

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

APPLICATIONS OF E.G.L. RESOURCES,  
INC. FOR COMPULSORY POOLING, LEA  
COUNTY, NEW MEXICO.

Case Nos. 23329-23332

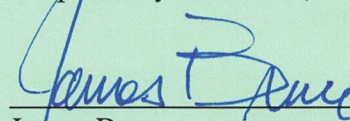
NOTICE OF FILING ADDITIONAL EXHIBIT

E.G.L. Resources, Inc. hereby submits for filing the following:

Exhibits 2-C in each case, confirming that the facilities cost in each AFE is the same (approximately \$403,000).

Exhibits 3-C and 3-F, the Bone Spring and Wolfcamp cross-sections. The original filings were in too fine a print to be readable. (I received hard copies printed in 17" x 11" format, which I could not scan, so I cut them in half.)

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
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Attorney for E.G.L. Resources, Inc.



Field: [27230] GEM, BONE SPRING; EAST  
 Well: Millie Mile 13-24 Fed Com #101H  
 Location: 5HL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)  
 BHL SW/4 SW/4 of Section 24 T19S-R33E  
 Lea County, New Mexico

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.								
Permits/ Well Signs	15,000							15,000
Damages/ Right of Way								0
Title & Abstracts, Drilling Title Opinion								0
Survey and Stake Location	10,000							10,000
Locations and Roads - shared with 6 wells	33,333							33,333
Frac Pit Shared w/ 6 wells			50,000					50,000
Conductor (drilled & set)	20,000							20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells	50,000							50,000
Drilling (Day Work) 16 days spud - RR \$27,000 per day	432,000							432,000
Bits	75,000		3,000					78,000
Downhole drilling tools & stabilization, survey tool	50,000							50,000
Mud Logging 11 days \$1,500 per day	16,500							16,500
Open Hole Surveys/ Gyro								0
Water well, pump & line, water transfer	5,000		100,000					105,000
Water/Brine/Mud Hauling	10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl comp'n (20% excess)	15,000		396,000					411,000
Brine Water	10,000							10,000
Fuel \$ 4.50 2,200 gal/day	158,400		500,000					658,400
Mud & Chemicals Water based mud in lateral.	250,000		25,000					275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.	25,000							25,000
Drill string rental								0
Casing Crew & LD Machine, CRT	50,000							50,000
Welding	1,500							1,500
Cementing	225,000							225,000
Directional Drilling 16 days spud - RR \$15,000 per day	240,000							240,000
Wellsite Supervisor	40,000		40,000					80,000
JOA Overhead 8500/mo	8,500		8,500					17,000
Open Hole Logs								0
Solids Control Equipment \$4,000 per day	64,000							64,000
Cuttings Haul-off & Disposal	80,000							80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.	160,000		280,000					440,000
BOP Rental, stripper head								0
Pulling Unit 5 days, 4000/d					20,000			20,000
Acidizing Acid crew to prep toe.			20,000					20,000
Frac: see Prognosis above.			2,500,000					2,500,000
Water Transfer			45,000					45,000
Completion Tools 50 frac plugs			75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.			377,000		15,000			392,000
Frac Plug drill-out			250,000					250,000
Flowback & Well Testing					75,000			75,000
Trucking	30,000		30,000					60,000
Environmental			10,000					10,000
Materials & Supplies	5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction	30,000		30,000				66,667	126,667
Insurance: Control of Well	25,000							25,000
Contingencies 10%	213,423		475,950		11,000		6,667	707,040
<b>TOTAL INTANGIBLES</b>	<b>2,347,657</b>		<b>5,235,450</b>		<b>121,000</b>		<b>73,333</b>	<b>7,777,440</b>

Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost	
Prognosis: 3 string casing program. Tank battery allocated for 6 wells.									
Tubulars	Length	Size	Description	Price/ft FOB Loc					
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86	134,062			134,062	
1st Intermediate	5,700	9 5/8	40# L80 BTC	\$77.54	441,978			441,978	
2nd Intermediate								0	
Production								0	
Production	20,400	5 1/2	20# P110 Semi-Prem	\$49.50	1,009,800			1,009,800	
Tubing	8,750	2 7/8	6.5# L80 EUE	\$12.00		105,000		105,000	
Wellhead Equipment					35,000			65,000	
Float Equipment & Centralizers, Wet Shoe.					75,000			75,000	
Liner hanger, Packer, TAC, other Tools						20,000		20,000	
Flowlines, Valves, Fittings, pipeline						20,000	16,667	36,667	
Tanks 4 oil, 4 water (750 bbl)							0	0	
Battery: Pumps /Valves/Connections							66,667	66,667	
Battery: Meters, Automation							91,667	91,667	
Separation Equipment: Tester, (2) 8x20' Hz HT's.						130,000	25,000	155,000	
Compressors/Dehydrators							0	0	
Gas Meter Run, flare, VRU, Combustor						20,000	33,333	53,333	
LACT Pipeline LACT supplied by oil buyer.							0	0	
Spill Containment							8,333	8,333	
Artificial Lift ESP purchase, rental drive.						250,000	0	250,000	
Electrical Installation						16,667	16,667	33,333	
Contingencies, taxes 10%					169,584	3,000	56,167	258,751	
<b>TOTAL TANGIBLES</b>					<b>1,865,424</b>	<b>33,000</b>	<b>617,833</b>	<b>2,846,257</b>	
<b>TOTAL WELL COST</b>					<b>Drilling 4,213,081</b>	<b>Completion 5,268,450</b>	<b>Production 738,833</b>	<b>Facilities 403,333</b>	<b>Total 10,623,697</b>

