



Case No. 24118

May 28, 2024

Compulsory Pooling and Non-Standard
Unit Application
All of Section 13-T20S-R33E (Bone Spring)

Margie Fed Com Bone Spring Wells

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

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

CASE NO. 24118

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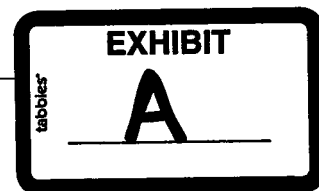
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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24118	APPLICANT'S RESPONSE
Date	May 28, 2024
Applicant	Avant Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Avant Operating, LLC (OGRID No. 330396)
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	Application of Avant Operating, LLC for Approval of Non-Standard Unit and Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	PBEX, LLC; E.G.L. Resources, Inc.; COG Operating LLC, Concho Oil & Gas LLC; XTO Energy, Inc.
Well Family	Margie 13 Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	Teas; Bone Spring Pool (Code 58960)
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No. Approval of non-standard unit is being requested in this application.
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A: Applicant is seeking approval of a non-standard unit.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B.3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed



Well #1: Margie 13 Fed Com 201H	SHL: 125' FSL & 706' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 792' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 792' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 8,850', MVD: 14,173'
Well #2: Margie 13 Fed Com 202H	SHL: 125' FSL & 726' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1254' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 1254' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 8,850', MVD: 14,173'
Well #3: Margie 13 Fed Com 203H	SHL: 125' FSL & 1951' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2178' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 2178' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 8,850', MVD: 14,173'
Well #4; Margie 13 Fed Com 204H	SHL: 125' FSL & 2510' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2178' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 2178' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 8,850', MVD: 14,173'
Well #5: Margie 13 Fed Com 205H	SHL: 548' FSL & 1682' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1254' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 1254' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 8,850', MVD: 14,173'
Well #6: Margie 13 Fed Com 206H	SHL: 548' FSL & 1662' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 330' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 330' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 8,850', MVD: 14,173'
Well #7: Margie 13 Fed Com 301H	SHL: 125' FSL & 686' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 330' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 330' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 9,400', MVD: 14,723'

<p>Well #8: Margie 13 Fed Com 302H (Proximity Tract)</p>	<p>SHL: 125' FSL & 1931' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1485' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 1485' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 9,400', MVD: 14,723'</p>
<p>Well #9: Margie 13 Fed Com 303H (Proximity Tract)</p>	<p>SHL: 125' FSL & 2530' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2640' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 2640' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 9,400', MVD: 14,723'</p>
<p>Well #10: Margie 13 Fed Com 304H (Proximity Tract)</p>	<p>SHL: 125' FSL & 2490' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1485' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 1485' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 9,400', MVD: 14,723'</p>
<p>Well #11: Margie 13 Fed Com 305H</p>	<p>SHL: 548' FSL & 1642' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 330' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 330' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 9,400', MVD: 14,723'</p>
<p>Well #12: Margie 13 Fed Com 501H</p>	<p>SHL: 275' FSL & 706' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 330' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 330' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 10,300', MVD: 15,623'</p>
<p>Well #13: Margie 13 Fed Com 502H (Proximity Tract)</p>	<p>SHL: 275' FSL & 746' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1254' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 1254' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 10,300', MVD: 15,623'</p>
<p>Well #14: Margie 13 Fed Com 503H</p>	<p>SHL: 275' FSL & 1992' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2178' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 2178' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 10,300', MVD: 15,623'</p>

Well #15: Margie 13 Fed Com 504H	SHL: 275' FSL & 2470' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2178' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 2178' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,300', MVD: 15,623'
Well #16: Margie 13 Fed Com 505H	SHL: 698' FSL & 1661' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1254' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 1254' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,300', MVD: 15,623'
Well #17: Margie 13 Fed Com 506H	SHL: 698' FSL & 1621' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 330' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 330' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,300', MVD: 15,623'
Well #18: Margie 13 Fed Com 601H	SHL: 275' FSL & 766' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1254' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 1254' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 10,900', MVD: 16,223'
Well #19: Margie 13 Fed Com 602H	SHL: 275' FSL & 1972' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2178' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 2178' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 10,900', MVD: 16,223'
Well #20: Margie 13 Fed Com 603H	SHL: 275' FSL & 2490' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2178' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 2178' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,900', MVD: 16,223'
Well #21: Margie 13 Fed Com 604H (Proximity Tract)	SHL: 698' FSL & 1681' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1254' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 1254' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,900', MVD: 16,223'

Well #22: Margie 13 Fed Com 651H	SHL: 275' FSL & 726' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 792' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 792' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 10,550', MVD: 15,873'
Well #23: Margie 13 Fed Com 652H	SHL: 275' FSL & 1952' FWL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1716' FWL Section 13, T-20-S R-33-E BHL: 100' FSL & 1716' FWL Section 13, T-20-S R-33-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 10,550', MVD: 15,873'
Well #24: Margie 13 Fed Com 653H	SHL: 275' FSL & 2510' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 2640' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 2640' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,550', MVD: 15,873'
Well #25: Margie 13 Fed Com 654H	SHL: 275' FSL & 2430' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 1716' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 1716' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,550', MVD: 15,873'
Well #26: Margie 13 Fed Com 655H	SHL: 698' FSL & 1641' FEL, Section 12, T-20-S R-33-E FTP: 100' FNL & 792' FEL Section 13, T-20-S R-33-E BHL: 100' FSL & 792' FEL Section 13, T-20-S R-33-E Orientation: North South Completion Target: Bone Spring Completion Status: Standard TVD: 10,550', MVD: 15,873'
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	See Exhibit B, Paragraph 26
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit E.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E.2 and E.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E.4
Ownership Determination	

OCD Examiner Hearing 5-28-24

Avant No. 24118

Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit B.8
Pooled Parties (including ownership type)	Exhibit B.5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.6
Cost Estimate to Drill and Complete	Exhibit B.7
Cost Estimate to Equip Well	Exhibit B.7
Cost Estimate for Production Facilities	Exhibit B.7
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C.18
Target Formation	Exhibit C.3 to C.17
HSU Cross Section	Exhibit C.4; C.8; C.11; C.14; C.17
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.3; C.6; C.9; C.12; C.15
Cross Section Location Map (including wells)	Exhibit C.4; C.7; C.10; C.13; C.16
Cross Section (including Landing Zone)	Exhibit C.5; C.8; C.11; C.14; C.17
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	OCD Examiner Hearing 5-28-24 Avant No. 24118
	5/23/2024

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

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

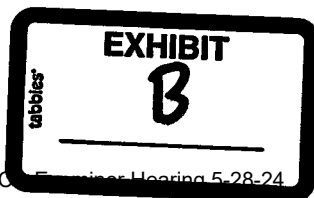
CASE NO. 24118

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF TIFFANY SARANTINOS

Tiffany Sarantinos, being duly sworn, deposes and states as follows:

1. I am over the age of 18, I am a senior landman for Avant Operating, LLC (“Avant”) and have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum landman were accepted as a matter of record.
3. My area of responsibility at Avant includes the area Lea County in New Mexico.
4. I am familiar with the application filed by Avant in this case, which is attached as **Exhibit B.1.**
5. I am familiar with the status of the lands that are subject to this application.
6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced application.
7. In this case, Avant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less,



Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico.

8. Avant respectfully requests an expedited order in this case because the Margie wells are on Avant's near term drilling schedule. Avant intends to commence drilling the initial wells under the order on or before August 1, 2024, or sooner depending on permit approval.

9. Avant seeks approval of a 640-acre spacing unit for several reasons.

10. First, Avant seeks to minimize surface disturbance by consolidating facilities and commingling production from the proposed and future wells in the proposed non-standard spacing unit. Approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.*, Rule 19.15.167(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

11. Second, Avant requires approval of a non-standard spacing unit to allow the wells to be dedicated to a federal Communitization Agreement that Avant desires to obtain from the Bureau of Land Management ("BLM"). If the non-standard unit is not approved, it is my understanding that BLM will not issue a Communitization Agreement and Avant will not be authorized to commingle production.

12. This spacing unit will be dedicated to the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie**

13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells to be horizontally drilled.

13. Attached as **Exhibit B.2** are the proposed C-102s for the wells.
14. The C-102s identify the proposed surface hole locations and the bottom hole locations, and the first take points. The C-102s also identify the pool and pool code.
15. The wells will develop the Teas; Bone Spring pool, pool code 58960.
16. This pool is an oil pool with 40-acre building blocks.
17. This pool is governed by the state-wide horizontal well rules.
18. The producing areas for the wells is expected to be orthodox.
19. There are no depth severances within the proposed spacing unit.
20. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests. Exhibit B.3 also includes a tract map comparing what a standard unit would be to Avant's proposed non-standard unit, a tract map showing the general location of the wells within the proposed non-standard unit, and a list of the wells with the pool code identified.
21. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.
22. In my opinion, Avant has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.
23. **Exhibit B.4** is a summary of my contacts with the working interest owners.
24. **Exhibit B.5** is a list of the parties to be pooled.

25. **Exhibit B.6** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the wells.

26. **Exhibit B.7** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

27. Avant requests overhead and administrative rates of \$10,000.00/month for drilling a well and \$1,000.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Avant requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

28. Avant requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

29. Avant requests that it be designated operator of the wells.

30. The parties Avant is seeking to pool were notified of this hearing.

31. Avant seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

32. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.

33. Avant also provided notice to offset affected parties for purposes of the non-standard unit application. **Exhibit B.8** is a tract map and list of affected parties to whom notice was provided for purposes of the non-standard unit portion of this application.

34. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

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

36. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

[Signature Page Follows]

Tiffany Sarantinos
Tiffany Sarantinos

State of Colorado

County of Denver

This record was acknowledged before me on May 22nd, 2024, by Tiffany Sarantinos.

[Stamp]

Sophia Guerra
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20194020815
MY COMMISSION EXPIRES 9/14/2027

[Signature]
Notary Public in and for the
State of Colorado
Commission Number: 20194020815

My Commission Expires: 9/14/27

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

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

CASE NO. 24118

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17 and Rule 19.15.16.15(B)(5) NMAC, for an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks to dedicate Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit ("Unit").
3. Avant plans to drill the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H,**



Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells, to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing areas for all of the wells are expected to be orthodox.

4. Avant seeks approval of the non-standard spacing unit for several reasons.

5. First, Avant seeks to minimize surface disturbance by consolidating facilities and commingling production from the wells in the proposed non-standard spacing unit.

6. Approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. See, e.g., Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

7. Second, to allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Avant requires approval of this non-standard spacing unit in the Bone Spring formation.

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

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

10. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Approving a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);

B. Pooling all uncommitted interests in the Unit;

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

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

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett
Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
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yarithza.pena@modrall.com
Attorneys for Avant Operating, LLC

CASE NO. 24118 : Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

District I
423 N. Frank Dr., Hobbs, NM 88048
Phone: (575) 393-6411 Fax: (575) 393-6720
District II
411 E. First St., Arroyo, NM 86301
Phone: (575) 548-1200 Fax: (505) 534-4720
District III
3800 Rio Pecos Road, Alamogordo, NM 88001
Phone: (505) 534-4170 Fax: (505) 534-4720
District IV
229 S. St. Francis Dr., Santa Fe, NM 87501
Phone: (505) 476-3400 Fax: (505) 476-3402

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

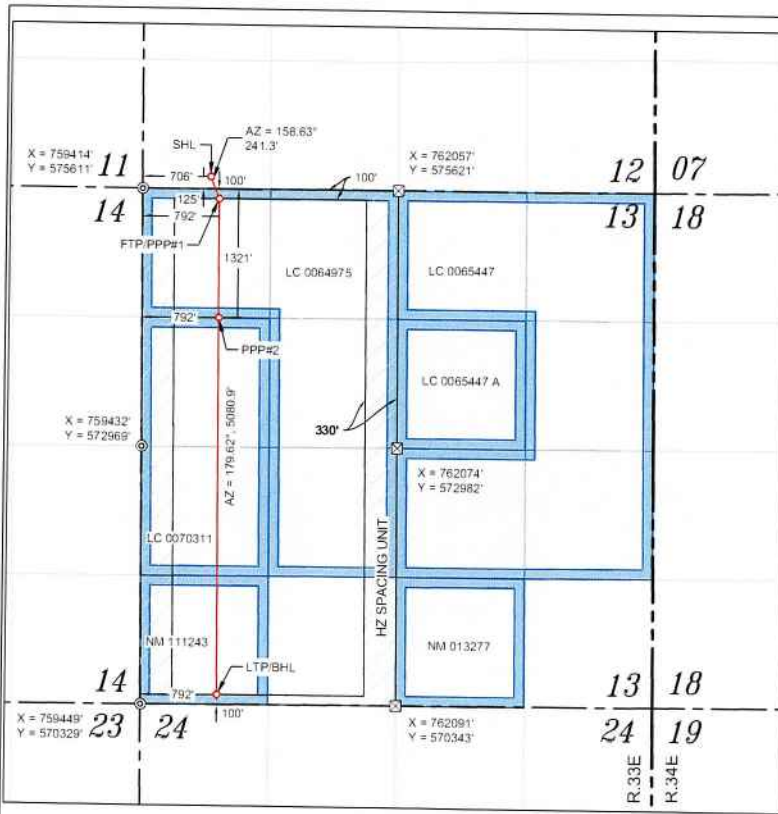
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#201H
OGRID No	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3598'

Surface Location									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20 S	33 E		125	SOUTH	706	WEST	LEA

Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	13	20 S	33 E		100	SOUTH	792	WEST	LEA
Dedicated Acres		Joint or Infill	Consolidation Code		Order No.				
640.00									

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.



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 the 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: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
Email Address: sarah@avantnr.com

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 and correct to the best of my belief.

DECEMBER 12, 2023
Date of Survey
Signature and Seal of **MATTHEW B. TOMERLIN**
MATTHEW B. TOMERLIN
NEW MEXICO
23203
PROFESSIONAL SURVEYOR
Job No. 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 125' FSL & 706' FWL LATITUDE = 32.580753° LONGITUDE = -103.623053°	NAD 83 (FTP/PPP#1) 100' FNL & 792' FWL LATITUDE = 32.580134° LONGITUDE = -103.622773°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.580830° LONGITUDE = -103.622560°	NAD 27 (FTP/PPP#1) LATITUDE = 32.580011° LONGITUDE = -103.622280°
STATE PLANE NAD 83 (N.M. EAST) N: 575738.77 E: 760119.12	STATE PLANE NAD 83 (N.M. EAST) N: 575514.11 E: 760207.04
STATE PLANE NAD 27 (N.M. EAST) N: 575676.26 E: 718938.44	STATE PLANE NAD 27 (N.M. EAST) N: 575451.60 E: 719026.35

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0054975	1220.61'
LC 0070311	2540.47'
NM 111243	1219.85'
TOTAL	5080.94'

NOTES
1. ALL COORDINATE BEARINGS AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (2011); NAVD 88
2. THIS DOCUMENT IS BASED UPON AN ON-THE-GROUND SURVEY PERFORMED DURING OCTOBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
3. ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

NAD 83 (PPP #2) 1321' FNL & 792' FWL LATITUDE = 32.576779° LONGITUDE = -103.622773°	NAD 83 (LTP/BHL) 100' FSL & 792' FWL LATITUDE = 32.566188° LONGITUDE = -103.622774°
NAD 27 (PPP #2) LATITUDE = 32.576656° LONGITUDE = -103.622280°	NAD 27 (LTP/BHL) LATITUDE = 32.566045° LONGITUDE = -103.622282°
STATE PLANE NAD 83 (N.M. EAST) N: 574291.52 E: 760215.12	STATE PLANE NAD 83 (N.M. EAST) N: 570433.28 E: 760240.60
STATE PLANE NAD 27 (N.M. EAST) N: 574231.05 E: 719034.40	STATE PLANE NAD 27 (N.M. EAST) N: 570370.92 E: 719029.83



EXHIBIT B.2

OCD Examiner Hearing 5-28-24

Avant No. 24118

District I
3633 N. Nevada Dr., Hobbs, NM 88248
Phone: (575) 393-6361 Fax: (575) 393-6320

District II
411 S. First St., Alameda, NM 88212
Phone: (575) 744-3283 Fax: (575) 744-3220

District III
1000 West Broadway, Aztec, NM 87410
Phone: (505) 334-4138 Fax: (505) 334-4138

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-1462

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#202H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3598'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20 S	33 E		125	SOUTH	726	WEST	LEA

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
M	13	20 S	33 E		100	SOUTH	1254	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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/secretariate entered by the division.

Signature: Sarah Ferreyros Date: 2/28/24

Printed Name: Sarah Ferreyros

E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Professional Surveyor: Matthew B. Tomerlin

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 125' FSL & 726' FWL LATITUDE = 32.580752° LONGITUDE = -103.622988°	NAD 83 (FTP/PPP#1) 100' FNL & 1254' FWL LATITUDE = 32.580130° LONGITUDE = -103.621273°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.580629° LONGITUDE = -103.622495°	NAD 27 (FTP/PPP#1) LATITUDE = 32.580077° LONGITUDE = -103.620780°
STATE PLANE NAD 83 (N.M. EAST) N: 575738.85' E: 760139.12'	STATE PLANE NAD 83 (N.M. EAST) N: 575515.79' E: 760669.04'
STATE PLANE NAD 27 (N.M. EAST) N: 575676.34' E: 718958.44'	STATE PLANE NAD 27 (N.M. EAST) N: 575453.28' E: 719488.35'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0064975	1220.38'
LC 0070311	2540.12'
NM 111243	1219.77'
TOTAL	5080.23'

NOTES

1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID-BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.

2. THIS DOCUMENT IS BASED UPON, AM, OR, ON THE GROUND SURVEY PERFORMED DURING OCTOBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.

3. ELEVATIONS MISL. DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

NAD 83 (PPP#2) 1320' FNL & 1254' FWL LATITUDE = 32.576775° LONGITUDE = -103.621273°	NAD 83 (LTP/BHL) 100' FSL & 1254' FWL LATITUDE = 32.566166° LONGITUDE = -103.621274°
NAD 27 (PPP#2) LATITUDE = 32.576652° LONGITUDE = -103.620780°	NAD 27 (LTP/BHL) LATITUDE = 32.566043° LONGITUDE = -103.620782°
STATE PLANE NAD 83 (N.M. EAST) N: 574295.48' E: 760677.11'	STATE PLANE NAD 83 (N.M. EAST) N: 570435.67' E: 760702.66'
STATE PLANE NAD 27 (N.M. EAST) N: 574233.01' E: 719496.38'	STATE PLANE NAD 27 (N.M. EAST) N: 570373.31' E: 719523.83'

F.M.D. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 CALC. CORNER
 SHL / KOP / FTP / PPP / LTP / DHL
 OIL & GAS LEASE
 HORIZONTAL SPACING UNIT

0' 1500' 3000'

SCALE: 1" = 1500'

District I
423 S. French Dr., Hobbs, NM 88240
Phone: (575) 993-6161 Fax: (575) 993-6170
District II
111 E. First St., Artesia, NM 88218
Phone: (575) 758-1243 Fax: (575) 758-9220
District III
1000 Redondo Blvd., Aztec, NM 87410
Phone: (505) 334-4178 Fax: (505) 334-4170
District IV
1229 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3465 Fax: (505) 476-3462

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#203H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3601'

Surface Location

LL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
N	12	20 S	33 E		125	SOUTH	1951	WEST	LEA

Bottom Hole Location If Different From Surface

LL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
N	13	20 S	33 E		100	SOUTH	2178	WEST	LEA

Dedicated Acres:	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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 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: Sarah Ferreyros Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

DECEMBER 12, 2023
Date of Survey
Signature and Seal of Professional Surveyor: Matthew B. Tomerlin
Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 125' FSL & 1951' FWL LATITUDE = 32.580742° LONGITUDE = -103.619009°	NAD 83 (FTP/PPP#1) 100' FNL & 1485' FWL LATITUDE = 32.580122° LONGITUDE = -103.618273°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.580619° LONGITUDE = -103.618516°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579999° LONGITUDE = -103.617780°
STATE PLANE NAD 83 (N.M. EAST) N: 575743.31' E: 761364.83'	STATE PLANE NAD 83 (N.M. EAST) N: 575519.16' E: 761593.04'
STATE PLANE NAD 27 (N.M. EAST) N: 575680.79' E: 720184.14'	STATE PLANE NAD 27 (N.M. EAST) N: 575456.64' E: 720412.34'

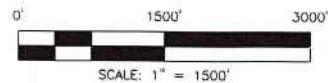
NAD 83 (LTP/BHL) 100' FSL & 2178' FWL LATITUDE = 32.566162° LONGITUDE = -103.618275°
NAD 27 (LTP/BHL) LATITUDE = 32.566039° LONGITUDE = -103.617783°
STATE PLANE NAD 83 (N.M. EAST) N: 570440.47' E: 761626.65'
STATE PLANE NAD 27 (N.M. EAST) N: 570378.10' E: 720445.81'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0054975	3859.20'
SE/% OF SW/% OF SEC. 13	1215.61'
TOTAL	5078.81'

NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001, NAVD 88).
- THIS DOCUMENT IS BASED UPON AN ON-GROUND SURVEY PERFORMED DURING NOVEMBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
- ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

- ⊙ F.M.O. U.S.C.L.O. #ON, UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL / KOP / FTP / PPP / LTP / BHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
1425 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-4161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 768-1283 Fax: (575) 768-9720
District III
1000 Rio Grande Road, Aztec, NM 87410
Phone: (505) 334-4178 Fax: (505) 334-4170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3400 Fax: (505) 476-3442

State of New Mexico
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1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
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Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	58960	TEAS: BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#204H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3604'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		125	SOUTH	2510	EAST	LEA

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
O	13	20 S	33 E		100	SOUTH	2178	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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: *Sarah Ferreyros* Date: 2/28/24

Printed Name: Sarah Ferreyros

E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Professional Surveyor: *Matthew B. Tomerlin*

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

<p>NAD 83 (SHL) 125' FSL & 2510' FEL</p> <p>LATITUDE = 32.580735° LONGITUDE = -103.616338° NAD 27 (SURFACE HOLE LOCATION)</p> <p>LATITUDE = 32.580612° LONGITUDE = -103.615845° STATE PLANE NAD 83 (N.M. EAST) N: 575746.31' E: 762187.55' STATE PLANE NAD 27 (N.M. EAST) N: 575683.78' E: 721006.85'</p>	<p>NAD 83 (FTP/PPP#1) 100' FNL & 2178' FEL</p> <p>LATITUDE = 32.580114° LONGITUDE = -103.615260° NAD 27 (FTP/PPP#1)</p> <p>LATITUDE = 32.579991° LONGITUDE = -103.614768° STATE PLANE NAD 83 (N.M. EAST) N: 575522.54' E: 762521.33' STATE PLANE NAD 27 (N.M. EAST) N: 575460.02' E: 721340.62'</p>	<p>NAD 83 (PPP #2) 1319' FNL & 2178' FEL</p> <p>LATITUDE = 32.576763° LONGITUDE = -103.615260° NAD 27 (PPP #2)</p> <p>LATITUDE = 32.576640° LONGITUDE = -103.614768° STATE PLANE NAD 83 (N.M. EAST) N: 574303.29' E: 762529.37' STATE PLANE NAD 27 (N.M. EAST) N: 574240.80' E: 721348.62'</p>								
<p>NAD 83 (PPP #3) 2639' FNL & 2177' FEL</p> <p>LATITUDE = 32.573137° LONGITUDE = -103.615261° NAD 27 (PPP #3)</p> <p>LATITUDE = 32.573014° LONGITUDE = -103.614769° STATE PLANE NAD 83 (N.M. EAST) N: 572984.04' E: 762538.07° STATE PLANE NAD 27 (N.M. EAST) N: 572921.59' E: 721357.29°</p>	<p>NAD 83 (LTP/BHL) 100' FSL & 2178' FEL</p> <p>LATITUDE = 32.566158° LONGITUDE = -103.615262° NAD 27 (LTP/BHL)</p> <p>LATITUDE = 32.566035° LONGITUDE = -103.614770° STATE PLANE NAD 83 (N.M. EAST) N: 570445.28' E: 762554.81° STATE PLANE NAD 27 (N.M. EAST) N: 570382.91' E: 721373.96°</p>	<p>APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP</p> <table border="1"> <tr> <td>LC 0055447</td> <td>2530.50'</td> </tr> <tr> <td>LC 0055447 A</td> <td>1319.28'</td> </tr> <tr> <td>NM 013277</td> <td>1219.40'</td> </tr> <tr> <td>TOTAL</td> <td>5077.36'</td> </tr> </table>	LC 0055447	2530.50'	LC 0055447 A	1319.28'	NM 013277	1219.40'	TOTAL	5077.36'
LC 0055447	2530.50'									
LC 0055447 A	1319.28'									
NM 013277	1219.40'									
TOTAL	5077.36'									

NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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FND. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 CALC. CORNER
 SHL / KOP / FTP / PPP / LTP / BHL
 OIL & GAS LEASE
 HORIZONTAL SPACING UNIT

0' 1500' 3000'

SCALE: 1" = 1500'

District I
1425 N. French Dr., Hobbs, NM 88240
Phone: (575) 793-6381 Fax: (575) 793-0320
District II
411 S. First St., Artesia, NM 88218
Phone: (575) 748-1240 Fax: (575) 748-9720
District III
1000 Rio Grande Blvd., Aztec, NM 87412
Phone: (505) 134-6779 Fax: (505) 338-6270
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3482

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#205H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3607'

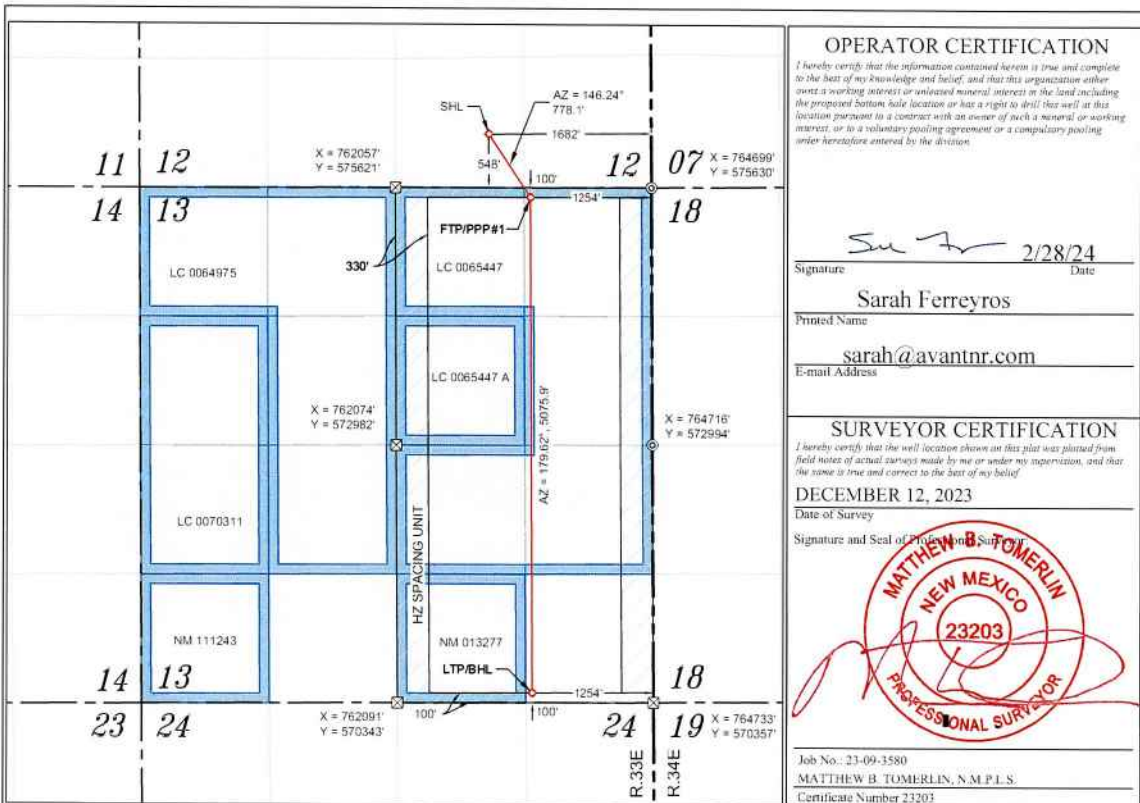
Surface Location

UL or lot no.	Section	Township	Range	Lot Ldn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		548	SOUTH	1682	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ldn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	20 S	33 E		100	SOUTH	1254	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
640.00									

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.



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 undivided 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: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

DECEMBER 12, 2023
Date of Survey
Signature and Seal of Professional Surveyor
MATTHEW B. TOMERLIN
NEW MEXICO
23203
PROFESSIONAL SURVEYOR
Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

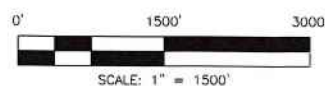
NAD 83 (SHL) 548' FSL & 1682' FEL LATITUDE = 32 581892" LONGITUDE = -103 613650"	NAD 83 (FTP/PPP#1) 100' FSL & 1254' FEL LATITUDE = 32 580106" LONGITUDE = -103 612260"	NAD 83 (LTP/BHL) 100' FSL & 1254' FEL LATITUDE = 32 566154" LONGITUDE = -103 612263"
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32 581769" LONGITUDE = -103 613158"	NAD 27 (FTP/PPP#1) LATITUDE = 32 579985" LONGITUDE = -103 611768"	NAD 27 (LTP/BHL) LATITUDE = 32 566031" LONGITUDE = -103 611771"
STATE PLANE NAD 83 (N.M. EAST) N: 576172.81' E: 763012.88'	STATE PLANE NAD 83 (N.M. EAST) N: 575525.91' E: 763445.32'	STATE PLANE NAD 83 (N.M. EAST) N: 570450.08' E: 763478.80'
STATE PLANE NAD 27 (N.M. EAST) N: 576110.26' E: 721832.18'	STATE PLANE NAD 27 (N.M. EAST) N: 575463.38' E: 722264.60'	STATE PLANE NAD 27 (N.M. EAST) N: 570387.70' E: 722297.94'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0055447	3055.78'
SE4/SE4	1219.17'
TOTAL	5075.95'

NOTES

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- ▭ HORIZONTAL SPACING UNIT



District I
421 N. Front St., Hobbs, NM 88240
Phone: (505) 393-4361 Fax: (505) 393-4700
District II
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Phone: (505) 748-1200 Fax: (505) 748-8700
District III
1000 Ken Brann Road, Aztec, NM 87401
Phone: (505) 334-4178 Fax: (505) 334-4170
District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	58960	TEAS: BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#206H
OGRJD No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3607'

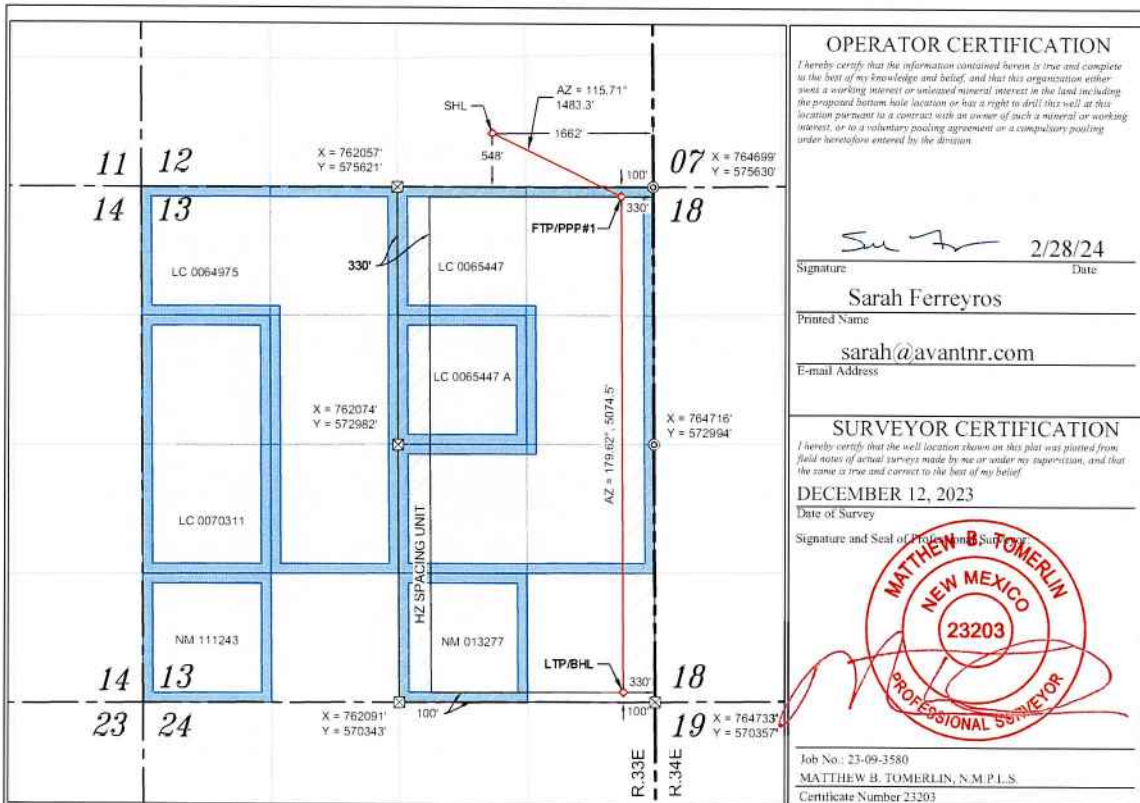
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		548	SOUTH	1662	EAST	LEA

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
P	13	20 S	33 E		100	SOUTH	330	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
640.00									

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OPERATOR CERTIFICATION

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Signature: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

SURVEYOR CERTIFICATION

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DECEMBER 12, 2023
Date of Survey

Signature and Seal of Professional Surveyor

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

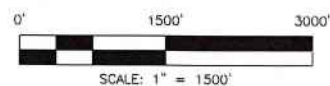
NAD 83 (SHL) 548' FSL & 1662' FEL LATITUDE = 32.581892° LONGITUDE = -103.613585°	NAD 83 (FTP/PPP#1) 100' FNL & 330' FEL LATITUDE = 32.566150° LONGITUDE = -103.609264°	NAD 83 (LTP/BHL) 100' FSL & 330' FEL LATITUDE = 32.566150° LONGITUDE = -103.609264°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.581769° LONGITUDE = -103.613093°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579975° LONGITUDE = -103.608768°	NAD 27 (LTP/BHL) LATITUDE = 32.566027° LONGITUDE = -103.608772°
STATE PLANE NAD 83 (N.M. EAST) N: 576172.88' E: 763032.88'	STATE PLANE NAD 83 (N.M. EAST) N: 570454.87' E: 764402.79'	STATE PLANE NAD 83 (N.M. EAST) N: 570454.87' E: 764402.79'
STATE PLANE NAD 27 (N.M. EAST) N: 576110.33' E: 721852.18'	STATE PLANE NAD 27 (N.M. EAST) N: 575466.74' E: 723188.59'	STATE PLANE NAD 27 (N.M. EAST) N: 570192.49' E: 723221.92'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0055#87	3855.58'
SE ₄ /SE ₆	1218.94'
TOTAL	5074.52'

NOTES

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- SHL / KOP / FTP / PPP / LTP / BHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
623 N. Franklin, El Paso, NM 88541
Phone: (575) 793-1811 Fax: (575) 793-4729
District II
11 S. First St., Alamogordo, NM 88310
Phone: (575) 748-1203 Fax: (575) 748-8700
District III
1000 Rio Hondo Blvd., Aztec, NM 87410
Phone: (505) 354-1718 Fax: (505) 354-6176
District IV
220 S. St. Francis Dr., Santa Fe, NM 87501
Phone: (505) 476-1660 Fax: (505) 476-5982

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		58960	TEAS; BONE SPRING
Property Code	Property Name		Well Number
	MARGIE 13 FED COM		#301H
UGRD No.	Operator Name		Elevation
330396	AVANT OPERATING, LLC		3597'

Surface Location

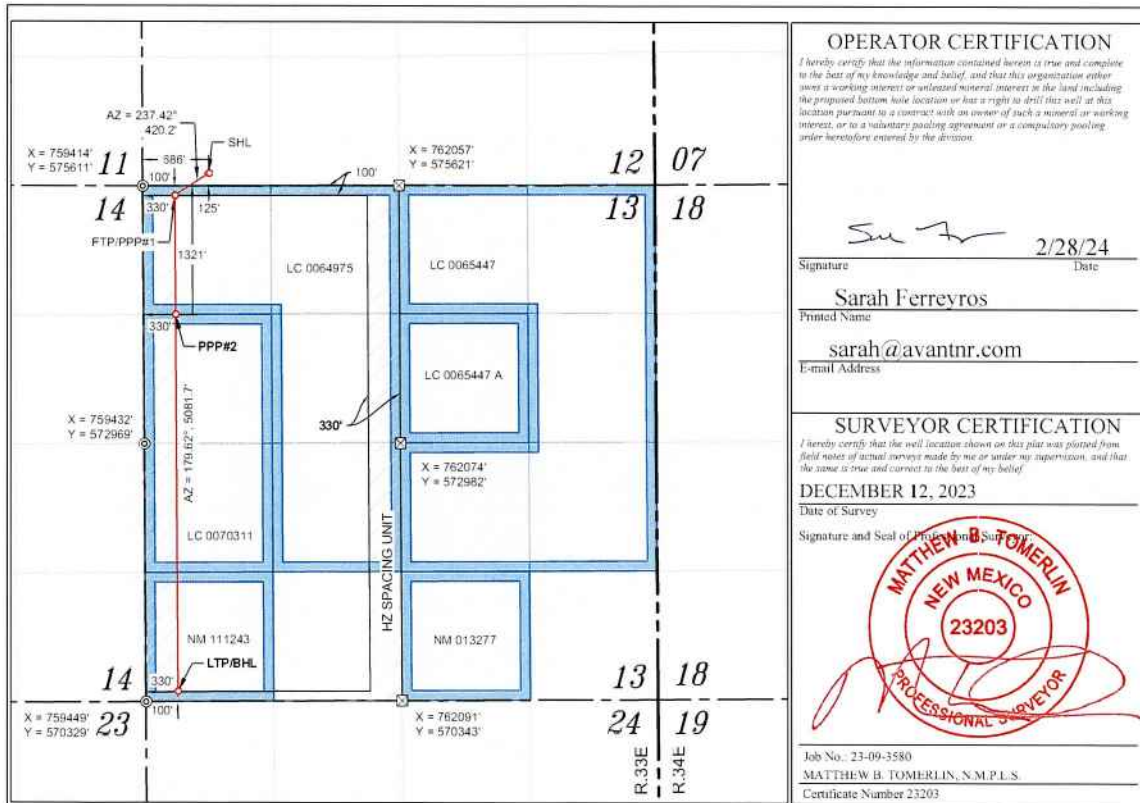
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20 S	33 E		125	SOUTH	686	WEST	LEA

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
M	13	20 S	33 E		100	SOUTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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Signature: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
Email Address: sarah@avantnr.com

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DECEMBER 12, 2023
Date of Survey
Signature and Seal of Professional Surveyor: *Matthew B. Tomerlin*
Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

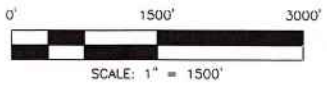
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NAD 83 (SHL) 125' FSL & 686' FWL LATITUDE = 32.580753° LONGITUDE = -103.623118° NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.580630° LONGITUDE = -103.622625° STATE PLANE NAD 83 (N.M. EAST) N: 575738.70' E: 760099.12' STATE PLANE NAD 27 (N.M. EAST) N: 575676.19' E: 718918.44'	NAD 83 (FTP/PPP#1) 100' FNL & 330' FWL LATITUDE = 32.580137° LONGITUDE = -103.624272° NAD 27 (FTP/PPP#1) LATITUDE = 32.580014° LONGITUDE = -103.623779° STATE PLANE NAD 83 (N.M. EAST) N: 575512.43' E: 759745.04' STATE PLANE NAD 27 (N.M. EAST) N: 575449.93' E: 718564.36'
NAD 83 (PPP#2) 1321' FNL & 330' FWL LATITUDE = 32.576782° LONGITUDE = -103.624273° NAD 27 (PPP#2) LATITUDE = 32.576659° LONGITUDE = -103.623780° STATE PLANE NAD 83 (N.M. EAST) N: 574291.57' E: 759755.12' STATE PLANE NAD 27 (N.M. EAST) N: 574229.10' E: 718572.40'	NAD 83 (LTP/BHL) 100' FSL & 330' FWL LATITUDE = 32.566170° LONGITUDE = -103.624273° NAD 27 (LTP/BHL) LATITUDE = 32.566077° LONGITUDE = -103.623781° STATE PLANE NAD 83 (N.M. EAST) N: 570430.88' E: 759778.67' STATE PLANE NAD 27 (N.M. EAST) N: 570368.53' E: 718597.85'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0054975	1220.85'
LC 0070311	2540.83'
NM 111243	1215.94'
TOTAL	5001.55'

- ① FND. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL / KOP / FTP / PPP / LTP / SHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
603 N. Franklin Dr., Harris, NM 86040
Phone: (575) 353-6161 Fax: (575) 395-4700
District II
411 S. First St., Artesia, NM 88210
Phone: (575) 348-1243 Fax: (575) 398-9100
District III
1000 Kai Basso Road, Aztec, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-4370
District IV
1230 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-5460 Fax: (505) 438-1442

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		58960	TEAS; BONE SPRING
Property Code	Property Name		Well Number
	MARGIE 13 FED COM		#302H
OGRID No.	Operator Name		Elevation
330396	AVANT OPERATING, LLC		3601'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	20 S	33 E		125	SOUTH	1931	WEST	LEA

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
N	13	20 S	33 E		100	SOUTH	1485	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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OPERATOR CERTIFICATION
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Signature: *Sarah Ferreyros* Date: 2/28/24

Printed Name: Sarah Ferreyros

E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Professional Surveyor: *Matthew B. Tomerlin*

