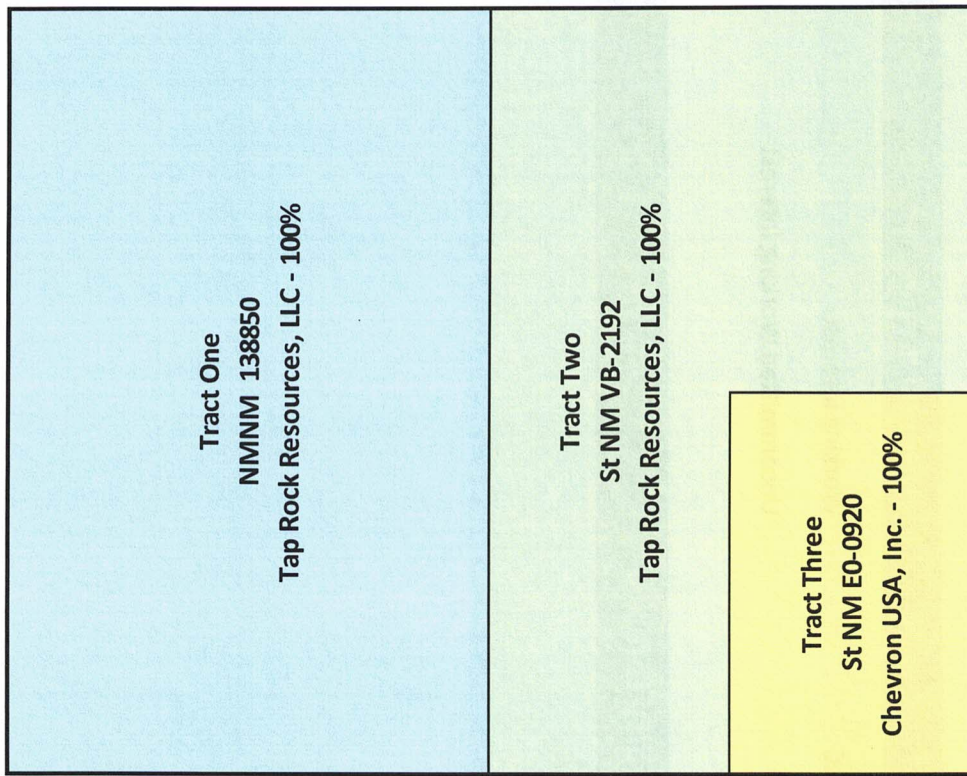
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	26-S	30-E	-	2465'	SOUTH	1250'	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



Tract Map



SE/4 Section 25

NE/4, Lot 1 Section 36

Lot 2 Section 36

Tract One
NMNM 138850
Tap Rock Resources, LLC - 100%

Tract Two
St NM VB-2192
Tap Rock Resources, LLC - 100%

Tract Three
St NM EO-0920
Chevron USA, Inc. - 100%

Nailed It Fed Com #123H, #124H, #153H, #154H, #156H

Exhibit 2
Case No. 22279



Unit Interest Breakdown*

Entity	Interest Type	Approximate Percentage
Tap Rock Resources, LLC	Working Interest	91.574202%
Chevron USA, Inc.	Uncommitted Working Interest	8.425798%
Overriding Royalty Interest		
Tap Rock Minerals, LLC Patrick J. Tower Randall Cate		

*final interest subject to division order title verification

Nailed It Fed Com #123H, #124H, #153H, #154H, #156H

Exhibit 4
Case No. 22279

TAP ROCK RESOURCES, LLC
 MATTHEW C. PHILLIPS - LANDMAN
 MPHILLIPS@TAPRK.COM

523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401



July 27, 2021

Via Certified Mail

CHEVRON USA INC
 P.O. BOX 1635
 HOUSTON, TX 77251

Re: Well Proposal(s) for:

- Nailed It Federal Com #121H
- Nailed It Federal Com #122H
- Nailed It Federal Com #123H
- Nailed It Federal Com #124H
- Nailed It Federal Com #151H
- Nailed It Federal Com #152H
- Nailed It Federal Com #153H
- Nailed It Federal Com #154H
- Nailed It Federal Com #155H
- Nailed It Federal Com #156H

**Township 26 South, Range 30 East, Sections 25 & 36
 Eddy County, New Mexico**

Dear Working Interest Owner:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the following Well(s). Accordingly, enclosed for your further handling are our AFE(s) for the following Well(s):

Well Name	Surface Hole Location (SHL)	Bottom Hole Location (BHL)	Formation	True Vertical Depth	Measured Depth
NAILED IT FEDERAL COM #121H	330' FSL & 489' FWL Section 36	2464' FSL & 660' FWL Section 25	2nd Bone Spring	9522	14472
NAILED IT FEDERAL COM #122H	205' FSL & 2050' FWL Section 36	2465' FSL & 1980' FWL Section 25	2nd Bone Spring	9522	14472
NAILED IT FEDERAL COM #123H	736' FSL & 2050' FEL Section 36	2465' FSL & 1980' FEL Section 25	2nd Bone Spring	9544	14494
NAILED IT FEDERAL COM #124H	711' FSL & 2050' FEL Section 36	2466' FSL & 660' FEL Section 25	2nd Bone Spring	9544	14494
NAILED IT FEDERAL COM #151H	305' FSL & 489' FWL Section 36	2464' FSL & 331' FWL Section 25	3rd Bone Spring	10177	15027