Prepared By: Kelvin Fisher Date: 8/2/2022 Drill & Complete 9,481,531

Approval: Kelvin Fisher Date:

Partner Approval Amount:  
 Joint Owner:  
 Working Interest: Joint Owner Approval:

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Case 23329  
 EXHIBIT 2-C



Field: [27230] GEM, BONE SPRING; EAST  
 Well: Millie Mile 13-24 Fed Com #201H  
 Location: SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)  
 BHL SW/4 SW/4 of Section 24 T19S-R33E  
 Lea County, New Mexico

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000							15,000
Damages/ Right of Way									0
Title & Abstracts, Drilling Title Opinion									0
Survey and Stake Location		10,000							10,000
Locations and Roads - shared with 6 wells		33,333							33,333
Frac Pit Shared w/ 6 wells				50,000					50,000
Conductor (drilled & set)		20,000							20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50,000							50,000
Drilling (Day Work) 17 days spud - RR \$27,000 per day		459,000							459,000
Bits		75,000		3,000					78,000
Downhole drilling tools & stabilization, survey tool		50,000							50,000
Mud Logging 12 days \$1,500 per day		18,000							18,000
Open Hole Surveys/ Gyro									0
Water well, pump & line, water transfer		5,000		100,000					105,000
Water/Brine/Mud Hauling		10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl comp'n (20% excess)		15,000		396,000					411,000
Brine Water		10,000							10,000
Fuel \$ 4.50 2,200 gal/day		168,300		500,000					668,300
Mud & Chemicals Water based mud in lateral.		250,000		25,000					275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.		25,000							25,000
Drill string rental									0
Casing Crew & LD Machine, CRT		50,000							50,000
Welding		1,500							1,500
Cementing		225,000							225,000
Directional Drilling 17 days spud - RR \$15,000 per day		255,000							255,000
Wellsite Supervisor		42,500		40,000					82,500
JOA Overhead 8500/mo		8,500		8,500					17,000
Open Hole Logs									0
Solids Control Equipment \$4,000 per day		68,000							68,000
Cuttings Haul-off & Disposal		80,000							80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.		170,000		280,000					450,000
BOP Rental, stripper head									0
Pulling Unit 5 days, 4000/d						20,000			20,000
Acidizing Acid crew to prep toe.				20,000					20,000
Frac Frac: see Prognosis above.				2,500,000					2,500,000
Water Transfer				45,000					45,000
Completion Tools 50 frac plugs				75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.				377,000		15,000			392,000
Frac Plug drill-out				250,000					250,000
Flowback & Well Testing						75,000			75,000
Trucking		30,000		30,000					60,000
Environmental				10,000					10,000
Materials & Supplies		5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction		30,000		30,000				66,667	126,667
Insurance: Control of Well		25,000							25,000
Contingencies 10%		220,413		475,950		11,000		6,667	1,428,060
<b>TOTAL INTANGIBLES</b>		<b>2,424,547</b>		<b>5,235,450</b>		<b>121,000</b>		<b>73,333</b>	<b>8,568,360</b>

Prognosis: 3 string casing program. Tank battery allocated for 6 wells.	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
<b>Tubulars</b>									
Surface	Length 1,700 Size 13 3/8 Description 54.5# J55 BTC Price/ft FOB Loc \$78.86			134,062					134,062
1st Intermediate	5,700 9 5/8 40# L80 BTC \$77.54			441,978					441,978
2nd Intermediate									0
Production									0
Production	21,200 5 1/2 20# P110 Semi-Prem \$49.50			1,049,400					1,049,400
Tubing	9,550 2 7/8 6.5# L80 EUE \$12.00					114,600			114,600
Wellhead Equipment		35,000		30,000					65,000
Float Equipment & Centralizers, Wet Shoe.		75,000							75,000
Liner hanger, Packer, TAC, other Tools						20,000			20,000
Flowlines, Valves, Fittings, pipeline						20,000		16,667	36,667
Tanks 4 oil, 4 water (750 bbl)								0	0
Battery: Pumps /Valves/Connections								66,667	66,667
Battery: Meters, Automation								91,667	91,667
Separation Equipment: Tester, (2) 8x20' Hz HT's.						130,000		41,667	155,000
Compressors/Dehydrators								25,000	0
Gas Meter Run, flare, VRU, Combustor						20,000		0	53,333
LACT Pipeline LACT supplied by oil buyer.								33,333	0
Spill Containment								0	0
Artificial Lift ESP purchase, rental drive.						250,000		8,333	250,000
Electrical Installation						16,667		0	33,333
Contingencies, taxes 10%		173,544		3,000		57,127		16,667	263,671
<b>TOTAL TANGIBLES</b>		<b>1,908,984</b>		<b>33,000</b>		<b>628,393</b>		<b>330,000</b>	<b>2,900,377</b>
<b>TOTAL WELL COST</b>		<b>4,333,531</b>		<b>5,268,450</b>		<b>749,393</b>		<b>403,333</b>	<b>10,754,707</b>

Prepared By: Kelvin Fisher Date: 8/2/2022 Drill & Complete 9,601,981

Approval: Kelvin Fisher Date:

Partner Approval Amount: \_\_\_\_\_  
 Joint Owner: \_\_\_\_\_  
 Working Interest: \_\_\_\_\_  
 Joint Owner Approval: \_\_\_\_\_