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

<p>NAD 83 (SHL) 125° FSL & 1931° FWL LATITUDE = 32.580742° LONGITUDE = -103.619074° NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.580619° LONGITUDE = -103.618381° STATE PLANE NAD 83 (N.M. EAST) N: 575743.24 E: 761344.83° STATE PLANE NAD 27 (N.M. EAST) N: 575680.72 E: 720164.14</p>	<p>NAD 83 (FTP/PPP#1) 100° FSL & 1485° FWL LATITUDE = 32.580128° LONGITUDE = -103.620523° NAD 27 (FTP/PPP#1) LATITUDE = 32.580005° LONGITUDE = -103.620030° STATE PLANE NAD 83 (N.M. EAST) N: 575516.64 E: 760900.04 STATE PLANE NAD 27 (N.M. EAST) N: 575454.13 E: 719719.15</p>	<p>NAD 83 (LTP/BHL) 100° FSL & 1485° FWL LATITUDE = 32.566165° LONGITUDE = -103.620524° NAD 27 (LTP/BHL) LATITUDE = 32.566042° LONGITUDE = -103.620032° STATE PLANE NAD 83 (N.M. EAST) N: 570436.87 E: 760933.66° STATE PLANE NAD 27 (N.M. EAST) N: 570374.51 E: 719752.82°</p>
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APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP

LC 0054975	3050.14'
SE/4 OF SW/4 OF SEC. 15	1219.73'
TOTAL	5079.87'

NOTES

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☑ CALC. CORNER

○ SHL / KOP / FTP / PPP / LTP / BHL

▭ OIL & GAS LEASE

▭ HORIZONTAL SPACING UNIT

0' 1500' 3000'

SCALE: 1" = 1500'

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Phone: (575) 393-6161 Fax: (575) 393-6720
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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		58960	TEAS; BONE SPRING
Property Code	Property Name		Well Number
	MARGIE 13 FED COM		#303H
OGRID No.	Operator Name		Elevation
330396	AVANT OPERATING, LLC		3603'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		125	SOUTH	2530	EAST	LEA

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
O	13	20 S	33 E		100	SOUTH	2640	EAST	LEA
Dedicated Acres		Joint or Infill	Consolidation Code	Order No.					
640.00									

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MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

<p>NAD 83 (SHL) 125° FSL & 2530° FEL LATITUDE = 32.580735° LONGITUDE = -103.616403° NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.580612° LONGITUDE = -103.615910° STATE PLANE NAD 83 (N.M. EAST) N: 575746.24° E: 762167.35° STATE PLANE NAD 27 (N.M. EAST) N: 575683.71° E: 720986.85°</p>	<p>NAD 83 (FTP/PPP#1) 100° FNL & 2640° FEL LATITUDE = 32.580118° LONGITUDE = -103.616759° NAD 27 (FTP/PPP#1) LATITUDE = 32.579995° LONGITUDE = -103.616266° STATE PLANE NAD 83 (N.M. EAST) N: 575520.86° E: 762059.33° STATE PLANE NAD 27 (N.M. EAST) N: 575458.34° E: 720878.62°</p>	<p>NAD 83 (PPP #2) 1320° FNL & 2640° FEL LATITUDE = 32.576766° LONGITUDE = -103.616268° NAD 27 (PPP #2) LATITUDE = 32.576643° LONGITUDE = -103.616268° STATE PLANE NAD 83 (N.M. EAST) N: 574301.37° E: 762067.37° STATE PLANE NAD 27 (N.M. EAST) N: 574238.89° E: 720886.63°</p>										
<p>NAD 83 (PPP #3) 2639° FNL & 2639° FEL LATITUDE = 32.573139° LONGITUDE = -103.616761° NAD 27 (PPP #3) LATITUDE = 32.573016° LONGITUDE = -103.616269° STATE PLANE NAD 83 (N.M. EAST) N: 572981.87° E: 762076.07° STATE PLANE NAD 27 (N.M. EAST) N: 572919.43° E: 720895.29°</p>	<p>NAD 83 (LTP/BHL) 100° FSL & 2640° FEL LATITUDE = 32.566160° LONGITUDE = -103.616762° NAD 27 (LTP/BHL) LATITUDE = 32.566037° LONGITUDE = -103.616270° STATE PLANE NAD 83 (N.M. EAST) N: 570442.89° E: 762092.82° STATE PLANE NAD 27 (N.M. EAST) N: 570380.52° E: 720911.97°</p>	<table border="1"> <tr> <th colspan="2">APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP</th> </tr> <tr> <td>LC 0055447</td> <td>2539.04'</td> </tr> <tr> <td>LC 0055447 A</td> <td>1315.52'</td> </tr> <tr> <td>NM 013277</td> <td>1215.52'</td> </tr> <tr> <td>TOTAL</td> <td>5078.08'</td> </tr> </table>	APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP		LC 0055447	2539.04'	LC 0055447 A	1315.52'	NM 013277	1215.52'	TOTAL	5078.08'
APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP												
LC 0055447	2539.04'											
LC 0055447 A	1315.52'											
NM 013277	1215.52'											
TOTAL	5078.08'											

NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
- THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING OCTOBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
- ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

FND. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 CALC. CORNER
 SHL / KOP / FTP / PPP / LTP / SHL
 OIL & GAS LEASE
 HORIZONTAL SPACING UNIT

0' 1500' 3000'

SCALE: 1" = 1500'

District I
1423 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-6720
District II
811 S. First St., Azusa, NM 88210
Phone: (505) 748-1263 Fax: (505) 748-9720
District III
1000 Robinson Road, Aztec, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170
District IV
1200 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#304H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3604'

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		125	SOUTH	2490	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
O	13	20 S	33 E		100	SOUTH	1485	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023
Signature and Seal of Professional Surveyor: *Matthew B. Tomerlin*
Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

<p>NAD 83 (SHL) 125° FSL & 2490' FEL LATITUDE = 32.580735° LONGITUDE = -103.616273° NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.580612° LONGITUDE = -103.615780° STATE PLANE NAD 83 (N.M. EAST) N: 575746.38° E: 762207.55° STATE PLANE NAD 27 (N.M. EAST) N: 575683.85° E: 721026.85°</p>	<p>NAD 83 (FTP/PPP#1) 100' FNL & 1485' FEL LATITUDE = 32.580108° LONGITUDE = -103.613010° NAD 27 (FTP/PPP#1) LATITUDE = 32.579985° LONGITUDE = -103.612518° STATE PLANE NAD 83 (N.M. EAST) N: 575525.07° E: 763214.33° STATE PLANE NAD 27 (N.M. EAST) N: 575462.54° E: 722033.61°</p>	<p>NAD 83 (PPP #2) 1319' FNL & 1485' FEL LATITUDE = 32.576758° LONGITUDE = -103.613011° NAD 27 (PPP #2) LATITUDE = 32.576635° LONGITUDE = -103.612519° STATE PLANE NAD 83 (N.M. EAST) N: 574306.17° E: 763222.36° STATE PLANE NAD 27 (N.M. EAST) N: 574243.68° E: 722041.61°</p>								
<p>NAD 83 (PPP #3) 2638' FNL & 1484' FEL LATITUDE = 32.573133° LONGITUDE = -103.613011° NAD 27 (PPP #3) LATITUDE = 32.573010° LONGITUDE = -103.612519° STATE PLANE NAD 83 (N.M. EAST) N: 572987.28° E: 763231.06° STATE PLANE NAD 27 (N.M. EAST) N: 572924.83° E: 722050.27°</p>	<p>NAD 83 (LTP/BHL) 100' FSL & 1485' FEL LATITUDE = 32.566155° LONGITUDE = -103.613013° NAD 27 (LTP/BHL) LATITUDE = 32.566032° LONGITUDE = -103.612521° STATE PLANE NAD 83 (N.M. EAST) N: 570448.88° E: 763247.80° STATE PLANE NAD 27 (N.M. EAST) N: 570386.50° E: 722066.94°</p>	<p>APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP</p> <table border="1"> <tr> <td>LC 0055447</td> <td>2530.15'</td> </tr> <tr> <td>LC 0065447 A</td> <td>1318.92'</td> </tr> <tr> <td>NM 013277</td> <td>1216.23'</td> </tr> <tr> <td>TOTAL</td> <td>5078.30'</td> </tr> </table>	LC 0055447	2530.15'	LC 0065447 A	1318.92'	NM 013277	1216.23'	TOTAL	5078.30'
LC 0055447	2530.15'									
LC 0065447 A	1318.92'									
NM 013277	1216.23'									
TOTAL	5078.30'									

NOTES

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- ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

© FND, U.S.G.L.O. MON. UNLESS OTHERWISE NOTED

CALC. CORNER

○ SHL / KOP / FTP / PPP / LTP / BHL

□ OIL & GAS LEASE

▭ HORIZONTAL SPACING UNIT

0' 1500' 3000'

SCALE: 1" = 1500'

District I
3623 N. French Dr., Hobbs, NM 88040
Phone: (575) 335-4181 Fax: (575) 393-0728
District II
111 E. Fair St., Artesia, NM 88218
Phone: (575) 748-1207 Fax: (575) 748-9128
District III
1000 Rio Grande Blvd., Artesia, NM 87510
Phone: (505) 324-8178 Fax: (505) 324-6270
District IV
2229 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-1440 Fax: (505) 476-1440

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#305H
UGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3607'

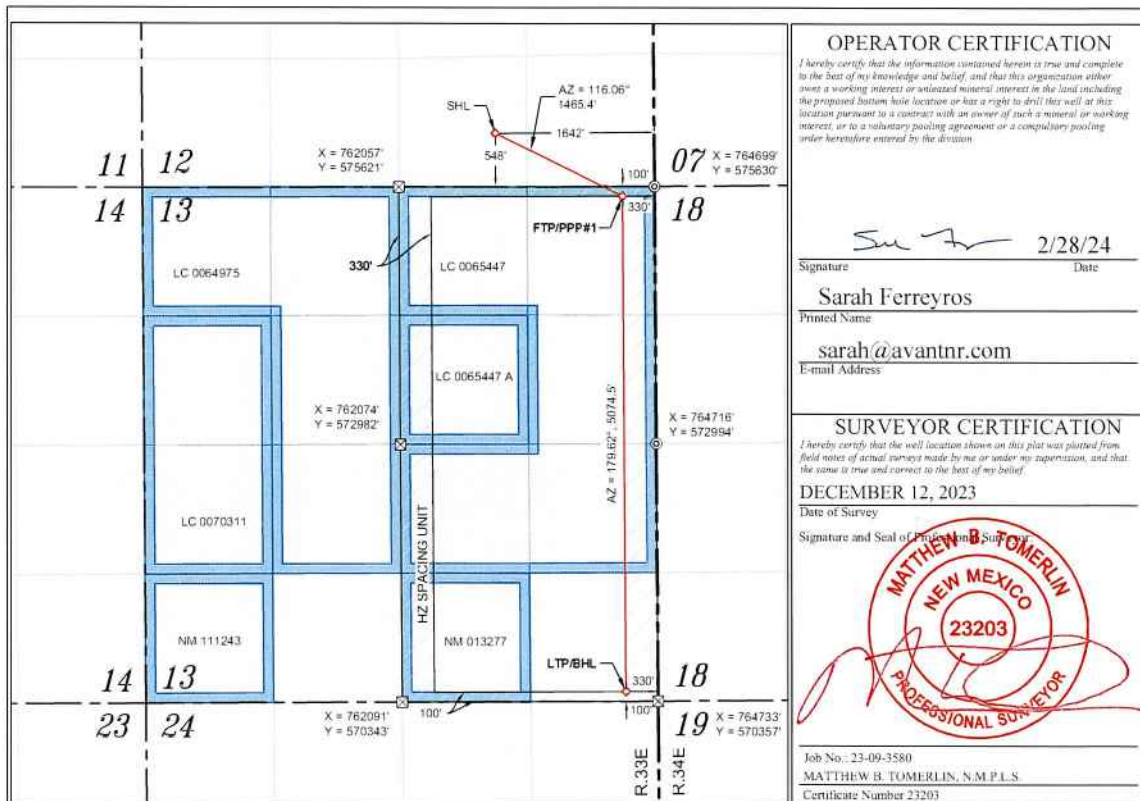
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		548	SOUTH	1642	EAST	LEA

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
P	13	20 S	33 E		100	SOUTH	330	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
640.00									

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.



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 undivided 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: *Sarah Ferreyros* Date: 2/28/24

Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Professional Surveyor: *Matthew B. Tomerlin*



Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

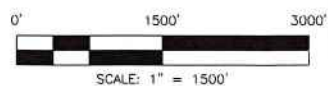
NAD 83 (SHL) 548' FSL & 1642' FEL LATITUDE = 32.581892° LONGITUDE = -103.613520°	NAD 83 (FTP/PPP#1) 100' FSL & 330' FEL LATITUDE = 32.566150° LONGITUDE = -103.609264°	NAD 83 (LTP/BHL) 100' FSL & 330' FEL LATITUDE = 32.566150° LONGITUDE = -103.609264°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.581769° LONGITUDE = -103.613028°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579975° LONGITUDE = -103.608768°	NAD 27 (LTP/BHL) LATITUDE = 32.566027° LONGITUDE = -103.608772°
STATE PLANE NAD 83 (N.M. EAST) N: 576172.96' E: 763952.88'	STATE PLANE NAD 83 (N.M. EAST) N: 570454.87' E: 764402.79'	STATE PLANE NAD 83 (N.M. EAST) N: 570454.87' E: 764402.79'
STATE PLANE NAD 27 (N.M. EAST) N: 576110.41' E: 721872.18'	STATE PLANE NAD 27 (N.M. EAST) N: 575466.74' E: 723188.59'	STATE PLANE NAD 27 (N.M. EAST) N: 570392.49' E: 723221.92'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0055447	3855.50'
SE4/SE4	1218.94'
TOTAL	5074.52'

NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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- ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

- ⊙ FND, U.S.G.L.O. MON, UNLESS OTHERWISE NOTED
- ⊗ CALC. CORNER
- SHL/ KOP/ FTP / PPP/ LTP / BHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
1623 N. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-1000 Fax: (505) 476-4220
District II
413 E. First St., Acton, NM 88202
Phone: (505) 344-1300 Fax: (505) 344-6700
District III
1000 Rio Blanco Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1209 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3660 Fax: (505) 476-3962

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

API Number	Pool Code	Pool Name
	58960	TEAS: BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#501H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3596'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20 S	33 E		275	SOUTH	706	WEST	LEA

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
M	13	20 S	33 E		100	SOUTH	330	WEST	LEA

Dedicated Acres:	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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 undivided 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: Sarah Ferreyros Date: 2/28/24

Printed Name: Sarah Ferreyros

E-mail Address: sarah@avantnr.com

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Professional Surveyor: MATTHEW B. TOMERLIN

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 275' FSL & 706' FWL	NAD 83 (FTP/PPP#1) 100' FSL & 330' FWL
LATITUDE = 32.581165°	LATITUDE = 32.580137°
LONGITUDE = -103.623052°	LONGITUDE = -103.624272°
NAD 27 (SURFACE HOLE LOCATION)	NAD 27 (FTP/PPP#1)
LATITUDE = 32.581042°	LATITUDE = 32.580014°
LONGITUDE = -103.622559°	LONGITUDE = -103.623779°
STATE PLANE NAD 83 (N.M. EAST)	STATE PLANE NAD 83 (N.M. EAST)
N: 575888.77 E: 760118.58	N: 575512.43 E: 759745.04
STATE PLANE NAD 27 (N.M. EAST)	STATE PLANE NAD 27 (N.M. EAST)
N: 575826.25 E: 718937.91	N: 575449.93 E: 718564.36

NAD 83 (PPP #2) 1321' FSL & 330' FWL	NAD 83 (LTP/BHL) 100' FSL & 330' FWL
LATITUDE = 32.576782°	LATITUDE = 32.566170°
LONGITUDE = -103.624273°	LONGITUDE = -103.624273°
NAD 27 (PPP #2)	NAD 27 (LTP/BHL)
LATITUDE = 32.576659°	LATITUDE = 32.566047°
LONGITUDE = -103.623780°	LONGITUDE = -103.623781°
STATE PLANE NAD 83 (N.M. EAST)	STATE PLANE NAD 83 (N.M. EAST)
N: 574291.57 E: 759783.12	N: 570430.88 E: 759778.67
STATE PLANE NAD 27 (N.M. EAST)	STATE PLANE NAD 27 (N.M. EAST)
N: 574229.10 E: 718572.40	N: 570368.53 E: 718597.85

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0064975	1220.89'
LC 0070311	2540.83'
NM 111243	1219.94'
TOTAL	5081.66'

- NOTES**
- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST, (3011), NAD 83.
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FND, U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 CALC. CORNER
 SHL / KOP / FTP / PPP / LTP / BHL
 OIL & GAS LEASE
 HORIZONTAL SPACING UNIT

0' 1500' 3000'

SCALE: 1" = 1500'

District I
1821 N. Francis Dr., Hobbs, NM 88240
Phone: (575) 773-8131 Fax: (575) 793-8720
District II
111 S. First St., Acton, NM 88212
Phone: (575) 768-1203 Fax: (575) 798-8720
District III
6000 Rio Grande Blvd., Artesia, NM 87501
Phone: (505) 544-6774 Fax: (505) 574-8720
District IV
1220 S. 41. Avenida Dr., Santa Fe, NM 87503
Phone: (505) 476-5460 Fax: (505) 476-7462

State of New Mexico
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	58960	TEAS: BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#502H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3598'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20 S	33 E		275	SOUTH	746	WEST	LEA

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
M	13	20 S	33 E		100	SOUTH	1254	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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 undivided 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: Sarah Ferreyros Date: 2/28/24

Printed Name: Sarah Ferreyros

E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Professional Surveyor: Matthew B. Tomerlin

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 275' FSL & 746' FWL
LATITUDE = 32.581165°
LONGITUDE = -103.622922°
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32.581042°
LONGITUDE = -103.622429°
STATE PLANE NAD 83 (N.M. EAST)
N: 575888.92' E: 760158.38'
STATE PLANE NAD 27 (N.M. EAST)
N: 575826.40' E: 718977.91'

NAD 83 (LTP/PPP#1) 100' FNL & 1254' FWL
LATITUDE = 32.580130°
LONGITUDE = -103.621273°
NAD 27 (FTP/PPP#1)
LATITUDE = 32.580000°
LONGITUDE = -103.620780°
STATE PLANE NAD 83 (N.M. EAST)
N: 575515.79' E: 760669.04'
STATE PLANE NAD 27 (N.M. EAST)
N: 575453.28' E: 719488.35'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0064975	1220.34'
LC 0070311	2540.12'
NM 111243	1215.77'
TOTAL	5080.23'

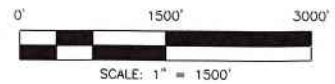
NOTES

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- ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

NAD 83 (PPP #2) 1320' FNL & 1254' FWL
LATITUDE = 32.576775°
LONGITUDE = -103.621273°
NAD 27 (PPP #2)
LATITUDE = 32.576652°
LONGITUDE = -103.620780°
STATE PLANE NAD 83 (N.M. EAST)
N: 574295.48' E: 760677.11'
STATE PLANE NAD 27 (N.M. EAST)
N: 574233.01' E: 719496.38'

NAD 83 (LTP/BHL) 100' FSL & 1254' FWL
LATITUDE = 32.566166°
LONGITUDE = -103.621274°
NAD 27 (LTP/BHL)
LATITUDE = 32.566043°
LONGITUDE = -103.620782°
STATE PLANE NAD 83 (N.M. EAST)
N: 570435.67' E: 760702.66'
STATE PLANE NAD 27 (N.M. EAST)
N: 570373.31' E: 719521.83'

- ⊙ FND. U.S.C.L.O. MON. UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL / KOP / FTP / PPP / LTP / BHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
1633 N. Francis Dr., El Paso, NM 88540
Phone: (575) 793-8161 Fax: (575) 793-8728
District II
411 S. Parr St., Alamogordo, NM 88001
Phone: (575) 748-1243 Fax: (575) 798-8728
District III
1090 Westwood Blvd., Aztec, NM 87501
Phone: (505) 334-6178 Fax: (505) 334-6228
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87502
Phone: (505) 476-3460 Fax: (505) 436-7462

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

API Number	Pool Code	Pool Name
	58960	TEAS: BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#503H
UGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3599'

Surface Location

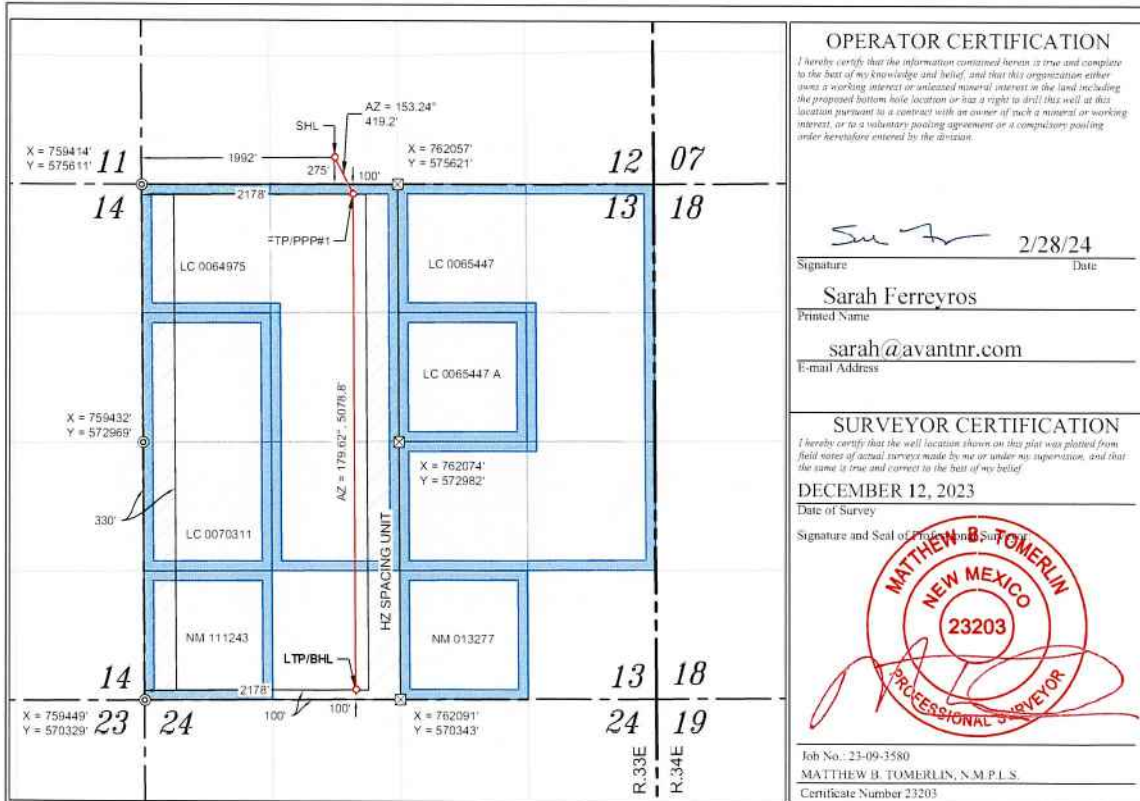
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	20 S	33 E		275	SOUTH	1992	WEST	LEA

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
N	13	20 S	33 E		100	SOUTH	2178	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.



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 undivided 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.

Sarah Ferreyros 2/28/24
Signature Date
Sarah Ferreyros
Printed Name
sarah@avantnr.com
E-mail Address

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 and correct to the best of my belief.

DECEMBER 12, 2023
Date of Survey
Signature and Seal of Matthew B. Tomerlin
Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M. P.L.S.
Certificate Number 23203

NOTES

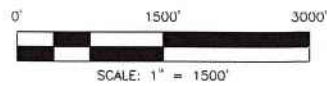
- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
- THIS DOCUMENT IS BASED UPON AN ON-THE-GROUND SURVEY PERFORMED DURING NOVEMBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MOVEMENT OF DEEDS PROVIDED BY THE CLIENT.
- ELEVATIONS MSL DERIVED FROM G.N.S.S OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

NAD 83 (SHL) 275' FSL & 1992' FWL LATITUDE = 32.581154° LONGITUDE = -103.618878°	NAD 83 (FTP/PPP#1) 100' FNL & 1485' FWL LATITUDE = 32.580122° LONGITUDE = -103.618273°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.581011° LONGITUDE = -103.618385°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579999° LONGITUDE = -103.617780°
STATE PLANE NAD 83 (N.M. EAST) N: 575893.46 E: 761404.28	STATE PLANE NAD 83 (N.M. EAST) N: 575519.16 E: 761593.04
STATE PLANE NAD 27 (N.M. EAST) N: 575830.97 E: 720223.59	STATE PLANE NAD 27 (N.M. EAST) N: 575456.64 E: 720412.34

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0054975	3059.20'
SE/8 OF SW/8 OF SEC. 13	1215.51'
TOTAL	5078.81'

NAD 83 (LTP/BHL) 100' FSL & 2178' FWL LATITUDE = 32.566162° LONGITUDE = -103.618275°
NAD 27 (LTP/BHL) LATITUDE = 32.566039° LONGITUDE = -103.617783°
STATE PLANE NAD 83 (N.M. EAST) N: 570440.47 E: 761626.65
STATE PLANE NAD 27 (N.M. EAST) N: 570378.10 E: 720445.81

- ⊙ FND. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL / KOP / FTP / PPP / LTP / BHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-4161 Fax: (575) 393-0720
District II
811 S. First St., Azusa, NM 88210
Phone: (575) 746-1283 Fax: (575) 746-9720
District III
1005 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3465 Fax: (505) 476-3462

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#504H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3604'

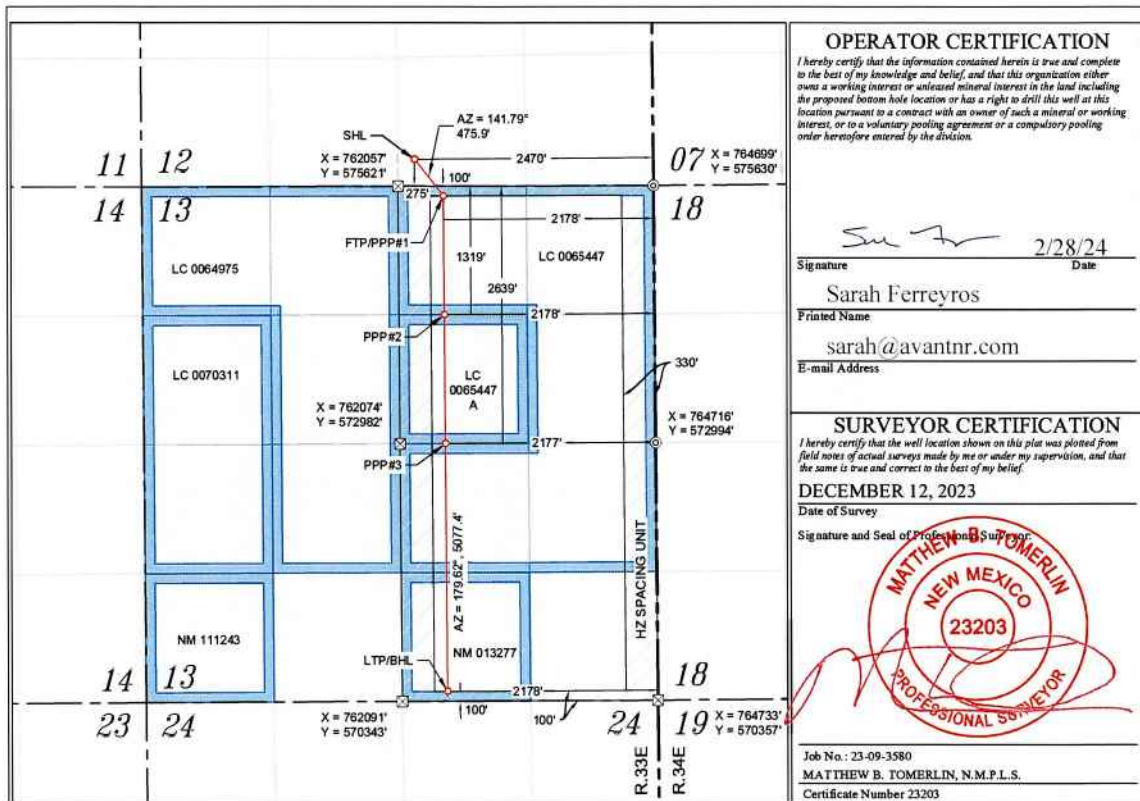
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		275	SOUTH	2470	EAST	LEA

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
O	13	20 S	33 E		100	SOUTH	2178	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
640.00									

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.



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: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

DECEMBER 12, 2023
Date of Survey

Signature and Seal of Professional Surveyor

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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- ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

NAD 83 (SHL) 275' FSL & 2470' FEL LATITUDE = 32.581147° LONGITUDE = -103.616207° NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.581024° LONGITUDE = -103.615714° STATE PLANE NAD 83 (N.M. EAST) N: 575896.43' E: 762227.01' STATE PLANE NAD 27 (N.M. EAST) N: 575833.92' E: 721046.31'

NAD 83 (FTP/PPP#1) 100' FNL & 2178' FEL LATITUDE = 32.580114° LONGITUDE = -103.615260° NAD 27 (FTP/PPP#1) LATITUDE = 32.579991° LONGITUDE = -103.614768° STATE PLANE NAD 83 (N.M. EAST) N: 575522.54' E: 762521.33' STATE PLANE NAD 27 (N.M. EAST) N: 575460.02' E: 721340.62'

NAD 83 (PPP #2) 1319' FNL & 2178' FEL LATITUDE = 32.576763° LONGITUDE = -103.615260° NAD 27 (PPP #2) LATITUDE = 32.576640° LONGITUDE = -103.614768° STATE PLANE NAD 83 (N.M. EAST) N: 574303.29' E: 762529.37' STATE PLANE NAD 27 (N.M. EAST) N: 574240.80' E: 721348.62'
--

NAD 83 (PPP #3) 2639' FNL & 2177' FEL LATITUDE = 32.573137° LONGITUDE = -103.615261° NAD 27 (PPP #3) LATITUDE = 32.573014° LONGITUDE = -103.614769° STATE PLANE NAD 83 (N.M. EAST) N: 572984.04' E: 762538.07' STATE PLANE NAD 27 (N.M. EAST) N: 572921.59' E: 721357.29°
--

NAD 83 (LTP/BHL) 100' FSL & 2178' FEL LATITUDE = 32.566158° LONGITUDE = -103.615262° NAD 27 (LTP/BHL) LATITUDE = 32.566035° LONGITUDE = -103.614770° STATE PLANE NAD 83 (N.M. EAST) N: 570445.28' E: 762554.81' STATE PLANE NAD 27 (N.M. EAST) N: 570382.91' E: 721373.96°

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0055447	2530.58'
LC 0055447 A	1319.28'
NM 013277	1219.40'
TOTAL	5077.36'

① FND. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 CALC. CORNER
 ○ SHL / KOP / FTP / PPP / LTP / BHL
 ○ OIL & GAS LEASE
 □ HORIZONTAL SPACING UNIT

0' 1500' 3000'
SCALE: 1" = 1500'

District I
1625 N. Francis Dr., Santa Fe, NM 87505
Phone: (505) 995-6361 Fax: (505) 995-6720
District II
611 S. First St., Alamosa, NM 87008
Phone: (505) 748-1383 Fax: (505) 748-9720
District III
1000 Rio Grande Blvd., Aztec, NM 87401
Phone: (505) 334-6178 Fax: (505) 334-6178
District IV
1226 S. St. Francis Dr., Santa Fe, NM 87501
Phone: (505) 476-1468 Fax: (505) 476-3462

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

API Number	Pool Code 58960	Pool Name TEAS; BONE SPRING
Property Code	Property Name MARGIE 13 FED COM	Well Number #505H
OGRID No. 330396	Operator Name AVANT OPERATING, LLC	Elevation 3606'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		698	SOUTH	1661	EAST	LEA

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
P	13	20 S	33 E		100	SOUTH	1254	EAST	LEA

Dedicated Acres 640.00	Joint or Infill	Consolidation Code	Order No.
---------------------------	-----------------	--------------------	-----------

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.

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 undivided 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: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

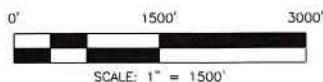
SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023
Signature and Seal of Matthew B. Tomerlin, N.M. P.L.S.
Job No.: 23-09-3580
Certificate Number 23203

NAD 83 (SHL) 698' FSL & 1661' FEL LATITUDE = 32.582304° LONGITUDE = -103.613583°	NAD 83 (FTP/PPP#1) 100' FNL & 1254' FEL LATITUDE = 32.580106° LONGITUDE = -103.612260°	NAD 83 (LTP/BHL) 100' FSL & 1254' FEL LATITUDE = 32.566154° LONGITUDE = -103.612263°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.582181° LONGITUDE = -103.613090°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579983° LONGITUDE = -103.611768°	NAD 27 (LTP/BHL) LATITUDE = 32.566031° LONGITUDE = -103.611771°
STATE PLANE NAD 83 (N.M. EAST) N: 576322.88' E: 763032.33'	STATE PLANE NAD 83 (N.M. EAST) N: 575525.91' E: 763445.32'	STATE PLANE NAD 83 (N.M. EAST) N: 570450.08' E: 763478.80'
STATE PLANE NAD 27 (N.M. EAST) N: 576260.33' E: 721851.64'	STATE PLANE NAD 27 (N.M. EAST) N: 575463.38' E: 722264.60'	STATE PLANE NAD 27 (N.M. EAST) N: 570387.70' E: 722297.94'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 005547	3855.78'
SE4/SE4	1219.17'
TOTAL	5075.95'

- ⊙ F.M.D. U.S.G.I.O. MON. UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL/ KOP/ FTP / PPP/ LTP / BHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



NOTES

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- ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

District I
635 N. Frankl. Dr., Hobbs, NM 88040
Phone: (575) 393-4343 Fax: (575) 393-9700
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1383 Fax: (575) 748-8700
District III
3889 McBratton Road, Aztec, NM 87602
Phone: (505) 334-6178 Fax: (505) 334-6278
District IV
2250 E. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-5466 Fax: (505) 476-5462

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

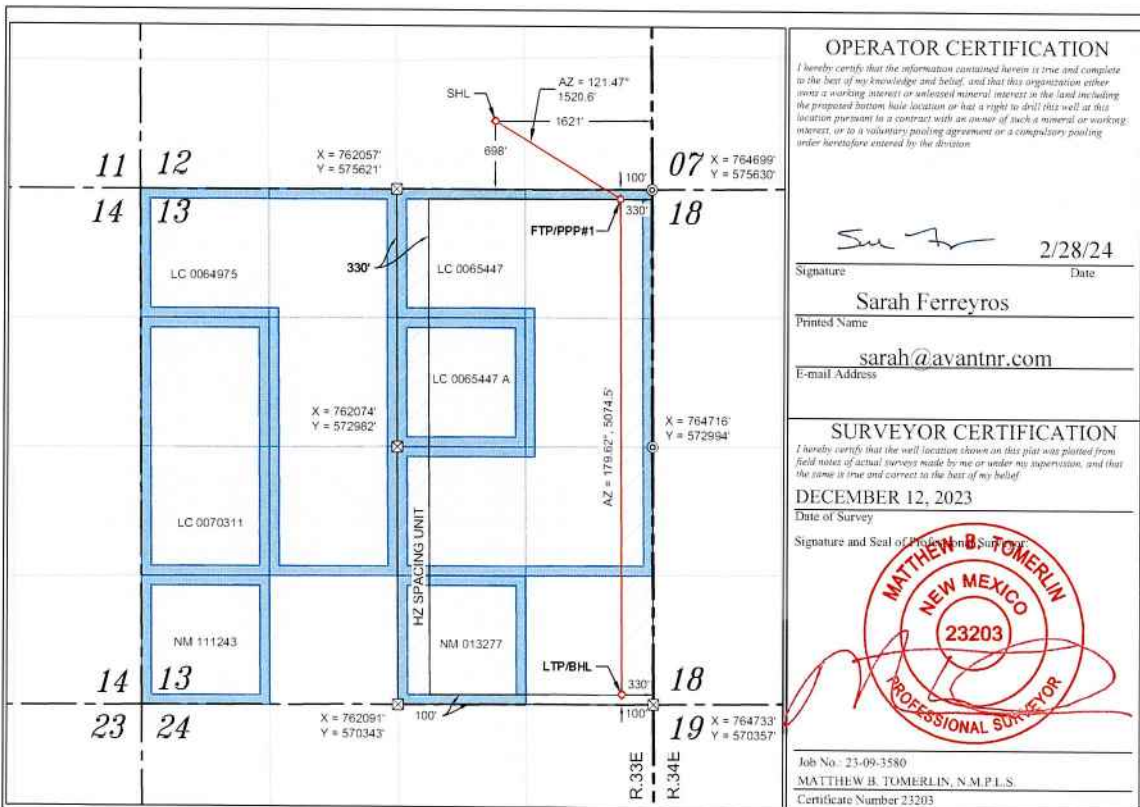
API Number	Pool Code	Pool Name
	58960	TEAS: BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#506H
UGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3607'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		698	SOUTH	1621	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	20 S	33 E		100	SOUTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.



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: Sarah Ferreyros Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023
Signature and Seal of Professional Surveyor: MATTHEW B. TOMERLIN

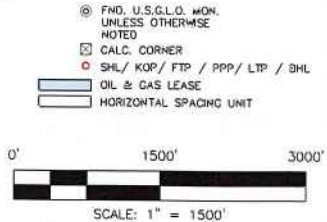
Job No: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 698' FSL & 1621' FEL LATITUDE = 32.582304° LONGITUDE = -103.613453°	NAD 83 (FTP/PPP#1) 100' FNL & 330' FEL LATITUDE = 32.566150° LONGITUDE = -103.609264°	NAD 83 (LTP/BHL) 100' FSL & 330' FEL LATITUDE = 32.566150° LONGITUDE = -103.609264°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.582181° LONGITUDE = -103.612960°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579975° LONGITUDE = -103.608768°	NAD 27 (LTP/BHL) LATITUDE = 32.566027° LONGITUDE = -103.608772°
STATE PLANE NAD 83 (N.M. EAST) N: 576323.03' E: 763072.33'	STATE PLANE NAD 83 (N.M. EAST) N: 570454.87' E: 764402.79'	STATE PLANE NAD 83 (N.M. EAST) N: 570454.87' E: 764402.79'
STATE PLANE NAD 27 (N.M. EAST) N: 576260.48' E: 721891.64'	STATE PLANE NAD 27 (N.M. EAST) N: 575466.74' E: 723188.59'	STATE PLANE NAD 27 (N.M. EAST) N: 570192.49' E: 723221.92'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0055447	3855.50'
SE4/SE4	1218.94'
TOTAL	5074.52'

NOTES

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District I
1621 N. Francis Dr., Hobbs, NM 88240
Phone: (575) 793-4343 Fax: (575) 793-4720
District II
111 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-4720
District III
1000 Red Bluffs Road, Aztec, NM 87410
Phone: (505) 734-4178 Fax: (505) 734-4178
District IV
1270 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3400 Fax: (505) 476-3442

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
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 58960	Pool Name TEAS; BONE SPRING
Property Code	Property Name MARGIE 13 FED COM	Well Number #601H
OG/RID No. 330396	Operator Name AVANT OPERATING, LLC	Elevation 3597'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20 S	33 E		275	SOUTH	766	WEST	LEA

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
M	13	20 S	33 E		100	SOUTH	1254	WEST	LEA

Dedicated Acres 640.00	Joint or Infill	Consolidation Code	Order No.
---------------------------	-----------------	--------------------	-----------

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.

OPERATOR CERTIFICATION
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Signature: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023
Signature and Seal of Matthew B. Tomerlin, N.M.P.L.S. (Professional Surveyor Seal)

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 275' FSL & 766' FWL LATITUDE = 32.581164° LONGITUDE = -103.622857°	NAD 83 (FTP/PPP#1) 100' FNL & 1254' FWL LATITUDE = 32.580130° LONGITUDE = -103.621273°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.581041° LONGITUDE = -103.622364°	NAD 27 (FTP/PPP#1) LATITUDE = 32.580007° LONGITUDE = -103.620780°
STATE PLANE NAD 83 (N.M. EAST) N: 575888.99' E: 760178.38'	STATE PLANE NAD 83 (N.M. EAST) N: 575515.79' E: 760669.04'
STATE PLANE NAD 27 (N.M. EAST) N: 575826.47' E: 718997.90'	STATE PLANE NAD 27 (N.M. EAST) N: 575453.28' E: 719488.35'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0054975	1220.34'
LC 0070311	2540.12'
NM 111243	1219.77'
TOTAL	5000.23'

- NOTES**
- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
 - THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING OCTOBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
 - ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

NAD 83 (PPP #2) 1320' FNL & 1254' FWL LATITUDE = 32.576775° LONGITUDE = -103.621273°	NAD 83 (LTP/BHL) 100' FSL & 1254' FWL LATITUDE = 32.566166° LONGITUDE = -103.621274°
NAD 27 (PPP #2) LATITUDE = 32.576652° LONGITUDE = -103.620780°	NAD 27 (LTP/BHL) LATITUDE = 32.566043° LONGITUDE = -103.620782°
STATE PLANE NAD 83 (N.M. EAST) N: 574295.48' E: 760677.11'	STATE PLANE NAD 83 (N.M. EAST) N: 570435.67' E: 760702.66'
STATE PLANE NAD 27 (N.M. EAST) N: 574233.01' E: 719496.38'	STATE PLANE NAD 27 (N.M. EAST) N: 570373.31' E: 719521.83'

FND. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 CALC. CORNER
 SHL / KOP / FTP / PPP / LTP / SHL
 OIL & GAS LEASE
 HORIZONTAL SPACING UNIT

0' 1500' 3000'
SCALE: 1" = 1500'

District I
1625 N. Finca Dr., Hobbs, NM 88240
Phone: (575) 593-6182 Fax: (575) 593-6120
District II
813 East St., Azusa, NM 88218
Phone: (575) 748-1203 Fax: (575) 748-9728
District III
1000 McRae Road, Aztec, NM 87419
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
2218 N. W. Pecos Rd., Santa Fe, NM 87503
Phone: (505) 476-3400 Fax: (505) 476-3462

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#602H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3600'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	20 S	33 E		275	SOUTH	1972	WEST	LEA

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
N	13	20 S	33 E		100	SOUTH	2178	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

The diagram shows a well location plat with several units and sections. Key features include:

- Units: LC 0064975, LC 0065447, LC 0065447 A, LC 0070311, NM 111243, NM 013277.
- Sections: 11, 12, 13, 14, 18, 23, 24.
- Coordinates: X=759414', Y=575611' (top left); X=759432', Y=572969' (middle left); X=762057', Y=575621' (top right); X=762074', Y=572982' (middle right); X=759449', Y=570329' (bottom left); X=762091', Y=570343' (bottom right).
- Bearings and Distances: AZ = 150.85° 428.5' (top); SHL = 1972' (top left); 275' (top left); 100' (top right); 2178' (top left); 2178' (middle left); 330' (middle left); 100' (bottom left); 100' (bottom left); AZ = 178.62° 5078.8' (middle); HZ SPACING UNIT (middle); LTP/BHL (bottom left).
- Range and Township: R.33E, R.34E, T.20S.