EXHIBIT 5

TAP ROCK RESOURCES, LLC
 MATTHEW C. PHILLIPS - LANDMAN
 MPHILLIPS@TAPRK.COM

523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401



NAILED IT FEDERAL COM #152H	230' FSL & 2050' FWL Section 36	2465' FSL & 2160' FWL Section 25	3rd Bone Spring	10177	15027
NAILED IT FEDERAL COM #153H	711' FSL & 1970' FEL Section 36	2465' FSL & 2160' FEL Section 25	3rd Bone Spring	10177	15027
NAILED IT FEDERAL COM #154H	736' FSL & 1945' FEL Section 36	2466' FSL & 331' FEL Section 25	3rd Bone Spring	10177	15027
NAILED IT FEDERAL COM #155H	305' FSL & 514' FWL Section 36	2464' FSL & 1250' FWL Section 25	3rd Bone Spring	10177	15027
NAILED IT FEDERAL COM #156H	711' FSL & 1945' FEL Section 36	2465' FSL & 1250' FEL Section 25	3rd Bone Spring	10092	15042

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications. A separate AFE for facility costs is forthcoming. Your election to participate in the drilling and completion of the proposed wells will also be considered an election to participate in the construction of the production facility.

In the event you elect to participate in the proposed wells, please execute the enclosed AFEs and return to me within 30 days. Should you have any questions regarding the above, please contact the undersigned.

Sincerely,

TAP ROCK OPERATING, LLC

Matthew C. Phillips
 720-459-3724
 mphillips@taprk.com

TAP ROCK RESOURCES, LLC

MATTHEW C. PHILLIPS - LANDMAN
MPHILLIPS@TAPRK.COM

523 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401



CHEVRON USA INC hereby elects to:

_____ participate in the NAILED IT FEDERAL COM #121H

_____ non-consent the NAILED IT FEDERAL COM #121H

_____ participate in the NAILED IT FEDERAL COM #122H

_____ non-consent the NAILED IT FEDERAL COM #122H

_____ participate in the NAILED IT FEDERAL COM #123H

_____ non-consent the NAILED IT FEDERAL COM #123H

_____ participate in the NAILED IT FEDERAL COM #124H

_____ non-consent the NAILED IT FEDERAL COM #124H

_____ participate in the NAILED IT FEDERAL COM #151H

_____ non-consent the NAILED IT FEDERAL COM #151H

_____ participate in the NAILED IT FEDERAL COM #152H

_____ non-consent the NAILED IT FEDERAL COM #152H

_____ participate in the NAILED IT FEDERAL COM #153H

_____ non-consent the NAILED IT FEDERAL COM #153H

_____ participate in the NAILED IT FEDERAL COM #154H

_____ non-consent the NAILED IT FEDERAL COM #154H

_____ participate in the NAILED IT FEDERAL COM #155H

_____ non-consent the NAILED IT FEDERAL COM #155H

_____ participate in the NAILED IT FEDERAL COM #156H

_____ non-consent the NAILED IT FEDERAL COM #156H

By: _____

Name: _____

Title: _____

Date: _____

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Nailed It Fed Com #123H
 AFE #: 0
 County: Eddy
 State: NM

Date: July 27, 2021
 MD/TVD: 14494 / 9544
 Lateral Length: 4500
 Geologic Target: 2nd Bone Spring