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By: \_\_\_\_\_ Date: \_\_\_\_\_



Field: [27230] GEM, BONE SPRING; EAST  
 Well: Millie Mile 13-24 Fed Com #102H  
 Location: SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)  
 BHL SE/4 SW/4 of Section 24 T19S-R33E  
 Lea County, New Mexico

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000							15,000
Damages/ Right of Way									0
Title & Abstracts, Drilling Title Opinion									0
Survey and Stake Location		10,000							10,000
Locations and Roads - shared with 6 wells		33,333							33,333
Frac Pit Shared w/ 6 wells				50,000					50,000
Conductor (drilled & set)		20,000							20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50,000							50,000
Drilling (Day Work) 16 days spud - RR \$27,000 per day		432,000							432,000
Bits		75,000		3,000					78,000
Downhole drilling tools & stabilization, survey tool		50,000							50,000
Mud Logging 11 days \$1,500 per day		16,500							16,500
Open Hole Surveys/ Gyro									0
Water well, pump & line, water transfer		5,000		100,000					105,000
Water/Brine/Mud Hauling		10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl comp'n (20% excess)		15,000		396,000					411,000
Brine Water		10,000							10,000
Fuel \$ 4.50 2,200 gal/day		158,400		500,000					658,400
Mud & Chemicals Water based mud in lateral.		250,000		25,000					275,000
Tubular inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.		25,000							25,000
Drill string rental									0
Casing Crew & LD Machine, CRT		50,000							50,000
Welding		1,500							1,500
Cementing		225,000							225,000
Directional Drilling 16 days spud - RR \$15,000 per day		240,000							240,000
Wellsite Supervisor		40,000		40,000					80,000
JOA Overhead 8500/mo		8,500		8,500					17,000
Open Hole Logs									0
Solids Control Equipment \$4,000 per day		64,000							64,000
Cuttings Haul-off & Disposal		80,000							80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.		160,000		280,000					440,000
BOP Rental, stripper head									0
Pulling Unit 5 days, 4000/d						20,000			20,000
Acidizing Acid crew to prep toe.				20,000					20,000
Frac Frac: see Prognosis above.				2,500,000					2,500,000
Water Transfer				45,000					45,000
Completion Tools 50 frac plugs				75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.				377,000		15,000			392,000
Frac Plug drill-out				250,000					250,000
Flowback & Well Testing						75,000			75,000
Trucking		30,000		30,000					60,000
Environmental				10,000					10,000
Materials & Supplies		5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction		30,000		30,000				66,667	126,667
Insurance: Control of Well		25,000							25,000
Contingencies 10%		213,423		475,950		11,000		6,667	707,040
<b>TOTAL INTANGIBLES</b>		<b>2,347,657</b>		<b>5,235,450</b>		<b>121,000</b>		<b>73,333</b>	<b>7,777,440</b>

Prognosis: 3 string casing program. Tank battery allocated for 6 wells.	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars Length Size Description Price/ft FOB Loc									
Surface 1,700 13 3/8 54.5# J55 BTC \$78.86		134,062							134,062
1st Intermediate 5,700 9 5/8 40# L80 BTC \$77.54		441,978							441,978
2nd Intermediate		-							0
Production		-							0
Production 20,400 5 1/2 20# P110 Semi-Prem \$49.50		1,009,800							1,009,800
Tubing 8,750 2 7/8 6.5# L80 EUE \$12.00						105,000			105,000
Wellhead Equipment		35,000		30,000					65,000
Float Equipment & Centralizers, Wet Shoe.		75,000							75,000
Liner hanger, Packer, TAC, other Tools						20,000			20,000
Flowlines, Valves, Fittings, pipeline						20,000		16,667	36,667
Tanks 4 oil, 4 water (750 bbl)								66,667	66,667
Battery: Pumps /Valves/Connections								91,667	91,667
Battery: Meters, Automation								41,667	41,667
Separation Equipment: Tester, (2) 8x20' Hz HT's.						130,000		25,000	155,000
Compressors/Dehydrators								0	0
Gas Meter Run, flare, VRU, Combustor						20,000		33,333	53,333
LACT Pipeline LACT supplied by oil buyer.								0	0
Spill Containment								8,333	8,333
Artificial Lift ESP purchase, rental drive.						250,000		0	250,000
Electrical Installation						16,667		16,667	33,333
Contingencies, taxes 10%		169,584		3,000		56,167		30,000	258,751
<b>TOTAL TANGIBLES</b>		<b>1,865,424</b>		<b>33,000</b>		<b>617,833</b>		<b>330,000</b>	<b>2,846,257</b>
<b>TOTAL WELL COST</b>		<b>4,213,081</b>		<b>5,268,450</b>		<b>738,833</b>		<b>403,333</b>	<b>10,623,697</b>

Prepared By: Kelvin Fisher Date: 8/2/2022 Drill & Complete 9,481,531

Approval: Kelvin Fisher Date:

Partner Approval Amount:  
 Joint Owner: Joint Owner Approval:  
 Working Interest:

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Case 23330  
 EXHIBIT 2-C



**Field:** [27230] GEM, BONE SPRING; EAST  
**Well:** Millie Mile 13-24 Fed Com #202H  
**Location:** SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)  
 BHL SE/4 SW/4 of Section 24 T19S-R33E  
 Lea County, New Mexico

**TD (MD):** 21,200 ft MD  
**TVD:** 10,150 ft  
**Drilled Lateral Length:** 10,960 ft VS  
**Completed Lateral Length:** 10,360 ft  
**Target:** 2nd Bone Spring