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 undivided mineral interest in the level 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: *Sarah Ferreyros* Date: 2/28/24

Printed Name: Sarah Ferreyros

E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Matthew B. Tomerlin, N.M.P.L.S. (Professional Surveyor 23203)

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

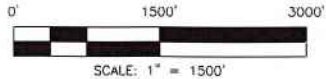
NAD 83 (SHL) 375' FSL & 1972' FWL	NAD 83 (FTP/PPP#1) 100' FNL & 1485' FWL
LATITUDE = 32.581154°	LATITUDE = 32.580122°
LONGITUDE = -103.618983°	LONGITUDE = -103.618273°
NAD 27 (SURFACE HOLE LOCATION)	NAD 27 (FTP/PPP#1)
LATITUDE = 32.581031°	LATITUDE = 32.579999°
LONGITUDE = -103.618450°	LONGITUDE = -103.617780°
STATE PLANE NAD 83 (N.M. EAST)	STATE PLANE NAD 83 (N.M. EAST)
N: 575893.38' E: 761384.28'	N: 575539.16' E: 761593.04'
STATE PLANE NAD 27 (N.M. EAST)	STATE PLANE NAD 27 (N.M. EAST)
N: 575830.85' E: 720203.59'	N: 575456.64' E: 720412.34'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0054975	3059.20'
SE/4 OF SW/4 OF SEC. 13	1215.51'
TOTAL	5078.81'

NAD 83 (LTP/BHL) 100' FSL & 2178' FWL
LATITUDE = 32.566162°
LONGITUDE = -103.618275°
NAD 27 (LTP/BHL)
LATITUDE = 32.566039°
LONGITUDE = -103.617783°
STATE PLANE NAD 83 (N.M. EAST)
N: 570449.47' E: 761626.65'
STATE PLANE NAD 27 (N.M. EAST)
N: 570378.10' E: 720445.81'

- ⊙ FND, U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL / KOP / FTP / PPP / LTP / SHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT

- NOTES**
- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
 - THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING NOVEMBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED INSTRUMENTS OF DEEDS PROVIDED BY THE CLIENT.
 - ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



District I
1625 N. Francis Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 746-1293 Fax: (575) 746-9720
District III
1000 Rio Brazos Road, Artesia, NM 88210
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

State of New Mexico
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Surface Location

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County. Includes Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

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.

Main plat diagram showing well location, acreage, and operator/surveyor certifications. Includes coordinates, bearings, and distances for various points (SHL, FTP/PPP#1, PPP#2, PPP#3, LTP/BHL).

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: Sarah Ferreyros
Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

DECEMBER 12, 2023
Date of Survey

Signature and Seal of Professional Surveyor



Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NOTES

- 1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING OCTOBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
3. ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

Table with 3 columns: Description of point (e.g., SHL, FTP/PPP#1, PPP#2, PPP#3, LTP/BHL), NAD 83 coordinates, State Plane NAD 83 coordinates.

Table with 2 columns: Well Bore Distance from FTP to LTP, Well Bore Distance from LTP to LTP.

Legend for symbols (SHL, KOP, FTP, PPP, LTP, BHL, Oil & Gas Lease, Horizontal Spacing Unit) and a graphic scale bar (0 to 3000 feet).

District I
 623 N. Foothill Dr., Bldg. 500-0046
 Phone: (575) 993-6362 Fax: (575) 993-6700
 District II
 611 S. First St., Artesia, NM 88210
 Phone: (575) 548-1200 Fax: (575) 548-9700
 District III
 1000 Rio Hondo Road, Artesia, NM 87010
 Phone: (505) 334-6178 Fax: (505) 334-6270
 District IV
 1206 S. 40. Highway, U.S., 66600 P.O. Box 47501
 Phone: (505) 476-3400 Fax: (505) 476-3442

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
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 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 58960	Pool Name TEAS: BONE SPRING
Property Code	Property Name MARGIE 13 FED COM	Well Number #604H
OGRID No. 330396	Operator Name AVANT OPERATING, LLC	Elevation 3607'

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		698	SOUTH	1681	EAST	LEA

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
P	13	20 S	33 E		100	SOUTH	1254	EAST	LEA

Dedicated Acres 640.00	Joint or Infill	Consolidation Code	Order No.
---------------------------	-----------------	--------------------	-----------

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.

The diagram shows a grid of sections 11, 12, 13, 14, 18, 19, 23, 24. A well location is marked with a red dot and labeled 'FTP/PPP#1'. A 'HZ SPACING UNIT' is shown as a vertical rectangle. Bearings and distances are provided for the well location and spacing unit. Coordinates (X, Y) are given for several key points.

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: *Sarah Ferreyros* Date: 2/28/24
 Printed Name: Sarah Ferreyros
 E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023
 Signature and Seal of Professional Surveyor: *Matthew B. Tomerlin*
 Job No.: 23-09-3580
 MATTHEW B. TOMERLIN, N.M.P.L.S.
 Certificate Number 23203

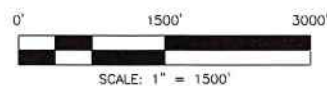
NAD 83 (SHL) 698' FSL & 1681' FEL LATITUDE = 32.582304° LONGITUDE = -103.613648°	NAD 83 (FTP/PPP#1) 100' FNL & 1254' FEL LATITUDE = 32.580106° LONGITUDE = -103.612260°	NAD 83 (LTP/BHL) 100' FSL & 1254' FEL LATITUDE = 32.566154° LONGITUDE = -103.612263°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.582181° LONGITUDE = -103.613155°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579983° LONGITUDE = -103.611768°	NAD 27 (LTP/BHL) LATITUDE = 32.566031° LONGITUDE = -103.611771°
STATE PLANE NAD 83 (N.M. EAST) N: 576322.81 E: 763012.33	STATE PLANE NAD 83 (N.M. EAST) N: 575525.91 E: 763445.32	STATE PLANE NAD 83 (N.M. EAST) N: 570450.08 E: 763478.80
STATE PLANE NAD 27 (N.M. EAST) N: 576260.26 E: 721831.64	STATE PLANE NAD 27 (N.M. EAST) N: 575463.38 E: 722264.60	STATE PLANE NAD 27 (N.M. EAST) N: 570387.70 E: 722297.94

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0055447	3855.78'
SE4/SE4	1219.17'
TOTAL	5075.95'

NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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- ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

- ⊙ FND, U.S.G.L.O. MON, UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL/ KOP/ FTP / PPP/ LTP / ØHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
421 N. Francis Dr., Hobbs, NM 88240
Phone: (575) 393-4161 Fax: (575) 393-6730
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1287 Fax: (575) 748-7020
District III
1400 Red Branch Road, Kirtland, NM 87131
Phone: (505) 773-6178 Fax: (505) 773-6238
District IV
1229 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
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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

API Number	Pool Code	Pool Name
	58960	TEAS: BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#651H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3599'

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20 S	33 E		275	SOUTH	726	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	13	20 S	33 E		100	SOUTH	792	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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 undivided 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: Sarah Ferreyros Date: 2/28/24

Printed Name: Sarah Ferreyros

E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023

Signature and Seal of Professional Surveyor: MATTHEW B. TOMERLIN

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 275' ETL & 726' FWL
LATITUDE = 32.581165°
LONGITUDE = -103.622987°
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32.581042°
LONGITUDE = -103.622494°
STATE PLANE NAD 83 (N.M. EAST)
N: 575888.85' E: 760138.58'
STATE PLANE NAD 27 (N.M. EAST)
N: 575826.33' E: 718957.91'

NAD 83 (FTP/PPP#1) 100' ENL & 792' FWL
LATITUDE = 32.580134°
LONGITUDE = -103.622773°
NAD 27 (FTP/PPP#1)
LATITUDE = 32.580011°
LONGITUDE = -103.622280°
STATE PLANE NAD 83 (N.M. EAST)
N: 575514.11' E: 760207.94'
STATE PLANE NAD 27 (N.M. EAST)
N: 575451.60' E: 719026.35'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0064975	1220.51'
LC 0070311	2540.47'
NM 111243	1219.05'
TOTAL	5080.94'

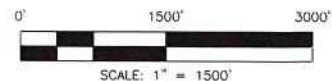
NAD 83 (PPP#2) 1321' ENL & 792' FWL
LATITUDE = 32.576779°
LONGITUDE = -103.622773°
NAD 27 (PPP#2)
LATITUDE = 32.576656°
LONGITUDE = -103.622280°
STATE PLANE NAD 83 (N.M. EAST)
N: 574293.52' E: 760215.12'
STATE PLANE NAD 27 (N.M. EAST)
N: 574251.05' E: 719034.40'

NAD 83 (LTP/BHL) 100' ENL & 792' FWL
LATITUDE = 32.566168°
LONGITUDE = -103.622774°
NAD 27 (LTP/BHL)
LATITUDE = 32.566045°
LONGITUDE = -103.622282°
STATE PLANE NAD 83 (N.M. EAST)
N: 579433.28' E: 760240.66'
STATE PLANE NAD 27 (N.M. EAST)
N: 570370.92' E: 719059.83'

NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST, (3001), NAVD 88.
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- ELEVATIONS MSL DERIVED FROM G.A.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

- ⊕ FWD, U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
- ⊠ CALC. CORNER
- SHL/ KOP/ FTP / PPP/ LTP / SHL
- ▭ OIL & GAS LEASE
- ▭ HORIZONTAL SPACING UNIT



District I
403 N. Francis Dr., Hobbs, NM 88301
Phone: (505) 343-6100 Fax: (505) 343-6120
District II
811 S. First St., Alameda, NM 88201
Phone: (505) 748-2263 Fax: (505) 748-2700
District III
1000 West Branch Road, Aztec, NM 87410
Phone: (505) 231-4178 Fax: (505) 231-4120
District IV
1229 E. St. Francis Dr., Sandoz, NM 87701
Phone: (505) 476-1480 Fax: (505) 476-1462

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Santa Fe, NM 87505

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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#652H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3600'

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	12	20 S	33 E		275	SOUTH	1952	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	13	20 S	33 E		100	SOUTH	1716	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640.00			

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.

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 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: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: Sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023
Signature and Seal of Matthew B. Tomerlin, N.M.P.L.S. (Professional Surveyor No. 23203)

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 275' FSL & 1952' FWL LATITUDE = 32.581154° LONGITUDE = -103.619008°	NAD 83 (FTP/PPP#1) 100' FNL & 1716' FWL LATITUDE = 32.580120° LONGITUDE = -103.619773°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.581031° LONGITUDE = -103.618515°	NAD 27 (FTP/PPP#1) LATITUDE = 32.580003° LONGITUDE = -103.619280°
STATE PLANE NAD 83 (N.M. EAST) N: 575893.31' E: 761364.28'	STATE PLANE NAD 83 (N.M. EAST) N: 575517.48' E: 761131.04'
STATE PLANE NAD 27 (N.M. EAST) N: 575830.78' E: 720183.59'	STATE PLANE NAD 27 (N.M. EAST) N: 574454.97' E: 719950.14'

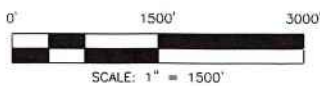
NAD 83 (LTP/BHL) 100' FSL & 1716' FWL LATITUDE = 32.566164° LONGITUDE = -103.619774°
NAD 27 (LTP/BHL) LATITUDE = 32.566041° LONGITUDE = -103.619282°
STATE PLANE NAD 83 (N.M. EAST) N: 570438.07' E: 761164.65'
STATE PLANE NAD 27 (N.M. EAST) N: 570375.71' E: 719983.81'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0054975	3059.83'
SE/4 OF SW/4 OF SEC. 13	1215.59'
TOTAL	5079.52'

NOTES

- ALL COORDINATES, BEARINGS AND DISTANCES CONTAINED HEREIN ARE SPED BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
- THIS DOCUMENT IS BASED UPON, AND ON THE GROUND SURVEY PERFORMED DURING NOVEMBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
- ELEVATIONS MSL DERIVED FROM G.N.S.S OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

FND. U.S.G.L.O. MARK, UNLESS OTHERWISE NOTED
 CALC. CORNER
 SHL / KOP / FTP / PPP / LTP / BHL
 OIL & GAS LEASE
 HORIZONTAL SPACING UNIT



District I
1625 N French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax: (505) 393-6720

District II
811 S. First St., Artesia, NM 88210
Phone (505) 749-1293 Fax: (505) 749-9720

District III
1000 Rio Grande Road, Artesia, NM 87410
Phone (505) 334-8178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
Phone (505) 476-3400 Fax: (505) 476-3442

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

API Number	Pool Code	Pool Name
	58960	TEAS; BONE SPRING
Property Code	Property Name	Well Number
	MARGIE 13 FED COM	#653H
OGRID No.	Operator Name	Elevation
330396	AVANT OPERATING, LLC	3604'

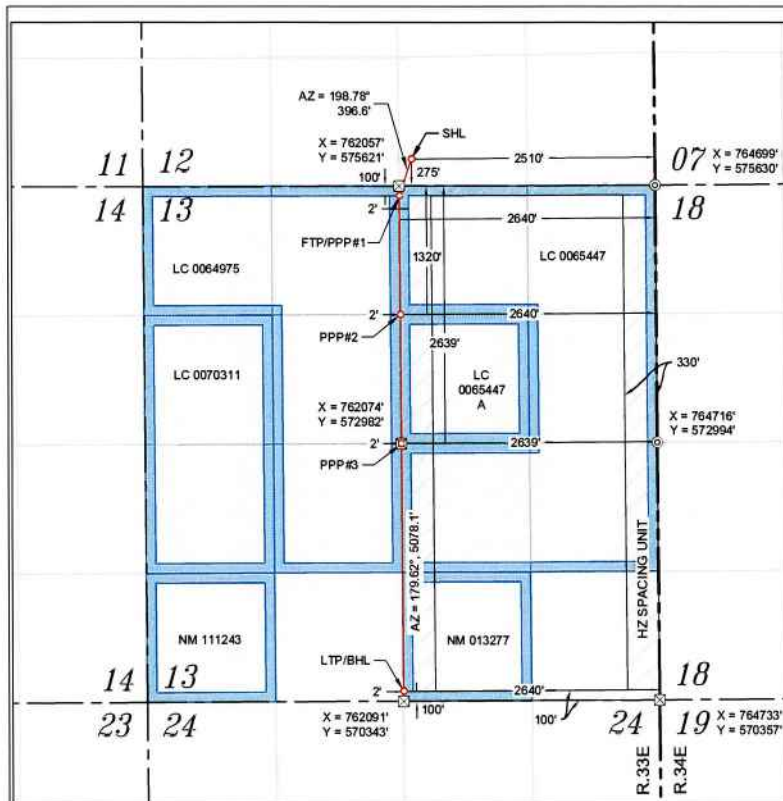
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		275	SOUTH	2510	EAST	LEA

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
O	13	20 S	33 E		100	SOUTH	2640	EAST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
640.00									

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.



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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sarah Ferreyros 2/28/24
Signature Date
Sarah Ferreyros
Printed Name
sarah@avantnr.com
E-mail Address

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 and correct to the best of my belief.

DECEMBER 12, 2023
Date of Survey
Signature and Seal of Professional Surveyor

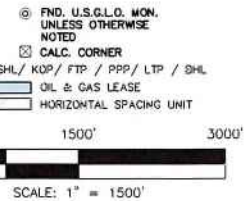


Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NOTES

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- ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

<p>NAD 83 (SHL) 275' FSL & 2510' FEL LATITUDE = 32.581148° LONGITUDE = -103.616337° NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.581025° LONGITUDE = -103.615844° STATE PLANE NAD 83 (N.M. EAST) N: 575896.31' E: 762187.01' STATE PLANE NAD 27 (N.M. EAST) N: 575833.78' E: 721006.31'</p>	<p>NAD 83 (FTP/PPP#1) 100' FNL & 2640' FEL LATITUDE = 32.580118° LONGITUDE = -103.616759° NAD 27 (FTP/PPP#1) LATITUDE = 32.579995° LONGITUDE = -103.616266° STATE PLANE NAD 83 (N.M. EAST) N: 575520.86' E: 762059.33' STATE PLANE NAD 27 (N.M. EAST) N: 575458.34' E: 720878.62'</p>	<p>NAD 83 (PPP #2) 1320' FNL & 2640' FEL LATITUDE = 32.576766° LONGITUDE = -103.616760° NAD 27 (PPP #2) LATITUDE = 32.576643° LONGITUDE = -103.616268° STATE PLANE NAD 83 (N.M. EAST) N: 574301.37' E: 762067.37' STATE PLANE NAD 27 (N.M. EAST) N: 574238.89' E: 720886.63'</p>
<p>NAD 83 (PPP #3) 2639' FNL & 2639' FEL LATITUDE = 32.573139° LONGITUDE = -103.616761° NAD 27 (PPP #3) LATITUDE = 32.573016° LONGITUDE = -103.616269° STATE PLANE NAD 83 (N.M. EAST) N: 572981.87' E: 762076.07' STATE PLANE NAD 27 (N.M. EAST) N: 572919.43' E: 720895.29'</p>	<p>NAD 83 (LTP/BHL) 100' FSL & 2640' FEL LATITUDE = 32.566160° LONGITUDE = -103.616762° NAD 27 (LTP/BHL) LATITUDE = 32.566037° LONGITUDE = -103.616270° STATE PLANE NAD 83 (N.M. EAST) N: 570442.83' E: 762092.82' STATE PLANE NAD 27 (N.M. EAST) N: 570380.52' E: 720911.97'</p>	<p>APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP LC 0065447 2539.04' LC 0065447 A 1319.52' NM 013277 1219.52' TOTAL 5078.08'</p>



District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-4181 Fax (575) 393-0720
District II
811 S. First St., Amarillo, NM 88210
Phone (575) 748-1285 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87610
Phone (505) 354-4178 Fax (505) 354-4170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

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

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Surface Location

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 4 columns: Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

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.

Main plat diagram showing well location, acreage, and operator certification. Includes a large survey diagram with bearings and distances, and two certification sections for Sarah Ferreyros and Matthew B. Tomerlin.

Table of coordinates and bearings for various points: NAD 83 (SHL), NAD 83 (FTP/PPP#1), NAD 83 (PPP #2), NAD 83 (PPP #3), NAD 83 (LTP/BHL).

NOTES
1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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3. ELEVATIONS MSL DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.
APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP
LC 0055447 2530.33'
LC 0065447 A 1319.04'
NM 013277 1215.29'
TOTAL 5076.66'

District I
1625 N. Frank Dr., Hobbs, NM 88249
Phone: (505) 791-6161 Fax: (505) 791-6176
District II
411 E. First St., Azusa, NM 88210
Phone: (505) 748-1200 Fax: (505) 748-1070
District III
1000 New Mexico Road, Aztec, NM 87410
Phone: (505) 534-6178 Fax: (505) 534-6176
District IV
2228 S. W. Frank Dr., Santa Fe, NM 87505
Phone: (505) 476-1460 Fax: (505) 476-1462

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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 58960	Pool Name TEAS; BONE SPRING
Property Code	Property Name MARGIE 13 FED COM	Well Number #655H
OGRID No. 330396	Operator Name AVANT OPERATING, LLC	Elevation 3607'

Surface Location

UL or lot no.	Section	Township	Range	Lot Ldn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	20 S	33 E		698	SOUTH	1641	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ldn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	20 S	33 E		100	SOUTH	792	EAST	LEA

Dedicated Acres 640.00	Joint or Infill	Consolidation Code	Order No
---------------------------	-----------------	--------------------	----------

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.

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 under heretofore entered by the division.

Signature: *Sarah Ferreyros* Date: 2/28/24
Printed Name: Sarah Ferreyros
E-mail Address: sarah@avantnr.com

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 and correct to the best of my belief.

Date of Survey: DECEMBER 12, 2023
Signature and Seal of Professional Surveyor: *Matthew B. Tomerlin*
MATTHEW B. TOMERLIN
NEW MEXICO
23203
PROFESSIONAL SURVEYOR

Job No.: 23-09-3580
MATTHEW B. TOMERLIN, N.M.P.L.S.
Certificate Number 23203

NAD 83 (SHL) 698' FSL & 1641' FEL LATITUDE = 32.582304° LONGITUDE = -103.613518°	NAD 83 (FTP/PPP#1) 100' FSL & 792' FEL LATITUDE = 32.580102° LONGITUDE = -103.610760°	NAD 83 (LTP/BHL) 100' FSL & 792' FEL LATITUDE = 32.586132° LONGITUDE = -103.610763°
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.582181° LONGITUDE = -103.613025°	NAD 27 (FTP/PPP#1) LATITUDE = 32.579979° LONGITUDE = -103.610268°	NAD 27 (LTP/BHL) LATITUDE = 32.586029° LONGITUDE = -103.610271°
STATE PLANE NAD 83 (N.M. EAST) N: 576322.95' E: 763052.33'	STATE PLANE NAD 83 (N.M. EAST) N: 575527.59' E: 763901.32'	STATE PLANE NAD 83 (N.M. EAST) N: 570452.47' E: 763940.79'
STATE PLANE NAD 27 (N.M. EAST) N: 576260.40' E: 721871.64'	STATE PLANE NAD 27 (N.M. EAST) N: 575465.06' E: 722726.59'	STATE PLANE NAD 27 (N.M. EAST) N: 570390.09' E: 722759.92'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
LC 0055447	3855.18'
SE*/SE*	1219.05'
TOTAL	5075.23'

NOTES

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FND, U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 CALC. CORNER
 SHL/ KOP/ FTP / PPP/ LTP / BHL
 OIL & GAS LEASE
 HORIZONTAL SPACING UNIT

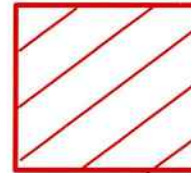
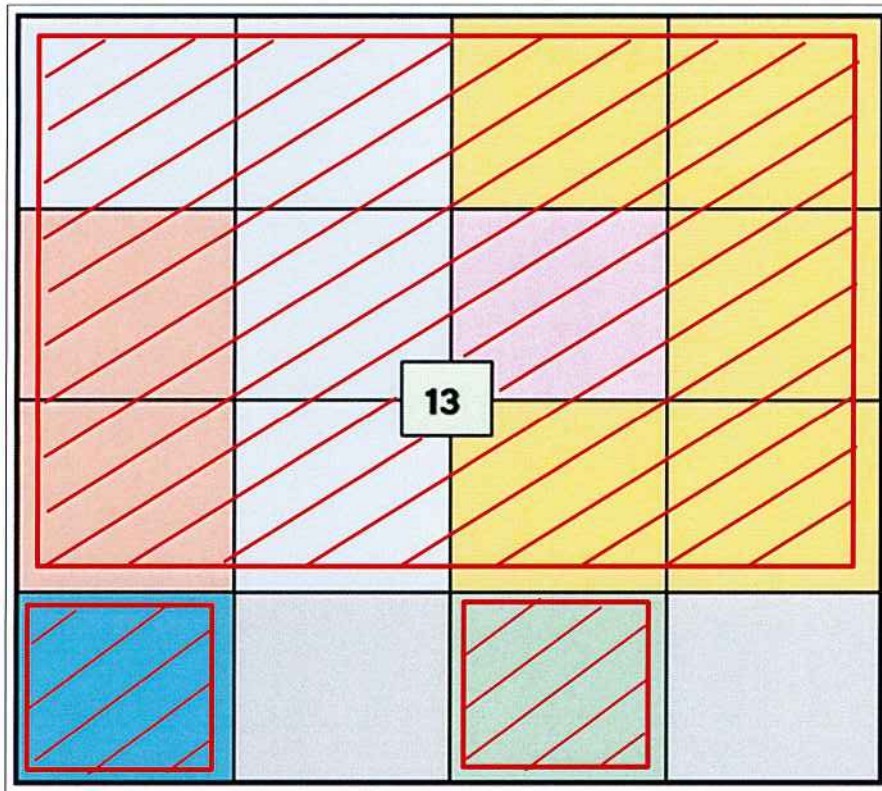
Lease Tract Map

Margie 13 Federal Com

Avant Operating, LLC
Case No. 24118

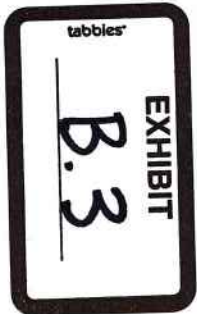


Avant holds majority working interest in the unit and owns an interest across the entire section



Tracts to which Avant owns an interest

Tract 1	NMLC 064975
Tract 2	NMLC 065447
Tract 3	NMLC 065447A
Tract 4	NMLC 013277
Tract 5	NMNM 134876
Tract 6	NMLC 070311
Tract 7	NMNM 111243



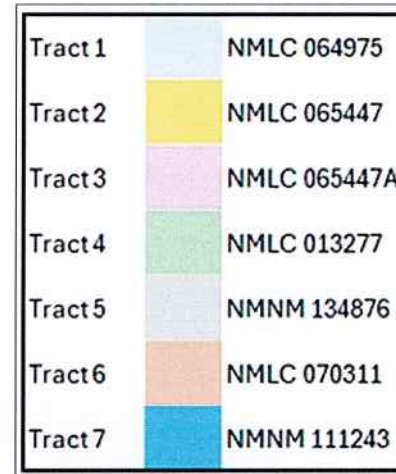
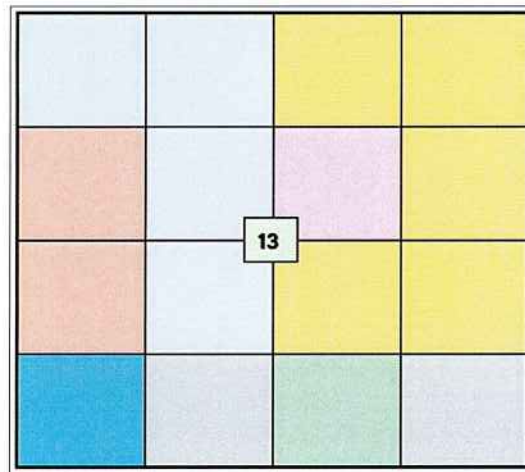


ALL of Sections 13, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners Committed:

WI OWNER	NET ACRES	WI	TRACT NO.	STATUS
Avant Operating	70.1533	10.9615%	1, 2, 3, 4, 7	OPERATOR
Legion Production Partners, LLC	144.8492	22.6327%	1, 2, 3, 4, 7	Committed
Double Cabin Minerals, LLC	31.6001	4.9375%	1, 2, 3, 4	Committed
Durango Production Corp.	30.3559	4.7431%	1, 2, 3	Committed
Chief Capital (O&G) II, LLC	37.2090	5.8139%	1, 2, 3, 4	Committed

TOTAL: 314.1674 49.0887%



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





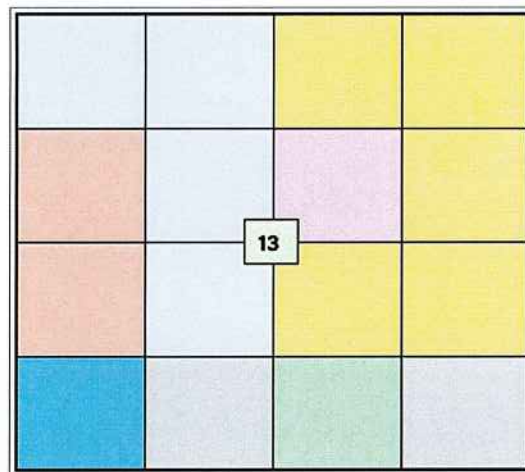
ALL of Sections 13, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners to be Pooled:

UNCOMMITTED INTEREST

WI OWNER	NET ACRES	WI	TRACT NO.	STATUS
PBEX	185.0000	28.9063%	1, 2, 3	Uncommitted
XTO Holdings, LLC	20.0000	3.1250%	7	Uncommitted
COG Operating, LLC	91.7850	14.3414%	5, 6	Uncommitted
EGL Resources, LLC	10.0958	1.5775%	6	Uncommitted
Manta II, LLC	1.5829	0.2473%	6	Uncommitted
Nortex Corporation	7.4242	1.1600%	6	Uncommitted
ConocoPhillips Company	9.4900	1.4828%	6	Uncommitted
Roger T. & Holly L. Elliott Family Limited Partnership, L.P.	0.2273	0.0355%	6	Uncommitted
Todd M. Wilson	0.2273	0.0355%	6	Uncommitted

TOTAL: 325.8325 50.9113%



Tract 1	NMLC 064975
Tract 2	NMLC 065447
Tract 3	NMLC 065447A
Tract 4	NMLC 013277
Tract 5	NMNM 134876
Tract 6	NMLC 070311
Tract 7	NMNM 111243



Lease Tract Map
 Margie 13 Federal Com

Avant Operating, LLC
 Case No. 24118

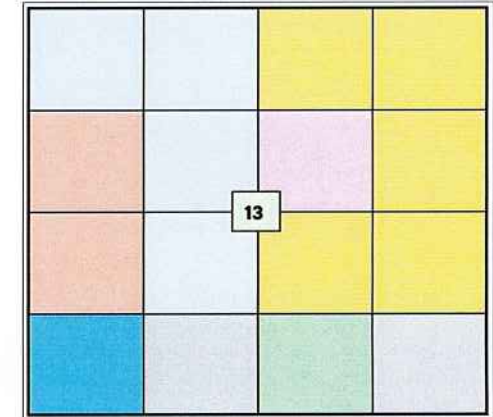


ALL of Sections 13, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of ORRI Owners to be Pooled:

ORRI Owner	Tract No.
Chief Capital (O&G) II, LLC	1,2,6
Mrs. Thelma Bauerdorf and Mrs. Constance Cartwright, Executrices and Trustees under the LWOT of George F. Bauerdorf	1
Penroc Oil Coporation	1,2,3,4
Sabre Exploration, Inc.	1,2,3,6
Wallace W. Irwin Properties, LLC	1,2,3,4
The Kathleen I. Schuster Trust	1,2,3,4
Blue Star Royalty, LLC	1,2,3,4
TD Minerals, LLC	1,2,3,4
Durango Production Corp	1,2,3,6
Roy G. Barton	2,3,4
Anadarko Petroleum Corporation	2,4
Vaughn Petroleum, Inc.	2,4
Republic Royalty Company	2,4
Saints Energy Enterprise, LLC	6
Black Horse Resources, LLC	6

ORRI Owner	Tract No.
Shoreline Energy, LLC	6
The Estate of Rachel Lyman, Deceased c/o Nationsbank, National Association, dba Bank of America, National Association	6
GWV Interests, Inc.	6
Grady H. Vaughn III, Individually	6
Dorchester Minerals LP	6
COG Operating, LLC	6
Desert Rainbow, LLC	6
Roger T. and Holly L. Elliott Family Limited Partnership, L.P.	6
Todd M. Wilson	6
BRR OK I LLC	6
Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/2021	7
Marathon Oil Permian, LLC	7
Tumbler Operating Partners, LLC	7



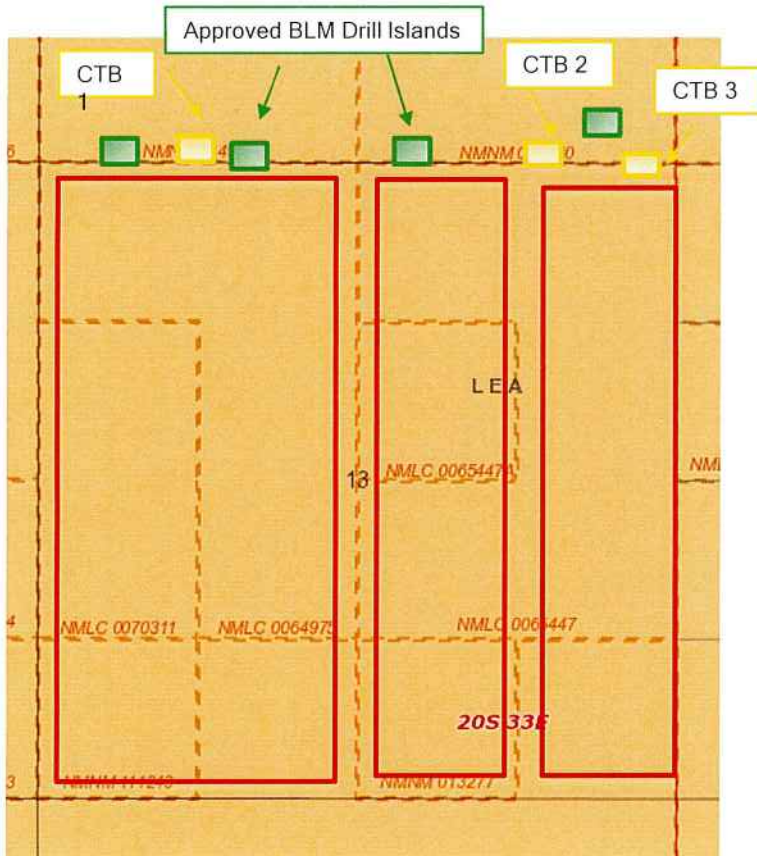
Tract 1	NMLC 064975
Tract 2	NMLC 065447
Tract 3	NMLC 065447A
Tract 4	NMLC 013277
Tract 5	NMNM 134876
Tract 6	NMLC 070311
Tract 7	NMNM 111243



NSU reduces surface facilities and surface impacts

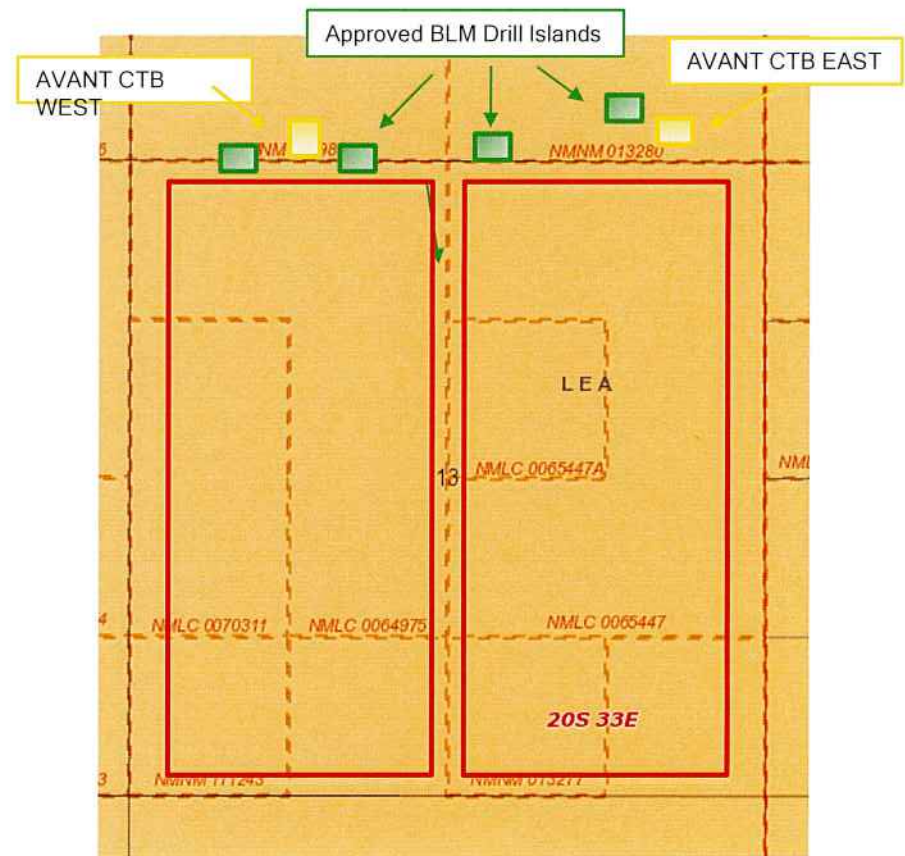
STANDARD UNIT DEVELOPMENT

3 CTBs



NON-STANDARD UNIT DEVELOPMENT

2 CTBs



Summary of Contacts
Margie 13 Federal Com

Avant Operating, LLC
Case No. 24118



Summary of Contacts

Owner Name	Sent Proposal	Tracking	Follow-up / Comments
Todd M. Wilson and Carol I. Wilson	10/9/23	9405 5036 9930 0613 0953 17	Well proposal package received, No further inquiries
XTO Holdings, LLC	10/9/23	9405 5036 9930 0613 0953 24	5/7/24: Email from Avant's Chris Leyendecker ("CL"), Sr. Landman, to Bryan Cifuentes ("BC"), XTO Landman about XTO inquiring about XTO title subject to a payout under a 1991 farmout agreement. 5/8/24: Email from BC to CL stating BC was looking into it. 5/20/24: Email from BC expressing interest in a commercial deal with Avant in Margie Unit (a transaction to get them out), suggests a term assignment as an option. CL told BC it looks like they have an unfavorably low Net Revenue Interest. Expressed tentative interest in exploring commercial options with XTO. Avant still needed Net Revenue Interest confirmation from XTO subject to 1991 farmout agreement. 5/20/24: Email from Avant VP of Land, Shelly Albrecht ("SA") to XTO's BC regarding potential protest. Call between SA and BC where SA expressed concern in working commercial option given XTO's unfavorable Net Revenue Interest. 5/21/24: Email from Avant's SA to XTO's BC with proposed Letter Agreement to address future billing concerns and supporting Avant as operator under Margie poolings. BC confirmed receipt to review and revert.
PBEX / EGL Resources, LLC	10/12/23	9405 5036 9930 0614 6854 01	6/12/2023: Avant and E.G.L./PBEX teams had dinner in Denver, 10/8/2023: Avant and E.G.L./PBEX teams met at NMOGA Annual Meeting in Santa Fe; 11/2/2023: Avant CEOs met with E.G.L./PBEX CEO and President met in Midland; 11/16/2023: Avant and E.G.L./PBEX executives met in Denver; 2/8/2024: Avant and E.G.L./PBEX executives met in Houston, 3/6/2024: Avant and E.G.L./PBEX executives met in Denver; 4/1/24: Avant and E.G.L./PBEX executives had dinner in Denver; 4/2/2024: Avant and E.G.L./PBEX teams held a full day meeting in Denver; 5/2/2024: Avant CEOs and E.G.L./PBEX's CEO and President met in Denver; 10/2023-5/2024: Frequent phones calls (at least bi-weekly) between Avant and E.G.L./PBEX executives
ta II, LLC	10/18/23	9405 5036 9930 0617 1355 14	Well proposal package received, No further inquiries
ortex Corporation	10/18/23	9405 5036 9930 0617 1354 91	Well proposal package received, No further inquiries
Roger T. and Holly L. Elliott Family Ltd. Partners	10/30/23	9410 8036 9930 0163 9623 22	Phone call w/Holly, updated address and confirmed receipt of AFEs; No further inquiries

tabbles
B.4
EXHIBIT

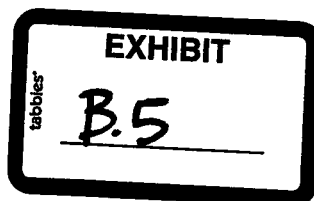


Working Interest Owners To Be Pooled

PBEX
EGL
WPX Energy Permian LLC
COG Operating, LLC
ConocoPhillips Company
Manta II, LLC
Nortex Corporation
Roger T. and Holly L. Elliott Family Limited Partnership, L.P.
Todd M. Wilson

ORRIs To Be Pooled

Anadarko Petroleum Corporation
Black Horse Resources, LLC
Blue Star Royalty, LLC
BRR OK I LLC
Chief Capital (O&G) II, LLC
COG Operating, LLC
Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/2021
Desert Rainbow, LLC
Devon Energy Operating Company, LP
Dorchester Minerals LP
Durango Production Corporation
Grady H. Vaughn III, Individually
GWV Interests, Inc.
Marathon Oil Permian, LLC
Mrs. Thelma Bauerdorf and Mrs. Constance Cartwright, Executrices and Trustees under the LWOT of George F. Bauerdorf Penroc Oil Coporation
Republic Royalty Company
Roger T. and Holly L. Elliott Family Limited Partnership, L.P.
Roy G. Barton
Sabre Exploration, Inc.
Saints Energy Enterprise, LLC
Shoreline Energy, LLC
TD Minerals, LLC
The Estate of Rachel Lyman, De-ceased c/o Nationsbank, National Association, dba Bank of America, National Association
The Kathleen I. Schuster Trust
Todd M. Wilson
Tumbler Operating Partners, LLC
Vaughn Petroleum, Inc.
Wallace W. Irwin Properties, LLC





October 9, 2023

Sent Via USPS Overnight Mail

XTO Holdings, LLC
Attention: Permian Basin Unit
810 Houston Street
Fort Worth, TX 76102-6203

RE: Margie 13 Fed Com 201H, 202H, 203H, 204H, 205H, 206H
301H, 302H, 303H, 304H, 305H, 501H, 502H, 503H, 504H 505H, 506H,
601H, 602H, 603H, 604H, 605H, 606H, 651H, 652H, 653H, 654H, 655H
751H, 752H, 753H, 754H, 755H
Sections 13, Township 20 South, Range 33 East
Lea County, New Mexico

Ladies and Gentlemen:

Avant Operating, LLC ("Avant") hereby proposes to drill and complete the Margie 13 Fed Com 201H, 202H, 203H, 204H, 205H, 206H, 301H, 302H, 303H, 304H, 305H, 501H, 502H, 503H, 504H 505H, 506H, 601H, 602H, 603H, 604H, 605H, 606H, 651H, 652H, 653H, 654H, 655H, 751H, 752H, 753H, 754H, 755H wells in Section 13, Township 20 South, Range 33 East, Lea County, New Mexico. Avant is finalizing reports and preliminary title shows you may have an interest in the referenced lands.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each proposed well is itemized on the enclosed Authority for Expenditures ("AFE").
Margie 13 Fed Com #201H: to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850 TVD and will be drilled horizontally to a Measured Depth of approximately 14,173'.
Margie 13 Fed Com #202H: to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850 TVD and will be drilled horizontally to a Measured Depth of approximately 14,173'.
Margie 13 Fed Com #203H: to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850 TVD and will be drilled horizontally to a Measured Depth of approximately 14,173'.
Margie 13 Fed Com #204H: to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850 TVD and will be drilled horizontally to a Measured Depth of approximately 14,173'.