Well Description: Drill, complete, and equip a horizontal 2nd Bone Spring well with a 4500 foot lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000	2 1	Land - Legal		3 1	Land - Legal	
1 2	Land - Regulatory	10,000	2 2	Land - Regulatory		3 2	Land - Regulatory	
1 3	Land - Surface Damages	10,000	2 3	Land - Surface Damages		3 3	Land - Surface Damages	
1 4	Land - Survey	10,000	2 4	Land - Survey		3 4	Land - Survey	
1 5	Location/Pit Construction	59,000	2 5	Location/Pit Construction		3 5	Location/Pit Construction	5,000
1 6	Remedial Dirtwork	0	2 6	Remedial Dirtwork		3 6	Remedial Dirtwork	
1 7	Reserve/Frac Pit Closing	0	2 7	Reserve/Frac Pit Closing		3 7	Reserve/Frac Pit Closing	
1 8	Drilling - Contractor	226,537	2 8	Drilling - Contractor		3 8	Drilling - Contractor	
1 9	Mob/Rig Up - Contractor/Trucking	50,000	2 9	Mob/Rig Up - Contractor/Trucking		3 9	Mob/Rig Up - Contractor/Trucking	
1 10	Cementing Services	141,600	2 10	Cementing Services		3 10	Cementing Services	
1 11	Cementing Equipment	30,000	2 11	Cementing Equipment		3 11	Cementing Equipment	
1 12	Bits/Drill Out Assemblies	63,500	2 12	Bits/Drill Out Assemblies	32,048	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	35,405	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	74,102	2 14	Fluids/Chemicals	16,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	44,973	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	0	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	17,344	2 17	Fuel/Power	168,700	3 17	Fuel/Power	
1 18	Water	33,706	2 18	Water	138,525	3 18	Water	
1 19	Directional Drilling	85,018	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	12,175	2 20	Mud Logging		3 20	Mud Logging	
1 21	Open/Cased/Production Hole Logs	0	2 21	Open/Cased/Production Hole Logs	8,440	3 21	Open/Cased/Production Hole Logs	
1 22	Coring	0	2 22	Coring		3 22	Coring	
1 23	Geologic Supervision	0	2 23	Geologic Supervision		3 23	Geologic Supervision	
1 24	Engineering Supervision	0	2 24	Engineering Supervision		3 24	Engineering Supervision	
1 25	Consultant Supervision	50,608	2 25	Consultant Supervision	50,000	3 25	Consultant Supervision	15,000
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	5,000
1 27	Labor	98,500	2 27	Labor	9,220	3 27	Labor	28,000
1 28	Supplies - Surface	2,500	2 28	Supplies - Surface	2,000	3 28	Supplies - Surface	
1 29	Supplies - Living Quarters	1,000	2 29	Supplies - Living Quarters	2,000	3 29	Supplies - Living Quarters	
1 30	Rentals - Surface	26,926	2 30	Rentals - Surface	13,040	3 30	Rentals - Surface	
1 31	Rentals - Living Quarters	19,602	2 31	Rentals - Living Quarters	9,680	3 31	Rentals - Living Quarters	
1 32	Rentals - Downhole	2,000	2 32	Rentals - Downhole	0	3 32	Rentals - Downhole	
1 33	Rentals - Pipe & Handling Tools	20,234	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	71,100	3 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	2,551	2 35	Rentals - Frac Tanks	28,145	3 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	46,142	3 36	Coil Tubing Unit/Workover Rig	83,400
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	121,532	3 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	18,400	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	34,980	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	612,033	3 40	Stimulation	
1 41	Rentals - Pressure Control		2 41	Rentals - Pressure Control		3 41	Rentals - Pressure Control	
1 42	Flowback Services		2 42	Flowback Services	33,782	3 42	Flowback Services	38,500
1 43	Water Transfer Services		2 43	Water Transfer Services	47,700	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	8,243	3 44	Flowback Water Trucking & Disposal	0
1 45	Permanent Equipment Installation		2 45	Permanent Equipment Installation		3 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services		2 46	Pipeline Tapping Services		3 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0	2 47	Plugging & Abandonment		3 47	Plugging & Abandonment	
1 53	Overhead	0	2 53	Overhead	10,550	3 53	Overhead	5,500
1 54	Insurance	0	2 54	Insurance		3 54	Insurance	
1 55	Contingency	34,370	2 55	Contingency	58,978	3 55	Contingency	7,095
TOTAL INTANGIBLE DRILLING COSTS:		\$1,180,045	TOTAL INTANGIBLE COMPLETION COSTS:		\$1,543,501	TOTAL INTANGIBLE PRODUCTION COSTS:		\$187,495

TANGIBLE DRILLING COSTS			TANGIBLE COMPLETION COSTS			TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	18,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	31,625	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	91,200	5 62	1st Intermediate Casing		6 62	1st Intermediate Casing	
4 63	2nd Intermediate Casing	0	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	289,880	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	50,000
4 66	Wellhead	78,600	5 66	Wellhead	0	6 66	Wellhead	53,500
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	10,000
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	107,000
4 70	Compressors		5 70	Compressors		6 70	Compressors	
4 71	Surface Flowlines		5 71	Surface Flowlines		6 71	Surface Flowlines	50,000
4 72	Gathering Lines		5 72	Gathering Lines		6 72	Gathering Lines	0
4 73	Valves & Controllers		5 73	Valves & Controllers		6 73	Valves & Controllers	
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	15,000
4 75	Instrumentation & Measurement		5 75	Instrumentation & Measurement		6 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment		5 76	Electrical Grounding/Safety Equipment		6 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation		5 77	Permanent Equipment Installation		6 77	Permanent Equipment Installation	3,500
4 80	Other - Surface		5 80	Other - Surface		6 80	Other - Surface	
4 81	Other - Downhole	15,000	5 81	Other - Downhole		6 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$523,705	TOTAL TANGIBLE COMPLETION COSTS:		\$0	TOTAL TANGIBLE PRODUCTION COSTS:		\$289,000
TOTAL DRILLING COSTS:		\$1,703,750	TOTAL COMPLETION COSTS:		\$1,543,501	TOTAL PRODUCTION COSTS:		\$476,495
TOTAL WELL COST: \$3,723,746								

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS _____

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Nailed It Fed Com #124H
 AFE #: 0
 County: Eddy
 State: NM

Date: July 27, 2021
 MD/TVD: 14494 / 9544
 Lateral Length: 4500
 Geologic Target: 2nd Bone Spring