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.				Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs					15,000						15,000	
Damages/ Right of Way											0	
Title & Abstracts, Drilling Title Opinion											0	
Survey and Stake Location					10,000						10,000	
Locations and Roads - shared with 6 wells					33,333						33,333	
Frac Pit Shared w/ 6 wells							50,000				50,000	
Conductor (drilled & set)					20,000						20,000	
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells					50,000						50,000	
Drilling (Day Work) 17 days spud - RR \$27,000 per day					459,000						459,000	
Bits					75,000		3,000				78,000	
Downhole drilling tools & stabilization, survey tool					50,000						50,000	
Mud Logging 12 days \$1,500 per day					18,000						18,000	
Open Hole Surveys/ Gyro											0	
Water well, pump & line, water transfer					5,000		100,000				105,000	
Water/Brine/Mud Hauling					10,000		20,000				30,000	
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl comp'n (20% excess)					15,000		396,000				411,000	
Brine Water					10,000						10,000	
Fuel \$ 4.50 2,200 gal/day					168,300		500,000				668,300	
Mud & Chemicals Water based mud in lateral.					250,000		25,000				275,000	
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.					25,000						25,000	
Drill string rental											0	
Casing Crew & LD Machine, CRT					50,000						50,000	
Welding					1,500						1,500	
Cementing					225,000						225,000	
Directional Drilling 17 days spud - RR \$15,000 per day					255,000						255,000	
Wellsite Supervisor					42,500		40,000				82,500	
JOA Overhead 8500/mo					8,500		8,500				17,000	
Open Hole Logs											0	
Solids Control Equipment \$4,000 per day					68,000						68,000	
Cuttings Haul-off & Disposal					80,000						80,000	
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.					170,000		280,000				450,000	
BOP Rental, stripper head											0	
Pulling Unit 5 days, 4000/d								20,000			20,000	
Acidizing Acid crew to prep toe.							20,000				20,000	
Frac Frac: see Prognosis above.							2,500,000				2,500,000	
Water Transfer							45,000				45,000	
Completion Tools 50 frac plugs							75,000				75,000	
Cased Hole Wireline & Perforating 51 stages, 10k lube.							377,000		15,000		392,000	
Frac Plug drill-out							250,000				250,000	
Flowback & Well Testing								75,000			75,000	
Trucking					30,000		30,000				60,000	
Environmental							10,000				10,000	
Materials & Supplies					5,000						5,000	
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction					30,000		30,000			66,667	126,667	
Insurance: Control of Well					25,000						25,000	
Contingencies 10%					220,413		475,950		11,000	6,667	714,030	
<b>TOTAL INTANGIBLES</b>					<b>2,424,547</b>		<b>5,235,450</b>		<b>121,000</b>	<b>73,333</b>	<b>7,854,330</b>	

Prognosis: 3 string casing program. Tank battery allocated for 6 wells.				Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Loc								
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86		134,062						134,062
1st Intermediate	5,700	9 5/8	40# L80 BTC	\$77.54		441,978						441,978
2nd Intermediate						-						0
Production						-						0
Production	21,200	5 1/2	20# P110 Semi-Prem	\$49.50		1,049,400						1,049,400
Tubing	9,550	2 7/8	6.5# L80 EUE	\$12.00				114,600				114,600
Wellhead Equipment						35,000		30,000				65,000
Float Equipment & Centralizers, Wet Shoe.						75,000						75,000
Liner hanger, Packer, TAC, other Tools								20,000				20,000
Flowlines, Valves, Fittings, pipeline								20,000		16,667		36,667
Tanks 4 oil, 4 water (750 bbl)										66,667		66,667
Battery: Pumps /Valves/Connections										91,667		91,667
Battery: Meters, Automation										41,667		41,667
Separation Equipment: Tester, (2) 8x20' HZ HT's.								130,000		25,000		155,000
Compressors/Dehydrators										0		0
Gas Meter Run, flare, VRU, Combustor								20,000		33,333		53,333
LACT Pipeline LACT supplied by oil buyer.										0		0
Spill Containment										8,333		8,333
Artificial Lift ESP purchase, rental drive.								250,000		0		250,000
Electrical Installation								16,667		16,667		33,333
Contingencies, taxes 10%						173,544		3,000		57,127	30,000	263,671
<b>TOTAL TANGIBLES</b>						<b>1,908,984</b>		<b>33,000</b>		<b>628,393</b>	<b>330,000</b>	<b>2,900,377</b>
<b>TOTAL WELL COST</b>						<b>Drilling 4,333,531</b>		<b>Completion 5,268,450</b>		<b>Production 749,393</b>	<b>Facilities 403,333</b>	<b>Total 10,754,707</b>

Prepared By: Kelvin Fisher Date: 8/2/2022 Drill & Complete 9,601,981

Approval: Kelvin Fisher Date:

Partner Approval  
 Joint Owner:  
 Working Interest:

Amount:

Joint Owner Approval:

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Date: \_\_\_\_\_



AFE #  
 TD (MD): 21,800 ft MD  
 TVD: 10,750 ft  
 Drilled Lateral Length: 10,960 ft VS  
 Completed Lateral Length: 10,360 ft  
 Target: Wolfcamp 'X'

Field: WC, Wolfcamp  
 Well: Millie Mile 13-24 Fed Com #401H  
 Location: SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)  
 BHL SW/4 SW/4 of Section 24 T19S-R33E  
 Lea County, New Mexico