OCD Examiner Hearing 5-23-24
Avant No. 4118



- **Margie 13 Fed Com #205H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850' TVD and will be drilled horizontally to a Measured Depth of approximately 14,173'.
- **Margie 13 Fed Com #206H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850' TVD and will be drilled horizontally to a Measured Depth of approximately 14,173'.
- **Margie 13 Fed Com #301H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,400' TVD and will be drilled horizontally to a Measured Depth of approximately 14,723'.
- **Margie 13 Fed Com #302H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,400' TVD and will be drilled horizontally to a Measured Depth of approximately 14,723'.
- **Margie 13 Fed Com #303H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,400' TVD and will be drilled horizontally to a Measured Depth of approximately 14,723'.
- **Margie 13 Fed Com #304H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,400' TVD and will be drilled horizontally to a Measured Depth of approximately 14,723'.
- **Margie 13 Fed Com #305H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,400' TVD and will be drilled horizontally to a Measured Depth of approximately 14,723'.
- **Margie 13 Fed Com #501H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,300' TVD and will be drilled horizontally to a Measured Depth of approximately 15,623'.
- **Margie 13 Fed Com #502H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,300' TVD and will be drilled horizontally to a Measured Depth of approximately 15,623'.
- **Margie 13 Fed Com #503H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,300' TVD and will be drilled horizontally to a Measured Depth of approximately 15,623'.
- **Margie 13 Fed Com #504H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,300' TVD and will be drilled horizontally to a Measured Depth of approximately 15,623'.



- **Margie 13 Fed Com #505H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,300' TVD and will be drilled horizontally to a Measured Depth of approximately 15,623'.
- **Margie 13 Fed Com #506H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,300' TVD and will be drilled horizontally to a Measured Depth of approximately 15,623'.
- **Margie 13 Fed Com #601H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,900' TVD and will be drilled horizontally to a Measured Depth of approximately 16,223'.
- **Margie 13 Fed Com #602H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,900' TVD and will be drilled horizontally to a Measured Depth of approximately 16,223'.
- **Margie 13 Fed Com #603H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,900' TVD and will be drilled horizontally to a Measured Depth of approximately 16,223'.
- **Margie 13 Fed Com #604H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,900' TVD and will be drilled horizontally to a Measured Depth of approximately 16,223'.
- **Margie 13 Fed Com #605H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,900' TVD and will be drilled horizontally to a Measured Depth of approximately 16,223'.
- **Margie 13 Fed Com #606H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,900' TVD and will be drilled horizontally to a Measured Depth of approximately 16,223'.
- **Margie 13 Fed Com #651H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,550' TVD and will be drilled horizontally to a Measured Depth of approximately 15,873'.
- **Margie 13 Fed Com #651H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,550' TVD and will be drilled horizontally to a Measured Depth of approximately 15,873'.
- **Margie 13 Fed Com #652H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,550' TVD and will be drilled horizontally to a Measured Depth of approximately 15,873'.



- **Margie 13 Fed Com #653H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,550' TVD and will be drilled horizontally to a Measured Depth of approximately 15,873'.
- **Margie 13 Fed Com #654H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,550' TVD and will be drilled horizontally to a Measured Depth of approximately 15,873'.
- **Margie 13 Fed Com #751H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,400' TVD and will be drilled horizontally to a Measured Depth of approximately 16,723'.
- **Margie 13 Fed Com #752H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,400' TVD and will be drilled horizontally to a Measured Depth of approximately 16,723'.
- **Margie 13 Fed Com #753H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,400' TVD and will be drilled horizontally to a Measured Depth of approximately 16,723'.
- **Margie 13 Fed Com #754H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,400' TVD and will be drilled horizontally to a Measured Depth of approximately 16,723'.
- **Margie 13 Fed Com #755H:** to be drilled from a legal location of Section 13-20S-33E. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,400' TVD and will be drilled horizontally to a Measured Depth of approximately 16,723'.

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

Avant is proposing to drill the proposed wells under the terms of a modified 1989 AAPL form of Operating Agreements ("JOAs"). The JOA will be sent to you following this proposal with the following general provisions:

- 100%/300%/300% non-consent penalty
- \$10,000/\$1000 drilling and producing monthly overhead rates
- Contract Area of ALL of Section 13-T20S-R33E
- This proposed Operating Agreements will supersede any and all existing Operating Agreements as to all depths on all horizontal wells drilled after the effective date of the JOA.

If we do not reach an agreement within thirty (30) days of receipt of these well proposals, Avant will file an application(s) with the New Mexico Oil Conservation Division to compulsory pool your interest into a spacing unit(s) for the proposed wells to promote the development of these lands.



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

Avant respectfully requests your elections as soon as possible. Please indicate your elections in the spaces provided on the following pages. In the event you elect to participate in the drilling and completion of the wells proposed herein, please sign and return a copy of this letter along with the enclosed AFEs.

In the event you do not wish to participate in this proposed development and would be interested in selling your interest, please let us know. Should you have any questions, please contact the undersigned at tiffany@avantnr.com or (720) 746-5048.

Sincerely,

Tiffany Sarantinos
Senior Landman
Enclosures

Durango Production Company, elects as follows:

Margie 13 Fed Com #201H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #201H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #201H** well.

Margie 13 Fed Com #202H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #202H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #202H** well.

Margie 13 Fed Com #203H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #203H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #203H** well.

Margie 13 Fed Com #204H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #204H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #204H** well.

Margie 13 Fed Com #205H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #205H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #205H** well.

Margie 13 Fed Com #206H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #206H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #206H** well.



Margie 13 Fed Com #301H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #301H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #301H** well.

Margie 13 Fed Com #302H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #302H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #302H** well.

Margie 13 Fed Com #303H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #303H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #303H** well.

Margie 13 Fed Com #304H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #304H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #304H** well.

Margie 13 Fed Com #305H:

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_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #305H** well.

Margie 13 Fed Com #501H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #501H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #501H** well.

Margie 13 Fed Com #502H:

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Margie 13 Fed Com #503H:

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Margie 13 Fed Com #504H:

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Margie 13 Fed Com #505H:

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_____ I/We hereby elect **NOT** to participate in **Margie 13 Fed Com #505H** well.

Margie 13 Fed Com #506H:

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_____ I/We hereby elect **NOT** to participate in **Margie 13 Fed Com #506H** well.



Margie 13 Fed Com #601H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #601H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #601H** well.

Margie 13 Fed Com #602H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #602H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #602H** well.

Margie 13 Fed Com #603H:

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_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #603H** well.

Margie 13 Fed Com #604H:

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Margie 13 Fed Com #605H:

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Margie 13 Fed Com #606H:

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Margie 13 Fed Com #651H:

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Margie 13 Fed Com #652H:

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Margie 13 Fed Com #653H:

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Margie 13 Fed Com #654H:

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_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #654H** well.

Margie 13 Fed Com #655H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #655H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #655H** well.



Margie 13 Fed Com #751H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #751H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #751H** well.

Margie 13 Fed Com #752H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #752H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #752H** well.

Margie 13 Fed Com #753H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #753H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #753H** well.

Margie 13 Fed Com #754H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #754H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #754H** well.

Margie 13 Fed Com #755H:

_____ I/We hereby elect to participate in the **Margie 13 Fed Com #755H** well.
_____ I/We hereby elect **NOT** to participate in the **Margie 13 Fed Com #755H** well.

XTO HOLDINGS, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

AVANT NATURAL RESOURCES

Authority for Expenditure

AFE: NM0201

Date: September 28, 2023

Well Name: Margie 13 Fed Com #201H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FWL
BHL: Sec: , T-S, R-E; FSL, 330 FWL

Projected MD/TVD: 14173 / 8850
Spud to TD: 12.6 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #201H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14173' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	<u>TOTAL</u>
DRILLING:	\$3,994,111
COMPLETIONS:	\$3,836,324
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,161,719

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations



AFE # NM0201 - Margie 13 Fed Com #201H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,344,153	\$ -	\$ -	\$ 1,344,153
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 451,205	\$ -	\$ -	\$ 451,205
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 276,885	\$ -	\$ 276,885
8400.308	Tubing:		\$ -	\$ 127,948	\$ -	\$ 127,948
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,344,153	\$ 276,885	\$ 1,019,564	\$ 2,640,602

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,649,958	\$ -	\$ -	\$ 2,649,958
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 625,353	\$ -	\$ -	\$ 625,353
8200.104	Fuel/Power:		\$ 125,265	\$ -	\$ -	\$ 125,265
8200.116	Bits & BHA:		\$ 90,290	\$ -	\$ -	\$ 90,290
8200.128	Directional:		\$ 191,935	\$ -	\$ -	\$ 191,935
8200.117	Mud & Chemicals:		\$ 158,698	\$ -	\$ -	\$ 158,698
8200.115	Mud - Drill Water:		\$ 5,862	\$ -	\$ -	\$ 5,862
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,727	\$ -	\$ -	\$ 27,727
8200.164	Solids Control/Closed Loop:		\$ 84,502	\$ -	\$ -	\$ 84,502
8200.158	Disposal:		\$ 186,974	\$ -	\$ -	\$ 186,974
8200.124	Equipment Rental:		\$ 88,626	\$ -	\$ -	\$ 88,626
8200.146	Mancamp:		\$ 38,735	\$ -	\$ -	\$ 38,735
8200.137	Casing Services:		\$ 101,122	\$ -	\$ -	\$ 101,122
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 97,070	\$ -	\$ -	\$ 97,070
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 183,487	\$ -	\$ -	\$ 183,487
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,299	\$ -	\$ -	\$ 5,299
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,952	\$ -	\$ -	\$ 1,952
8200.147	Drilling Overhead:		\$ 3,818	\$ -	\$ -	\$ 3,818
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0201 - Margie 13 Fed Com #201H

Intangible Completion		\$	-	\$ 3,559,439	\$	-	\$ 3,559,439
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 92,734	\$	-	\$ 92,734
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 13,942	\$	-	\$ 13,942
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:	\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:	\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,649,958	\$ 3,559,439	\$	311,720	\$ 6,521,117

TOTAL D&C&F COSTS >>>	\$ 3,994,111	\$ 3,836,324	\$ 1,331,283	\$ 9,161,719
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0202

Date: September 28, 2023

Well Name: Margie 13 Fed Com #202H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FWL
BHL: Sec: , T-S, R-E; FSL, 1254 FWL

Projected MD/TVD: 14173 / 8850
Spud to TD: 12.6 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #202H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14173' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and TOTAL. Rows include DRILLING (\$3,994,111), COMPLETIONS (\$3,836,324), FACILITIES (\$1,331,283), and COMPLETED WELL COST (\$9,161,719).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0202 - Margie 13 Fed Com #202H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,344,153	\$ -	\$ -	\$ 1,344,153
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 451,205	\$ -	\$ -	\$ 451,205
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 276,885	\$ -	\$ 276,885
8400.308	Tubing:		\$ -	\$ 127,948	\$ -	\$ 127,948
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,344,153	\$ 276,885	\$ 1,019,564	\$ 2,640,602

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,649,958	\$ -	\$ -	\$ 2,649,958
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 625,353	\$ -	\$ -	\$ 625,353
8200.104	Fuel/Power:		\$ 125,265	\$ -	\$ -	\$ 125,265
8200.116	Bits & BHA:		\$ 90,290	\$ -	\$ -	\$ 90,290
8200.128	Directional:		\$ 191,935	\$ -	\$ -	\$ 191,935
8200.117	Mud & Chemicals:		\$ 158,698	\$ -	\$ -	\$ 158,698
8200.115	Mud - Drill Water:		\$ 5,862	\$ -	\$ -	\$ 5,862
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,727	\$ -	\$ -	\$ 27,727
8200.164	Solids Control/Closed Loop:		\$ 84,502	\$ -	\$ -	\$ 84,502
8200.158	Disposal:		\$ 186,974	\$ -	\$ -	\$ 186,974
8200.124	Equipment Rental:		\$ 88,626	\$ -	\$ -	\$ 88,626
8200.146	Mancamp:		\$ 38,735	\$ -	\$ -	\$ 38,735
8200.137	Casing Services:		\$ 101,122	\$ -	\$ -	\$ 101,122
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 97,070	\$ -	\$ -	\$ 97,070
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 183,487	\$ -	\$ -	\$ 183,487
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,299	\$ -	\$ -	\$ 5,299
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,952	\$ -	\$ -	\$ 1,952
8200.147	Drilling Overhead:		\$ 3,818	\$ -	\$ -	\$ 3,818
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0202 - Margie 13 Fed Com #202H

Intangible Completion			\$	-	\$ 3,559,439	\$	-	\$ 3,559,439
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 92,734	\$	-	\$ 92,734
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 13,942	\$	-	\$ 13,942
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:		\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:		\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,649,958	\$ 3,559,439	\$	311,720	\$ 6,521,117

TOTAL D&C&F COSTS >>>		\$ 3,994,111	\$ 3,836,324	\$ 1,331,283	\$ 9,161,719
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0203

Date: September 28, 2023

Well Name: Margie 13 Fed Com #203H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 2178 FWL

Projected MD/TVD: 14173 / 8850

Spud to TD: 12.6 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #203H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14173' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and TOTAL. Rows include DRILLING (\$3,994,111), COMPLETIONS (\$3,836,324), FACILITIES (\$1,331,283), and COMPLETED WELL COST (\$9,161,719).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0203 - Margie 13 Fed Com #203H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,344,153	\$ -	\$ -	\$ 1,344,153
8400.301	Surface Casing:	\$ 168,020	\$ -	\$ -	\$ 168,020	
8400.302	Intermediate1 Casing:	\$ 180,929	\$ -	\$ -	\$ 180,929	
8400.302	Intermediate2 Casing:	\$ 487,096	\$ -	\$ -	\$ 487,096	
8400.303	Production Casing:	\$ 451,205	\$ -	\$ -	\$ 451,205	
8400.340	Wellhead Equipment:	\$ 56,903	\$ -	\$ -	\$ 56,903	
			\$ -	\$ -	\$ -	
Tangible Completion			\$ -	\$ 276,885	\$ -	\$ 276,885
8400.308	Tubing:	\$ -	\$ 127,948	\$ -	\$ 127,948	
8400.340	Wellhead Equip:	\$ -	\$ 107,841	\$ -	\$ 107,841	
8400.312	Artificial Lift: Gas Lift	\$ -	\$ 41,096	\$ -	\$ 41,096	
			\$ -	\$ -	\$ -	
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:	\$ -	\$ -	\$ 194,226	\$ 194,226	
8400.342	Tanks:	\$ -	\$ -	\$ 89,133	\$ 89,133	
8400.343	Flare:	\$ -	\$ -	\$ 24,954	\$ 24,954	
8400.344	Compressors:	\$ -	\$ -	\$ 17,390	\$ 17,390	
8400.316	Pipe/Valves/Fittings:	\$ -	\$ -	\$ 146,897	\$ 146,897	
8400.328	Instrumentation/Meters:	\$ -	\$ -	\$ 45,252	\$ 45,252	
8400.345	LACT Unit:	\$ -	\$ -	\$ -	\$ -	
8400.346	Electrical Facility:	\$ -	\$ -	\$ -	\$ -	
8400.347	Containment:	\$ -	\$ -	\$ 24,039	\$ 24,039	
8400.348	Pump/Supplies:	\$ -	\$ -	\$ 36,558	\$ 36,558	
8400.349	Pipelines:	\$ -	\$ -	\$ -	\$ -	
8400.315	Flowlines:	\$ -	\$ -	\$ -	\$ -	
8400.350	Instrument/Electrical Panel:	\$ -	\$ -	\$ 441,114	\$ 441,114	
			\$ -	\$ -	\$ -	
TOTAL TANGIBLE COSTS >>>			\$ 1,344,153	\$ 276,885	\$ 1,019,564	\$ 2,640,602

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,649,958	\$ -	\$ -	\$ 2,649,958
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269	
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903	
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538	
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903	
8200.112	Location:	\$ 115,778	\$ -	\$ -	\$ 115,778	
8200.103	Rig Move:	\$ 79,822	\$ -	\$ -	\$ 79,822	
8200.102	Drilling Daywork:	\$ 625,353	\$ -	\$ -	\$ 625,353	
8200.104	Fuel/Power:	\$ 125,265	\$ -	\$ -	\$ 125,265	
8200.116	Bits & BHA:	\$ 90,290	\$ -	\$ -	\$ 90,290	
8200.128	Directional:	\$ 191,935	\$ -	\$ -	\$ 191,935	
8200.117	Mud & Chemicals:	\$ 158,698	\$ -	\$ -	\$ 158,698	
8200.115	Mud - Drill Water:	\$ 5,862	\$ -	\$ -	\$ 5,862	
8200.169	Mud Brine:	\$ 21,498	\$ -	\$ -	\$ 21,498	
8200.170	Mud - Diesel:	\$ 53,511	\$ -	\$ -	\$ 53,511	
8200.119	Mud - Auxiliary:	\$ 27,727	\$ -	\$ -	\$ 27,727	
8200.164	Solids Control/Closed Loop:	\$ 84,502	\$ -	\$ -	\$ 84,502	
8200.158	Disposal:	\$ 186,974	\$ -	\$ -	\$ 186,974	
8200.124	Equipment Rental:	\$ 88,626	\$ -	\$ -	\$ 88,626	
8200.146	Mancamp:	\$ 38,735	\$ -	\$ -	\$ 38,735	
8200.137	Casing Services:	\$ 101,122	\$ -	\$ -	\$ 101,122	
8200.138	Cementing:	\$ 247,631	\$ -	\$ -	\$ 247,631	
8200.106	Transportation:	\$ 97,070	\$ -	\$ -	\$ 97,070	
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311	
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400	
8200.107	Consulting Services:	\$ 183,487	\$ -	\$ -	\$ 183,487	
8200.127	Contract Labor:	\$ 33,605	\$ -	\$ -	\$ 33,605	
8200.168	Roustabout Services:	\$ 2,075	\$ -	\$ -	\$ 2,075	
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -	
8200.143	Geo-Steering:	\$ 5,299	\$ -	\$ -	\$ 5,299	
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -	
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -	
8200.165	Safety & Environmental:	\$ 1,952	\$ -	\$ -	\$ 1,952	
8200.147	Drilling Overhead:	\$ 3,818	\$ -	\$ -	\$ 3,818	
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -	
8200.153	Contingency:	\$ -	\$ -	\$ -	\$ -	

AFE # NM0203 - Margie 13 Fed Com #203H

Intangible Completion		\$	-	\$ 3,559,439	\$	-	\$ 3,559,439
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 92,734	\$	-	\$ 92,734
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 13,942	\$	-	\$ 13,942
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:	\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:	\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,649,958	\$ 3,559,439	\$	311,720	\$ 6,521,117

TOTAL D&C&F COSTS >>>	\$ 3,994,111	\$ 3,836,324	\$ 1,331,283	\$ 9,161,719
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0284

Date: September 28, 2023

Well Name: Margie 13 Fed Com #204H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 2178 FEL

Projected MD/TVD: 14173 / 8850

Spud to TD: 12.6 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #204H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14173' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and Amount. Categories include DRILLING, COMPLETIONS, FACILITIES, and COMPLETED WELL COST. A TOTAL row is also present.

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0284 - Margie 13 Fed Com #204H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,344,153	\$ -	\$ -	\$ 1,344,153
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 451,205	\$ -	\$ -	\$ 451,205
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 276,885	\$ -	\$ 276,885
8400.308	Tubing:		\$ -	\$ 127,948	\$ -	\$ 127,948
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,344,153	\$ 276,885	\$ 1,019,564	\$ 2,640,602

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,649,958	\$ -	\$ -	\$ 2,649,958
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 625,353	\$ -	\$ -	\$ 625,353
8200.104	Fuel/Power:		\$ 125,265	\$ -	\$ -	\$ 125,265
8200.116	Bits & BHA:		\$ 90,290	\$ -	\$ -	\$ 90,290
8200.128	Directional:		\$ 191,935	\$ -	\$ -	\$ 191,935
8200.117	Mud & Chemicals:		\$ 158,698	\$ -	\$ -	\$ 158,698
8200.115	Mud - Drill Water:		\$ 5,862	\$ -	\$ -	\$ 5,862
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,727	\$ -	\$ -	\$ 27,727
8200.164	Solids Control/Closed Loop:		\$ 84,502	\$ -	\$ -	\$ 84,502
8200.158	Disposal:		\$ 186,974	\$ -	\$ -	\$ 186,974
8200.124	Equipment Rental:		\$ 88,626	\$ -	\$ -	\$ 88,626
8200.146	Mancamp:		\$ 38,735	\$ -	\$ -	\$ 38,735
8200.137	Casing Services:		\$ 101,122	\$ -	\$ -	\$ 101,122
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 97,070	\$ -	\$ -	\$ 97,070
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 183,487	\$ -	\$ -	\$ 183,487
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,299	\$ -	\$ -	\$ 5,299
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,952	\$ -	\$ -	\$ 1,952
8200.147	Drilling Overhead:		\$ 3,818	\$ -	\$ -	\$ 3,818
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0284 - Margie 13 Fed Com #204H

Intangible Completion			\$	-	\$ 3,559,439	\$	-	\$ 3,559,439
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 92,734	\$	-	\$ 92,734
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 13,942	\$	-	\$ 13,942
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$ 311,720	\$	311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$ 624	\$	624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$ 71,029	\$	71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$ 144,647	\$	144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:		\$	-	\$ -	\$ 19,548	\$	19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$ 12,477	\$	12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:		\$	-	\$ -	\$ 63,394	\$	63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,649,958	\$ 3,559,439	\$ 311,720	\$	6,521,117

TOTAL D&C&F COSTS >>>	\$ 3,994,111	\$ 3,836,324	\$ 1,331,283	\$ 9,161,719
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0285

Date: September 28, 2023

Well Name: Margie 13 Fed Com #205H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 1254 FEL

Projected MD/TVD: 14173 / 8850

Spud to TD: 12.6 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #205H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14173' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	TOTAL
DRILLING:	\$3,994,111
COMPLETIONS:	\$3,836,324
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,161,719

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0285 - Margie 13 Fed Com #205H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,344,153	\$ -	\$ -	\$ 1,344,153
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 451,205	\$ -	\$ -	\$ 451,205
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 276,885	\$ -	\$ 276,885
8400.308	Tubing:		\$ -	\$ 127,948	\$ -	\$ 127,948
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,344,153	\$ 276,885	\$ 1,019,564	\$ 2,640,602

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,649,958	\$ -	\$ -	\$ 2,649,958
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 625,353	\$ -	\$ -	\$ 625,353
8200.104	Fuel/Power:		\$ 125,265	\$ -	\$ -	\$ 125,265
8200.116	Bits & BHA:		\$ 90,290	\$ -	\$ -	\$ 90,290
8200.128	Directional:		\$ 191,935	\$ -	\$ -	\$ 191,935
8200.117	Mud & Chemicals:		\$ 158,698	\$ -	\$ -	\$ 158,698
8200.115	Mud - Drill Water:		\$ 5,862	\$ -	\$ -	\$ 5,862
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,727	\$ -	\$ -	\$ 27,727
8200.164	Solids Control/Closed Loop:		\$ 84,502	\$ -	\$ -	\$ 84,502
8200.158	Disposal:		\$ 186,974	\$ -	\$ -	\$ 186,974
8200.124	Equipment Rental:		\$ 88,626	\$ -	\$ -	\$ 88,626
8200.146	Mancamp:		\$ 38,735	\$ -	\$ -	\$ 38,735
8200.137	Casing Services:		\$ 101,122	\$ -	\$ -	\$ 101,122
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 97,070	\$ -	\$ -	\$ 97,070
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 183,487	\$ -	\$ -	\$ 183,487
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,299	\$ -	\$ -	\$ 5,299
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,952	\$ -	\$ -	\$ 1,952
8200.147	Drilling Overhead:		\$ 3,818	\$ -	\$ -	\$ 3,818
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0285 - Margie 13 Fed Com #205H

Intangible Completion			\$	-	\$ 3,559,439	\$	-	\$ 3,559,439
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 92,734	\$	-	\$ 92,734
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 13,942	\$	-	\$ 13,942
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:		\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:		\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,649,958	\$ 3,559,439	\$	311,720	\$ 6,521,117

TOTAL D&C&F COSTS >>>				\$ 3,994,111	\$ 3,836,324	\$ 1,331,283	\$ 9,161,719
				Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0286

Date: September 28, 2023

Well Name: Margie 13 Fed Com #206H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FEL
BHL: Sec: , T-S, R-E; FSL, 330 FEL

Projected MD/TVD: 14173 / 8850
Spud to TD: 12.6 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #206H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14173' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and Amount. Categories include DRILLING, COMPLETIONS, FACILITIES, and COMPLETED WELL COST. Total amount is \$9,161,719.

OPERATOR APPROVAL:

Signature:
Name: Jacob Nagy

Date:
Title: Co-C.E.O.

Signature:
Name: Skyler Gary

Date:
Title: Co-C.E.O.

Signature:
Name: Pete Williams

Date:
Title: C.F.O.

Signature:
Name: Braden Harris

Date:
Title: S.V.P. Operations

AFE # NM0286 - Margie 13 Fed Com #206H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,344,153	\$ -	\$ -	\$ 1,344,153
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 451,205	\$ -	\$ -	\$ 451,205
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 276,885	\$ -	\$ 276,885
8400.308	Tubing:		\$ -	\$ 127,948	\$ -	\$ 127,948
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,344,153	\$ 276,885	\$ 1,019,564	\$ 2,640,602

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,649,958	\$ -	\$ -	\$ 2,649,958
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 625,353	\$ -	\$ -	\$ 625,353
8200.104	Fuel/Power:		\$ 125,265	\$ -	\$ -	\$ 125,265
8200.116	Bits & BHA:		\$ 90,290	\$ -	\$ -	\$ 90,290
8200.128	Directional:		\$ 191,935	\$ -	\$ -	\$ 191,935
8200.117	Mud & Chemicals:		\$ 158,698	\$ -	\$ -	\$ 158,698
8200.115	Mud - Drill Water:		\$ 5,862	\$ -	\$ -	\$ 5,862
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,727	\$ -	\$ -	\$ 27,727
8200.164	Solids Control/Closed Loop:		\$ 84,502	\$ -	\$ -	\$ 84,502
8200.158	Disposal:		\$ 186,974	\$ -	\$ -	\$ 186,974
8200.124	Equipment Rental:		\$ 88,626	\$ -	\$ -	\$ 88,626
8200.146	Mancamp:		\$ 38,735	\$ -	\$ -	\$ 38,735
8200.137	Casing Services:		\$ 101,122	\$ -	\$ -	\$ 101,122
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 97,070	\$ -	\$ -	\$ 97,070
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 183,487	\$ -	\$ -	\$ 183,487
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,299	\$ -	\$ -	\$ 5,299
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,952	\$ -	\$ -	\$ 1,952
8200.147	Drilling Overhead:		\$ 3,818	\$ -	\$ -	\$ 3,818
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0286 - Margie 13 Fed Com #206H

Intangible Completion			\$ -	\$ 3,559,439	\$ -	\$ 3,559,439
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294	
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -	
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645	
8300.270	Stimulation:	\$ -	\$ 811,247	\$ -	\$ 811,247	
8300.275	Proppant:	\$ -	\$ 596,709	\$ -	\$ 596,709	
8300.207	Water:	\$ -	\$ 466,179	\$ -	\$ 466,179	
8300.274	Water Transfer:	\$ -	\$ 61,830	\$ -	\$ 61,830	
8300.266	Chemicals:	\$ -	\$ 221,638	\$ -	\$ 221,638	
8300.209	Pump Down Services:	\$ -	\$ 67,967	\$ -	\$ 67,967	
8300.214	Wireline/Perforating:	\$ -	\$ 201,451	\$ -	\$ 201,451	
8300.203	Fuel, Power:	\$ -	\$ 355,409	\$ -	\$ 355,409	
8300.210	Rental Equipment (Surface):	\$ -	\$ 297,199	\$ -	\$ 297,199	
8300.277	Mancamp:	\$ -	\$ 16,655	\$ -	\$ 16,655	
8300.250	Rental Equipment (Downhole):	\$ -	\$ 33,931	\$ -	\$ 33,931	
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704	
8300.276	Safety & Environmental:	\$ -	\$ 6,402	\$ -	\$ 6,402	
8300.277	Consulting Services:	\$ -	\$ 142,783	\$ -	\$ 142,783	
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506	
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581	
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058	
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516	
8300.271	Coil Tubing Unit	\$ -	\$ 92,734	\$ -	\$ 92,734	
8300.273	Flowback:	\$ -	\$ 50,061	\$ -	\$ 50,061	
8300.229	Transportation:	\$ -	\$ 13,942	\$ -	\$ 13,942	
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -	
Intangible Facilities			\$ -	\$ -	\$ 311,720	\$ 311,720
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -	
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -	
8350.403	Location, Roads:	\$ -	\$ -	\$ 624	\$ 624	
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -	
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -	
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 71,029	\$ 71,029	
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 144,647	\$ 144,647	
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -	
8350.410	Transportation:	\$ -	\$ -	\$ 19,548	\$ 19,548	
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 12,477	\$ 12,477	
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -	
8350.413	Contingency:	\$ -	\$ -	\$ 63,394	\$ 63,394	
TOTAL INTANGIBLE COSTS >>>			\$ 2,649,958	\$ 3,559,439	\$ 311,720	\$ 6,521,117

TOTAL D&C&F COSTS >>>	\$ 3,994,111	\$ 3,836,324	\$ 1,331,283	\$ 9,161,719
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0204

Date: September 28, 2023

Well Name: Margie 13 Fed Com #301H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FWL
BHL: Sec: , T-S, R-E; FSL, 330 FWL

Projected MD/TVD: 14723 / 9400
Spud to TD: 12.9 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #301H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14723' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category (DRILLING, COMPLETIONS, FACILITIES, COMPLETED WELL COST) and Amount (\$4,042,749, \$3,845,336, \$1,331,283, \$9,219,368). Includes a TOTAL header.

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0204 - Margie 13 Fed Com #301H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,361,540	\$ -	\$ -	\$ 1,361,540
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 468,592	\$ -	\$ -	\$ 468,592
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 284,999	\$ -	\$ 284,999
8400.308	Tubing:		\$ -	\$ 136,062	\$ -	\$ 136,062
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,361,540	\$ 284,999	\$ 1,019,564	\$ 2,666,103

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,681,209	\$ -	\$ -	\$ 2,681,209
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 638,295	\$ -	\$ -	\$ 638,295
8200.104	Fuel/Power:		\$ 128,326	\$ -	\$ -	\$ 128,326
8200.116	Bits & BHA:		\$ 90,439	\$ -	\$ -	\$ 90,439
8200.128	Directional:		\$ 195,250	\$ -	\$ -	\$ 195,250
8200.117	Mud & Chemicals:		\$ 159,684	\$ -	\$ -	\$ 159,684
8200.115	Mud - Drill Water:		\$ 5,965	\$ -	\$ -	\$ 5,965
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,925	\$ -	\$ -	\$ 27,925
8200.164	Solids Control/Closed Loop:		\$ 86,092	\$ -	\$ -	\$ 86,092
8200.158	Disposal:		\$ 187,681	\$ -	\$ -	\$ 187,681
8200.124	Equipment Rental:		\$ 90,011	\$ -	\$ -	\$ 90,011
8200.146	Mancamp:		\$ 39,105	\$ -	\$ -	\$ 39,105
8200.137	Casing Services:		\$ 101,233	\$ -	\$ -	\$ 101,233
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 98,809	\$ -	\$ -	\$ 98,809
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 187,912	\$ -	\$ -	\$ 187,912
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,085	\$ -	\$ -	\$ 2,085
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,348	\$ -	\$ -	\$ 5,348
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,985	\$ -	\$ -	\$ 1,985
8200.147	Drilling Overhead:		\$ 3,898	\$ -	\$ -	\$ 3,898
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0204 - Margie 13 Fed Com #301H

Intangible Completion			\$ -	\$ 3,560,337	\$ -	\$ 3,560,337
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294	
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -	
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645	
8300.270	Stimulation:	\$ -	\$ 811,247	\$ -	\$ 811,247	
8300.275	Proppant:	\$ -	\$ 596,709	\$ -	\$ 596,709	
8300.207	Water:	\$ -	\$ 466,179	\$ -	\$ 466,179	
8300.274	Water Transfer:	\$ -	\$ 61,830	\$ -	\$ 61,830	
8300.266	Chemicals:	\$ -	\$ 221,638	\$ -	\$ 221,638	
8300.209	Pump Down Services:	\$ -	\$ 67,967	\$ -	\$ 67,967	
8300.214	Wireline/Perforating:	\$ -	\$ 201,451	\$ -	\$ 201,451	
8300.203	Fuel, Power:	\$ -	\$ 355,409	\$ -	\$ 355,409	
8300.210	Rental Equipment (Surface):	\$ -	\$ 297,199	\$ -	\$ 297,199	
8300.277	Mancamp:	\$ -	\$ 16,655	\$ -	\$ 16,655	
8300.250	Rental Equipment (Downhole):	\$ -	\$ 33,931	\$ -	\$ 33,931	
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704	
8300.276	Safety & Environmental:	\$ -	\$ 6,402	\$ -	\$ 6,402	
8300.277	Consulting Services:	\$ -	\$ 142,783	\$ -	\$ 142,783	
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506	
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581	
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058	
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516	
8300.271	Coil Tubing Unit	\$ -	\$ 93,082	\$ -	\$ 93,082	
8300.273	Flowback:	\$ -	\$ 50,061	\$ -	\$ 50,061	
8300.229	Transportation:	\$ -	\$ 14,492	\$ -	\$ 14,492	
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -	
Intangible Facilities			\$ -	\$ -	\$ 311,720	\$ 311,720
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -	
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -	
8350.403	Location, Roads:	\$ -	\$ -	\$ 624	\$ 624	
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -	
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -	
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 71,029	\$ 71,029	
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 144,647	\$ 144,647	
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -	
8350.410	Transportation:	\$ -	\$ -	\$ 19,548	\$ 19,548	
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 12,477	\$ 12,477	
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -	
8350.413	Contingency:	\$ -	\$ -	\$ 63,394	\$ 63,394	
TOTAL INTANGIBLE COSTS >>>			\$ 2,681,209	\$ 3,560,337	\$ 311,720	\$ 6,553,266

TOTAL D&C&F COSTS >>>		\$ 4,042,749	\$ 3,845,336	\$ 1,331,283	\$ 9,219,368
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0205

Date: September 28, 2023

Well Name: Margie 13 Fed Com #302H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 1485 FWL

Projected MD/TVD: 14723 / 9400

Spud to TD: 12.9 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #302H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14723' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	TOTAL
DRILLING:	\$4,042,749
COMPLETIONS:	\$3,845,336
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,219,368

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0205 - Margie 13 Fed Com #302H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,361,540	\$ -	\$ -	\$ 1,361,540
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 468,592	\$ -	\$ -	\$ 468,592
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 284,999	\$ -	\$ 284,999
8400.308	Tubing:		\$ -	\$ 136,062	\$ -	\$ 136,062
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,361,540	\$ 284,999	\$ 1,019,564	\$ 2,666,103

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,681,209	\$ -	\$ -	\$ 2,681,209
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 638,295	\$ -	\$ -	\$ 638,295
8200.104	Fuel/Power:		\$ 128,326	\$ -	\$ -	\$ 128,326
8200.116	Bits & BHA:		\$ 90,439	\$ -	\$ -	\$ 90,439
8200.128	Directional:		\$ 195,250	\$ -	\$ -	\$ 195,250
8200.117	Mud & Chemicals:		\$ 159,684	\$ -	\$ -	\$ 159,684
8200.115	Mud - Drill Water:		\$ 5,965	\$ -	\$ -	\$ 5,965
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,925	\$ -	\$ -	\$ 27,925
8200.164	Solids Control/Closed Loop:		\$ 86,092	\$ -	\$ -	\$ 86,092
8200.158	Disposal:		\$ 187,681	\$ -	\$ -	\$ 187,681
8200.124	Equipment Rental:		\$ 90,011	\$ -	\$ -	\$ 90,011
8200.146	Mancamp:		\$ 39,105	\$ -	\$ -	\$ 39,105
8200.137	Casing Services:		\$ 101,233	\$ -	\$ -	\$ 101,233
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 98,809	\$ -	\$ -	\$ 98,809
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 187,912	\$ -	\$ -	\$ 187,912
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,085	\$ -	\$ -	\$ 2,085
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,348	\$ -	\$ -	\$ 5,348
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,985	\$ -	\$ -	\$ 1,985
8200.147	Drilling Overhead:		\$ 3,898	\$ -	\$ -	\$ 3,898
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0205 - Margie 13 Fed Com #302H

Intangible Completion			\$	-	\$ 3,560,337	\$	-	\$ 3,560,337
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 93,082	\$	-	\$ 93,082
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 14,492	\$	-	\$ 14,492
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:		\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:		\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,681,209	\$ 3,560,337	\$	311,720	\$ 6,553,266

TOTAL D&C&F COSTS >>>		\$ 4,042,749	\$ 3,845,336	\$ 1,331,283	\$ 9,219,368
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0206

Date: September 28, 2023

Well Name: Margie 13 Fed Com #303H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 2640 FWL

Projected MD/TVD: 14723 / 9400

Spud to TD: 12.9 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #303H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14723' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	<u>TOTAL</u>
DRILLING:	\$4,042,749
COMPLETIONS:	\$3,845,336
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,219,368

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0206 - Margie 13 Fed Com #303H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,361,540	\$ -	\$ -	\$ 1,361,540
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 468,592	\$ -	\$ -	\$ 468,592
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 284,999	\$ -	\$ 284,999
8400.308	Tubing:		\$ -	\$ 136,062	\$ -	\$ 136,062
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,361,540	\$ 284,999	\$ 1,019,564	\$ 2,666,103

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,681,209	\$ -	\$ -	\$ 2,681,209
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 638,295	\$ -	\$ -	\$ 638,295
8200.104	Fuel/Power:		\$ 128,326	\$ -	\$ -	\$ 128,326
8200.116	Bits & BHA:		\$ 90,439	\$ -	\$ -	\$ 90,439
8200.128	Directional:		\$ 195,250	\$ -	\$ -	\$ 195,250
8200.117	Mud & Chemicals:		\$ 159,684	\$ -	\$ -	\$ 159,684
8200.115	Mud - Drill Water:		\$ 5,965	\$ -	\$ -	\$ 5,965
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,925	\$ -	\$ -	\$ 27,925
8200.164	Solids Control/Closed Loop:		\$ 86,092	\$ -	\$ -	\$ 86,092
8200.158	Disposal:		\$ 187,681	\$ -	\$ -	\$ 187,681
8200.124	Equipment Rental:		\$ 90,011	\$ -	\$ -	\$ 90,011
8200.146	Mancamp:		\$ 39,105	\$ -	\$ -	\$ 39,105
8200.137	Casing Services:		\$ 101,233	\$ -	\$ -	\$ 101,233
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 98,809	\$ -	\$ -	\$ 98,809
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 187,912	\$ -	\$ -	\$ 187,912
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,085	\$ -	\$ -	\$ 2,085
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,348	\$ -	\$ -	\$ 5,348
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,985	\$ -	\$ -	\$ 1,985
8200.147	Drilling Overhead:		\$ 3,898	\$ -	\$ -	\$ 3,898
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0206 - Margie 13 Fed Com #303H

Intangible Completion			\$	-	\$	3,560,337	\$	-	\$	3,560,337
8300.205	Location & Roads:		\$	-	\$	5,294	\$	-	\$	5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$	-	\$	-	\$	-
8300.243	Analysis		\$	-	\$	12,645	\$	-	\$	12,645
8300.270	Stimulation:		\$	-	\$	811,247	\$	-	\$	811,247
8300.275	Proppant:		\$	-	\$	596,709	\$	-	\$	596,709
8300.207	Water:		\$	-	\$	466,179	\$	-	\$	466,179
8300.274	Water Transfer:		\$	-	\$	61,830	\$	-	\$	61,830
8300.266	Chemicals:		\$	-	\$	221,638	\$	-	\$	221,638
8300.209	Pump Down Services:		\$	-	\$	67,967	\$	-	\$	67,967
8300.214	Wireline/Perforating:		\$	-	\$	201,451	\$	-	\$	201,451
8300.203	Fuel, Power:		\$	-	\$	355,409	\$	-	\$	355,409
8300.210	Rental Equipment (Surface):		\$	-	\$	297,199	\$	-	\$	297,199
8300.277	Mancamp:		\$	-	\$	16,655	\$	-	\$	16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$	33,931	\$	-	\$	33,931
8300.232	Disposal:		\$	-	\$	28,704	\$	-	\$	28,704
8300.276	Safety & Environmental:		\$	-	\$	6,402	\$	-	\$	6,402
8300.277	Consulting Services:		\$	-	\$	142,783	\$	-	\$	142,783
8300.212	Contract Labor:		\$	-	\$	30,506	\$	-	\$	30,506
8300.278	Roustabout Services:		\$	-	\$	1,581	\$	-	\$	1,581
8300.220	Company Supervision:		\$	-	\$	5,058	\$	-	\$	5,058
8300.230	Completions Rig:		\$	-	\$	39,516	\$	-	\$	39,516
8300.271	Coil Tubing Unit		\$	-	\$	93,082	\$	-	\$	93,082
8300.273	Flowback:		\$	-	\$	50,061	\$	-	\$	50,061
8300.229	Transportation:		\$	-	\$	14,492	\$	-	\$	14,492
8300.225	Contingency:		\$	-	\$	-	\$	-	\$	-
Intangible Facilities			\$	-	\$	-	\$	311,720	\$	311,720
8350.401	Title Work/Permit Fees:		\$	-	\$	-	\$	-	\$	-
8350.402	Damages/ROW:		\$	-	\$	-	\$	-	\$	-
8350.403	Location, Roads:		\$	-	\$	-	\$	624	\$	624
8350.405	Pipeline/Flowline Labor:		\$	-	\$	-	\$	-	\$	-
8350.406	Automation/Electrical Labor:		\$	-	\$	-	\$	-	\$	-
8350.407	Engineering/Technical Labor:		\$	-	\$	-	\$	71,029	\$	71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$	-	\$	144,647	\$	144,647
8350.409	Commissioning Labor:		\$	-	\$	-	\$	-	\$	-
8350.410	Transportation:		\$	-	\$	-	\$	19,548	\$	19,548
8350.404	Equipment Rentals:		\$	-	\$	-	\$	12,477	\$	12,477
8350.411	Safety & Environmental:		\$	-	\$	-	\$	-	\$	-
8350.413	Contingency:		\$	-	\$	-	\$	63,394	\$	63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,681,209	\$	3,560,337	\$	311,720	\$	6,553,266

TOTAL D&C&F COSTS >>>		\$	4,042,749	\$	3,845,336	\$	1,331,283	\$	9,219,368
			Drilling		Completion		Facilities		Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0287

Date: September 28, 2023

Well Name: Margie 13 Fed Com #304H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 1485 FEL

Projected MD/TVD: 14723 / 9400

Spud to TD: 12.9 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #304H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14723' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category (DRILLING, COMPLETIONS, FACILITIES, COMPLETED WELL COST) and TOTAL cost values.