Well Description: Drill, complete, and equip a horizontal 2nd Bone Spring well with a 4500 foot lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000	2 1	Land - Legal		3 1	Land - Legal	
1 2	Land - Regulatory	10,000	2 2	Land - Regulatory		3 2	Land - Regulatory	
1 3	Land - Surface Damages	10,000	2 3	Land - Surface Damages		3 3	Land - Surface Damages	
1 4	Land - Survey	10,000	2 4	Land - Survey		3 4	Land - Survey	
1 5	Location/Pit Construction	59,000	2 5	Location/Pit Construction		3 5	Location/Pit Construction	5,000
1 6	Remedial Dirtwork	0	2 6	Remedial Dirtwork		3 6	Remedial Dirtwork	
1 7	Reserve/Frac Pit Closing	0	2 7	Reserve/Frac Pit Closing		3 7	Reserve/Frac Pit Closing	
1 8	Drilling - Contractor	226,537	2 8	Drilling - Contractor		3 8	Drilling - Contractor	
1 9	Mob/Rig Up - Contractor/Trucking	50,000	2 9	Mob/Rig Up - Contractor/Trucking		3 9	Mob/Rig Up - Contractor/Trucking	
1 10	Cementing Services	141,000	2 10	Cementing Services		3 10	Cementing Services	
1 11	Cementing Equipment	30,000	2 11	Cementing Equipment		3 11	Cementing Equipment	
1 12	Bits/Drill Out Assemblies	63,500	2 12	Bits/Drill Out Assemblies	12,048	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	35,405	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	74,102	2 14	Fluids/Chemicals	16,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	44,973	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	0	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	17,344	2 17	Fuel/Power	168,700	3 17	Fuel/Power	
1 18	Water	33,706	2 18	Water	138,525	3 18	Water	
1 19	Directional Drilling	85,018	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	12,175	2 20	Mud Logging		3 20	Mud Logging	
1 21	Open/Cased/Production Hole Logs	0	2 21	Open/Cased/Production Hole Logs	8,440	3 21	Open/Cased/Production Hole Logs	
1 22	Coring	0	2 22	Coring		3 22	Coring	
1 23	Geologic Supervision	0	2 23	Geologic Supervision		3 23	Geologic Supervision	
1 24	Engineering Supervision	0	2 24	Engineering Supervision		3 24	Engineering Supervision	
1 25	Consultant Supervision	50,608	2 25	Consultant Supervision	50,000	3 25	Consultant Supervision	15,000
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	5,000
1 27	Labor	98,500	2 27	Labor	9,220	3 27	Labor	28,000
1 28	Supplies - Surface	2,500	2 28	Supplies - Surface	2,000	3 28	Supplies - Surface	
1 29	Supplies - Living Quarters	1,000	2 29	Supplies - Living Quarters	2,000	3 29	Supplies - Living Quarters	
1 30	Rentals - Surface	26,926	2 30	Rentals - Surface	13,040	3 30	Rentals - Surface	
1 31	Rentals - Living Quarters	19,602	2 31	Rentals - Living Quarters	9,680	3 31	Rentals - Living Quarters	
1 32	Rentals - Downhole	2,000	2 32	Rentals - Downhole	0	3 32	Rentals - Downhole	
1 33	Rentals - Pipe & Handling Tools	20,234	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	71,100	3 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	2,551	2 35	Rentals - Frac Tanks	28,145	3 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	46,142	3 36	Coil Tubing Unit/Workover Rig	83,400
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	121,532	3 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	18,400	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	34,980	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	612,033	3 40	Stimulation	
1 41	Rentals - Pressure Control		2 41	Rentals - Pressure Control		3 41	Rentals - Pressure Control	
1 42	Flowback Services		2 42	Flowback Services	33,782	3 42	Flowback Services	38,500
1 43	Water Transfer Services		2 43	Water Transfer Services	47,700	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	8,243	3 44	Flowback Water Trucking & Disposal	0
1 45	Permanent Equipment Installation		2 45	Permanent Equipment Installation		3 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services		2 46	Pipeline Tapping Services		3 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0	2 47	Plugging & Abandonment		3 47	Plugging & Abandonment	
1 53	Overhead	0	2 53	Overhead	10,550	3 53	Overhead	5,500
1 54	Insurance	0	2 54	Insurance		3 54	Insurance	
1 55	Contingency	34,370	2 55	Contingency	58,928	3 55	Contingency	7,095
TOTAL INTANGIBLE DRILLING COSTS: \$1,180,045			TOTAL INTANGIBLE COMPLETION COSTS: \$1,543,501			TOTAL INTANGIBLE PRODUCTION COSTS: \$187,495		

TANGIBLE DRILLING COSTS			TANGIBLE COMPLETION COSTS			TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	18,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	31,625	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	91,200	5 62	1st Intermediate Casing		6 62	1st Intermediate Casing	
4 63	2nd Intermediate Casing	0	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	289,880	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	50,000
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	53,500
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	10,000
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	107,000
4 70	Compressors		5 70	Compressors		6 70	Compressors	
4 71	Surface Flowlines		5 71	Surface Flowlines		6 71	Surface Flowlines	50,000
4 72	Gathering Lines		5 72	Gathering Lines		6 72	Gathering Lines	0
4 73	Valves & Controllers		5 73	Valves & Controllers		6 73	Valves & Controllers	
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	15,000
4 75	Instrumentation & Measurement		5 75	Instrumentation & Measurement		6 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment		5 76	Electrical Grounding/Safety Equipment		6 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation		5 77	Permanent Equipment Installation		6 77	Permanent Equipment Installation	3,500
4 80	Other - Surface		5 80	Other - Surface		6 80	Other - Surface	
4 81	Other - Downhole	15,000	5 81	Other - Downhole		6 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS: \$523,765			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$289,000		
TOTAL DRILLING COSTS: \$1,703,750			TOTAL COMPLETION COSTS: \$1,543,501			TOTAL PRODUCTION COSTS: \$476,495		
TOTAL WELL COST: \$3,723,746								

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS _____

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Nailed It Fed Com #153H
 AFE #: 0
 County: Eddy
 State: NM

Date: July 27, 2021
 MD/TVD: 15027 / 10077
 Lateral Length: 4500
 Geologic Target: 3rd Bone Spring