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.								
Permits/ Well Signs	15,000							15,000
Damages/ Right of Way								0
Title & Abstracts, Drilling Title Opinion								0
Survey and Stake Location	10,000							10,000
Locations and Roads - shared with 6 wells	33,333							33,333
Frac Pit Shared w/ 6 wells			50,000					50,000
Conductor (drilled & set)	20,000							20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells	50,000							50,000
Drilling (Day Work) 18 days spud - RR \$27,000 per day	486,000							486,000
Bits	75,000		3,000					78,000
Downhole drilling tools & stabilization, survey tool	50,000							50,000
Mud Logging 13 days \$1,500 per day	19,500							19,500
Open Hole Surveys/ Gyro								0
Water well, pump & line, water transfer	5,000		100,000					105,000
Water/Brine/Mud Hauling	10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl comp'n (20% excess)	15,000		396,000					411,000
Brine Water	10,000							10,000
Fuel \$ 4.50 2,200 gal/day	178,200		500,000					678,200
Mud & Chemicals Water based mud in lateral.	250,000		25,000					275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.	25,000							25,000
Drill string rental								0
Casing Crew & LD Machine, CRT	50,000							50,000
Welding	1,500							1,500
Cementing	225,000							225,000
Directional Drilling 18 days spud - RR \$15,000 per day	270,000							270,000
Wellsite Supervisor	45,000		40,000					85,000
JOA Overhead 8500/mo	8,500		8,500					17,000
Open Hole Logs								0
Solids Control Equipment \$4,000 per day	72,000							72,000
Cuttings Haul-off & Disposal	80,000							80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.	180,000		280,000					460,000
BOP Rental, stripper head								0
Pulling Unit 5 days, 4000/d					20,000			20,000
Acidizing Acid crew to prep toe.			20,000					20,000
Frac Frac: see Prognosis above.			2,500,000					2,500,000
Water Transfer			45,000					45,000
Completion Tools 50 frac plugs			75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.			377,000		15,000			392,000
Frac Plug drill-out			250,000					250,000
Flowback & Well Testing					75,000			75,000
Trucking	30,000		30,000					60,000
Environmental			10,000					10,000
Materials & Supplies	5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction	30,000		30,000				66,667	126,667
Insurance: Control of Well	25,000							25,000
Contingencies 10%	227,403		475,950		11,000		6,667	721,020
<b>TOTAL INTANGIBLES</b>	<b>2,501,437</b>		<b>5,235,450</b>		<b>121,000</b>		<b>73,333</b>	<b>7,931,220</b>

Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Prognosis: 3 string casing program. Tank battery allocated for 6 wells.								
Tubulars	Length	Size	Description	Price/ft FOB Loc				
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86	134,062			134,062
1st Intermediate	7,000	9 5/8	40# HCL80 BTC	\$77.54	542,780			542,780
2nd Intermediate	3,075	9 5/8	43.5# HCL80 BTC	\$92.55	284,591			284,591
Production								0
Production	21,800	5 1/2	20# P110 Semi-Prem	\$49.50	1,079,100			1,079,100
Tubing	10,150	2 7/8	6.5# L80 EUE	\$12.00		121,800		121,800
Wellhead Equipment					35,000	30,000		65,000
Float Equipment & Centralizers, Wet Shoe.					75,000			75,000
Liner hanger, Packer, TAC, other Tools						20,000		20,000
Flowlines, Valves, Fittings, pipeline						20,000	16,667	36,667
Tanks 4 oil, 4 water (750 bbl)							0	0
Battery: Pumps /Valves/Connections							66,667	66,667
Battery: Meters, Automation							91,667	91,667
Separation Equipment: Tester, (2) 8x20' Hz HT's.						130,000	25,000	155,000
Compressors/Dehydrators							0	0
Gas Meter Run, flare, VRU, Combustor						20,000	33,333	53,333
LACT Pipeline LACT supplied by oil buyer.							0	0
Spill Containment							8,333	8,333
Artificial Lift ESP purchase, rental drive.						250,000	0	250,000
Electrical Installation						16,667	16,667	33,333
Contingencies, taxes 10%					215,053	3,000	57,847	305,900
<b>TOTAL TANGIBLES</b>					<b>2,365,587</b>	<b>33,000</b>	<b>636,313</b>	<b>3,364,900</b>
<b>TOTAL WELL COST</b>					<b>4,867,023</b>	<b>5,268,450</b>	<b>757,313</b>	<b>11,296,120</b>

Prepared By: Kelvin Fisher Date: 8/2/2022 Drill & Complete 10,135,473

Approval: Kelvin Fisher Date:

Partner Approval  
 Joint Owner:  
 Working Interest:

Amount:

Joint Owner Approval:

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By:

Date:

Case 23331  
 EXHIBIT 2-C



Field: WC, Wolfcamp  
 Well: Millie Mile 13-24 Fed Com #402H  
 Location: SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)  
 BHL SE/4 SW/4 of Section 24 T19S-R33E  
 Lea County, New Mexico

AFE #  
 TD (MD): 21,800 ft MD  
 TVD: 10,750 ft  
 Drilled Lateral Length: 10,960 ft VS  
 Completed Lateral Length: 10,360 ft  
 Target: Wolfcamp 'X'