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0287 - Margie 13 Fed Com #304H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,361,540	\$ -	\$ -	\$ 1,361,540
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 468,592	\$ -	\$ -	\$ 468,592
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 284,999	\$ -	\$ 284,999
8400.308	Tubing:		\$ -	\$ 136,062	\$ -	\$ 136,062
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,361,540	\$ 284,999	\$ 1,019,564	\$ 2,666,103

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,681,209	\$ -	\$ -	\$ 2,681,209
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 638,295	\$ -	\$ -	\$ 638,295
8200.104	Fuel/Power:		\$ 128,326	\$ -	\$ -	\$ 128,326
8200.116	Bits & BHA:		\$ 90,439	\$ -	\$ -	\$ 90,439
8200.128	Directional:		\$ 195,250	\$ -	\$ -	\$ 195,250
8200.117	Mud & Chemicals:		\$ 159,684	\$ -	\$ -	\$ 159,684
8200.115	Mud - Drill Water:		\$ 5,965	\$ -	\$ -	\$ 5,965
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,925	\$ -	\$ -	\$ 27,925
8200.164	Solids Control/Closed Loop:		\$ 86,092	\$ -	\$ -	\$ 86,092
8200.158	Disposal:		\$ 187,681	\$ -	\$ -	\$ 187,681
8200.124	Equipment Rental:		\$ 90,011	\$ -	\$ -	\$ 90,011
8200.146	Mancamp:		\$ 39,105	\$ -	\$ -	\$ 39,105
8200.137	Casing Services:		\$ 101,233	\$ -	\$ -	\$ 101,233
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 98,809	\$ -	\$ -	\$ 98,809
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 187,912	\$ -	\$ -	\$ 187,912
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,085	\$ -	\$ -	\$ 2,085
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,348	\$ -	\$ -	\$ 5,348
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,985	\$ -	\$ -	\$ 1,985
8200.147	Drilling Overhead:		\$ 3,898	\$ -	\$ -	\$ 3,898
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0287 - Margie 13 Fed Com #304H

Intangible Completion			\$	-	\$ 3,560,337	\$	-	\$ 3,560,337
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 93,082	\$	-	\$ 93,082
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 14,492	\$	-	\$ 14,492
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$ 71,029	\$	\$ 71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$ 144,647	\$	\$ 144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$ -	\$	\$ -
8350.410	Transportation:		\$	-	\$ -	\$ 19,548	\$	\$ 19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$ 12,477	\$	\$ 12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$ -	\$	\$ -
8350.413	Contingency:		\$	-	\$ -	\$ 63,394	\$	\$ 63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,681,209	\$ 3,560,337	\$	311,720	\$ 6,553,266

TOTAL D&C&F COSTS >>>	\$ 4,042,749	\$ 3,845,336	\$ 1,331,283	\$ 9,219,368
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0288

Date: September 28, 2023

Well Name: Margie 13 Fed Com #305H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 330 FEL

Projected MD/TVD: 14723 / 9400

Spud to TD: 12.9 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #305H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 14723' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	<u>TOTAL</u>
DRILLING:	\$4,042,749
COMPLETIONS:	\$3,845,336
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,219,368

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0288 - Margie 13 Fed Com #305H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,361,540	\$ -	\$ -	\$ 1,361,540
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 468,592	\$ -	\$ -	\$ 468,592
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 284,999	\$ -	\$ 284,999
8400.308	Tubing:		\$ -	\$ 136,062	\$ -	\$ 136,062
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,361,540	\$ 284,999	\$ 1,019,564	\$ 2,666,103

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,681,209	\$ -	\$ -	\$ 2,681,209
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 638,295	\$ -	\$ -	\$ 638,295
8200.104	Fuel/Power:		\$ 128,326	\$ -	\$ -	\$ 128,326
8200.116	Bits & BHA:		\$ 90,439	\$ -	\$ -	\$ 90,439
8200.128	Directional:		\$ 195,250	\$ -	\$ -	\$ 195,250
8200.117	Mud & Chemicals:		\$ 159,684	\$ -	\$ -	\$ 159,684
8200.115	Mud - Drill Water:		\$ 5,965	\$ -	\$ -	\$ 5,965
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 27,925	\$ -	\$ -	\$ 27,925
8200.164	Solids Control/Closed Loop:		\$ 86,092	\$ -	\$ -	\$ 86,092
8200.158	Disposal:		\$ 187,681	\$ -	\$ -	\$ 187,681
8200.124	Equipment Rental:		\$ 90,011	\$ -	\$ -	\$ 90,011
8200.146	Mancamp:		\$ 39,105	\$ -	\$ -	\$ 39,105
8200.137	Casing Services:		\$ 101,233	\$ -	\$ -	\$ 101,233
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 98,809	\$ -	\$ -	\$ 98,809
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 187,912	\$ -	\$ -	\$ 187,912
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,085	\$ -	\$ -	\$ 2,085
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,348	\$ -	\$ -	\$ 5,348
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 1,985	\$ -	\$ -	\$ 1,985
8200.147	Drilling Overhead:		\$ 3,898	\$ -	\$ -	\$ 3,898
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0288 - Margie 13 Fed Com #305H

Intangible Completion			\$	-	\$ 3,560,337	\$	-	\$ 3,560,337
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294	
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -	
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645	
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247	
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709	
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179	
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830	
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638	
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967	
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451	
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409	
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199	
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655	
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931	
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704	
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402	
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783	
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506	
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581	
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058	
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516	
8300.271	Coil Tubing Unit	\$	-	\$ 93,082	\$	-	\$ 93,082	
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061	
8300.229	Transportation:	\$	-	\$ 14,492	\$	-	\$ 14,492	
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -	
Intangible Facilities			\$	-	\$ -	\$ 311,720	\$ 311,720	
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -	
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -	
8350.403	Location, Roads:	\$	-	\$ -	\$	-	\$ -	
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$ 624	\$	624	
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$ -	\$	-	
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ -	\$	-	
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$ 71,029	\$	71,029	
8350.409	Commissioning Labor:	\$	-	\$ -	\$ 144,647	\$	144,647	
8350.410	Transportation:	\$	-	\$ -	\$ -	\$	-	
8350.404	Equipment Rentals:	\$	-	\$ -	\$ 19,548	\$	19,548	
8350.411	Safety & Environmental:	\$	-	\$ -	\$ 12,477	\$	12,477	
8350.413	Contingency:	\$	-	\$ -	\$ -	\$	-	
TOTAL INTANGIBLE COSTS >>>			\$	2,681,209	\$	3,560,337	\$ 311,720	\$ 6,553,266

TOTAL D&C&F COSTS >>>		\$ 4,042,749	\$ 3,845,336	\$ 1,331,283	\$ 9,219,368
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0207

Date: September 28, 2023

Well Name: Margie 13 Fed Com #501H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 330 FWL

Projected MD/TVD: 15623 / 10300

Spud to TD: 13.3 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #501H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15623' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	TOTAL
DRILLING:	\$4,121,388
COMPLETIONS:	\$3,860,082
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,312,753

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0207 - Margie 13 Fed Com #501H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,389,991	\$ -	\$ -	\$ 1,389,991
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 497,043	\$ -	\$ -	\$ 497,043
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 298,277	\$ -	\$ 298,277
8400.308	Tubing:		\$ -	\$ 149,340	\$ -	\$ 149,340
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,389,991	\$ 298,277	\$ 1,019,564	\$ 2,707,831

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,731,397	\$ -	\$ -	\$ 2,731,397
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 659,472	\$ -	\$ -	\$ 659,472
8200.104	Fuel/Power:		\$ 133,335	\$ -	\$ -	\$ 133,335
8200.116	Bits & BHA:		\$ 90,682	\$ -	\$ -	\$ 90,682
8200.128	Directional:		\$ 199,811	\$ -	\$ -	\$ 199,811
8200.117	Mud & Chemicals:		\$ 161,297	\$ -	\$ -	\$ 161,297
8200.115	Mud - Drill Water:		\$ 6,134	\$ -	\$ -	\$ 6,134
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,249	\$ -	\$ -	\$ 28,249
8200.164	Solids Control/Closed Loop:		\$ 88,695	\$ -	\$ -	\$ 88,695
8200.158	Disposal:		\$ 188,747	\$ -	\$ -	\$ 188,747
8200.124	Equipment Rental:		\$ 92,277	\$ -	\$ -	\$ 92,277
8200.146	Mancamp:		\$ 39,711	\$ -	\$ -	\$ 39,711
8200.137	Casing Services:		\$ 101,417	\$ -	\$ -	\$ 101,417
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 101,654	\$ -	\$ -	\$ 101,654
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 195,153	\$ -	\$ -	\$ 195,153
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,099	\$ -	\$ -	\$ 2,099
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,428	\$ -	\$ -	\$ 5,428
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,039	\$ -	\$ -	\$ 2,039
8200.147	Drilling Overhead:		\$ 4,030	\$ -	\$ -	\$ 4,030
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0207 - Margie 13 Fed Com #501H

Intangible Completion		\$	-	\$ 3,561,806	\$	-	\$ 3,561,806
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 93,651	\$	-	\$ 93,651
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 15,392	\$	-	\$ 15,392
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$ 311,720	\$	311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$ 624	\$	624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$ -	\$	-
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$ -	\$	-
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ 71,029	\$	71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$ 144,647	\$	144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$ -	\$	-
8350.410	Transportation:	\$	-	\$ -	\$ 19,548	\$	19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$ 12,477	\$	12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$ -	\$	-
8350.413	Contingency:	\$	-	\$ -	\$ 63,394	\$	63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,731,397	\$ 3,561,806	\$ 311,720	\$	6,604,922

TOTAL D&C&F COSTS >>>		\$ 4,121,388	\$ 3,860,082	\$ 1,331,283	\$ 9,312,753
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0208

Date: September 28, 2023

Well Name: Margie 13 Fed Com #502H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 1254 FWL

Projected MD/TVD: 15623 / 10300

Spud to TD: 13.3 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #502H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15623' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category (DRILLING, COMPLETIONS, FACILITIES, COMPLETED WELL COST) and TOTAL cost (\$4,121,388, \$3,860,082, \$1,331,283, \$9,312,753).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0208 - Margie 13 Fed Com #502H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,389,991	\$ -	\$ -	\$ 1,389,991
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 497,043	\$ -	\$ -	\$ 497,043
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 298,277	\$ -	\$ 298,277
8400.308	Tubing:		\$ -	\$ 149,340	\$ -	\$ 149,340
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,389,991	\$ 298,277	\$ 1,019,564	\$ 2,707,831

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,731,397	\$ -	\$ -	\$ 2,731,397
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 659,472	\$ -	\$ -	\$ 659,472
8200.104	Fuel/Power:		\$ 133,335	\$ -	\$ -	\$ 133,335
8200.116	Bits & BHA:		\$ 90,682	\$ -	\$ -	\$ 90,682
8200.128	Directional:		\$ 199,811	\$ -	\$ -	\$ 199,811
8200.117	Mud & Chemicals:		\$ 161,297	\$ -	\$ -	\$ 161,297
8200.115	Mud - Drill Water:		\$ 6,134	\$ -	\$ -	\$ 6,134
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,249	\$ -	\$ -	\$ 28,249
8200.164	Solids Control/Closed Loop:		\$ 88,695	\$ -	\$ -	\$ 88,695
8200.158	Disposal:		\$ 188,747	\$ -	\$ -	\$ 188,747
8200.124	Equipment Rental:		\$ 92,277	\$ -	\$ -	\$ 92,277
8200.146	Mancamp:		\$ 39,711	\$ -	\$ -	\$ 39,711
8200.137	Casing Services:		\$ 101,417	\$ -	\$ -	\$ 101,417
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 101,654	\$ -	\$ -	\$ 101,654
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 195,153	\$ -	\$ -	\$ 195,153
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,099	\$ -	\$ -	\$ 2,099
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,428	\$ -	\$ -	\$ 5,428
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,039	\$ -	\$ -	\$ 2,039
8200.147	Drilling Overhead:		\$ 4,030	\$ -	\$ -	\$ 4,030
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0208 - Margie 13 Fed Com #502H

Intangible Completion			\$	-	\$ 3,561,806	\$	-	\$ 3,561,806
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 93,651	\$	-	\$ 93,651
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 15,392	\$	-	\$ 15,392
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$ 311,720	\$	311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$ 624	\$	624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$ -	\$	-
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$ -	\$	-
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$ 71,029	\$	71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$ 144,647	\$	144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$ -	\$	-
8350.410	Transportation:		\$	-	\$ -	\$ 19,548	\$	19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$ 12,477	\$	12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$ -	\$	-
8350.413	Contingency:		\$	-	\$ -	\$ 63,394	\$	63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,731,397	\$ 3,561,806	\$ 311,720	\$	6,604,922

TOTAL D&C&F COSTS >>>		\$ 4,121,388	\$ 3,860,082	\$ 1,331,283	\$ 9,312,753
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0209

Date: September 28, 2023

Well Name: Margie 13 Fed Com #503H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FWL
BHL: Sec: , T-S, R-E; FSL, 2178 FWL

Projected MD/TVD: 15623 / 10300
Spud to TD: 13.3 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #503H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15623' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and TOTAL. Rows include DRILLING (\$4,121,388), COMPLETIONS (\$3,860,082), FACILITIES (\$1,331,283), and COMPLETED WELL COST (\$9,312,753).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0209 - Margie 13 Fed Com #503H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,389,991	\$ -	\$ -	\$ 1,389,991
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 497,043	\$ -	\$ -	\$ 497,043
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 298,277	\$ -	\$ 298,277
8400.308	Tubing:		\$ -	\$ 149,340	\$ -	\$ 149,340
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,389,991	\$ 298,277	\$ 1,019,564	\$ 2,707,831

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,731,397	\$ -	\$ -	\$ 2,731,397
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 659,472	\$ -	\$ -	\$ 659,472
8200.104	Fuel/Power:		\$ 133,335	\$ -	\$ -	\$ 133,335
8200.116	Bits & BHA:		\$ 90,682	\$ -	\$ -	\$ 90,682
8200.128	Directional:		\$ 199,811	\$ -	\$ -	\$ 199,811
8200.117	Mud & Chemicals:		\$ 161,297	\$ -	\$ -	\$ 161,297
8200.115	Mud - Drill Water:		\$ 6,134	\$ -	\$ -	\$ 6,134
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,249	\$ -	\$ -	\$ 28,249
8200.164	Solids Control/Closed Loop:		\$ 88,695	\$ -	\$ -	\$ 88,695
8200.158	Disposal:		\$ 188,747	\$ -	\$ -	\$ 188,747
8200.124	Equipment Rental:		\$ 92,277	\$ -	\$ -	\$ 92,277
8200.146	Mancamp:		\$ 39,711	\$ -	\$ -	\$ 39,711
8200.137	Casing Services:		\$ 101,417	\$ -	\$ -	\$ 101,417
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 101,654	\$ -	\$ -	\$ 101,654
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 195,153	\$ -	\$ -	\$ 195,153
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,099	\$ -	\$ -	\$ 2,099
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,428	\$ -	\$ -	\$ 5,428
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,039	\$ -	\$ -	\$ 2,039
8200.147	Drilling Overhead:		\$ 4,030	\$ -	\$ -	\$ 4,030
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0209 - Margie 13 Fed Com #503H

Intangible Completion		\$	-	\$ 3,561,806	\$	-	\$ 3,561,806
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 93,651	\$	-	\$ 93,651
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 15,392	\$	-	\$ 15,392
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$ 311,720	\$	\$ 311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$ 624	\$	\$ 624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ 71,029	\$	\$ 71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$ 144,647	\$	\$ 144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:	\$	-	\$ -	\$ 19,548	\$	\$ 19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$ 12,477	\$	\$ 12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:	\$	-	\$ -	\$ 63,394	\$	\$ 63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,731,397	\$ 3,561,806	\$ 311,720	\$	6,604,922
TOTAL D&C&F COSTS >>>		\$	4,121,388	\$ 3,860,082	\$ 1,331,283	\$	9,312,753
			Drilling	Completion	Facilities		Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0289

Date: September 28, 2023

Well Name: Margie 13 Fed Com #504H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 2178 FEL

Projected MD/TVD: 15623 / 10300

Spud to TD: 13.3 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #504H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15623' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category (DRILLING, COMPLETIONS, FACILITIES, COMPLETED WELL COST) and TOTAL Cost (\$4,121,388, \$3,860,082, \$1,331,283, \$9,312,753)

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0289 - Margie 13 Fed Com #504H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,389,991	\$ -	\$ -	\$ 1,389,991
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 497,043	\$ -	\$ -	\$ 497,043
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 298,277	\$ -	\$ 298,277
8400.308	Tubing:		\$ -	\$ 149,340	\$ -	\$ 149,340
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,389,991	\$ 298,277	\$ 1,019,564	\$ 2,707,831

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,731,397	\$ -	\$ -	\$ 2,731,397
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 659,472	\$ -	\$ -	\$ 659,472
8200.104	Fuel/Power:		\$ 133,335	\$ -	\$ -	\$ 133,335
8200.116	Bits & BHA:		\$ 90,682	\$ -	\$ -	\$ 90,682
8200.128	Directional:		\$ 199,811	\$ -	\$ -	\$ 199,811
8200.117	Mud & Chemicals:		\$ 161,297	\$ -	\$ -	\$ 161,297
8200.115	Mud - Drill Water:		\$ 6,134	\$ -	\$ -	\$ 6,134
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,249	\$ -	\$ -	\$ 28,249
8200.164	Solids Control/Closed Loop:		\$ 88,695	\$ -	\$ -	\$ 88,695
8200.158	Disposal:		\$ 188,747	\$ -	\$ -	\$ 188,747
8200.124	Equipment Rental:		\$ 92,277	\$ -	\$ -	\$ 92,277
8200.146	Mancamp:		\$ 39,711	\$ -	\$ -	\$ 39,711
8200.137	Casing Services:		\$ 101,417	\$ -	\$ -	\$ 101,417
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 101,654	\$ -	\$ -	\$ 101,654
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 195,153	\$ -	\$ -	\$ 195,153
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,099	\$ -	\$ -	\$ 2,099
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,428	\$ -	\$ -	\$ 5,428
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,039	\$ -	\$ -	\$ 2,039
8200.147	Drilling Overhead:		\$ 4,030	\$ -	\$ -	\$ 4,030
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0289 - Margie 13 Fed Com #504H

Intangible Completion			\$	-	\$	3,561,806	\$	-	\$	3,561,806
8300.205	Location & Roads:		\$	-	\$	5,294	\$	-	\$	5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$	-	\$	-	\$	-
8300.243	Analysis		\$	-	\$	12,645	\$	-	\$	12,645
8300.270	Stimulation:		\$	-	\$	811,247	\$	-	\$	811,247
8300.275	Proppant:		\$	-	\$	596,709	\$	-	\$	596,709
8300.207	Water:		\$	-	\$	466,179	\$	-	\$	466,179
8300.274	Water Transfer:		\$	-	\$	61,830	\$	-	\$	61,830
8300.266	Chemicals:		\$	-	\$	221,638	\$	-	\$	221,638
8300.209	Pump Down Services:		\$	-	\$	67,967	\$	-	\$	67,967
8300.214	Wireline/Perforating:		\$	-	\$	201,451	\$	-	\$	201,451
8300.203	Fuel, Power:		\$	-	\$	355,409	\$	-	\$	355,409
8300.210	Rental Equipment (Surface):		\$	-	\$	297,199	\$	-	\$	297,199
8300.277	Mancamp:		\$	-	\$	16,655	\$	-	\$	16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$	33,931	\$	-	\$	33,931
8300.232	Disposal:		\$	-	\$	28,704	\$	-	\$	28,704
8300.276	Safety & Environmental:		\$	-	\$	6,402	\$	-	\$	6,402
8300.277	Consulting Services:		\$	-	\$	142,783	\$	-	\$	142,783
8300.212	Contract Labor:		\$	-	\$	30,506	\$	-	\$	30,506
8300.278	Roustabout Services:		\$	-	\$	1,581	\$	-	\$	1,581
8300.220	Company Supervision:		\$	-	\$	5,058	\$	-	\$	5,058
8300.230	Completions Rig:		\$	-	\$	39,516	\$	-	\$	39,516
8300.271	Coil Tubing Unit		\$	-	\$	93,651	\$	-	\$	93,651
8300.273	Flowback:		\$	-	\$	50,061	\$	-	\$	50,061
8300.229	Transportation:		\$	-	\$	15,392	\$	-	\$	15,392
8300.225	Contingency:		\$	-	\$	-	\$	-	\$	-
Intangible Facilities			\$	-	\$	-	\$	311,720	\$	311,720
8350.401	Title Work/Permit Fees:		\$	-	\$	-	\$	-	\$	-
8350.402	Damages/ROW:		\$	-	\$	-	\$	-	\$	-
8350.403	Location, Roads:		\$	-	\$	-	\$	624	\$	624
8350.405	Pipeline/Flowline Labor:		\$	-	\$	-	\$	-	\$	-
8350.406	Automation/Electrical Labor:		\$	-	\$	-	\$	-	\$	-
8350.407	Engineering/Technical Labor:		\$	-	\$	-	\$	71,029	\$	71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$	-	\$	144,647	\$	144,647
8350.409	Commissioning Labor:		\$	-	\$	-	\$	-	\$	-
8350.410	Transportation:		\$	-	\$	-	\$	19,548	\$	19,548
8350.404	Equipment Rentals:		\$	-	\$	-	\$	12,477	\$	12,477
8350.411	Safety & Environmental:		\$	-	\$	-	\$	-	\$	-
8350.413	Contingency:		\$	-	\$	-	\$	63,394	\$	63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,731,397	\$	3,561,806	\$	311,720	\$	6,604,922

TOTAL D&C&F COSTS >>>		\$	4,121,388	\$	3,860,082	\$	1,331,283	\$	9,312,753
			Drilling		Completion		Facilities		Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0290

Date: September 28, 2023

Well Name: Margie 13 Fed Com #505H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 1254 FEL

Projected MD/TVD: 15623 / 10300

Spud to TD: 13.3 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #505H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15623' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	TOTAL
DRILLING:	\$4,121,388
COMPLETIONS:	\$3,860,082
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,312,753

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0290 - Margie 13 Fed Com #505H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,389,991	\$ -	\$ -	\$ 1,389,991
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 497,043	\$ -	\$ -	\$ 497,043
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 298,277	\$ -	\$ 298,277
8400.308	Tubing:		\$ -	\$ 149,340	\$ -	\$ 149,340
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,389,991	\$ 298,277	\$ 1,019,564	\$ 2,707,831

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,731,397	\$ -	\$ -	\$ 2,731,397
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 659,472	\$ -	\$ -	\$ 659,472
8200.104	Fuel/Power:		\$ 133,335	\$ -	\$ -	\$ 133,335
8200.116	Bits & BHA:		\$ 90,682	\$ -	\$ -	\$ 90,682
8200.128	Directional:		\$ 199,811	\$ -	\$ -	\$ 199,811
8200.117	Mud & Chemicals:		\$ 161,297	\$ -	\$ -	\$ 161,297
8200.115	Mud - Drill Water:		\$ 6,134	\$ -	\$ -	\$ 6,134
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,249	\$ -	\$ -	\$ 28,249
8200.164	Solids Control/Closed Loop:		\$ 88,695	\$ -	\$ -	\$ 88,695
8200.158	Disposal:		\$ 188,747	\$ -	\$ -	\$ 188,747
8200.124	Equipment Rental:		\$ 92,277	\$ -	\$ -	\$ 92,277
8200.146	Mancamp:		\$ 39,711	\$ -	\$ -	\$ 39,711
8200.137	Casing Services:		\$ 101,417	\$ -	\$ -	\$ 101,417
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 101,654	\$ -	\$ -	\$ 101,654
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 195,153	\$ -	\$ -	\$ 195,153
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,099	\$ -	\$ -	\$ 2,099
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,428	\$ -	\$ -	\$ 5,428
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,039	\$ -	\$ -	\$ 2,039
8200.147	Drilling Overhead:		\$ 4,030	\$ -	\$ -	\$ 4,030
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0290 - Margie 13 Fed Com #505H

Intangible Completion		\$	-	\$ 3,561,806	\$	-	\$ 3,561,806
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 93,651	\$	-	\$ 93,651
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 15,392	\$	-	\$ 15,392
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$ 311,720	\$	\$ 311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$ 624	\$	\$ 624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$ -	\$	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$ -	\$	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ 71,029	\$	\$ 71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$ 144,647	\$	\$ 144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$ -	\$	\$ -
8350.410	Transportation:	\$	-	\$ -	\$ 19,548	\$	\$ 19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$ 12,477	\$	\$ 12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$ -	\$	\$ -
8350.413	Contingency:	\$	-	\$ -	\$ 63,394	\$	\$ 63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,731,397	\$ 3,561,806	\$ 311,720	\$	\$ 6,604,922

TOTAL D&C&F COSTS >>>	\$ 4,121,388	\$ 3,860,082	\$ 1,331,283	\$ 9,312,753
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0291

Date: September 28, 2023

Well Name: Margie 13 Fed Com #506H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 330 FEL

Projected MD/TVD: 15623 / 10300

Spud to TD: 13.3 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #506H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15623' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category (DRILLING, COMPLETIONS, FACILITIES, COMPLETED WELL COST) and TOTAL cost (\$4,121,388, \$3,860,082, \$1,331,283, \$9,312,753).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0291 - Margie 13 Fed Com #506H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,389,991	\$ -	\$ -	\$ 1,389,991
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 497,043	\$ -	\$ -	\$ 497,043
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 298,277	\$ -	\$ 298,277
8400.308	Tubing:		\$ -	\$ 149,340	\$ -	\$ 149,340
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,389,991	\$ 298,277	\$ 1,019,564	\$ 2,707,831

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,731,397	\$ -	\$ -	\$ 2,731,397
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 659,472	\$ -	\$ -	\$ 659,472
8200.104	Fuel/Power:		\$ 133,335	\$ -	\$ -	\$ 133,335
8200.116	Bits & BHA:		\$ 90,682	\$ -	\$ -	\$ 90,682
8200.128	Directional:		\$ 199,811	\$ -	\$ -	\$ 199,811
8200.117	Mud & Chemicals:		\$ 161,297	\$ -	\$ -	\$ 161,297
8200.115	Mud - Drill Water:		\$ 6,134	\$ -	\$ -	\$ 6,134
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,249	\$ -	\$ -	\$ 28,249
8200.164	Solids Control/Closed Loop:		\$ 88,695	\$ -	\$ -	\$ 88,695
8200.158	Disposal:		\$ 188,747	\$ -	\$ -	\$ 188,747
8200.124	Equipment Rental:		\$ 92,277	\$ -	\$ -	\$ 92,277
8200.146	Mancamp:		\$ 39,711	\$ -	\$ -	\$ 39,711
8200.137	Casing Services:		\$ 101,417	\$ -	\$ -	\$ 101,417
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 101,654	\$ -	\$ -	\$ 101,654
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 195,153	\$ -	\$ -	\$ 195,153
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,099	\$ -	\$ -	\$ 2,099
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,428	\$ -	\$ -	\$ 5,428
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,039	\$ -	\$ -	\$ 2,039
8200.147	Drilling Overhead:		\$ 4,030	\$ -	\$ -	\$ 4,030
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0291 - Margie 13 Fed Com #506H

Intangible Completion		\$	-	\$ 3,561,806	\$	-	\$ 3,561,806
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 93,651	\$	-	\$ 93,651
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 15,392	\$	-	\$ 15,392
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:	\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:	\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,731,397	\$ 3,561,806	\$	311,720	\$ 6,604,922

TOTAL D&C&F COSTS >>>		\$ 4,121,388	\$ 3,860,082	\$ 1,331,283	\$ 9,312,753
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0210

Date: September 28, 2023

Well Name: Margie 13 Fed Com #601H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 1254 FWL

Projected MD/TVD: 16223 / 10900

Spud to TD: 13.6 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #601H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 16223' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category (DRILLING, COMPLETIONS, FACILITIES, COMPLETED WELL COST) and Amount (\$4,174,222, \$3,869,913, \$1,331,283, \$9,375,418). Includes a TOTAL header.

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0210 - Margie 13 Fed Com #601H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,408,959	\$ -	\$ -	\$ 1,408,959
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 516,011	\$ -	\$ -	\$ 516,011
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 307,128	\$ -	\$ 307,128
8400.308	Tubing:		\$ -	\$ 158,191	\$ -	\$ 158,191
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,408,959	\$ 307,128	\$ 1,019,564	\$ 2,735,650

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,765,263	\$ -	\$ -	\$ 2,765,263
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 673,591	\$ -	\$ -	\$ 673,591
8200.104	Fuel/Power:		\$ 136,674	\$ -	\$ -	\$ 136,674
8200.116	Bits & BHA:		\$ 90,844	\$ -	\$ -	\$ 90,844
8200.128	Directional:		\$ 202,852	\$ -	\$ -	\$ 202,852
8200.117	Mud & Chemicals:		\$ 162,372	\$ -	\$ -	\$ 162,372
8200.115	Mud - Drill Water:		\$ 6,247	\$ -	\$ -	\$ 6,247
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,465	\$ -	\$ -	\$ 28,465
8200.164	Solids Control/Closed Loop:		\$ 90,429	\$ -	\$ -	\$ 90,429
8200.158	Disposal:		\$ 189,505	\$ -	\$ -	\$ 189,505
8200.124	Equipment Rental:		\$ 94,124	\$ -	\$ -	\$ 94,124
8200.146	Mancamp:		\$ 40,114	\$ -	\$ -	\$ 40,114
8200.137	Casing Services:		\$ 101,565	\$ -	\$ -	\$ 101,565
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 103,551	\$ -	\$ -	\$ 103,551
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 199,980	\$ -	\$ -	\$ 199,980
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,108	\$ -	\$ -	\$ 2,108
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,481	\$ -	\$ -	\$ 5,481
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.147	Drilling Overhead:		\$ 4,118	\$ -	\$ -	\$ 4,118
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0210 - Margie 13 Fed Com #601H

Intangible Completion			\$	-	\$ 3,562,785	\$	-	\$ 3,562,785
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 94,030	\$	-	\$ 94,030
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 15,992	\$	-	\$ 15,992
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:		\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:		\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,765,263	\$ 3,562,785	\$	311,720	\$ 6,639,768

TOTAL D&C&F COSTS >>>		\$ 4,174,222	\$ 3,869,913	\$ 1,331,283	\$ 9,375,418
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0211

Date: September 28, 2023

Well Name: Margie 13 Fed Com #602H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 2178 FWL

Projected MD/TVD: 16223 / 10900

Spud to TD: 13.6 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #602H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 16223' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	TOTAL
DRILLING:	\$4,174,222
COMPLETIONS:	\$3,869,913
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,375,418

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0211 - Margie 13 Fed Com #602H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,408,959	\$ -	\$ -	\$ 1,408,959
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 516,011	\$ -	\$ -	\$ 516,011
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 307,128	\$ -	\$ 307,128
8400.308	Tubing:		\$ -	\$ 158,191	\$ -	\$ 158,191
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,408,959	\$ 307,128	\$ 1,019,564	\$ 2,735,650

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,765,263	\$ -	\$ -	\$ 2,765,263
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 673,591	\$ -	\$ -	\$ 673,591
8200.104	Fuel/Power:		\$ 136,674	\$ -	\$ -	\$ 136,674
8200.116	Bits & BHA:		\$ 90,844	\$ -	\$ -	\$ 90,844
8200.128	Directional:		\$ 202,852	\$ -	\$ -	\$ 202,852
8200.117	Mud & Chemicals:		\$ 162,372	\$ -	\$ -	\$ 162,372
8200.115	Mud - Drill Water:		\$ 6,247	\$ -	\$ -	\$ 6,247
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,465	\$ -	\$ -	\$ 28,465
8200.164	Solids Control/Closed Loop:		\$ 90,429	\$ -	\$ -	\$ 90,429
8200.158	Disposal:		\$ 189,505	\$ -	\$ -	\$ 189,505
8200.124	Equipment Rental:		\$ 94,124	\$ -	\$ -	\$ 94,124
8200.146	Mancamp:		\$ 40,114	\$ -	\$ -	\$ 40,114
8200.137	Casing Services:		\$ 101,565	\$ -	\$ -	\$ 101,565
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 103,551	\$ -	\$ -	\$ 103,551
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 199,980	\$ -	\$ -	\$ 199,980
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,108	\$ -	\$ -	\$ 2,108
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,481	\$ -	\$ -	\$ 5,481
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.147	Drilling Overhead:		\$ 4,118	\$ -	\$ -	\$ 4,118
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0211 - Margie 13 Fed Com #602H

Intangible Completion		\$	-	\$ 3,562,785	\$	-	\$ 3,562,785
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 94,030	\$	-	\$ 94,030
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 15,992	\$	-	\$ 15,992
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$ 311,720	\$	311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$ 624	\$	624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ 71,029	\$	71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$ 144,647	\$	144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:	\$	-	\$ -	\$ 19,548	\$	19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$ 12,477	\$	12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:	\$	-	\$ -	\$ 63,394	\$	63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,765,263	\$ 3,562,785	\$ 311,720	\$	6,639,768

TOTAL D&C&F COSTS >>>	\$ 4,174,222	\$ 3,869,913	\$ 1,331,283	\$ 9,375,418
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0212

Date: September 28, 2023

Well Name: Margie 13 Fed Com #603H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 2178 FEL

Projected MD/TVD: 16223 / 10900

Spud to TD: 13.6 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #603H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 16223' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category (DRILLING, COMPLETIONS, FACILITIES, COMPLETED WELL COST) and TOTAL cost (\$4,174,222, \$3,869,913, \$1,331,283, \$9,375,418)

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0212 - Margie 13 Fed Com #603H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,408,959	\$ -	\$ -	\$ 1,408,959
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 516,011	\$ -	\$ -	\$ 516,011
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 307,128	\$ -	\$ 307,128
8400.308	Tubing:		\$ -	\$ 158,191	\$ -	\$ 158,191
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,408,959	\$ 307,128	\$ 1,019,564	\$ 2,735,650

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,765,263	\$ -	\$ -	\$ 2,765,263
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 673,591	\$ -	\$ -	\$ 673,591
8200.104	Fuel/Power:		\$ 136,674	\$ -	\$ -	\$ 136,674
8200.116	Bits & BHA:		\$ 90,844	\$ -	\$ -	\$ 90,844
8200.128	Directional:		\$ 202,852	\$ -	\$ -	\$ 202,852
8200.117	Mud & Chemicals:		\$ 162,372	\$ -	\$ -	\$ 162,372
8200.115	Mud - Drill Water:		\$ 6,247	\$ -	\$ -	\$ 6,247
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,465	\$ -	\$ -	\$ 28,465
8200.164	Solids Control/Closed Loop:		\$ 90,429	\$ -	\$ -	\$ 90,429
8200.158	Disposal:		\$ 189,505	\$ -	\$ -	\$ 189,505
8200.124	Equipment Rental:		\$ 94,124	\$ -	\$ -	\$ 94,124
8200.146	Mancamp:		\$ 40,114	\$ -	\$ -	\$ 40,114
8200.137	Casing Services:		\$ 101,565	\$ -	\$ -	\$ 101,565
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 103,551	\$ -	\$ -	\$ 103,551
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 199,980	\$ -	\$ -	\$ 199,980
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,108	\$ -	\$ -	\$ 2,108
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,481	\$ -	\$ -	\$ 5,481
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.147	Drilling Overhead:		\$ 4,118	\$ -	\$ -	\$ 4,118
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0212 - Margie 13 Fed Com #603H

Intangible Completion			\$	-	\$ 3,562,785	\$	-	\$ 3,562,785
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 94,030	\$	-	\$ 94,030
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 15,992	\$	-	\$ 15,992
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:		\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:		\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,765,263	\$ 3,562,785	\$	311,720	\$ 6,639,768

TOTAL D&C&F COSTS >>>		\$ 4,174,222	\$ 3,869,913	\$ 1,331,283	\$ 9,375,418
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0292

Date: September 28, 2023

Well Name: Margie 13 Fed Com #604H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 1254 FEL

Projected MD/TVD: 16223 / 10900

Spud to TD: 13.6 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #604H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 16223' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

	<u>TOTAL</u>
DRILLING:	\$4,174,222
COMPLETIONS:	\$3,869,913
FACILITIES:	\$1,331,283
COMPLETED WELL COST:	\$9,375,418

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0292 - Margie 13 Fed Com #604H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,408,959	\$ -	\$ -	\$ 1,408,959
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,996	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 516,011	\$ -	\$ -	\$ 516,011
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 307,128	\$ -	\$ 307,128
8400.308	Tubing:		\$ -	\$ 158,191	\$ -	\$ 158,191
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,408,959	\$ 307,128	\$ 1,019,564	\$ 2,735,650

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,765,263	\$ -	\$ -	\$ 2,765,263
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 673,591	\$ -	\$ -	\$ 673,591
8200.104	Fuel/Power:		\$ 136,674	\$ -	\$ -	\$ 136,674
8200.116	Bits & BHA:		\$ 90,844	\$ -	\$ -	\$ 90,844
8200.128	Directional:		\$ 202,852	\$ -	\$ -	\$ 202,852
8200.117	Mud & Chemicals:		\$ 162,372	\$ -	\$ -	\$ 162,372
8200.115	Mud - Drill Water:		\$ 6,247	\$ -	\$ -	\$ 6,247
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,465	\$ -	\$ -	\$ 28,465
8200.164	Solids Control/Closed Loop:		\$ 90,429	\$ -	\$ -	\$ 90,429
8200.158	Disposal:		\$ 189,505	\$ -	\$ -	\$ 189,505
8200.124	Equipment Rental:		\$ 94,124	\$ -	\$ -	\$ 94,124
8200.146	Mancamp:		\$ 40,114	\$ -	\$ -	\$ 40,114
8200.137	Casing Services:		\$ 101,565	\$ -	\$ -	\$ 101,565
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 103,551	\$ -	\$ -	\$ 103,551
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 199,980	\$ -	\$ -	\$ 199,980
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,108	\$ -	\$ -	\$ 2,108
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,481	\$ -	\$ -	\$ 5,481
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,075	\$ -	\$ -	\$ 2,075
8200.147	Drilling Overhead:		\$ 4,118	\$ -	\$ -	\$ 4,118
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0292 - Margie 13 Fed Com #604H

Intangible Completion			\$	-	\$ 3,562,785	\$	-	\$ 3,562,785
8300.205	Location & Roads:		\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$ -	\$	-	\$ -
8300.243	Analysis		\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:		\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:		\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:		\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:		\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:		\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:		\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:		\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:		\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):		\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:		\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:		\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:		\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:		\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:		\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:		\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:		\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:		\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit		\$	-	\$ 94,030	\$	-	\$ 94,030
8300.273	Flowback:		\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:		\$	-	\$ 15,992	\$	-	\$ 15,992
8300.225	Contingency:		\$	-	\$ -	\$	-	\$ -
Intangible Facilities			\$	-	\$ -	\$	311,720	\$ 311,720
8350.401	Title Work/Permit Fees:		\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:		\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:		\$	-	\$ -	\$	624	\$ 624
8350.405	Pipeline/Flowline Labor:		\$	-	\$ -	\$	-	\$ -
8350.406	Automation/Electrical Labor:		\$	-	\$ -	\$	-	\$ -
8350.407	Engineering/Technical Labor:		\$	-	\$ -	\$	71,029	\$ 71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$ -	\$	144,647	\$ 144,647
8350.409	Commissioning Labor:		\$	-	\$ -	\$	-	\$ -
8350.410	Transportation:		\$	-	\$ -	\$	19,548	\$ 19,548
8350.404	Equipment Rentals:		\$	-	\$ -	\$	12,477	\$ 12,477
8350.411	Safety & Environmental:		\$	-	\$ -	\$	-	\$ -
8350.413	Contingency:		\$	-	\$ -	\$	63,394	\$ 63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,765,263	\$ 3,562,785	\$	311,720	\$ 6,639,768

TOTAL D&C&F COSTS >>>		\$ 4,174,222	\$ 3,869,913	\$ 1,331,283	\$ 9,375,418
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0298

Date: September 28, 2023

Well Name: Margie 13 Fed Com #651H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FWL
BHL: Sec: , T-S, R-E; FSL, 792 FWL

Projected MD/TVD: 15873 / 10550
Spud to TD: 13.4 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #651H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and Amount. Rows include DRILLING (\$4,143,214), COMPLETIONS (\$3,864,178), FACILITIES (\$1,331,283), and COMPLETED WELL COST (\$9,338,676).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0298 - Margie 13 Fed Com #651H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,397,894	\$ -	\$ -	\$ 1,397,894
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 504,946	\$ -	\$ -	\$ 504,946
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 301,965	\$ -	\$ 301,965
8400.308	Tubing:		\$ -	\$ 153,028	\$ -	\$ 153,028
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,397,894	\$ 301,965	\$ 1,019,564	\$ 2,719,423

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,745,320	\$ -	\$ -	\$ 2,745,320
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 665,355	\$ -	\$ -	\$ 665,355
8200.104	Fuel/Power:		\$ 134,726	\$ -	\$ -	\$ 134,726
8200.116	Bits & BHA:		\$ 90,749	\$ -	\$ -	\$ 90,749
8200.128	Directional:		\$ 201,078	\$ -	\$ -	\$ 201,078
8200.117	Mud & Chemicals:		\$ 161,745	\$ -	\$ -	\$ 161,745
8200.115	Mud - Drill Water:		\$ 6,181	\$ -	\$ -	\$ 6,181
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,339	\$ -	\$ -	\$ 28,339
8200.164	Solids Control/Closed Loop:		\$ 89,417	\$ -	\$ -	\$ 89,417
8200.158	Disposal:		\$ 189,003	\$ -	\$ -	\$ 189,003
8200.124	Equipment Rental:		\$ 92,906	\$ -	\$ -	\$ 92,906
8200.146	Mancamp:		\$ 39,879	\$ -	\$ -	\$ 39,879
8200.137	Casing Services:		\$ 101,491	\$ -	\$ -	\$ 101,491
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 102,445	\$ -	\$ -	\$ 102,445
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 197,164	\$ -	\$ -	\$ 197,164
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,103	\$ -	\$ -	\$ 2,103
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,450	\$ -	\$ -	\$ 5,450
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,054	\$ -	\$ -	\$ 2,054
8200.147	Drilling Overhead:		\$ 4,066	\$ -	\$ -	\$ 4,066
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0298 - Margie 13 Fed Com #651H