Well Description: Drill, complete, and equip a horizontal 3rd Bone Spring well with a 4500 foot lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000	2 1	Land - Legal		3 1	Land - Legal	
1 2	Land - Regulatory	10,000	2 2	Land - Regulatory		3 2	Land - Regulatory	
1 3	Land - Surface Damages	10,000	2 3	Land - Surface Damages		3 3	Land - Surface Damages	
1 4	Land - Survey	10,000	2 4	Land - Survey		3 4	Land - Survey	
1 5	Location/Pit Construction	59,000	2 5	Location/Pit Construction		3 5	Location/Pit Construction	5,000
1 6	Remedial Dirtwork	0	2 6	Remedial Dirtwork		3 6	Remedial Dirtwork	
1 7	Reserve/Frac Pit Closing	0	2 7	Reserve/Frac Pit Closing		3 7	Reserve/Frac Pit Closing	
1 8	Drilling - Contractor	223,348	2 8	Drilling - Contractor		3 8	Drilling - Contractor	
1 9	Mob/Rig Up - Contractor/Trucking	50,000	2 9	Mob/Rig Up - Contractor/Trucking		3 9	Mob/Rig Up - Contractor/Trucking	
1 10	Cementing Services	141,000	2 10	Cementing Services		3 10	Cementing Services	
1 11	Cementing Equipment	30,600	2 11	Cementing Equipment		3 11	Cementing Equipment	
1 12	Bits/Drill Out Assemblies	63,500	2 12	Bits/Drill Out Assemblies	12,048	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	35,015	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	68,700	2 14	Fluids/Chemicals	16,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	47,372	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	13,500	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	17,004	2 17	Fuel/Power	168,700	3 17	Fuel/Power	
1 18	Water	33,667	2 18	Water	138,525	3 18	Water	
1 19	Directional Drilling	83,354	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	12,175	2 20	Mud Logging		3 20	Mud Logging	
1 21	Open/Cased/Production Hole Logs	0	2 21	Open/Cased/Production Hole Logs	8,440	3 21	Open/Cased/Production Hole Logs	
1 22	Coring	0	2 22	Coring		3 22	Coring	
1 23	Geologic Supervision	0	2 23	Geologic Supervision		3 23	Geologic Supervision	
1 24	Engineering Supervision	0	2 24	Engineering Supervision		3 24	Engineering Supervision	
1 25	Consultant Supervision	49,876	2 25	Consultant Supervision	50,000	3 25	Consultant Supervision	15,000
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	5,000
1 27	Labor	98,500	2 27	Labor	9,220	3 27	Labor	28,000
1 28	Supplies - Surface	2,500	2 28	Supplies - Surface	2,000	3 28	Supplies - Surface	
1 29	Supplies - Living Quarters	1,000	2 29	Supplies - Living Quarters	2,000	3 29	Supplies - Living Quarters	
1 30	Rentals - Surface	26,505	2 30	Rentals - Surface	13,040	3 30	Rentals - Surface	
1 31	Rentals - Living Quarters	19,370	2 31	Rentals - Living Quarters	9,680	3 31	Rentals - Living Quarters	
1 32	Rentals - Downhole	2,000	2 32	Rentals - Downhole	0	3 32	Rentals - Downhole	
1 33	Rentals - Pipe & Handling Tools	19,838	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	71,100	3 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	2,501	2 35	Rentals - Frac Tanks	28,145	3 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	46,142	3 36	Coil Tubing Unit/Workover Rig	83,400
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	121,532	3 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	18,400	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	34,980	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	61,203	3 40	Stimulation	
1 41	Rentals - Pressure Control		2 41	Rentals - Pressure Control		3 41	Rentals - Pressure Control	
1 42	Flowback Services		2 42	Flowback Services	33,782	3 42	Flowback Services	38,500
1 43	Water Transfer Services		2 43	Water Transfer Services	47,700	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	8,243	3 44	Flowback Water Trucking & Disposal	0
1 45	Permanent Equipment Installation		2 45	Permanent Equipment Installation		3 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services		2 46	Pipeline Tapping Services		3 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0	2 47	Plugging & Abandonment		3 47	Plugging & Abandonment	
1 53	Overhead	0	2 53	Overhead	10,550	3 53	Overhead	5,500
1 54	Insurance	0	2 54	Insurance		3 54	Insurance	
1 55	Contingency	34,462	2 55	Contingency	58,928	3 55	Contingency	7,095
TOTAL INTANGIBLE DRILLING COSTS: \$1,183,185			TOTAL INTANGIBLE COMPLETION COSTS: \$1,543,501			TOTAL INTANGIBLE PRODUCTION COSTS: \$187,495		

TANGIBLE DRILLING COSTS			TANGIBLE COMPLETION COSTS			TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	18,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	37,625	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	91,200	5 62	1st Intermediate Casing		6 62	1st Intermediate Casing	
4 63	2nd Intermediate Casing	0	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	311,740	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	50,000
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	53,500
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	10,000
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	107,000
4 70	Compressors		5 70	Compressors		6 70	Compressors	
4 71	Surface Flowlines		5 71	Surface Flowlines		6 71	Surface Flowlines	50,000
4 72	Gathering Lines		5 72	Gathering Lines		6 72	Gathering Lines	0
4 73	Valves & Controllers		5 73	Valves & Controllers		6 73	Valves & Controllers	
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	15,000
4 75	Instrumentation & Measurement		5 75	Instrumentation & Measurement		6 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment		5 76	Electrical Grounding/Safety Equipment		6 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation		5 77	Permanent Equipment Installation		6 77	Permanent Equipment Installation	3,500
4 80	Other - Surface		5 80	Other - Surface		6 80	Other - Surface	
4 81	Other - Downhole	15,000	5 81	Other - Downhole		6 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS: \$545,565			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$289,000		
TOTAL DRILLING COSTS: \$1,728,750			TOTAL COMPLETION COSTS: \$1,543,501			TOTAL PRODUCTION COSTS: \$476,495		