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000							15,000
Damages/ Right of Way									0
Title & Abstracts, Drilling Title Opinion									0
Survey and Stake Location		10,000							10,000
Locations and Roads - shared with 6 wells		33,333							33,333
Frac Pit Shared w/ 6 wells				50,000					50,000
Conductor (drilled & set)		20,000							20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50,000							50,000
Drilling (Day Work) 18 days spud - RR \$27,000 per day		486,000							486,000
Bits		75,000		3,000					78,000
Downhole drilling tools & stabilization, survey tool		50,000							50,000
Mud Logging 13 days \$1,500 per day		19,500							19,500
Open Hole Surveys/ Gyro									0
Water well, pump & line, water transfer		5,000		100,000					105,000
Water/Brine/Mud Hauling		10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl compl'n (20% excess)		15,000		396,000					411,000
Brine Water		10,000							10,000
Fuel \$ 4.50 2,200 gal/day		178,200		500,000					678,200
Mud & Chemicals Water based mud in lateral.		250,000		25,000					275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.		25,000							25,000
Drill string rental									0
Casing Crew & LD Machine, CRT		50,000							50,000
Welding		1,500							1,500
Cementing		225,000							225,000
Directional Drilling 18 days spud - RR \$15,000 per day		270,000							270,000
Wellsite Supervisor		45,000		40,000					85,000
JOA Overhead 8500/mo		8,500		8,500					17,000
Open Hole Logs									0
Solids Control Equipment \$4,000 per day		72,000							72,000
Cuttings Haul-off & Disposal		80,000							80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.		180,000		280,000					460,000
BOP Rental, stripper head									0
Pulling Unit 5 days, 4000/d						20,000			20,000
Acidizing Acid crew to prep toe.				20,000					20,000
Frac Frac: see Prognosis above.				2,500,000					2,500,000
Water Transfer				45,000					45,000
Completion Tools 50 frac plugs				75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.				377,000		15,000			392,000
Frac Plug drill-out				250,000					250,000
Flowback & Well Testing						75,000			75,000
Trucking		30,000		30,000					60,000
Environmental				10,000					10,000
Materials & Supplies		5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction		30,000		30,000				66,667	126,667
Insurance: Control of Well		25,000							25,000
Contingencies 10%		227,403		475,950		11,000		6,667	721,020
<b>TOTAL INTANGIBLES</b>		<b>2,501,437</b>		<b>5,235,450</b>		<b>121,000</b>		<b>73,333</b>	<b>7,931,220</b>

Prognosis: 3 string casing program. Tank battery allocated for 6 wells.	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars Length Size Description Price/ft FOB Loc									
Surface 1,700 13 3/8 54.5# J55 BTC \$78.86		134,062							134,062
1st Intermediate 7,000 9 5/8 40# HCL80 BTC \$77.54		542,780							542,780
2nd Intermediate 3,075 9 5/8 43.5# HCL80 BTC \$92.55		284,591							284,591
Production									0
Production 21,800 5 1/2 20# P110 Semi-Prem \$49.50		1,079,100							1,079,100
Tubing 10,150 2 7/8 6.5# L80 EUE \$12.00						121,800			121,800
Wellhead Equipment		35,000		30,000					65,000
Float Equipment & Centralizers, Wet Shoe.		75,000							75,000
Liner hanger, Packer, TAC, other Tools						20,000			20,000
Flowlines, Valves, Fittings, pipeline						20,000		16,667	36,667
Tanks 4 oil, 4 water (750 bbl)								0	0
Battery: Pumps /Valves/Connections								66,667	66,667
Battery: Meters, Automation								91,667	91,667
Separation Equipment: Tester, (2) 8x20' Hz HT's.						130,000		25,000	155,000
Compressors/Dehydrators								0	0
Gas Meter Run, flare, VRU, Combustor						20,000		33,333	53,333
LACT Pipeline LACT supplied by oil buyer.								0	0
Spill Containment								8,333	8,333
Artificial Lift ESP purchase, rental drive.						250,000		0	250,000
Electrical Installation						16,667		16,667	33,333
Contingencies, taxes 10%		215,053		3,000		57,847		30,000	305,900
<b>TOTAL TANGIBLES</b>		<b>2,365,587</b>		<b>33,000</b>		<b>636,313</b>		<b>330,000</b>	<b>3,364,900</b>
<b>TOTAL WELL COST</b>		<b>Drilling 4,867,023</b>		<b>Completion 5,268,450</b>		<b>Production 757,313</b>		<b>Facilities 403,333</b>	<b>Total 11,296,120</b>

Prepared By: Kelvin Fisher Date: 8/2/2022 Drill & Complete 10,135,473

Approval: Kelvin Fisher Date:

Partner Approval  
 Joint Owner:  
 Working Interest:

Amount:

Joint Owner Approval:

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

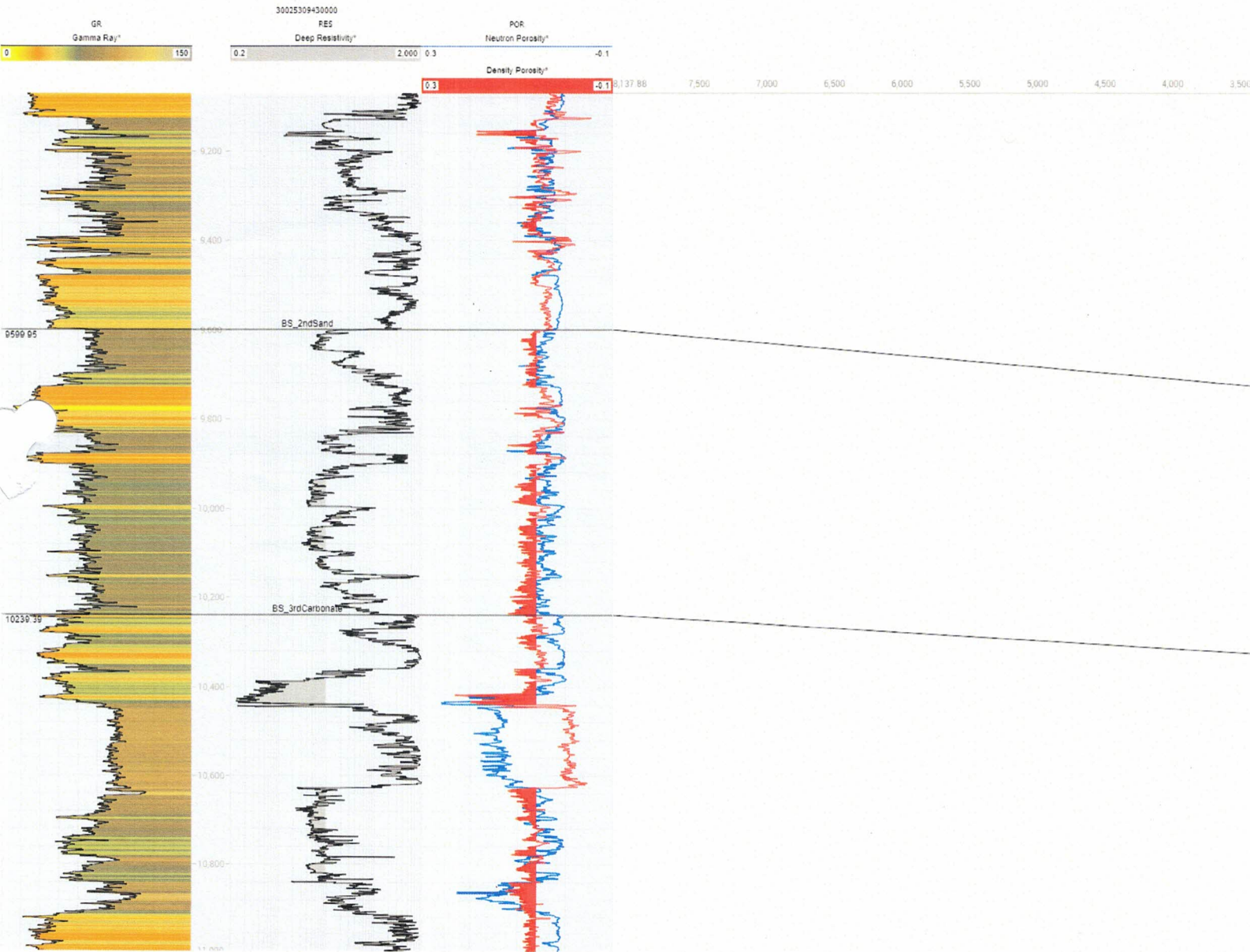
Agree to decline coverage, provide proof, and hold harmless:

By:

Date:

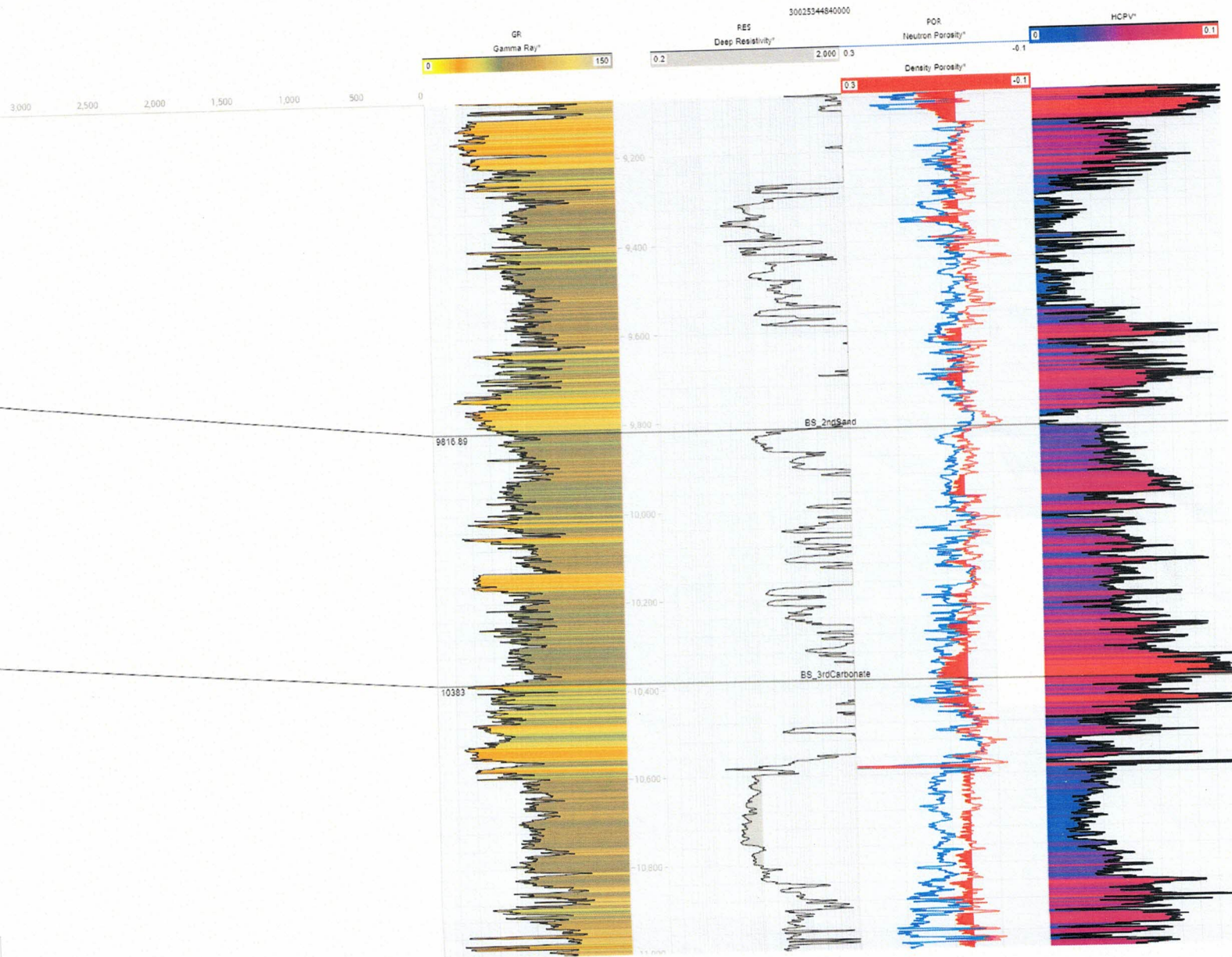
Case 23372  
 EXHIBIT 2-C

# Millie Mile A-A' Bonespring 2<sup>nd</sup> Sand Cross Section



Cases 23329-23332  
EXHIBIT 3-C







# Millie Mile A-A' Wolfcamp Cross Section

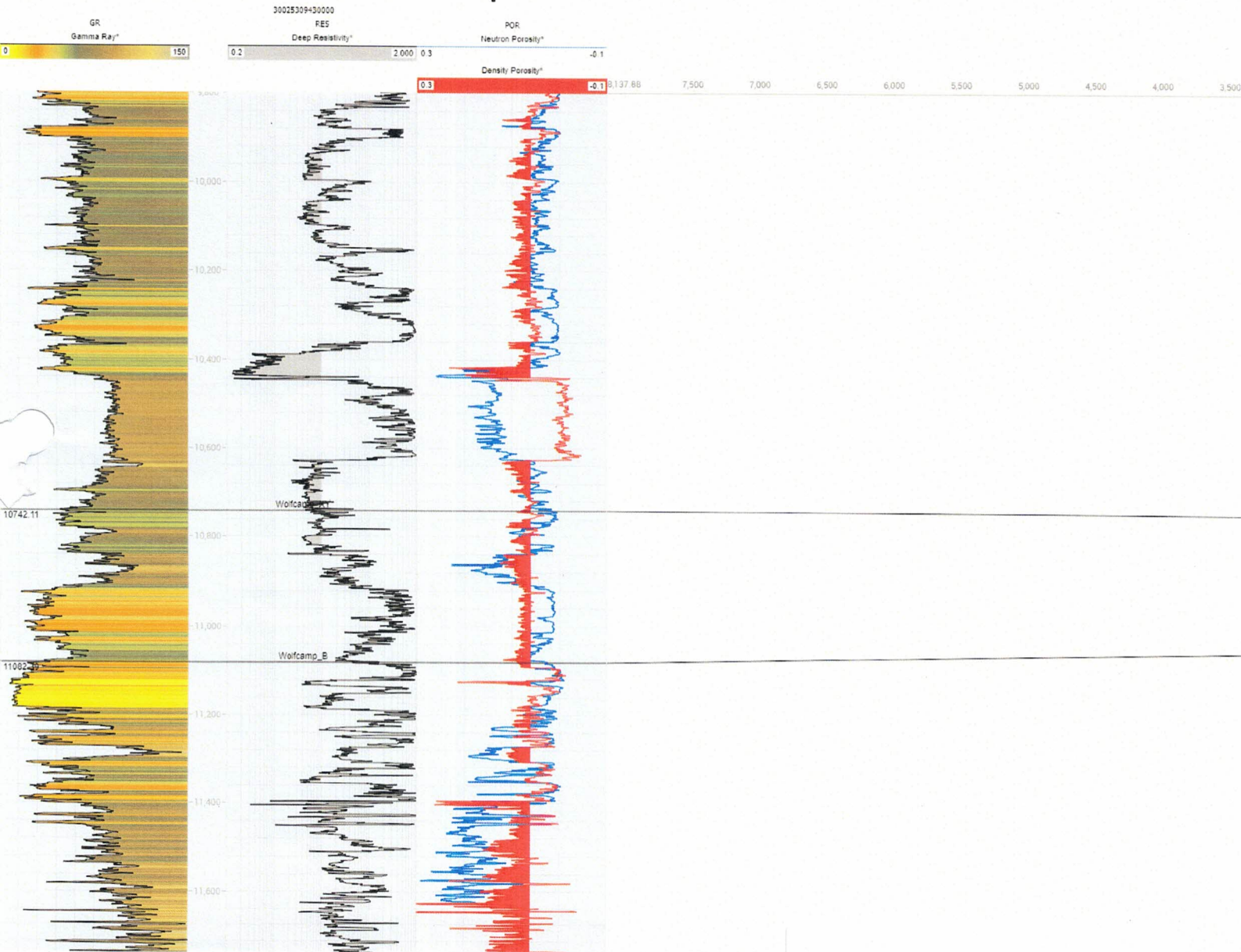


EXHIBIT 3-F