Intangible Completion			\$	-	\$	3,562,214	\$	-	\$	3,562,214
8300.205	Location & Roads:		\$	-	\$	5,294	\$	-	\$	5,294
8300.216	Cased Hole Logs & Surveys		\$	-	\$	-	\$	-	\$	-
8300.243	Analysis		\$	-	\$	12,645	\$	-	\$	12,645
8300.270	Stimulation:		\$	-	\$	811,247	\$	-	\$	811,247
8300.275	Proppant:		\$	-	\$	596,709	\$	-	\$	596,709
8300.207	Water:		\$	-	\$	466,179	\$	-	\$	466,179
8300.274	Water Transfer:		\$	-	\$	61,830	\$	-	\$	61,830
8300.266	Chemicals:		\$	-	\$	221,638	\$	-	\$	221,638
8300.209	Pump Down Services:		\$	-	\$	67,967	\$	-	\$	67,967
8300.214	Wireline/Perforating:		\$	-	\$	201,451	\$	-	\$	201,451
8300.203	Fuel, Power:		\$	-	\$	355,409	\$	-	\$	355,409
8300.210	Rental Equipment (Surface):		\$	-	\$	297,199	\$	-	\$	297,199
8300.277	Mancamp:		\$	-	\$	16,655	\$	-	\$	16,655
8300.250	Rental Equipment (Downhole):		\$	-	\$	33,931	\$	-	\$	33,931
8300.232	Disposal:		\$	-	\$	28,704	\$	-	\$	28,704
8300.276	Safety & Environmental:		\$	-	\$	6,402	\$	-	\$	6,402
8300.277	Consulting Services:		\$	-	\$	142,783	\$	-	\$	142,783
8300.212	Contract Labor:		\$	-	\$	30,506	\$	-	\$	30,506
8300.278	Roustabout Services:		\$	-	\$	1,581	\$	-	\$	1,581
8300.220	Company Supervision:		\$	-	\$	5,058	\$	-	\$	5,058
8300.230	Completions Rig:		\$	-	\$	39,516	\$	-	\$	39,516
8300.271	Coil Tubing Unit		\$	-	\$	93,809	\$	-	\$	93,809
8300.273	Flowback:		\$	-	\$	50,061	\$	-	\$	50,061
8300.229	Transportation:		\$	-	\$	15,642	\$	-	\$	15,642
8300.225	Contingency:		\$	-	\$	-	\$	-	\$	-
Intangible Facilities			\$	-	\$	-	\$	311,720	\$	311,720
8350.401	Title Work/Permit Fees:		\$	-	\$	-	\$	-	\$	-
8350.402	Damages/ROW:		\$	-	\$	-	\$	-	\$	-
8350.403	Location, Roads:		\$	-	\$	-	\$	624	\$	624
8350.405	Pipeline/Flowline Labor:		\$	-	\$	-	\$	-	\$	-
8350.406	Automation/Electrical Labor:		\$	-	\$	-	\$	-	\$	-
8350.407	Engineering/Technical Labor:		\$	-	\$	-	\$	71,029	\$	71,029
8350.408	Civil/Mechanical Labor:		\$	-	\$	-	\$	144,647	\$	144,647
8350.409	Commissioning Labor:		\$	-	\$	-	\$	-	\$	-
8350.410	Transportation:		\$	-	\$	-	\$	19,548	\$	19,548
8350.404	Equipment Rentals:		\$	-	\$	-	\$	12,477	\$	12,477
8350.411	Safety & Environmental:		\$	-	\$	-	\$	-	\$	-
8350.413	Contingency:		\$	-	\$	-	\$	63,394	\$	63,394
TOTAL INTANGIBLE COSTS >>>			\$	2,745,320	\$	3,562,214	\$	311,720	\$	6,619,254

TOTAL D&C&F COSTS >>>		\$	4,143,214	\$	3,864,178	\$	1,331,283	\$	9,338,676
			Drilling		Completion		Facilities		Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0299

Date: September 28, 2023

Well Name: Margie 13 Fed Com #652H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FWL

BHL: Sec: , T-S, R-E; FSL, 1716 FWL

Projected MD/TVD: 15873 / 10550

Spud to TD: 13.4 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #652H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and TOTAL. Rows include DRILLING (\$4,143,214), COMPLETIONS (\$3,864,178), FACILITIES (\$1,331,283), and COMPLETED WELL COST (\$9,338,676).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0299 - Margie 13 Fed Com #652H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,397,894	\$ -	\$ -	\$ 1,397,894
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 504,946	\$ -	\$ -	\$ 504,946
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 301,965	\$ -	\$ 301,965
8400.308	Tubing:		\$ -	\$ 153,028	\$ -	\$ 153,028
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,397,894	\$ 301,965	\$ 1,019,564	\$ 2,719,423

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,745,320	\$ -	\$ -	\$ 2,745,320
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 665,355	\$ -	\$ -	\$ 665,355
8200.104	Fuel/Power:		\$ 134,726	\$ -	\$ -	\$ 134,726
8200.116	Bits & BHA:		\$ 90,749	\$ -	\$ -	\$ 90,749
8200.128	Directional:		\$ 201,078	\$ -	\$ -	\$ 201,078
8200.117	Mud & Chemicals:		\$ 161,745	\$ -	\$ -	\$ 161,745
8200.115	Mud - Drill Water:		\$ 6,181	\$ -	\$ -	\$ 6,181
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,339	\$ -	\$ -	\$ 28,339
8200.164	Solids Control/Closed Loop:		\$ 89,417	\$ -	\$ -	\$ 89,417
8200.158	Disposal:		\$ 189,003	\$ -	\$ -	\$ 189,003
8200.124	Equipment Rental:		\$ 92,906	\$ -	\$ -	\$ 92,906
8200.146	Mancamp:		\$ 39,879	\$ -	\$ -	\$ 39,879
8200.137	Casing Services:		\$ 101,491	\$ -	\$ -	\$ 101,491
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 102,445	\$ -	\$ -	\$ 102,445
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 197,164	\$ -	\$ -	\$ 197,164
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,103	\$ -	\$ -	\$ 2,103
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,450	\$ -	\$ -	\$ 5,450
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,054	\$ -	\$ -	\$ 2,054
8200.147	Drilling Overhead:		\$ 4,066	\$ -	\$ -	\$ 4,066
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0299 - Margie 13 Fed Com #652H

Intangible Completion		\$	-	\$ 3,562,214	\$	-	\$ 3,562,214
8300.205	Location & Roads:	\$	-	\$ 5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$	-	\$ -
8300.243	Analysis	\$	-	\$ 12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 811,247	\$	-	\$ 811,247
8300.275	Proppant:	\$	-	\$ 596,709	\$	-	\$ 596,709
8300.207	Water:	\$	-	\$ 466,179	\$	-	\$ 466,179
8300.274	Water Transfer:	\$	-	\$ 61,830	\$	-	\$ 61,830
8300.266	Chemicals:	\$	-	\$ 221,638	\$	-	\$ 221,638
8300.209	Pump Down Services:	\$	-	\$ 67,967	\$	-	\$ 67,967
8300.214	Wireline/Perforating:	\$	-	\$ 201,451	\$	-	\$ 201,451
8300.203	Fuel, Power:	\$	-	\$ 355,409	\$	-	\$ 355,409
8300.210	Rental Equipment (Surface):	\$	-	\$ 297,199	\$	-	\$ 297,199
8300.277	Mancamp:	\$	-	\$ 16,655	\$	-	\$ 16,655
8300.250	Rental Equipment (Downhole):	\$	-	\$ 33,931	\$	-	\$ 33,931
8300.232	Disposal:	\$	-	\$ 28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,402	\$	-	\$ 6,402
8300.277	Consulting Services:	\$	-	\$ 142,783	\$	-	\$ 142,783
8300.212	Contract Labor:	\$	-	\$ 30,506	\$	-	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 93,809	\$	-	\$ 93,809
8300.273	Flowback:	\$	-	\$ 50,061	\$	-	\$ 50,061
8300.229	Transportation:	\$	-	\$ 15,642	\$	-	\$ 15,642
8300.225	Contingency:	\$	-	\$ -	\$	-	\$ -
Intangible Facilities		\$	-	\$ -	\$ 311,720	\$	\$ 311,720
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$	-	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$	-	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$ 624	\$	\$ 624
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$ -	\$	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$ -	\$	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ 71,029	\$	\$ 71,029
8350.408	Civil/Mechanical Labor:	\$	-	\$ -	\$ 144,647	\$	\$ 144,647
8350.409	Commissioning Labor:	\$	-	\$ -	\$ -	\$	\$ -
8350.410	Transportation:	\$	-	\$ -	\$ 19,548	\$	\$ 19,548
8350.404	Equipment Rentals:	\$	-	\$ -	\$ 12,477	\$	\$ 12,477
8350.411	Safety & Environmental:	\$	-	\$ -	\$ -	\$	\$ -
8350.413	Contingency:	\$	-	\$ -	\$ 63,394	\$	\$ 63,394
TOTAL INTANGIBLE COSTS >>>		\$	2,745,320	\$ 3,562,214	\$ 311,720	\$	6,619,254

TOTAL D&C&F COSTS >>>	\$ 4,143,214	\$ 3,864,178	\$ 1,331,283	\$ 9,338,676
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0300

Date: September 28, 2023

Well Name: Margie 13 Fed Com #653H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FWL
BHL: Sec: , T-S, R-E; FSL, 2640 FWL

Projected MD/TVD: 15873 / 10550
Spud to TD: 13.4 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #653H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and TOTAL. Rows include DRILLING (\$4,143,214), COMPLETIONS (\$3,864,178), FACILITIES (\$1,331,283), and COMPLETED WELL COST (\$9,338,676).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0300 - Margie 13 Fed Com #653H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,397,894	\$ -	\$ -	\$ 1,397,894
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 504,946	\$ -	\$ -	\$ 504,946
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 301,965	\$ -	\$ 301,965
8400.308	Tubing:		\$ -	\$ 153,028	\$ -	\$ 153,028
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,397,894	\$ 301,965	\$ 1,019,564	\$ 2,719,423

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,745,320	\$ -	\$ -	\$ 2,745,320
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 665,355	\$ -	\$ -	\$ 665,355
8200.104	Fuel/Power:		\$ 134,726	\$ -	\$ -	\$ 134,726
8200.116	Bits & BHA:		\$ 90,749	\$ -	\$ -	\$ 90,749
8200.128	Directional:		\$ 201,078	\$ -	\$ -	\$ 201,078
8200.117	Mud & Chemicals:		\$ 161,745	\$ -	\$ -	\$ 161,745
8200.115	Mud - Drill Water:		\$ 6,181	\$ -	\$ -	\$ 6,181
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,339	\$ -	\$ -	\$ 28,339
8200.164	Solids Control/Closed Loop:		\$ 89,417	\$ -	\$ -	\$ 89,417
8200.158	Disposal:		\$ 189,003	\$ -	\$ -	\$ 189,003
8200.124	Equipment Rental:		\$ 92,906	\$ -	\$ -	\$ 92,906
8200.146	Mancamp:		\$ 39,879	\$ -	\$ -	\$ 39,879
8200.137	Casing Services:		\$ 101,491	\$ -	\$ -	\$ 101,491
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 102,445	\$ -	\$ -	\$ 102,445
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 197,164	\$ -	\$ -	\$ 197,164
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,103	\$ -	\$ -	\$ 2,103
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,450	\$ -	\$ -	\$ 5,450
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,054	\$ -	\$ -	\$ 2,054
8200.147	Drilling Overhead:		\$ 4,066	\$ -	\$ -	\$ 4,066
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0300 - Margie 13 Fed Com #653H

Intangible Completion			\$ -	\$ 3,562,214	\$ -	\$ 3,562,214
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294	
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -	
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645	
8300.270	Stimulation:	\$ -	\$ 811,247	\$ -	\$ 811,247	
8300.275	Proppant:	\$ -	\$ 596,709	\$ -	\$ 596,709	
8300.207	Water:	\$ -	\$ 466,179	\$ -	\$ 466,179	
8300.274	Water Transfer:	\$ -	\$ 61,830	\$ -	\$ 61,830	
8300.266	Chemicals:	\$ -	\$ 221,638	\$ -	\$ 221,638	
8300.209	Pump Down Services:	\$ -	\$ 67,967	\$ -	\$ 67,967	
8300.214	Wireline/Perforating:	\$ -	\$ 201,451	\$ -	\$ 201,451	
8300.203	Fuel, Power:	\$ -	\$ 355,409	\$ -	\$ 355,409	
8300.210	Rental Equipment (Surface):	\$ -	\$ 297,199	\$ -	\$ 297,199	
8300.277	Mancamp:	\$ -	\$ 16,655	\$ -	\$ 16,655	
8300.250	Rental Equipment (Downhole):	\$ -	\$ 33,931	\$ -	\$ 33,931	
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704	
8300.276	Safety & Environmental:	\$ -	\$ 6,402	\$ -	\$ 6,402	
8300.277	Consulting Services:	\$ -	\$ 142,783	\$ -	\$ 142,783	
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506	
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581	
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058	
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516	
8300.271	Coil Tubing Unit	\$ -	\$ 93,809	\$ -	\$ 93,809	
8300.273	Flowback:	\$ -	\$ 50,061	\$ -	\$ 50,061	
8300.229	Transportation:	\$ -	\$ 15,642	\$ -	\$ 15,642	
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -	
Intangible Facilities			\$ -	\$ -	\$ 311,720	\$ 311,720
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -	
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -	
8350.403	Location, Roads:	\$ -	\$ -	\$ 624	\$ 624	
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -	
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -	
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 71,029	\$ 71,029	
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 144,647	\$ 144,647	
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -	
8350.410	Transportation:	\$ -	\$ -	\$ 19,548	\$ 19,548	
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 12,477	\$ 12,477	
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -	
8350.413	Contingency:	\$ -	\$ -	\$ 63,394	\$ 63,394	
TOTAL INTANGIBLE COSTS >>>			\$ 2,745,320	\$ 3,562,214	\$ 311,720	\$ 6,619,254

TOTAL D&C&F COSTS >>>		\$ 4,143,214	\$ 3,864,178	\$ 1,331,283	\$ 9,338,676
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0301

Date: September 28, 2023

Well Name: Margie 13 Fed Com #654H

Target: Bone Springs

County: Lea

State: NM

SHL: Sec: 13, T-20S, R-33E; FNL, FEL

BHL: Sec: , T-S, R-E; FSL, 1716 FEL

Projected MD/TVD: 15873 / 10550

Spud to TD: 13.4 days

Lateral Length: 5,000

Stages: 32

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #654H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and TOTAL. Rows include DRILLING (\$4,143,214), COMPLETIONS (\$3,864,178), FACILITIES (\$1,331,283), and COMPLETED WELL COST (\$9,338,676).

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0301 - Margie 13 Fed Com #654H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,397,894	\$ -	\$ -	\$ 1,397,894
8400.301	Surface Casing:	\$ 168,020	\$ -	\$ -	\$ 168,020	
8400.302	Intermediate1 Casing:	\$ 180,929	\$ -	\$ -	\$ 180,929	
8400.302	Intermediate2 Casing:	\$ 487,096	\$ -	\$ -	\$ 487,096	
8400.303	Production Casing:	\$ 504,946	\$ -	\$ -	\$ 504,946	
8400.340	Wellhead Equipment:	\$ 56,903	\$ -	\$ -	\$ 56,903	
			\$ -	\$ -	\$ -	
Tangible Completion			\$ -	\$ 301,965	\$ -	\$ 301,965
8400.308	Tubing:	\$ -	\$ 153,028	\$ -	\$ 153,028	
8400.340	Wellhead Equip:	\$ -	\$ 107,841	\$ -	\$ 107,841	
8400.312	Artificial Lift: Gas Lift	\$ -	\$ 41,096	\$ -	\$ 41,096	
			\$ -	\$ -	\$ -	
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:	\$ -	\$ -	\$ 194,226	\$ 194,226	
8400.342	Tanks:	\$ -	\$ -	\$ 89,133	\$ 89,133	
8400.343	Flare:	\$ -	\$ -	\$ 24,954	\$ 24,954	
8400.344	Compressors:	\$ -	\$ -	\$ 17,390	\$ 17,390	
8400.316	Pipe/Valves/Fittings:	\$ -	\$ -	\$ 146,897	\$ 146,897	
8400.328	Instrumentation/Meters:	\$ -	\$ -	\$ 45,252	\$ 45,252	
8400.345	LACT Unit:	\$ -	\$ -	\$ -	\$ -	
8400.346	Electrical Facility:	\$ -	\$ -	\$ -	\$ -	
8400.347	Containment:	\$ -	\$ -	\$ 24,039	\$ 24,039	
8400.348	Pump/Supplies:	\$ -	\$ -	\$ 36,558	\$ 36,558	
8400.349	Pipelines:	\$ -	\$ -	\$ -	\$ -	
8400.315	Flowlines:	\$ -	\$ -	\$ -	\$ -	
8400.350	Instrument/Electrical Panel:	\$ -	\$ -	\$ 441,114	\$ 441,114	
			\$ -	\$ -	\$ -	
TOTAL TANGIBLE COSTS >>>			\$ 1,397,894	\$ 301,965	\$ 1,019,564	\$ 2,719,423

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,745,320	\$ -	\$ -	\$ 2,745,320
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269	
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903	
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538	
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903	
8200.112	Location:	\$ 115,778	\$ -	\$ -	\$ 115,778	
8200.103	Rig Move:	\$ 79,822	\$ -	\$ -	\$ 79,822	
8200.102	Drilling Daywork:	\$ 665,355	\$ -	\$ -	\$ 665,355	
8200.104	Fuel/Power:	\$ 134,726	\$ -	\$ -	\$ 134,726	
8200.116	Bits & BHA:	\$ 90,749	\$ -	\$ -	\$ 90,749	
8200.128	Directional:	\$ 201,078	\$ -	\$ -	\$ 201,078	
8200.117	Mud & Chemicals:	\$ 161,745	\$ -	\$ -	\$ 161,745	
8200.115	Mud - Drill Water:	\$ 6,181	\$ -	\$ -	\$ 6,181	
8200.169	Mud Brine:	\$ 21,498	\$ -	\$ -	\$ 21,498	
8200.170	Mud - Diesel:	\$ 53,511	\$ -	\$ -	\$ 53,511	
8200.119	Mud - Auxiliary:	\$ 28,339	\$ -	\$ -	\$ 28,339	
8200.164	Solids Control/Closed Loop:	\$ 89,417	\$ -	\$ -	\$ 89,417	
8200.158	Disposal:	\$ 189,003	\$ -	\$ -	\$ 189,003	
8200.124	Equipment Rental:	\$ 92,906	\$ -	\$ -	\$ 92,906	
8200.146	Mancamp:	\$ 39,879	\$ -	\$ -	\$ 39,879	
8200.137	Casing Services:	\$ 101,491	\$ -	\$ -	\$ 101,491	
8200.138	Cementing:	\$ 247,631	\$ -	\$ -	\$ 247,631	
8200.106	Transportation:	\$ 102,445	\$ -	\$ -	\$ 102,445	
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311	
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400	
8200.107	Consulting Services:	\$ 197,164	\$ -	\$ -	\$ 197,164	
8200.127	Contract Labor:	\$ 33,605	\$ -	\$ -	\$ 33,605	
8200.168	Roustabout Services:	\$ 2,103	\$ -	\$ -	\$ 2,103	
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -	
8200.143	Geo-Steering:	\$ 5,450	\$ -	\$ -	\$ 5,450	
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -	
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -	
8200.165	Safety & Environmental:	\$ 2,054	\$ -	\$ -	\$ 2,054	
8200.147	Drilling Overhead:	\$ 4,066	\$ -	\$ -	\$ 4,066	
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -	
8200.153	Contingency:	\$ -	\$ -	\$ -	\$ -	

OCD Examiner Hearing 5-28-24

Avant No. 24118

AFE # NM0301 - Margie 13 Fed Com #654H

Intangible Completion			\$ -	\$ 3,562,214	\$ -	\$ 3,562,214
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294	
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -	
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645	
8300.270	Stimulation:	\$ -	\$ 811,247	\$ -	\$ 811,247	
8300.275	Proppant:	\$ -	\$ 596,709	\$ -	\$ 596,709	
8300.207	Water:	\$ -	\$ 466,179	\$ -	\$ 466,179	
8300.274	Water Transfer:	\$ -	\$ 61,830	\$ -	\$ 61,830	
8300.266	Chemicals:	\$ -	\$ 221,638	\$ -	\$ 221,638	
8300.209	Pump Down Services:	\$ -	\$ 67,967	\$ -	\$ 67,967	
8300.214	Wireline/Perforating:	\$ -	\$ 201,451	\$ -	\$ 201,451	
8300.203	Fuel, Power:	\$ -	\$ 355,409	\$ -	\$ 355,409	
8300.210	Rental Equipment (Surface):	\$ -	\$ 297,199	\$ -	\$ 297,199	
8300.277	Mancamp:	\$ -	\$ 16,655	\$ -	\$ 16,655	
8300.250	Rental Equipment (Downhole):	\$ -	\$ 33,931	\$ -	\$ 33,931	
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704	
8300.276	Safety & Environmental:	\$ -	\$ 6,402	\$ -	\$ 6,402	
8300.277	Consulting Services:	\$ -	\$ 142,783	\$ -	\$ 142,783	
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506	
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581	
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058	
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516	
8300.271	Coil Tubing Unit	\$ -	\$ 93,809	\$ -	\$ 93,809	
8300.273	Flowback:	\$ -	\$ 50,061	\$ -	\$ 50,061	
8300.229	Transportation:	\$ -	\$ 15,642	\$ -	\$ 15,642	
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -	
Intangible Facilities			\$ -	\$ 311,720	\$ 311,720	
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -	
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -	
8350.403	Location, Roads:	\$ -	\$ -	\$ 624	\$ 624	
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -	
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -	
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 71,029	\$ 71,029	
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 144,647	\$ 144,647	
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -	
8350.410	Transportation:	\$ -	\$ -	\$ 19,548	\$ 19,548	
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 12,477	\$ 12,477	
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -	
8350.413	Contingency:	\$ -	\$ -	\$ 63,394	\$ 63,394	
TOTAL INTANGIBLE COSTS >>>			\$ 2,745,320	\$ 3,562,214	\$ 311,720	\$ 6,619,254

TOTAL D&C&F COSTS >>>	\$ 4,143,214	\$ 3,864,178	\$ 1,331,283	\$ 9,338,676
	Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____



Authority for Expenditure

AFE: NM0302

Date: September 28, 2023

Well Name: Margie 13 Fed Com #655H
Target: Bone Springs
County: Lea
State: NM
SHL: Sec: 13, T-20S, R-33E; FNL, FEL
BHL: Sec: , T-S, R-E; FSL, 792 FEL

Projected MD/TVD: 15873 / 10550
Spud to TD: 13.4 days
Lateral Length: 5,000
Stages: 32
Total Proppant (ppf): 2,500
Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Margie 13 Fed Com #655H, a 1 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 4 string casing design consisting of the following: 24" surface hole drilled on Fresh to 1350' and 20" 94# J-55 BTC casing will be set and cemented in place; 17.5" hole will then be drilled on Brine to 3350' and a string of 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Fresh to 5350' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 15873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 5000' of treatable lateral and the completions design will consist of +/-32 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

Table with 2 columns: Category and Amount. Categories include DRILLING, COMPLETIONS, FACILITIES, and COMPLETED WELL COST. Total amount is \$9,338,676.

OPERATOR APPROVAL:

Signature: _____
Name: Jacob Nagy

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Skyler Gary

Date: _____
Title: Co-C.E.O.

Signature: _____
Name: Pete Williams

Date: _____
Title: C.F.O.

Signature: _____
Name: Braden Harris

Date: _____
Title: S.V.P. Operations

AFE # NM0302 - Margie 13 Fed Com #655H

TANGIBLE COSTS			Drilling	Completion	Facilities	Total
Tangible Drilling			\$ 1,397,894	\$ -	\$ -	\$ 1,397,894
8400.301	Surface Casing:		\$ 168,020	\$ -	\$ -	\$ 168,020
8400.302	Intermediate1 Casing:		\$ 180,929	\$ -	\$ -	\$ 180,929
8400.302	Intermediate2 Casing:		\$ 487,096	\$ -	\$ -	\$ 487,096
8400.303	Production Casing:		\$ 504,946	\$ -	\$ -	\$ 504,946
8400.340	Wellhead Equipment:		\$ 56,903	\$ -	\$ -	\$ 56,903
			\$ -	\$ -	\$ -	\$ -
Tangible Completion			\$ -	\$ 301,965	\$ -	\$ 301,965
8400.308	Tubing:		\$ -	\$ 153,028	\$ -	\$ 153,028
8400.340	Wellhead Equip:		\$ -	\$ 107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift		\$ -	\$ 41,096	\$ -	\$ 41,096
			\$ -	\$ -	\$ -	\$ -
Tangible Facility			\$ -	\$ -	\$ 1,019,564	\$ 1,019,564
8400.341	Vessels:		\$ -	\$ -	\$ 194,226	\$ 194,226
8400.342	Tanks:		\$ -	\$ -	\$ 89,133	\$ 89,133
8400.343	Flare:		\$ -	\$ -	\$ 24,954	\$ 24,954
8400.344	Compressors:		\$ -	\$ -	\$ 17,390	\$ 17,390
8400.316	Pipe/Valves/Fittings:		\$ -	\$ -	\$ 146,897	\$ 146,897
8400.328	Instrumentation/Meters:		\$ -	\$ -	\$ 45,252	\$ 45,252
8400.345	LACT Unit:		\$ -	\$ -	\$ -	\$ -
8400.346	Electrical Facility:		\$ -	\$ -	\$ -	\$ -
8400.347	Containment:		\$ -	\$ -	\$ 24,039	\$ 24,039
8400.348	Pump/Supplies:		\$ -	\$ -	\$ 36,558	\$ 36,558
8400.349	Pipelines:		\$ -	\$ -	\$ -	\$ -
8400.315	Flowlines:		\$ -	\$ -	\$ -	\$ -
8400.350	Instrument/Electrical Panel:		\$ -	\$ -	\$ 441,114	\$ 441,114
			\$ -	\$ -	\$ -	\$ -
TOTAL TANGIBLE COSTS >>>			\$ 1,397,894	\$ 301,965	\$ 1,019,564	\$ 2,719,423

INTANGIBLE COSTS			Drilling	Completion	Facilities	Total
Intangible Drilling			\$ 2,745,320	\$ -	\$ -	\$ 2,745,320
8200.111	Survey, Stake/Permit:		\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.		\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:		\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:		\$ 115,778	\$ -	\$ -	\$ 115,778
8200.103	Rig Move:		\$ 79,822	\$ -	\$ -	\$ 79,822
8200.102	Drilling Daywork:		\$ 665,355	\$ -	\$ -	\$ 665,355
8200.104	Fuel/Power:		\$ 134,726	\$ -	\$ -	\$ 134,726
8200.116	Bits & BHA:		\$ 90,749	\$ -	\$ -	\$ 90,749
8200.128	Directional:		\$ 201,078	\$ -	\$ -	\$ 201,078
8200.117	Mud & Chemicals:		\$ 161,745	\$ -	\$ -	\$ 161,745
8200.115	Mud - Drill Water:		\$ 6,181	\$ -	\$ -	\$ 6,181
8200.169	Mud Brine:		\$ 21,498	\$ -	\$ -	\$ 21,498
8200.170	Mud - Diesel:		\$ 53,511	\$ -	\$ -	\$ 53,511
8200.119	Mud - Auxiliary:		\$ 28,339	\$ -	\$ -	\$ 28,339
8200.164	Solids Control/Closed Loop:		\$ 89,417	\$ -	\$ -	\$ 89,417
8200.158	Disposal:		\$ 189,003	\$ -	\$ -	\$ 189,003
8200.124	Equipment Rental:		\$ 92,906	\$ -	\$ -	\$ 92,906
8200.146	Mancamp:		\$ 39,879	\$ -	\$ -	\$ 39,879
8200.137	Casing Services:		\$ 101,491	\$ -	\$ -	\$ 101,491
8200.138	Cementing:		\$ 247,631	\$ -	\$ -	\$ 247,631
8200.106	Transportation:		\$ 102,445	\$ -	\$ -	\$ 102,445
8200.125	Inspection/Testing:		\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:		\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:		\$ 197,164	\$ -	\$ -	\$ 197,164
8200.127	Contract Labor:		\$ 33,605	\$ -	\$ -	\$ 33,605
8200.168	Roustabout Services:		\$ 2,103	\$ -	\$ -	\$ 2,103
8200.136	Mudlogging:		\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:		\$ 5,450	\$ -	\$ -	\$ 5,450
8200.134	Open Hole Logging:		\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:		\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:		\$ 2,054	\$ -	\$ -	\$ 2,054
8200.147	Drilling Overhead:		\$ 4,066	\$ -	\$ -	\$ 4,066
8200.148	Miscellaneous:		\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:		\$ -	\$ -	\$ -	\$ -

AFE # NM0302 - Margie 13 Fed Com #655H

Intangible Completion			\$ -	\$ 3,562,214	\$ -	\$ 3,562,214
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294	
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -	
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645	
8300.270	Stimulation:	\$ -	\$ 811,247	\$ -	\$ 811,247	
8300.275	Proppant:	\$ -	\$ 596,709	\$ -	\$ 596,709	
8300.207	Water:	\$ -	\$ 466,179	\$ -	\$ 466,179	
8300.274	Water Transfer:	\$ -	\$ 61,830	\$ -	\$ 61,830	
8300.266	Chemicals:	\$ -	\$ 221,638	\$ -	\$ 221,638	
8300.209	Pump Down Services:	\$ -	\$ 67,967	\$ -	\$ 67,967	
8300.214	Wireline/Perforating:	\$ -	\$ 201,451	\$ -	\$ 201,451	
8300.203	Fuel, Power:	\$ -	\$ 355,409	\$ -	\$ 355,409	
8300.210	Rental Equipment (Surface):	\$ -	\$ 297,199	\$ -	\$ 297,199	
8300.277	Mancamp:	\$ -	\$ 16,655	\$ -	\$ 16,655	
8300.250	Rental Equipment (Downhole):	\$ -	\$ 33,931	\$ -	\$ 33,931	
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704	
8300.276	Safety & Environmental:	\$ -	\$ 6,402	\$ -	\$ 6,402	
8300.277	Consulting Services:	\$ -	\$ 142,783	\$ -	\$ 142,783	
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506	
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581	
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058	
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516	
8300.271	Coil Tubing Unit	\$ -	\$ 93,809	\$ -	\$ 93,809	
8300.273	Flowback:	\$ -	\$ 50,061	\$ -	\$ 50,061	
8300.229	Transportation:	\$ -	\$ 15,642	\$ -	\$ 15,642	
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -	
Intangible Facilities			\$ -	\$ -	\$ 311,720	\$ 311,720
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -	
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -	
8350.403	Location, Roads:	\$ -	\$ -	\$ 624	\$ 624	
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -	
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -	
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 71,029	\$ 71,029	
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 144,647	\$ 144,647	
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -	
8350.410	Transportation:	\$ -	\$ -	\$ 19,548	\$ 19,548	
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 12,477	\$ 12,477	
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -	
8350.413	Contingency:	\$ -	\$ -	\$ 63,394	\$ 63,394	
TOTAL INTANGIBLE COSTS >>>			\$ 2,745,320	\$ 3,562,214	\$ 311,720	\$ 6,619,254

TOTAL D&C&F COSTS >>>		\$ 4,143,214	\$ 3,864,178	\$ 1,331,283	\$ 9,338,676
		Drilling	Completion	Facilities	Total

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

JOINT INTEREST APPROVAL:

Company: _____ Working Interest: _____

Signature: _____ Date: _____

By: _____

Margie NSU Notice Information

Tract	Operator	WIO if Avant is Operator	Date Notice Sent
S/2S/2 Section 12	COG Operating	N/A	February 9, 2024
SE/4SE/4 Section 11	Permian Resources	N/A	December 15, 2023
E/2E/2 Section 14	Permian Resources	N/A	December 15, 2023
NE/4NE/4 Section 23	Avant	COG	February 9, 2024
N/2N/2 Section 24	EOG	N/A	December 15, 2023
Lot 1 Section 19	Permian Resources	N/A	December 15, 2023
W/2E/2 Section 18	Permian Resources	N/A	December 15, 2023
Lot 4 Section 7	Avant	Advance Energy Partners Hat Mesa Legacy Reserves Operating Jupiter JV LP	December 15, 2023

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

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

CASE NO. 24118

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF JOHN HARPER

John Harper, being duly sworn, deposes and states as follows:

1. I am over the age of 18, I am a geologist for Avant Operating, LLC ("Avant"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.

2. My area of responsibility at Avant includes the area of Lea County in New Mexico.

3. I am familiar with the application filed by Avant in this case.

4. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef

5. **Exhibit C.2** is a wellbore schematic showing Avant's Margie development plan.

6. **Exhibits C.3 through C.6** are the geology study I prepared for the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, and Margie 13 Fed Com 206H** wells, which are Avalon wells.



OCD Examiner Hearing 5-28-24

Avant No. 24118

7. **Exhibit C.3** is a structure map of the Avalon formation. The proposed spacing unit is identified by a black box. The proposed wells are identified by the green lines. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the south.

8. **Exhibit C.4** is a cross-section reference map that identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

9. **Exhibit C.5** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Avalon formation in the area. The target zone is identified by a red-dashed line and a box identifying the wells. In my opinion, the Avalon is relatively consistent.

10. **Exhibits C.6 through C.8** are the geology study I prepared for the **Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, and the Margie 13 Fed Com 305H** wells, which are First Bone Spring wells.

11. **Exhibit C.6** is a structure map of the First Bone Spring formation. The proposed spacing unit is identified by a black box. The proposed wells are identified by light blue lines. The contour interval used in this exhibit is 50 feet. This exhibit shows that the structure dips gently to the south.

12. **Exhibit C.7** is a cross-section reference map that identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

13. **Exhibit C.8** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone is identified by a red-dashed line and a box identifying the wells. In my opinion, the First Bone Spring Sand is relatively consistent across the unit.

14. **Exhibits C.9** through **C.11** are the geology study I prepared for the **Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, and the Margie 13 Fed Com 506H wells**, which will target the Second Bone Spring.

15. **Exhibit C.9** is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a black box. The proposed wells are identified by the black-dashed lines. The contour interval used in this exhibit is 50 feet. This exhibit shows that the structure dips gently to the south.

16. **Exhibit C.10** is a cross-section reference map that identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

17. **Exhibit C.11** is a stratigraphic cross-section, and the wells logs shown on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target zone is identified by a red-dashed line and a box identifying the wells. In my opinion, the Second Bone Spring is relatively consistent across the unit.

18. **Exhibits C.12** through **C.14** are the geology study I prepared for the **Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, Margie 13 Fed Com 655H wells**, which will target the Third Bone Spring Shale.

19. **Exhibit C.12** is a structure map of the Third Bone Spring Shale formation. The proposed spacing unit is identified by a black box. The proposed Third Bone Spring Shale wells are identified by the black-dashed lines. The contour interval used in this exhibit is 50 feet. This exhibit shows that the structure dips gently to the south.

20. **Exhibit C.13** is a cross-section reference map that identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

21. **Exhibit C.14** is a stratigraphic cross-section, and the wells logs shown on the cross-section give a representative sample of the Third Bone Spring Shale formation in the area. The target zone is identified by a red-dashed line and a box identifying the wells. In my opinion, the Third Bone Spring Shale thickens to the southeast with overall reservoir quality remaining relatively consistent.

22. **Exhibits C.15 through C.17** are the geology study I prepared for the **Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, and Margie 13 Fed Com 604H** wells, which will target the Third Bone Spring Sand.

23. **Exhibit C.15** is a structure map of the base of the Bone Spring formation. The proposed spacing unit is identified by a black box. The proposed Third Bone Spring Sand wells are identified by the black-dashed lines. The contour interval used in this exhibit is 50 feet. This exhibit shows that the structure dips gently to the southwest.

24. **Exhibit C.16** is a cross-section reference map that identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

25. **Exhibit C.17** is a stratigraphic cross-section, and the wells logs shown on the cross-section give a representative sample of the Third Bone Spring Sand formation in the area. The target zone is identified by a red-dashed line and a box identifying the wells. In my opinion, the Third Bone Spring Shale is relatively consistent across the unit.

26. I conclude from the geology studies referenced above that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.

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

27. **Exhibit C.18** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper. The preferred well orientation in this area is north/south because the stress orientation is approximately east-northeast.

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

29. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

30. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.



John Harper


State of Colorado

County of Denver

This record was acknowledged before me on May 20 2024, by John Harper.