TOTAL WELL COST: \$3,748,746

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS _____

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Nailed It Fed Com #154H
 AFE #: 0
 County: Eddy
 State: NM

Date: July 27, 2021
 MD/TVD: 15027 / 10077
 Lateral Length: 4500
 Geologic Target: 3rd Bone Spring

Well Description: Drill, complete, and equip a horizontal 3rd Bone Spring well with a 4500 foot lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000	2 1	Land - Legal		3 1	Land - Legal	
1 2	Land - Regulatory	10,000	2 2	Land - Regulatory		3 2	Land - Regulatory	
1 3	Land - Surface Damages	10,000	2 3	Land - Surface Damages		3 3	Land - Surface Damages	
1 4	Land - Survey	10,000	2 4	Land - Survey		3 4	Land - Survey	
1 5	Location/Pit Construction	59,000	2 5	Location/Pit Construction		3 5	Location/Pit Construction	5,000
1 6	Remedial Dirtwork	0	2 6	Remedial Dirtwork		3 6	Remedial Dirtwork	
1 7	Reserve/Frac Pit Closing	0	2 7	Reserve/Frac Pit Closing		3 7	Reserve/Frac Pit Closing	
1 8	Drilling - Contractor	223,348	2 8	Drilling - Contractor		3 8	Drilling - Contractor	
1 9	Mob/Rig Up - Contractor/Trucking	50,000	2 9	Mob/Rig Up - Contractor/Trucking		3 9	Mob/Rig Up - Contractor/Trucking	
1 10	Cementing Services	141,600	2 10	Cementing Services		3 10	Cementing Services	
1 11	Cementing Equipment	30,600	2 11	Cementing Equipment		3 11	Cementing Equipment	
1 12	Bits/Drill Out Assemblies	63,500	2 12	Bits/Drill Out Assemblies	32,048	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	35,015	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	68,700	2 14	Fluids/Chemicals	16,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	47,372	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	13,500	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	17,004	2 17	Fuel/Power	168,700	3 17	Fuel/Power	
1 18	Water	33,667	2 18	Water	138,575	3 18	Water	
1 19	Directional Drilling	85,354	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	17,175	2 20	Mud Logging		3 20	Mud Logging	
1 21	Open/Cased/Production Hole Logs	0	2 21	Open/Cased/Production Hole Logs	8,440	3 21	Open/Cased/Production Hole Logs	
1 22	Coring	0	2 22	Coring		3 22	Coring	
1 23	Geologic Supervision	0	2 23	Geologic Supervision		3 23	Geologic Supervision	
1 24	Engineering Supervision	0	2 24	Engineering Supervision		3 24	Engineering Supervision	
1 25	Consultant Supervision	49,876	2 25	Consultant Supervision	50,000	3 25	Consultant Supervision	15,000
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	7,000	3 26	Freight/Transportation	5,000
1 27	Labor	98,500	2 27	Labor	9,220	3 27	Labor	28,000
1 28	Supplies - Surface	2,500	2 28	Supplies - Surface	2,000	3 28	Supplies - Surface	
1 29	Supplies - Living Quarters	1,000	2 29	Supplies - Living Quarters	2,000	3 29	Supplies - Living Quarters	
1 30	Rentals - Surface	26,505	2 30	Rentals - Surface	13,040	3 30	Rentals - Surface	
1 31	Rentals - Living Quarters	19,370	2 31	Rentals - Living Quarters	9,680	3 31	Rentals - Living Quarters	
1 32	Rentals - Downhole	2,000	2 32	Rentals - Downhole	0	3 32	Rentals - Downhole	
1 33	Rentals - Pipe & Handling Tools	19,838	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	71,100	3 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	2,501	2 35	Rentals - Frac Tanks	38,145	3 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	46,142	3 36	Coil Tubing Unit/Workover Rig	83,400
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	121,532	3 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	18,400	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	34,980	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	612,033	3 40	Stimulation	
1 41	Rentals - Pressure Control		2 41	Rentals - Pressure Control		3 41	Rentals - Pressure Control	
1 42	Flowback Services		2 42	Flowback Services	33,782	3 42	Flowback Services	38,500
1 43	Water Transfer Services		2 43	Water Transfer Services	47,700	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	8,243	3 44	Flowback Water Trucking & Disposal	0
1 45	Permanent Equipment Installation		2 45	Permanent Equipment Installation		3 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services		2 46	Pipeline Tapping Services		3 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0	2 47	Plugging & Abandonment		3 47	Plugging & Abandonment	
1 53	Overhead	0	2 53	Overhead	10,550	3 53	Overhead	5,500
1 54	Insurance	0	2 54	Insurance		3 54	Insurance	
1 55	Contingency	34,462	2 55	Contingency	58,928	3 55	Contingency	7,095
TOTAL INTANGIBLE DRILLING COSTS: \$1,183,185			TOTAL INTANGIBLE COMPLETION COSTS: \$1,543,501			TOTAL INTANGIBLE PRODUCTION COSTS: \$187,495		

TANGIBLE DRILLING COSTS			TANGIBLE COMPLETION COSTS			TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	18,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	31,625	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	91,200	5 62	1st Intermediate Casing		6 62	1st Intermediate Casing	
4 63	2nd Intermediate Casing	0	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	311,740	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	50,000
4 66	Wellhead	78,600	5 66	Wellhead	0	6 66	Wellhead	53,500
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	10,000
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	107,000
4 70	Compressors		5 70	Compressors		6 70	Compressors	
4 71	Surface Flowlines		5 71	Surface Flowlines		6 71	Surface Flowlines	50,000
4 72	Gathering Lines		5 72	Gathering Lines		6 72	Gathering Lines	0
4 73	Valves & Controllers		5 73	Valves & Controllers		6 73	Valves & Controllers	
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	15,000
4 75	Instrumentation & Measurement		5 75	Instrumentation & Measurement		6 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment		5 76	Electrical Grounding/Safety Equipment		6 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation		5 77	Permanent Equipment Installation		6 77	Permanent Equipment Installation	3,500
4 80	Other - Surface		5 80	Other - Surface		6 80	Other - Surface	
4 81	Other - Downhole	15,000	5 81	Other - Downhole		6 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS: \$545,565			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$289,000		
TOTAL DRILLING COSTS: \$1,728,750			TOTAL COMPLETION COSTS: \$1,543,501			TOTAL PRODUCTION COSTS: \$476,495		

TOTAL WELL COST: \$3,748,746

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____
 CFO _____ VP - OPERATIONS _____
 VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____
 SIGNED BY: _____ TITLE: _____
 WORKING INTEREST (%): _____ DATE: _____
 TAX ID: _____ APPROVAL: _____

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

TAP ROCK OPERATING, LLC
 523 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Nailed It Fed Com #156H
 AFE #: 0
 County: Eddy
 State: NM

Date: July 27, 2021
 MD/TVD: 15042 / 10092
 Lateral Length: 4500
 Geologic Target: 3rd Bone Spring

Well Description: Drill, complete, and equip a horizontal 3rd Bone Spring well with a 4500 foot lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000	2 1	Land - Legal		3 1	Land - Legal	
1 2	Land - Regulatory	10,000	2 2	Land - Regulatory		3 2	Land - Regulatory	
1 3	Land - Surface Damages	10,000	2 3	Land - Surface Damages		3 3	Land - Surface Damages	
1 4	Land - Survey	10,000	2 4	Land - Survey		3 4	Land - Survey	
1 5	Location/Pit Construction	59,000	2 5	Location/Pit Construction		3 5	Location/Pit Construction	5,000
1 6	Remedial Dirtwork	0	2 6	Remedial Dirtwork		3 6	Remedial Dirtwork	
1 7	Reserve/Frac Pit Closing	0	2 7	Reserve/Frac Pit Closing		3 7	Reserve/Frac Pit Closing	
1 8	Drilling - Contractor	223,170	2 8	Drilling - Contractor		3 8	Drilling - Contractor	
1 9	Mob/Rig Up - Contractor/Trucking	50,000	2 9	Mob/Rig Up - Contractor/Trucking		3 9	Mob/Rig Up - Contractor/Trucking	
1 10	Cementing Services	141,000	2 10	Cementing Services		3 10	Cementing Services	
1 11	Cementing Equipment	30,000	2 11	Cementing Equipment		3 11	Cementing Equipment	
1 12	Bits/Drill Out Assemblies	63,500	2 12	Bits/Drill Out Assemblies	32,048	3 12	Bits/Drill Out Assemblies	
1 13	Fluid Circulation Equipment/Services	34,993	2 13	Fluid Circulation Equipment/Services		3 13	Fluid Circulation Equipment/Services	
1 14	Fluids/Chemicals	68,756	2 14	Fluids/Chemicals	16,313	3 14	Fluids/Chemicals	
1 15	WBM Cuttings/Wastewater Disposal	47,439	2 15	WBM Cuttings/Wastewater Disposal		3 15	WBM Cuttings/Wastewater Disposal	
1 16	OBM Cuttings/Chemical Disposal	13,500	2 16	OBM Cuttings/Chemical Disposal		3 16	OBM Cuttings/Chemical Disposal	
1 17	Fuel/Power	16,985	2 17	Fuel/Power	168,700	3 17	Fuel/Power	
1 18	Water	33,665	2 18	Water	138,525	3 18	Water	
1 19	Directional Drilling	83,261	2 19	Directional Drilling		3 19	Directional Drilling	
1 20	Mud Logging	12,175	2 20	Mud Logging		3 20	Mud Logging	
1 21	Open/Cased/Production Hole Logs	0	2 21	Open/Cased/Production Hole Logs	8,440	3 21	Open/Cased/Production Hole Logs	
1 22	Coring	0	2 22	Coring		3 22	Coring	
1 23	Geologic Supervision	0	2 23	Geologic Supervision		3 23	Geologic Supervision	
1 24	Engineering Supervision	0	2 24	Engineering Supervision		3 24	Engineering Supervision	
1 25	Consultant Supervision	49,835	2 25	Consultant Supervision	50,000	3 25	Consultant Supervision	15,000
1 26	Freight/Transportation	9,000	2 26	Freight/Transportation	2,000	3 26	Freight/Transportation	5,000
1 27	Labor	98,500	2 27	Labor	9,220	3 27	Labor	28,000
1 28	Supplies - Surface	2,500	2 28	Supplies - Surface	2,000	3 28	Supplies - Surface	
1 29	Supplies - Living Quarters	1,000	2 29	Supplies - Living Quarters	2,000	3 29	Supplies - Living Quarters	
1 30	Rentals - Surface	26,482	2 30	Rentals - Surface	13,040	3 30	Rentals - Surface	
1 31	Rentals - Living Quarters	19,357	2 31	Rentals - Living Quarters	9,680	3 31	Rentals - Living Quarters	
1 32	Rentals - Downhole	2,000	2 32	Rentals - Downhole	0	3 32	Rentals - Downhole	
1 33	Rentals - Pipe & Handling Tools	19,816	2 33	Rentals - Pipe & Handling Tools	0	3 33	Rentals - Pipe & Handling Tools	
1 34	Rentals - Frac Stack		2 34	Rentals - Frac Stack	71,100	3 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	2,498	2 35	Rentals - Frac Tanks	28,145	3 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig		2 36	Coil Tubing Unit/Workover Rig	46,142	3 36	Coil Tubing Unit/Workover Rig	83,400
1 37	Wireline/Slickline/Perforating		2 37	Wireline/Slickline/Perforating	121,533	3 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs		2 38	Temporary Packers/Plugs	18,400	3 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck		2 39	High Pressure Pump Truck	34,980	3 39	High Pressure Pump Truck	
1 40	Stimulation		2 40	Stimulation	612,033	3 40	Stimulation	
1 41	Rentals - Pressure Control		2 41	Rentals - Pressure Control		3 41	Rentals - Pressure Control	
1 42	Flowback Services		2 42	Flowback Services	33,782	3 42	Flowback Services	38,500
1 43	Water Transfer Services		2 43	Water Transfer Services	47,700	3 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal		2 44	Flowback Water Trucking & Disposal	8,243	3 44	Flowback Water Trucking & Disposal	0
1 45	Permanent Equipment Installation		2 45	Permanent Equipment Installation		3 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services		2 46	Pipeline Tapping Services		3 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0	2 47	Plugging & Abandonment		3 47	Plugging & Abandonment	
1 53	Overhead	0	2 53	Overhead	10,550	3 53	Overhead	5,500
1 54	Insurance	0	2 54	Insurance		3 54	Insurance	
1 55	Contingency	34,453	2 55	Contingency	58,928	3 55	Contingency	7,095
TOTAL INTANGIBLE DRILLING COSTS: \$1,182,885			TOTAL INTANGIBLE COMPLETION COSTS: \$1,543,501			TOTAL INTANGIBLE PRODUCTION COSTS: \$187,495		