[Stamp]

Sophia Guerra
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20194020815
MY COMMISSION EXPIRES 9/14/2027

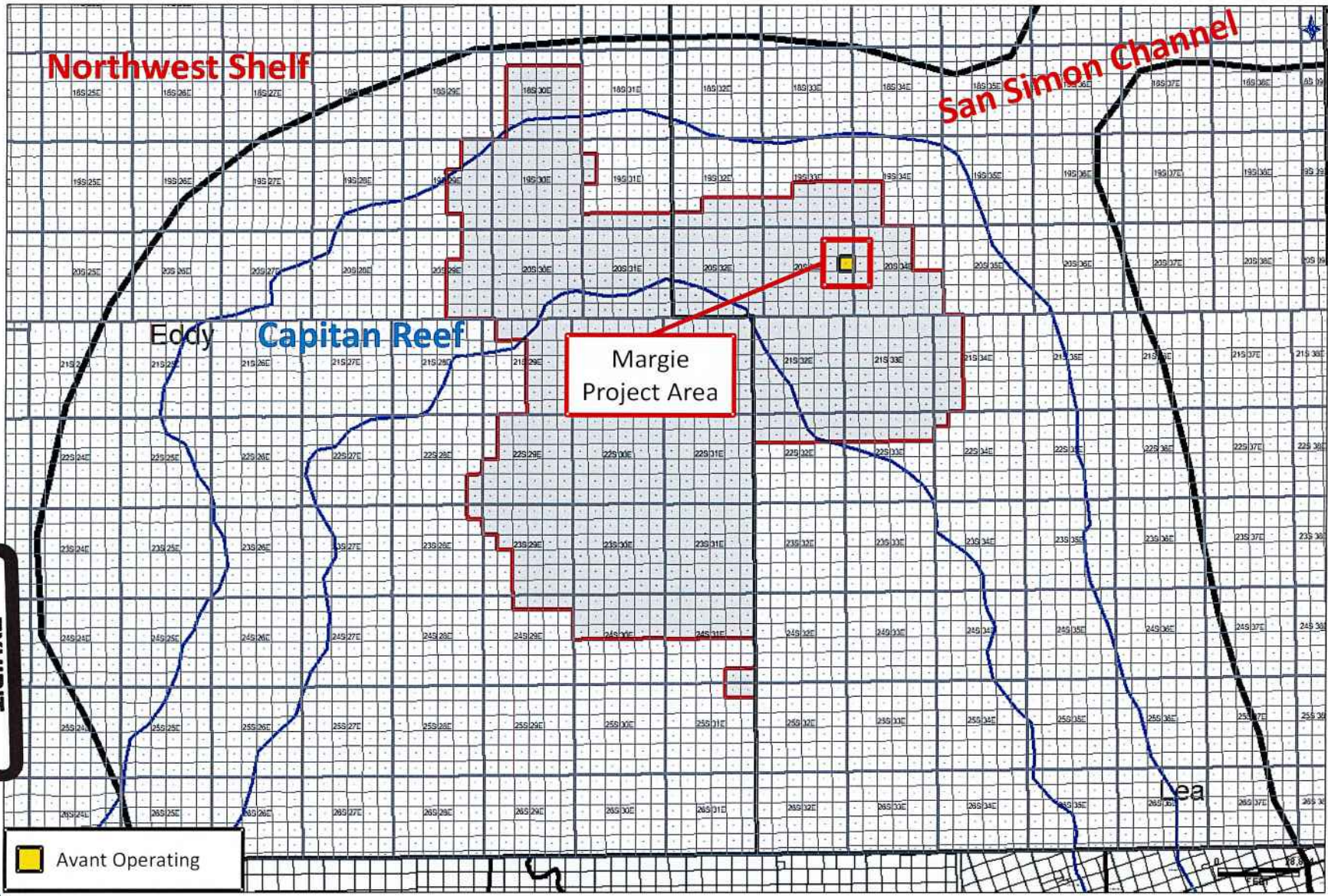


Notary Public in and for the
State of Colorado
Commission Number: 20194020815

My Commission Expires: 9/14/27

Regional Locator Map
Margie 13 Federal Com
#201-#206H / #301H-#305H / #501-#506H /
#651H - #655H / #601H-#606H

Avant Operating, LLC
Case Nos. 24118



tabbles
EXHIBIT
C.1



Gun Barrel Development Plan

Margie 13 Federal Com
#201-#206H / #301H-#305H / #501-#506H
/ #651H - #655H / #601H-#606H

Avant Operating, LLC

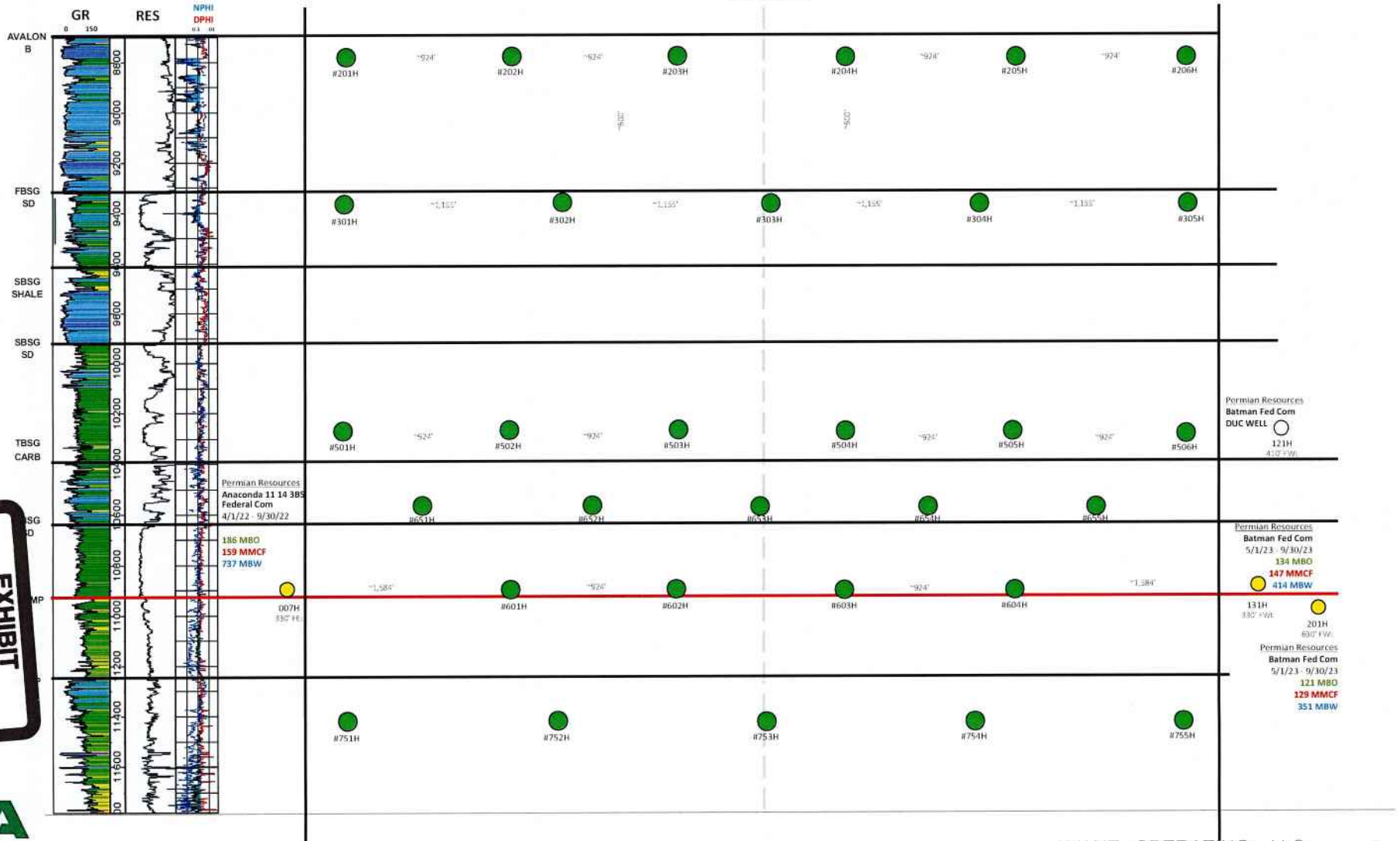
Case Nos. 24118



SIX SHOOTER "13" FEDERAL
30025312740000

AVANT OPERATING

MARGIE 13 FED COM
20S 33E sec. 13
1 mile laterals



tabbles
EXHIBIT
C.2



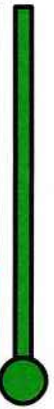
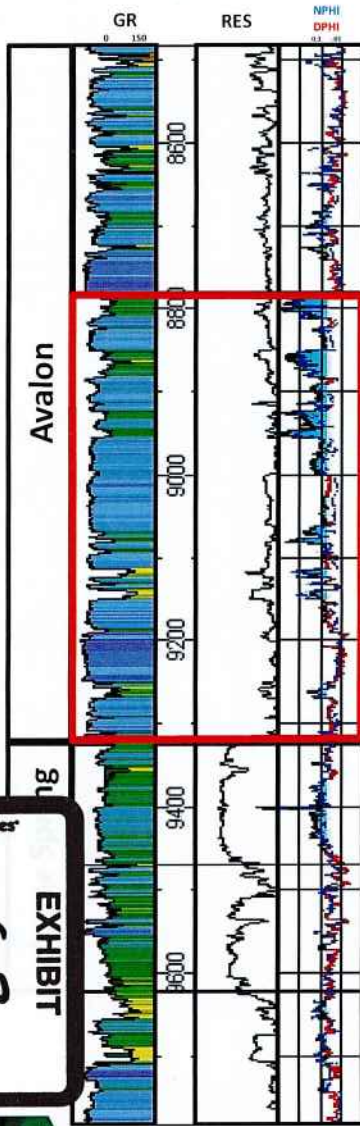
Avalon Structure Map (TVDss)

Margie 13 Federal Com
#201H-#206H

Avant Operating, LLC
Case Nos. 24118



SIX SHOOTER "13" FEDERAL
30025312740000

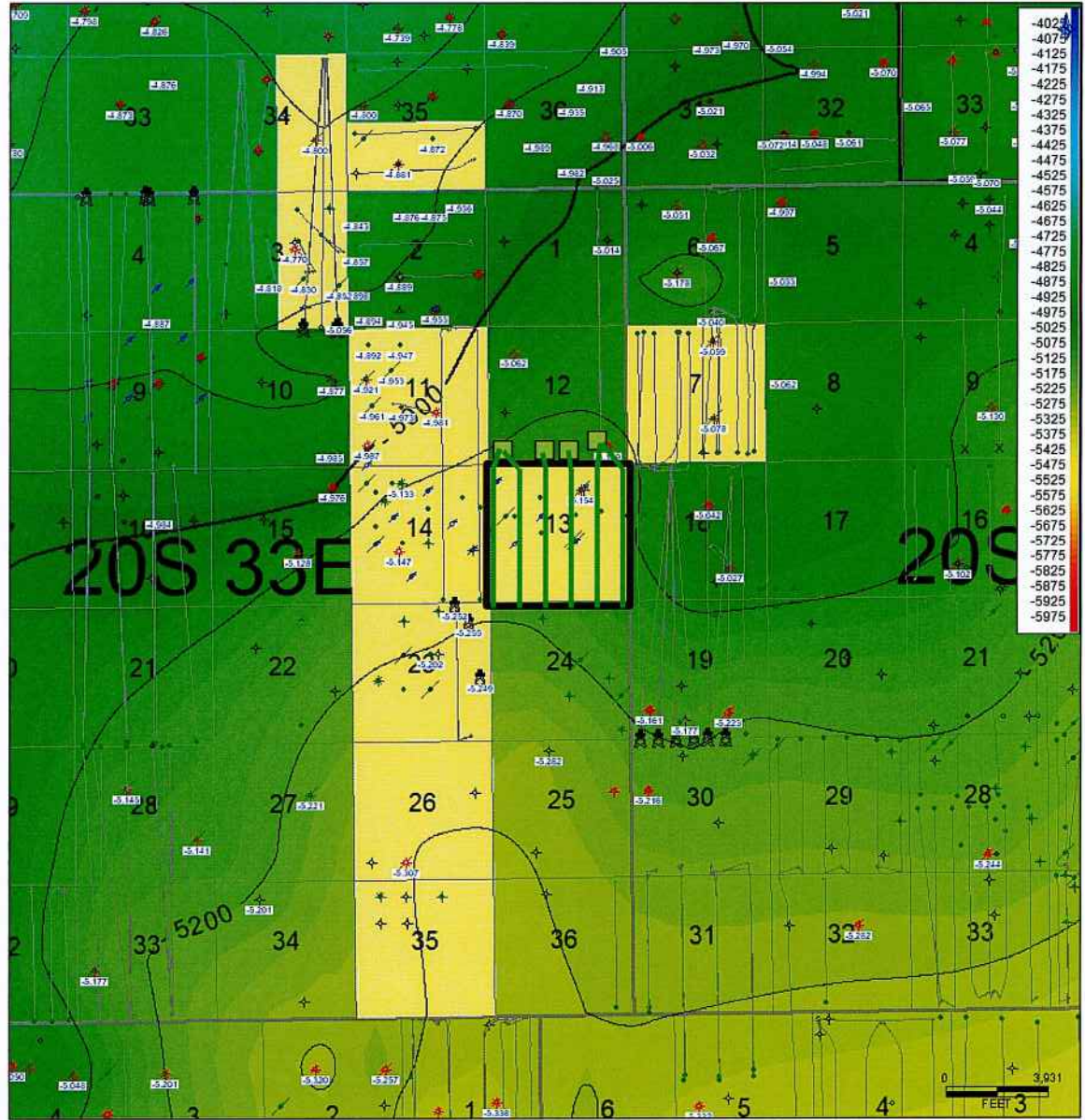


Map Legend

- ★ Type Log
- Proposed HSU
- 📏 Avant's Landing Target

tabbles
EXHIBIT
C.3

Avalon B Structure (SS)



-4025
-4075
-4125
-4175
-4225
-4275
-4325
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Cross-Section Locator Map

Margie 13 Federal Com
#201H-#206H

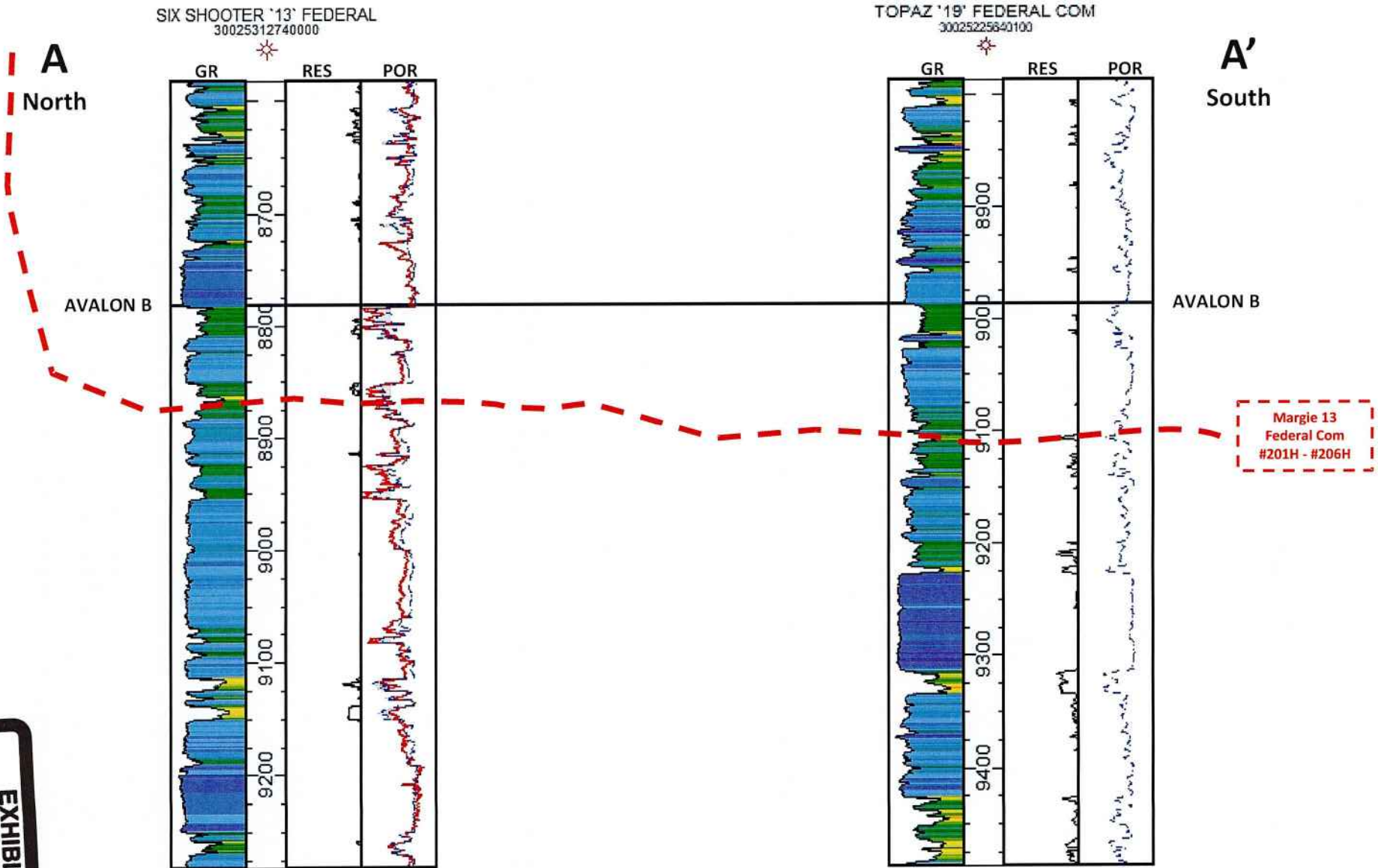
Avant Operating, LLC
Case Nos. 24118



Stratigraphic Cross-Section A-A'

Margie 13 Federal Com #201H-#206H

Avant Operating, LLC
Case Nos. 24118



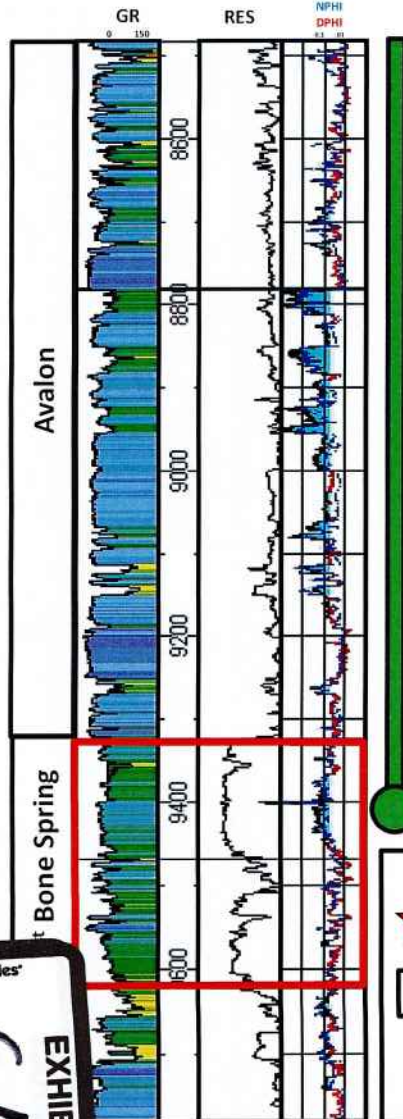
First Bone Structure Map (TVDss)

Margie 13 Federal Com
#301H-#305H

Avant Operating, LLC
Case Nos. 24118

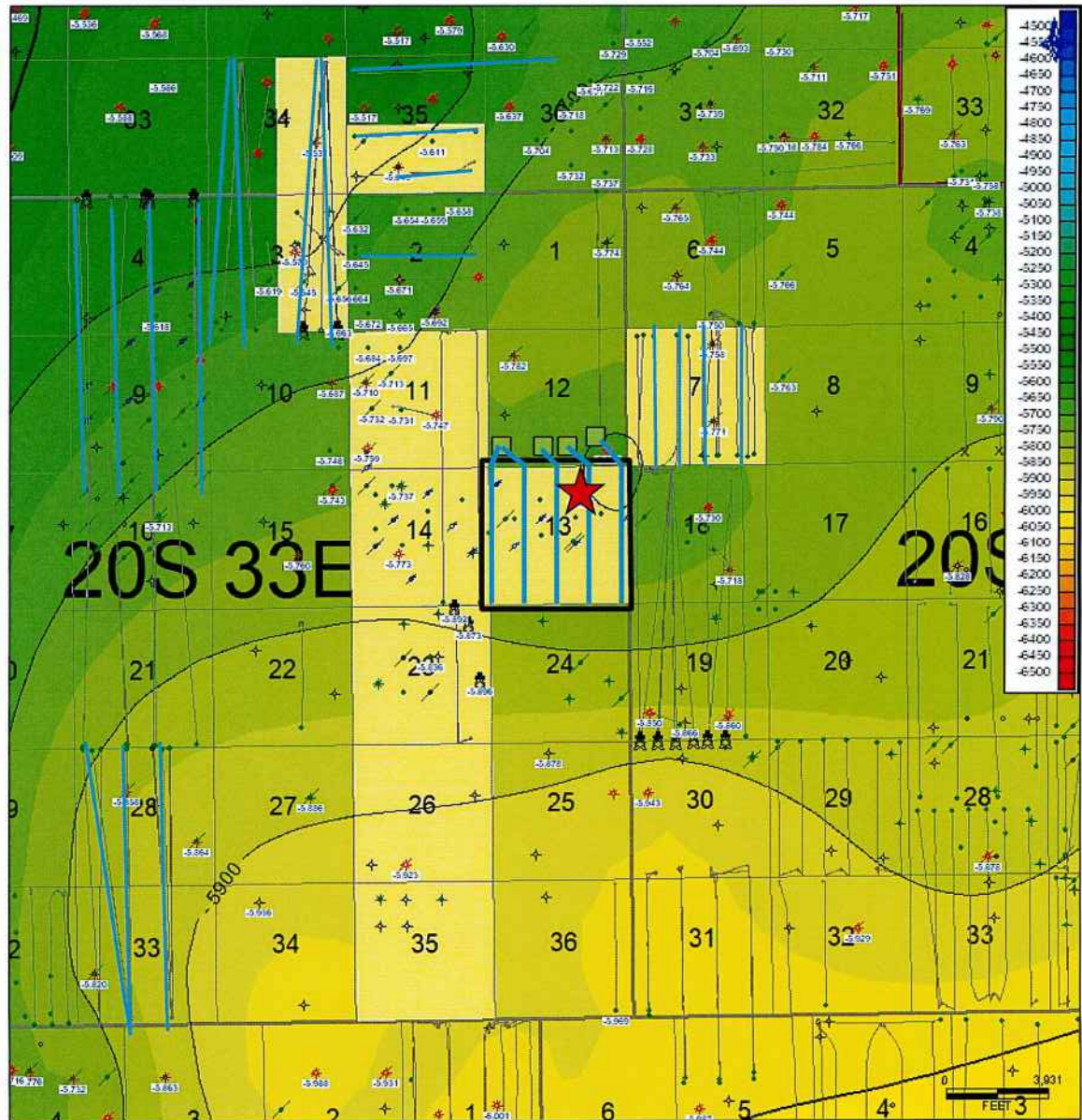


SIX SHOOTER "13" FEDERAL
30025312740000



Map Legend

- ★ Type Log
- Proposed HSU
- 📏 Avant's Landing Target



First Bone Spring Sand Structure (SS)

tabbles
EXHIBIT
C-6

Cross-Section Locator Map

Margie 13 Federal Com
#301H-#305H

Avant Operating, LLC
Case Nos. 24118



Stratigraphic Cross-Section A-A'

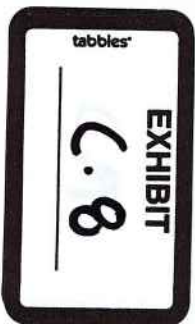
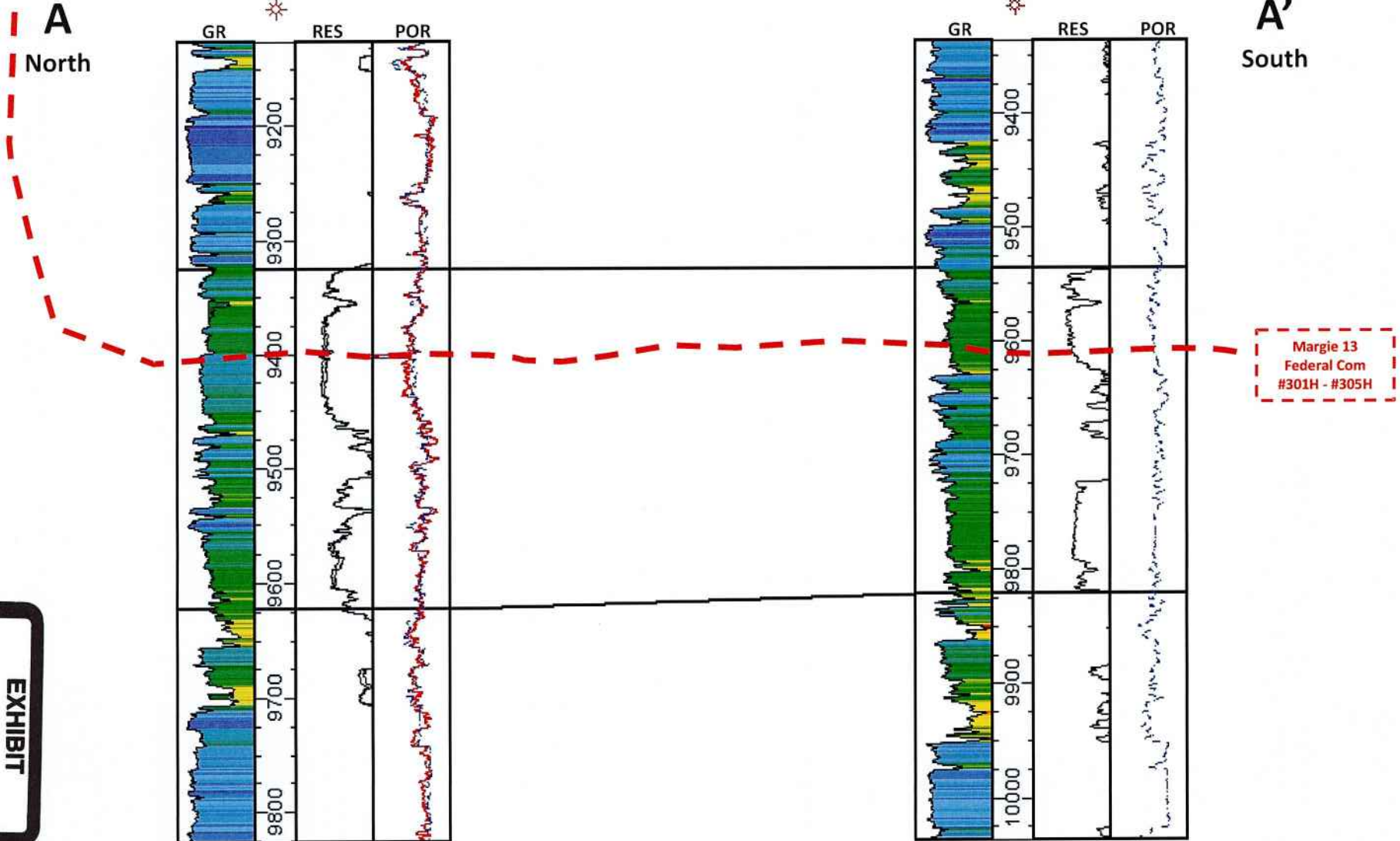
Margie 13 Federal Com
#301H-#305H

Avant Operating, LLC
Case Nos. 24118



SIX SHOOTER '13' FEDERAL
30025312740000

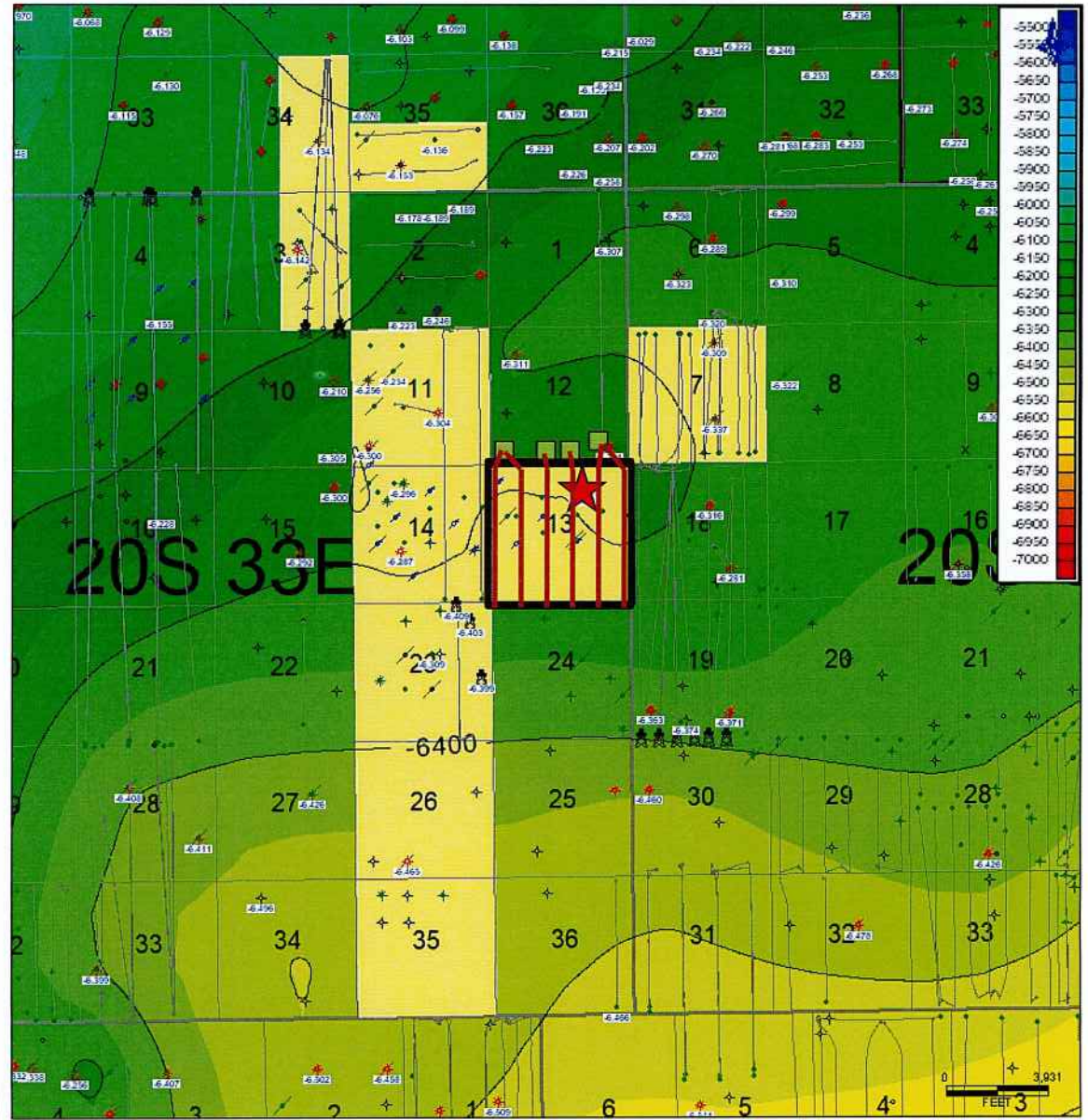
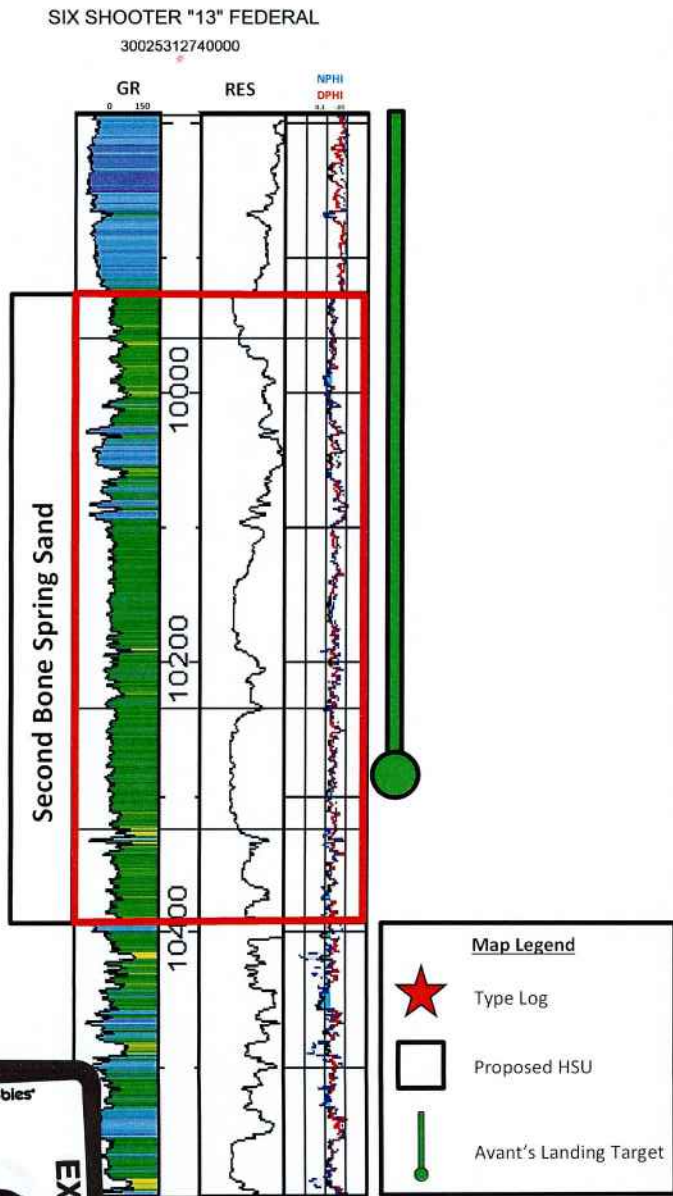
TOPAZ '19' FEDERAL COM
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Second Bone Structure Map (TVDss)

Margie 13 Federal Com
#501H-#506H

Avant Operating, LLC
Case Nos. 24118



Second Bone Spring Sand Structure (SS)



Cross-Section Locator Map
Margie 13 Federal Com
#501H-#506H

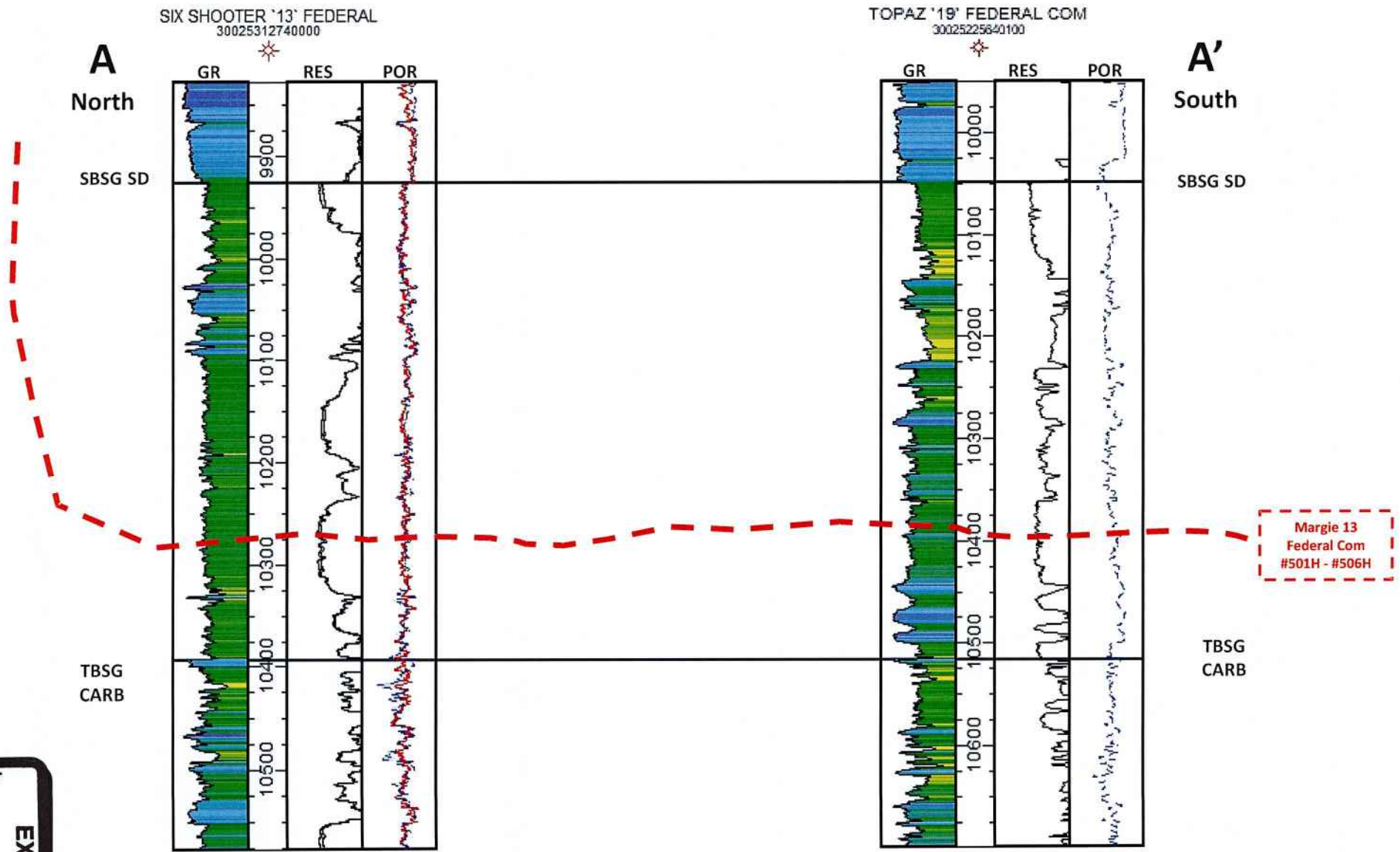
Avant Operating, LLC
Case Nos. 24118



Stratigraphic Cross-Section A-A'

Margie 13 Federal Com #501H-#506H

Avant Operating, LLC
Case Nos. 24118

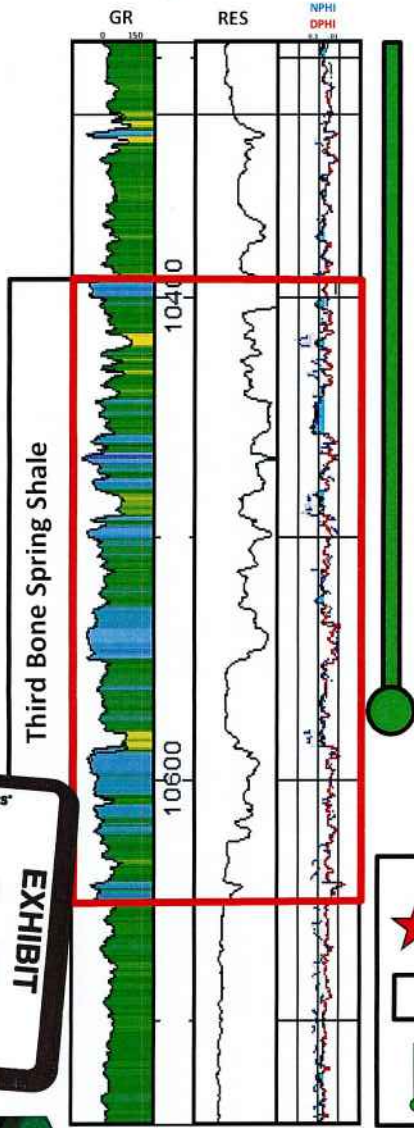


Third Bone Spring Shale
Structure Map (TVDss)
Margie 13 Federal Com
#651H-#655H

Avant Operating, LLC
Case Nos. 24118

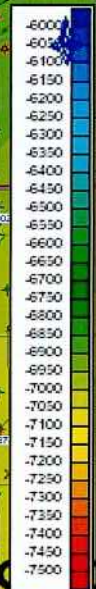
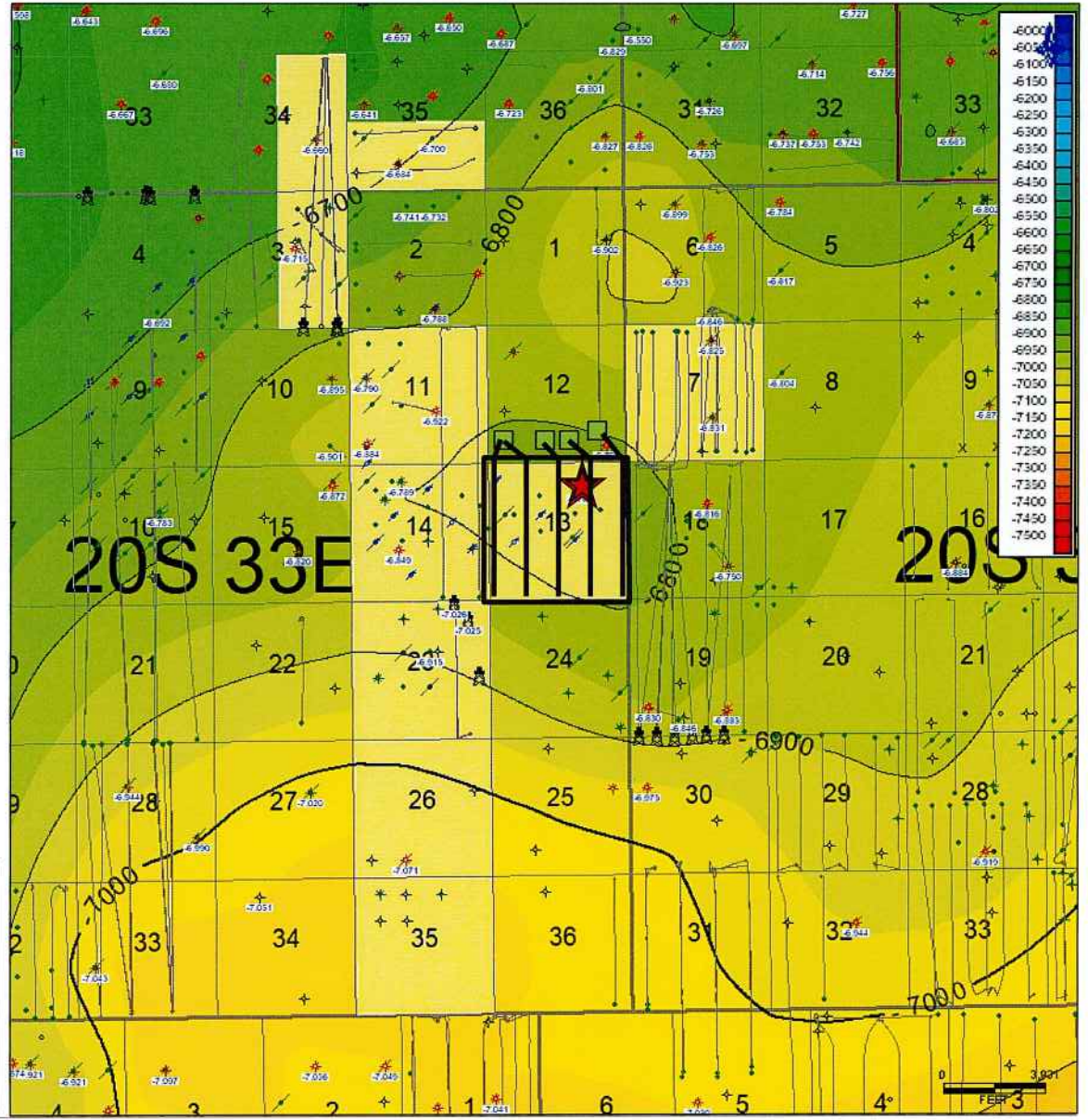
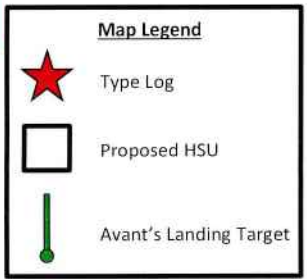


SIX SHOOTER "13" FEDERAL
30025312740000



Third Bone Spring Shale

EXHIBIT
C.12



Third Bone Spring Shale Structure (SS)

Cross-Section Locator Map

Margie 13 Federal Com
#651H-#655H

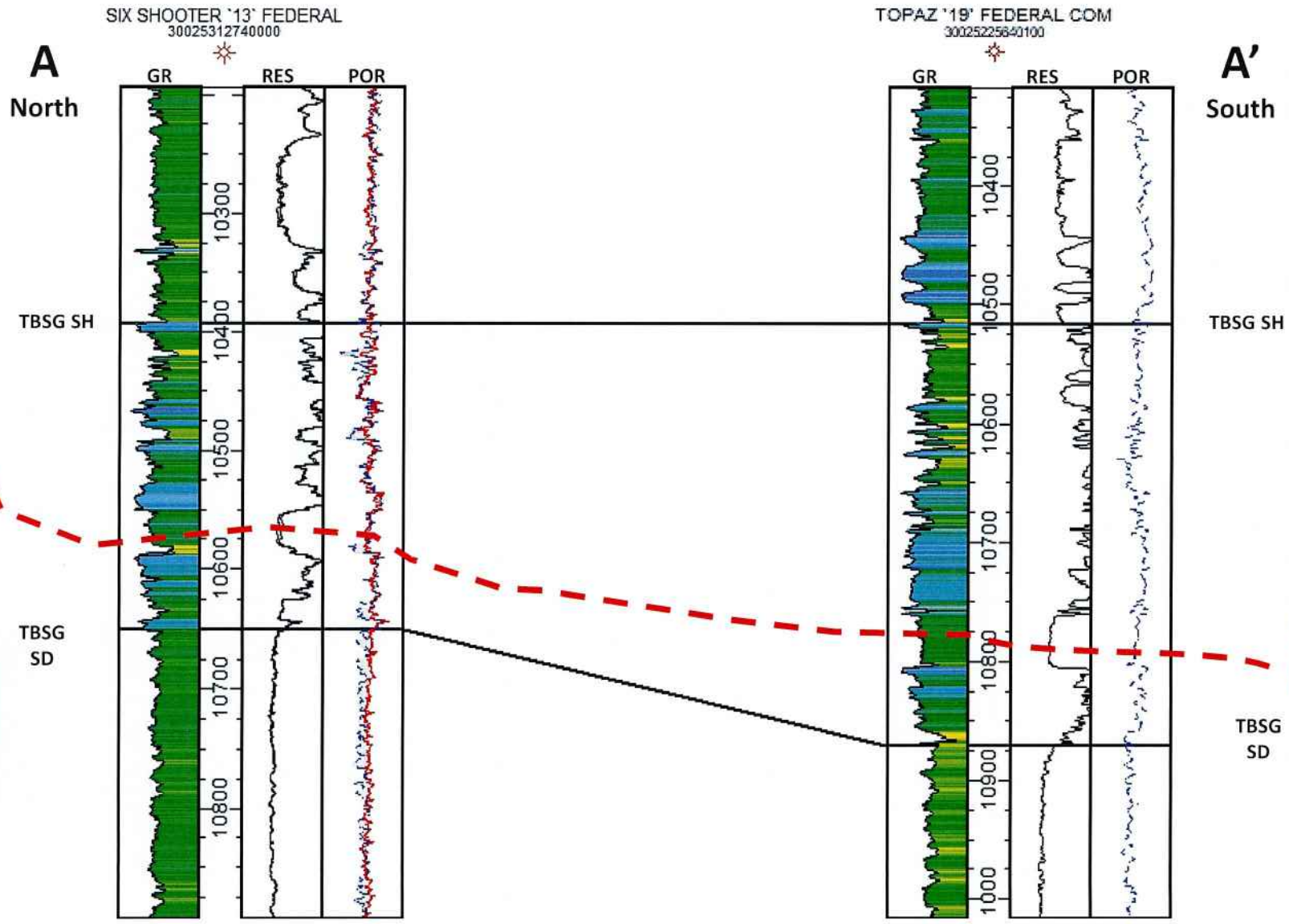
Avant Operating, LLC
Case Nos. 24118



Stratigraphic Cross-Section A-A'