TANGIBLE DRILLING COSTS			TANGIBLE COMPLETION COSTS			TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT	COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	18,000	5 60	Conductor Casing		6 60	Conductor Casing	
4 61	Surface Casing	31,625	5 61	Surface Casing		6 61	Surface Casing	
4 62	1st Intermediate Casing	91,200	5 62	1st Intermediate Casing		6 62	1st Intermediate Casing	
4 63	2nd Intermediate Casing	0	5 63	2nd Intermediate Casing		6 63	2nd Intermediate Casing	
4 64	Production Casing	312,040	5 64	Production Casing	0	6 64	Production Casing	
4 65	Tubing		5 65	Tubing		6 65	Tubing	50,000
4 66	Wellhead	78,000	5 66	Wellhead	0	6 66	Wellhead	53,500
4 67	Permanent Packers/Hangers/Plugs		5 67	Permanent Packers/Hangers/Plugs		6 67	Permanent Packers/Hangers/Plugs	10,000
4 68	Tanks		5 68	Tanks		6 68	Tanks	
4 69	Production Vessels		5 69	Production Vessels		6 69	Production Vessels	107,000
4 70	Compressors		5 70	Compressors		6 70	Compressors	
4 71	Surface Flowlines		5 71	Surface Flowlines		6 71	Surface Flowlines	50,000
4 72	Gathering Lines		5 72	Gathering Lines		6 72	Gathering Lines	0
4 73	Valves & Controllers		5 73	Valves & Controllers		6 73	Valves & Controllers	
4 74	Artificial Lift Equipment		5 74	Artificial Lift Equipment		6 74	Artificial Lift Equipment	15,000
4 75	Instrumentation & Measurement		5 75	Instrumentation & Measurement		6 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment		5 76	Electrical Grounding/Safety Equipment		6 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation		5 77	Permanent Equipment Installation		6 77	Permanent Equipment Installation	3,500
4 80	Other - Surface		5 80	Other - Surface		6 80	Other - Surface	
4 81	Other - Downhole	15,000	5 81	Other - Downhole		6 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS: \$545,865			TOTAL TANGIBLE COMPLETION COSTS: \$0			TOTAL TANGIBLE PRODUCTION COSTS: \$289,000		
TOTAL DRILLING COSTS: \$1,728,750			TOTAL COMPLETION COSTS: \$1,543,501			TOTAL PRODUCTION COSTS: \$476,495		
TOTAL WELL COST: \$3,748,746								

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS _____

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

Summary of Communication



Party	Communication
Chevron USA, Inc.	<p>7/28/21 - Sent well proposals</p> <p>8/4/21 - Proposals delivered</p> <p>8/26/21 - Chevron confirms receipt of proposals and requests extension to elect until 9/25/21; Tap Rock agrees to extend election period</p> <p>8/27/21 - Chevron requests well specific information; Tap Rock provides response to questions and sends form JOA</p> <p>9/21/21 - Tap Rock follows up on well questions; no response from Chevron</p>