Margie 13 Federal Com #651H-#655H

Avant Operating, LLC
Case Nos. 24118



Margie 13
Federal Com
#651H - #655H

tabbles
EXHIBIT
C-14



Third Bone Spring Sand
Structure Map (TVDss)
Margie 13 Federal Com
#601H-#606H

Avant Operating, LLC
Case Nos. 24118



SIX SHOOTER "13" FEDERAL

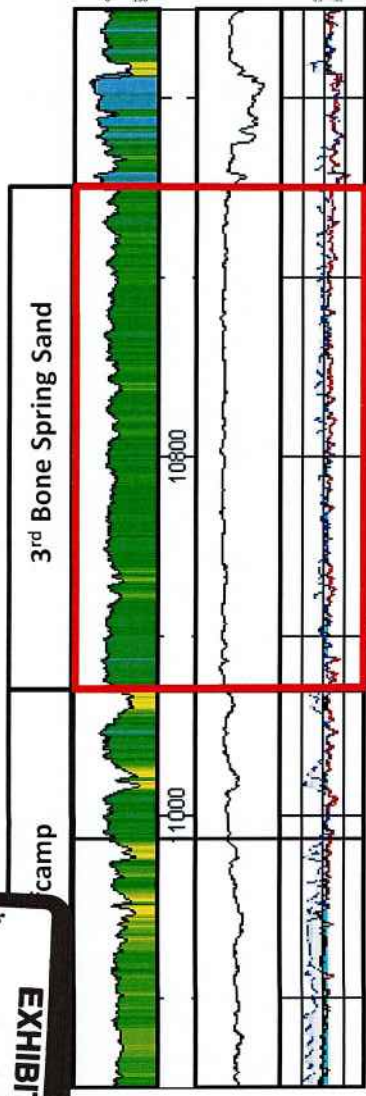
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GR

RES

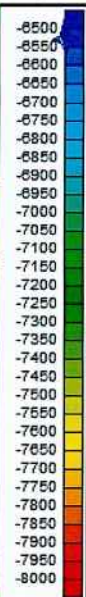
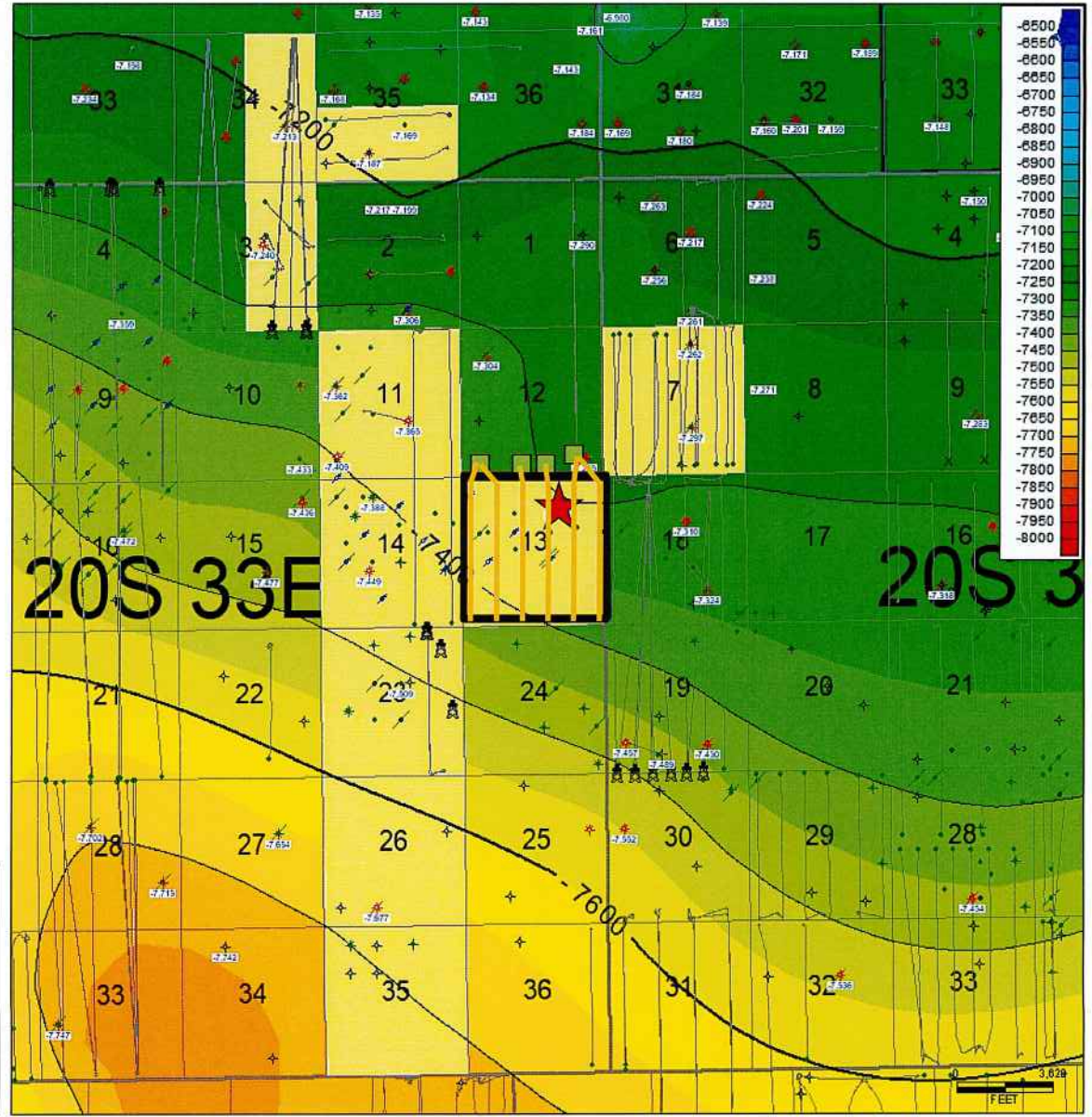
NPHI

DPHI



Map Legend

- ★ Type Log
- Proposed HSU
- Avant's Landing Target



Wolfcamp Top Structure (SS)

tabbies
EXHIBIT
C-15

Cross-Section Locator Map

Margie 13 Federal Com
#601H-#606H

Avant Operating, LLC
Case Nos. 24118



SHL	Proposed Avalon Wells	SHL	Producing Avalon Wells
BHL		BHL	
SHL	Proposed FBSG SD Wells	SHL	Producing FBSG SD Wells
BHL		BHL	
SHL	Proposed SBSG SD Wells	SHL	Producing SBSG SD Wells
BHL		BHL	
SHL	Proposed TBSG Shale Wells	SHL	Producing TBSG Shale Wells
BHL		BHL	
SHL	Proposed TBSG SD Wells	SHL	Producing TBSG SD Wells
BHL		BHL	

EXHIBIT
c.16

Stratigraphic Cross-Section A-A'

Margie 13 Federal Com
#601H-#606H

Avant Operating, LLC
Case Nos. 24118

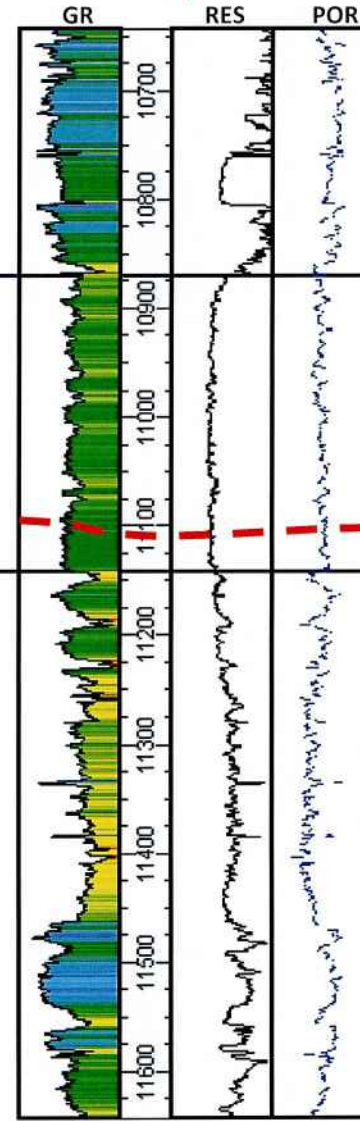
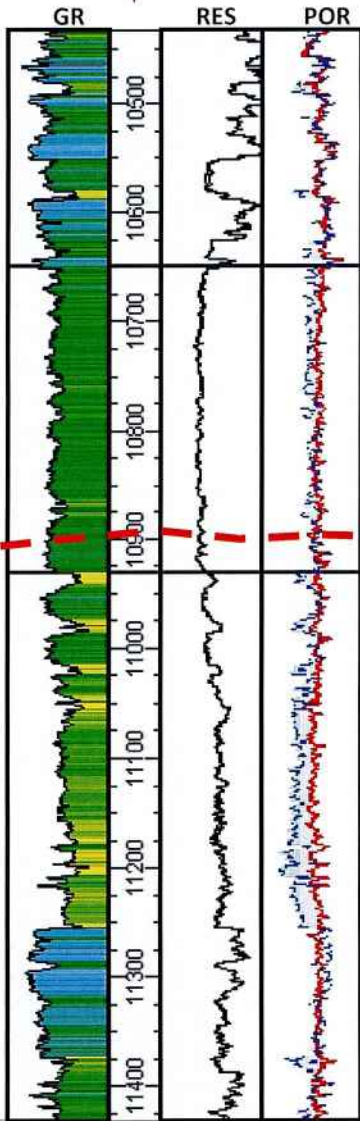


SIX SHOOTER '13' FEDERAL
30025312740000

TOPAZ '19' FEDERAL COM
30025225640100

A
North

A'
South



Margie 13
Federal Com
#601H - #606H



Stress Orientation Map

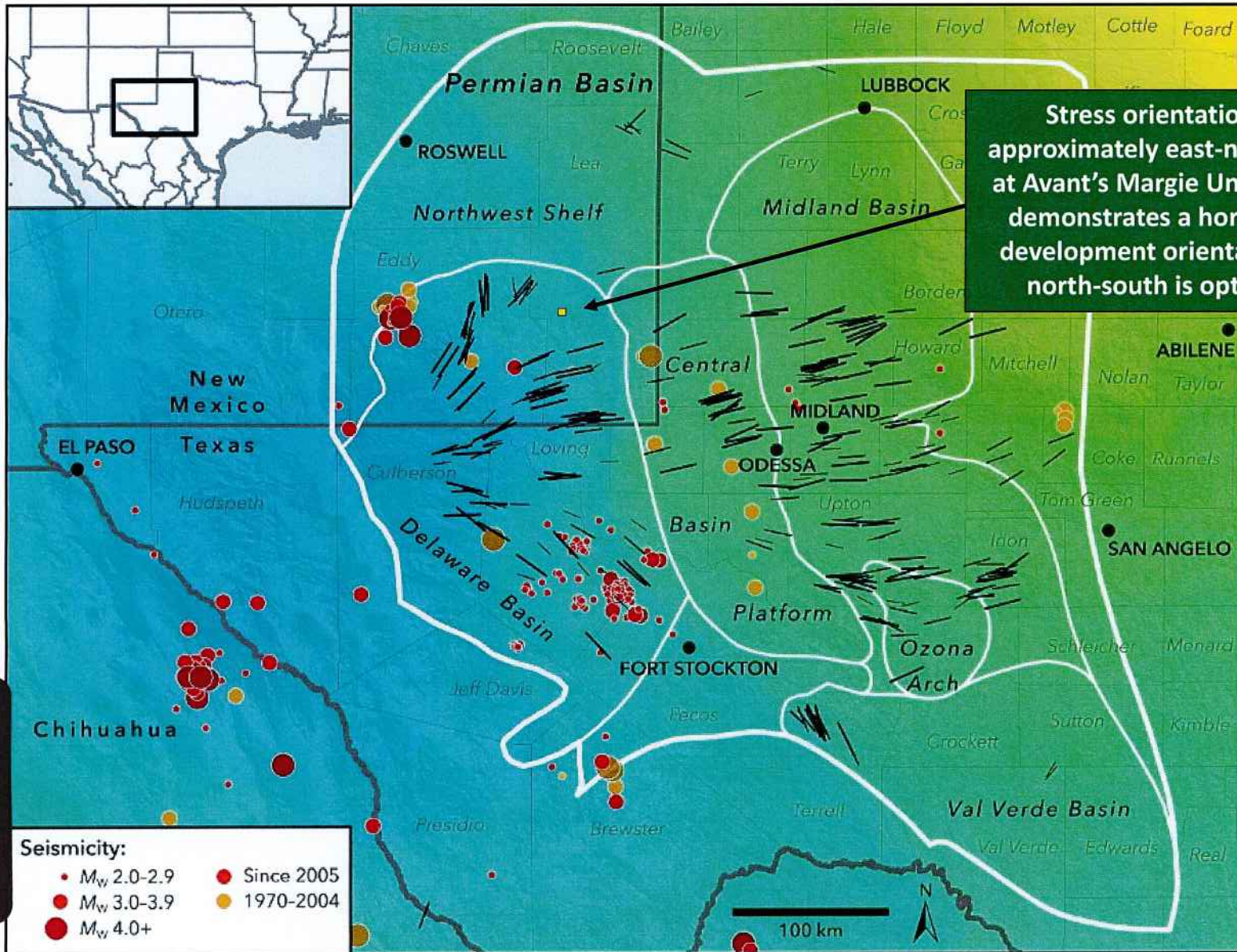
Margie 13 Federal Com

#201-#206H / #301H-#305H / #501-#506H /

#651H - #655H / #601H-#606H

Avant Operating, LLC

Case Nos. 24118



tabbles®
EXHIBIT
C.18

Seismicity:

- M_w 2.0-2.9
- M_w 3.0-3.9
- M_w 4.0+
- Since 2005
- 1970-2004

(Snee and Zoback, 2018)

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

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

CASE NO. 24118-24119

AFFIDAVIT OF SHANE KELLY

Shane Kelly hereby states and declares as follows:

1. I am over the age of 18, I am a reservoir engineer for Avant Operating, LLC (“Avant”) and have personal knowledge of the matters stated herein. My area of responsibility includes the area of Lea County in New Mexico.

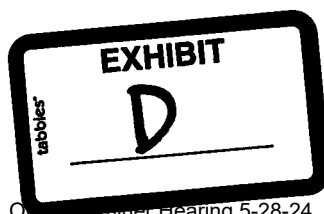
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum engineer were accepted as a matter of record.

3. I am familiar with the applications filed by Avant in these cases and the surface production facilities required to develop the oil underlying the subject acreage.

4. In these cases, Avant seeks approval of two 640-acre non-standard units—one Bone Spring unit and one Wolfcamp unit.

5. Avant seeks to minimize surface disturbance and costs by consolidating facilities and commingling production from the wells and future wells in the proposed non-standard spacing units.

6. To allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Avant requires approval of non-standard spacing units.



Oil and Gas Hearing 5-28-24

Avant No. 24118

7. Exhibits **D.1 and D.2** illustrate the benefit of the non-standard units Avant is requesting.

8. If Avant has to develop the acreage using standard horizontal spacing units, Avant will need a total of 3 units. Under Avant's requested non-standard unit applications, however, Avant would only need a total of two units.

9. Exhibit D.1 compares the tank batteries and related surface production facilities that would be required if Avant had to develop this acreage using standard horizontal spacing units with the tank batteries and related surface production facilities that will be needed to develop the acreage using non-standard units.

10. As these exhibits show, if Avant has to develop the acreage using standard spacing units, one additional tank batteries will be required at a cost of approximately \$4,800,000 and require an additional surface disturbance of 3.44 acres. If the non-standard spacing units are approved, the additional cost and surface disturbance required for the tank batteries will be avoided.

11. Approval of the non-standard units will allow for commingling of production, which would not be possible if Avant has to move forward with standard units. Eliminating the additional tank batteries will also lower the operating cost for this acreage.

12. Exhibit D.2 identifies the reduced cost savings and surface disturbance that will occur if the non-standard spacing units are not approved.

13. In my opinion, approval of Avant's non-standard unit applications will allow Avant to efficiently locate surface facilities, reduce surface disturbance, and promote effective well spacing.

14. In my opinion, the granting of these applications is in the interests of conservation and the prevention of waste.

15. The attachments to this declaration were prepared by me, compiled from company business records, or were prepared at my direction.

16. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Shane Kelly
Shane Kelly

State of Colorado

County of Denver

This record was acknowledged before me on May 20th 2024, by Shane Kelly.

Sophia Guerra
Notary Public in and for the
State of Colorado
Commission Number: 20194020815

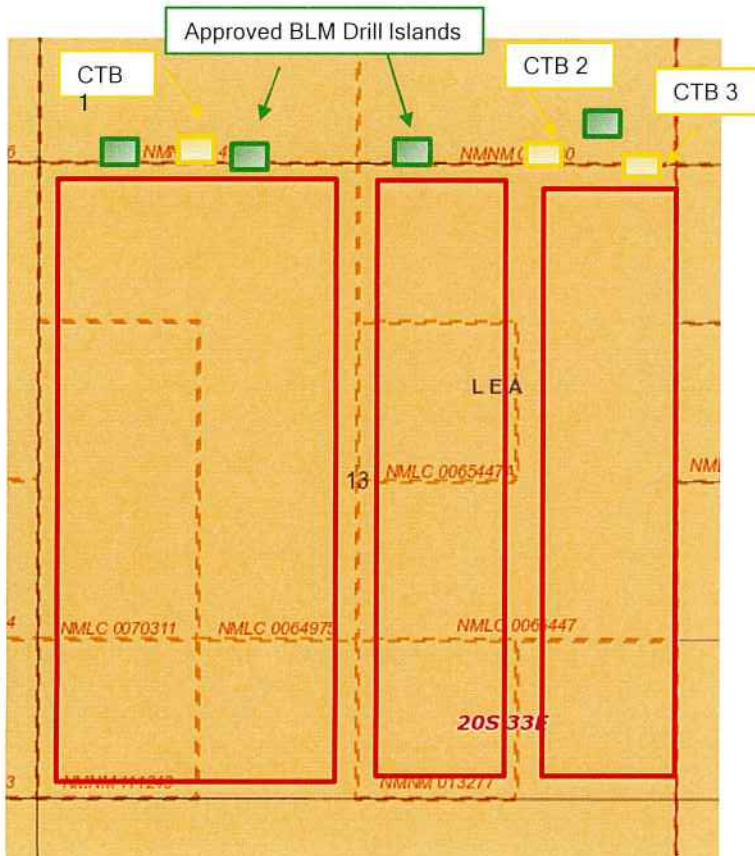
My Commission Expires: 9/14/27

Sophia Guerra
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20194020815
MY COMMISSION EXPIRES 9/14/2027

NSU reduces surface facilities and surface impacts

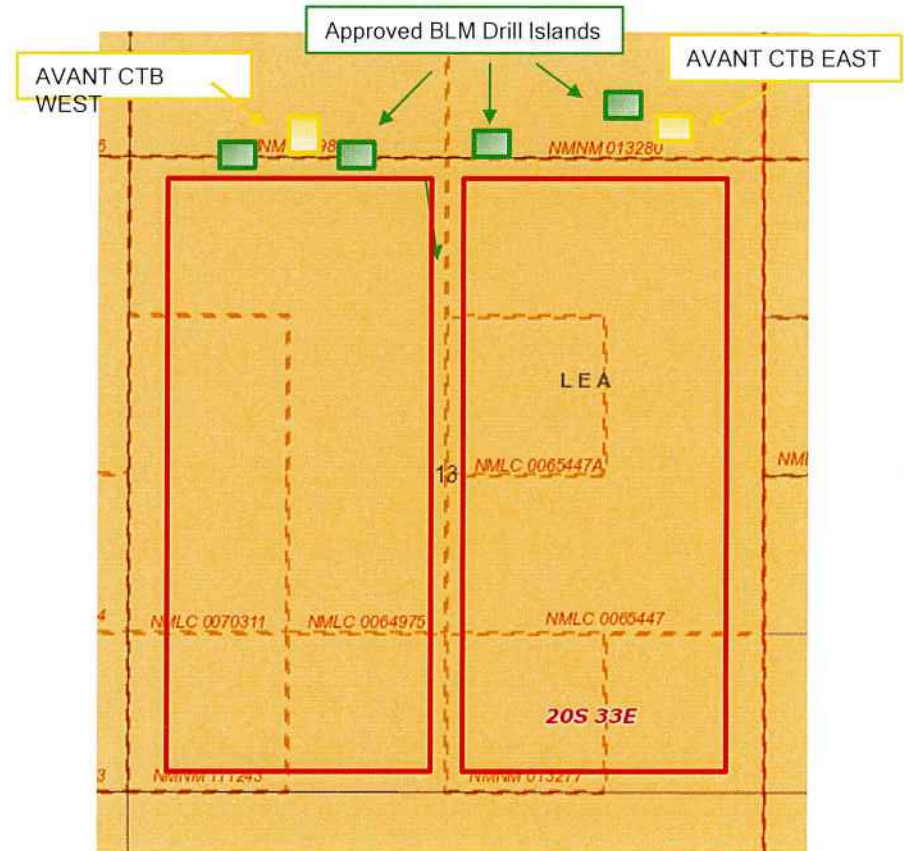
STANDARD UNIT DEVELOPMENT

3 CTBs



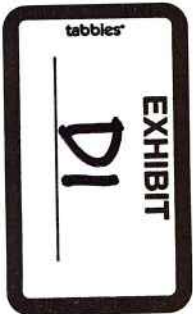
NON-STANDARD UNIT DEVELOPMENT

2 CTBs



Released to Imaging: 5/24/2024 9:05:41 AM

Received by OCD: 5/23/2024 9:42:08 AM



Page 171 of 217

Scenario	Design Basis Per CTB (BPOD)	CTB Cost (\$M)	Pipeline/Utilities Cost (\$M)	Total Capital (\$M)	CTB and Pipeline Disturbance (Acres)
Three Separate Facilities	10,000	\$25,400	\$2,000	\$27,400	10.32
Two Separate Facilities	15,000	\$20,800	\$1,800	\$22,600	6.88
SAVINGS		\$4,600	\$200	\$4,800	3.44



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

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

CASE NO. 24118

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

CASE NO. 24119

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

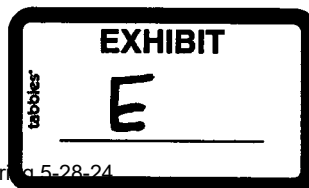
Deana M. Bennett, attorney in fact and authorized representative of Avant Operating, LLC, the Applicant herein, declares as follows:

1) The above-referenced Application was provided under notice letter, dated December 15, 2023, notice letter dated February 9, 2024 sent to additional names, and notice letter dated February 20, 2024 sent to an additional name, attached hereto, as Exhibit E.1.

2) Exhibit E.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on December 15, 2023, February 09, 2024, and February 20, 2024.

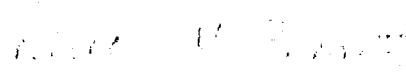
3) Exhibit E.3 is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.

4) Exhibit E.4 is the Affidavit of Publication from the Hobbs News Sun confirming that notice was published on December 19, 2023, and the Affidavit of Publication from the Hobbs News-Sun confirming that notice was published February 15, 2024.



5) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: May 20, 2024



Deana M. Bennett

W5073688.DOCX



MODRALL SPERLING
LAWYERS

December 15, 2023

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 24118

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

CASE NO. 24119

TO: AFFECTED PARTIES

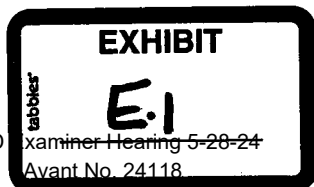
This letter is to advise you that Avant Operating, LLC (“Avant”) has filed the enclosed applications.

In Case No. 24118, Avant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells** to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation

Modrall Spierling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com



OCD Examiner Hearing 5-28-24
Avant No. 24118

Page 2

of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

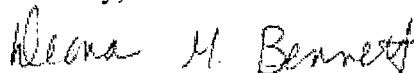
In Case No. 24119, Avant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 751H, Margie 13 Fed Com 752H, Margie 13 Fed Com 753H, Margie 13 Fed Com 754H, and the Margie 13 Fed Com 755H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

The hearing and will be conducted remotely on January 4, 2024 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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

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

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 24118

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17 and Rule 19.15.16.15(B)(5) NMAC, for an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks to dedicate Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit ("Unit").
3. Avant plans to drill the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H,**

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5. First, Avant seeks to minimize surface disturbance by consolidating facilities and commingling production from the wells in the proposed non-standard spacing unit.

6. Approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. See, e.g., Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

7. Second, to allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Avant requires approval of this non-standard spacing unit in the Bone Spring formation.

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

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

10. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Approving a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);

B. Pooling all uncommitted interests in the Unit;

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

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

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett
Earl E. DeBrine, Jr.
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Yarithza Peña
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500 Fourth Street NW, Suite 1000
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Attorneys for Avant Operating, LLC

CASE NO. 24118 : Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

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

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

CASE NO. 24119

APPLICATION

Avant Operating, LLC (“Avant”), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and Rule 19.15.16.15(B)(5) NMAC, for an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks to dedicate Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico to form a 640-acre, more or less, Wolfcamp horizontal spacing unit (“Unit”).
3. Avant plans to drill the **Margie 13 Fed Com 751H, Margie 13 Fed Com 752H, Margie 13 Fed Com 753H, Margie 13 Fed Com 754H, and the Margie 13 Fed Com 755H** wells, to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled, and the producing areas for all of the wells are expected to be orthodox.

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6. Approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. See, e.g., Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

7. Second, to allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Avant requires approval of this non-standard spacing unit in the Wolfcamp formation.

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

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

10. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Approving a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);

B. Pooling all uncommitted interests in the Unit;

- C. Designating Avant as operator of the Unit and the wells to be drilled thereon;
- D. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
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deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Avant Operating, LLC

CASE NO. 24119: Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 751H, Margie 13 Fed Com 752H, Margie 13 Fed Com 753H, Margie 13 Fed Com 754H, and the Margie 13 Fed Com 755H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.



MODRALL SPERLING
LAWYERS

February 9, 2024

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 24118

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

CASE NO. 24119

TO: AFFECTED PARTIES

This letter is to advise you that Avant Operating, LLC (“Avant”) has filed the enclosed applications.

In Case No. 24118, Avant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision,

Modrall Spierling
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Page 2

designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

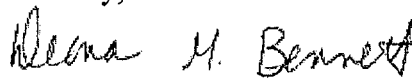
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The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform on March 21, 2024 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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

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

Sincerely,



Deana M. Bennett
Attorney for Applicant

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

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

CASE NO. 24118

APPLICATION

Avant Operating, LLC (“Avant”), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and Rule 19.15.16.15(B)(5) NMAC, for an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks to dedicate Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit (“Unit”).
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6. Approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. See, e.g., Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

7. Second, to allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Avant requires approval of this non-standard spacing unit in the Bone Spring formation.

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

10. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Approving a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);

B. Pooling all uncommitted interests in the Unit;

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

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

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

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Respectfully submitted,

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

By: /s/ Deana M. Bennett
Earl E. DeBrine, Jr.
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Yarithza Peña
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 24119

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WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter its order:

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Respectfully submitted,

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

By: /s/ Deana M. Bennett
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MODRALL SPERLING

L A W Y E R S

February 20, 2024

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 24118

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

CASE NO. 24119

TO: AFFECTED PARTIES

This letter is to advise you that Avant Operating, LLC (“Avant”) has filed the enclosed applications.

In Case No. 24118, Avant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision,**

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Page 2

designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

In Case No. 24119, Avant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 751H, Margie 13 Fed Com 752H, Margie 13 Fed Com 753H, Margie 13 Fed Com 754H, and the Margie 13 Fed Com 755H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform on March 21, 2024 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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

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

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 24118

APPLICATION

Avant Operating, LLC (“Avant”), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and Rule 19.15.16.15(B)(5) NMAC, for an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks to dedicate Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit (“Unit”).
3. Avant plans to drill the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H,**

Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells, to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing areas for all of the wells are expected to be orthodox.

4. Avant seeks approval of the non-standard spacing unit for several reasons.
5. First, Avant seeks to minimize surface disturbance by consolidating facilities and commingling production from the wells in the proposed non-standard spacing unit.
6. Approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. See, e.g., Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).
7. Second, to allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Avant requires approval of this non-standard spacing unit in the Bone Spring formation.
8. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

10. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Approving a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);

B. Pooling all uncommitted interests in the Unit;

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

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

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett
Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
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500 Fourth Street NW, Suite 1000
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Attorneys for Avant Operating, LLC

CASE NO. 24118: Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

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

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

CASE NO. 24119

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17 and Rule 19.15.16.15(B)(5) NMAC, for an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks to dedicate Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico to form a 640-acre, more or less, Wolfcamp horizontal spacing unit ("Unit").
3. Avant plans to drill the **Margie 13 Fed Com 751H, Margie 13 Fed Com 752H, Margie 13 Fed Com 753H, Margie 13 Fed Com 754H, and the Margie 13 Fed Com 755H** wells, to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled, and the producing areas for all of the wells are expected to be orthodox.

4. Avant seeks approval of the non-standard spacing unit for several reasons.

5. First, Avant seeks to minimize surface disturbance by consolidating facilities and commingling production from the wells in the proposed non-standard spacing unit.

6. Approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. See, e.g., Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

7. Second, to allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Avant requires approval of this non-standard spacing unit in the Wolfcamp formation.

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

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

10. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Approving a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);

B. Pooling all uncommitted interests in the Unit;

- C. Designating Avant as operator of the Unit and the wells to be drilled thereon;
- D. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett
Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
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Attorneys for Avant Operating, LLC

CASE NO. 24119: Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Margie 13 Fed Com 751H, Margie 13 Fed Com 752H, Margie 13 Fed Com 753H, Margie 13 Fed Com 754H,** and the **Margie 13 Fed Com 755H** wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

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

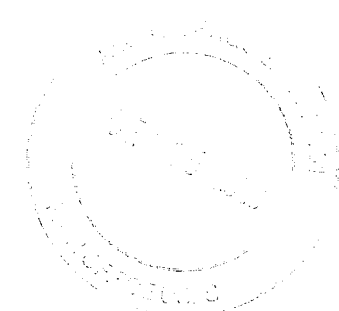
PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/15/2023

Firm Mailing Book ID: 257485

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0115 2049 22	Advance Energy Partners Hat Mesa LLC 11490 Westheimer Rd. Ste 950 Houston TX 77077	\$1.59	\$4.35	\$2.20	\$0.00	10375.0002Margie Notice
2	9314 8699 0430 0115 2049 39	EOG Resources Inc. 104 S. Fourth St. Artesia NM 88210	\$1.59	\$4.35	\$2.20	\$0.00	10375.0002Margie Notice
3	9314 8699 0430 0115 2049 46	Jupiter JV LP 301 Commerce St. Ste 3300 Fort Worth TX 76102	\$1.59	\$4.35	\$2.20	\$0.00	10375.0002Margie Notice
4	9314 8699 0430 0115 2049 53	Legacy Reserves Operating LP 1400 16th St. Ste 510 Denver CO 80202	\$1.59	\$4.35	\$2.20	\$0.00	10375.0002Margie Notice
5	9314 8699 0430 0115 2049 60	Permian Resources 1001 117th Street, Suite 1800 Denver CO 80202	\$1.59	\$4.35	\$2.20	\$0.00	10375.0002Margie Notice
Totals:			\$7.95	\$21.75	\$11.00	\$0.00	
Grand Total:						\$40.70	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
5			



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/09/2024

Firm Mailing Book ID: 260283

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0117 2241 02	Andarko Petroleum Corporation 1201 Lake Robbins Drive Woodlands TX 77380	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
2	9314 8699 0430 0117 2241 19	Beverly Jean Renfro Barr Trustee of Richard Barr Family Trust 8027 Chalk Knoll Drive Austin TX 78735	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
3	9314 8699 0430 0117 2241 26	Blue Star Royalty, LLC 6760 Portwest Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
4	9314 8699 0430 0117 2241 33	COG Operating, LLC 600 West Illinois Avenue Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
5	9314 8699 0430 0117 2241 40	C&W Acquisition, LLC Collins & Ware, Inc. 145 E. 57th Street, 11th Floor New York NY 10022	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
6	9314 8699 0430 0117 2241 57	ConocoPhillips Company 925 N. Eldridge Parkway Houston TX 77252	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
7	9314 8699 0430 0117 2241 64	Curtis A. Anderson and Edna I. Anderson Trustees of Revocable Trust 8/31/21 9314 Cherry Brook Lane Frisco TX 75033	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
8	9314 8699 0430 0117 2241 71	Cynthia Mae Wilson Trustee of Bypass Trust Scott Wilson 4601 Mirador Drive Austin TX 78735	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
9	9314 8699 0430 0117 2241 88	DENM Holdco, LLC 3724 Hulen Street Fort Worth TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
10	9314 8699 0430 0117 2241 95	Devon Energy Operating Company LP 333 W. Sheridan Ave. Oklahoma City OK 73102	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
11	9314 8699 0430 0117 2242 01	Dorchester Minerals, L.P. 3838 Oak Lawn Avenue, Suite 300 Dallas TX 75219	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
12	9314 8699 0430 0117 2242 18	Durango Production Corporation 2663 Plaza Parkway Wichita Falls TX 76308	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
13	9314 8699 0430 0117 2242 25	EGL Resources, Inc. PO Box 10250 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
14	9314 8699 0430 0117 2242 32	Manta II, LLC 190 East Stacy Road 306-373 Allen TX 75002	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/09/2024

Firm Mailing Book ID: 260283

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0117 2242 49	Marathon Oil Permian LLC 990 Town and Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
16	9314 8699 0430 0117 2242 56	Merit Energy Partners D-III, L.P. 13727 Noel Road Suite 1200 Tower 2 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
17	9314 8699 0430 0117 2242 63	Merit Energy Partners III, L.P. 13727 Noel Road Suite 1200 Tower 2 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
18	9314 8699 0430 0117 2242 70	Merit Management Partners I, LP 13727 Noel Road Suite 1200 Tower 2 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
19	9314 8699 0430 0117 2242 87	Nortex Corporation 3009 Post Oak Boulevard Suite 1212 Houston TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
20	9314 8699 0430 0117 2242 94	PBEX, LLC 223 W. Wall Street, Suite #900 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
21	9314 8699 0430 0117 2243 00	Penroc Oil Corporation PO Box 2769 Hobbs NM 88241	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
22	9314 8699 0430 0117 2243 17	Republic Royalty Company 3738 Oak Lawn Avenue, Suite 300 Dallas TX 75219	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
23	9314 8699 0430 0117 2243 24	Roger & Holly Elliott Family Limited Partnership 3910 Tanforan Avenue Midland TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
24	9314 8699 0430 0117 2243 31	Roy G. Barton 1919 N. Turner Street Hobbs NM 88240	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
25	9314 8699 0430 0117 2243 48	TD MINERALS LLC 8111 WESTCHESTER DRIVE SUITE 900 DALLAS TX 75225	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
26	9314 8699 0430 0117 2243 55	The Kathleen I. Schuster Trust 2615 Oak Drive, Unit 28 Lakewood CO 80215	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
27	9314 8699 0430 0117 2243 62	Todd M. Wilson and wife, Carol I. Wilson 3608 South Country Rd. 1184 Midland TX 79706	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
28	9314 8699 0430 0117 2243 79	Todd M. Wilson 3608 South County Rd. 1184 Midland TX 79706	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
29	9314 8699 0430 0117 2243 86	Tumbler Operating Partners 1150 N. Kimball, Suite 100 Southlake TX 76092	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice



Karlene Schuman
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500 Fourth Street, Suite 1000
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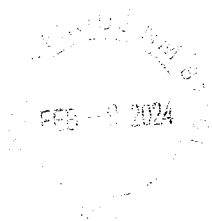
PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/09/2024

Firm Mailing Book ID: 260283

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
30	9314 8699 0430 0117 2243 93	Vaughn Petroleum, Inc. 3738 Oak Lawn Dallas TX 75219	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
31	9314 8699 0430 0117 2244 09	Wallace W. Irwin Properties, LLC 118 North Grant Street Hinsdale IL 60521	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
32	9314 8699 0430 0117 2244 16	WallFam, Ltd. PO Box 51740 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
33	9314 8699 0430 0117 2244 23	William W. Saunders 606 Ridgmont Avenue San Antonio TX 78209	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
34	9314 8699 0430 0117 2244 30	WPX Energy Permian, LLC 3500 One Williams Center, Suite 700 Tulsa OK 74172	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
35	9314 8699 0430 0117 2244 47	XTO Holdings, LLC 22777 Springwoods Village Parkway Spring TX 77389	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002margie Notice
Totals:			\$57.05	\$154.00	\$81.20	\$0.00	
Grand Total:						\$292.25	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
35			



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/20/2024

Firm Mailing Book ID: 260778

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0117 5989 99	United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.63	\$4.40	\$2.32	\$0.00	10375.0002Margie
Totals:			\$1.63	\$4.40	\$2.32	\$0.00	
Grand Total:						\$8.35	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
1	1		



Transaction Report Details - CertifiedPro.net
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Generated: 3/12/2024 10:47:44 AM

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9314869904300115204953	2023-12-15 10:25 AM	10375.0002Margie	Legacy Reserves Operating LP	Denver	CO	80202	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300115204946	2023-12-15 10:25 AM	10375.0002Margie	Jupiter JV LP	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	2023-12-19 11:26 AM
9314869904300115204939	2023-12-15 10:25 AM	10375.0002Margie	EOG Resources Inc.	Artesia	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	2023-12-21 7:25 AM
9314869904300115204922	2023-12-15 10:25 AM	10375.0002Margie	Advance Energy Partners Hat Mes	Houston	TX	77077	Delivered	Return Receipt - Electronic, Certified Mail	2023-12-20 3:48 PM



Transaction Report Details - CertifiedPro.net												
Firm Mail Book ID= 260283												
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USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date		
9314869904300117224447	2024-02-09 8:53 AM	10375.0002margie	XTO Holdings, LLC		Spring	TX	77389	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 9:16 AM		
9314869904300117224430	2024-02-09 8:53 AM	10375.0002margie	WPX Energy Permian, LLC		Tulsa	OK	74172	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300117224423	2024-02-09 8:53 AM	10375.0002margie	William W. Saunders		San Antonio	TX	78209	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 12:34 PM		
9314869904300117224416	2024-02-09 8:53 AM	10375.0002margie	WallFam, Ltd.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-14 3:15 PM		
9314869904300117224409	2024-02-09 8:53 AM	10375.0002margie	Wallace W. Irwin Properties, LLC		Hinsdale	IL	60521	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 4:30 PM		
9314869904300117224393	2024-02-09 8:53 AM	10375.0002margie	Vaughn Petroleum, Inc.		Dallas	TX	75219	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail			
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9314869904300117224379	2024-02-09 8:53 AM	10375.0002margie	Todd M. Wilson		Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 2:26 PM		
9314869904300117224362	2024-02-09 8:53 AM	10375.0002margie	Todd M. Wilson and wife, Carol L. Wilson		Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 2:25 PM		
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9314869904300117224331	2024-02-09 8:53 AM	10375.0002margie	Roy G. Barton		Hobbs	NM	88240	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-13 10:33 AM		
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9314869904300117224300	2024-02-09 8:53 AM	10375.0002margie	Penroc Oil Corporation		Hobbs	NM	88241	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300117224294	2024-02-09 8:53 AM	10375.0002margie	PBEX, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 4:03 PM		
9314869904300117224287	2024-02-09 8:53 AM	10375.0002margie	Nortex Corporation		Houston	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 1:56 PM		
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9314869904300117224232	2024-02-09 8:53 AM	10375.0002margie	Manta II, LLC		Allen	TX	75002	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 12:22 PM		
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9314869904300117224218	2024-02-09 8:53 AM	10375.0002margie	Durango Production Corporation		Wichita Falls	TX	76308	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 11:02 AM		
9314869904300117224201	2024-02-09 8:53 AM	10375.0002margie	Dorchester Minerals, L.P.		Dallas	TX	75219	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-13 12:56 PM		
9314869904300117224195	2024-02-09 8:53 AM	10375.0002margie	Devon Energy Operating Company LP		Oklahoma City	OK	73102	Lost	Return Receipt - Electronic, Certified Mail			
9314869904300117224188	2024-02-09 8:53 AM	10375.0002margie	DENM Holdco, LLC		Fort Worth	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 11:31 AM		
9314869904300117224181	2024-02-09 8:53 AM	10375.0002margie	Cynthia Mae Wilson	Trustee of Bypass Trust Scott Wilson	Austin	TX	78735	Delivered	Return Receipt - Electronic, Certified Mail			
9314869904300117224164	2024-02-09 8:53 AM	10375.0002margie	Curtis A. Anderson and Edna I. Anderson	Trustees of Revocable Trust 8/31/21	Frisco	TX	75033	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail			
9314869904300117224157	2024-02-09 8:53 AM	10375.0002margie	ConocoPhillips Company		Houston	TX	77252	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-12 9:37 AM		
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9314869904300117224133	2024-02-09 8:53 AM	10375.0002margie	COG Operating, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-13 7:52 AM		
9314869904300117224126	2024-02-09 8:53 AM	10375.0002margie	Blue Star Royalty, LLC		Houston	TX	77024	Lost	Return Receipt - Electronic, Certified Mail			
9314869904300117224119	2024-02-09 8:53 AM	10375.0002margie	Beverly Jean Renfro Barr	Trustee of Richard Barr Family Trust	Austin	TX	78735	Lost	Return Receipt - Electronic, Certified Mail			
9314869904300117224102	2024-02-09 8:53 AM	10375.0002margie	Andarko Petroleum Corporation		Woodlands	TX	77380	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-14 6:05 AM		

Transaction Details

Recipient:
United States of America
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Date Created: 02/20/2024 8:02 AM
Date Mailed: 02/20/2024
Date Mail Delivered: 02/22/2024 11:05 AM
USPS Article Number: 9314869904300117598999
Return Receipt Article Number: Not Applicable

Sender:
Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
PO Box 2168

Service Options: Return Receipt - Electronic
Certified Mail
Mail Service: Certified
Reference #: 10375.0002Margie
Postage: \$1.63
Certified Mail Fees: \$6.72
Status: Delivered
Custom Field 1: 10375.0002Margie

Albuquerque, NM 87103

Transaction created by: Karlenes
User ID: 20660
Firm Mailing Book ID: 260778
Batch ID:

Transaction History

Event Description	Event Date	Details
Mailbook Generated	02-20-2024 08:02 AM	[WALZ] - Firm Mailing Book 260778 generated by Karlenes
USPS® Certified Mail	02-20-2024 10:43 AM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at ALBUQUERQUE,NM
USPS® Certified Mail	02-20-2024 09:19 PM	[USPS] - ORIGIN ACCEPTANCE at ALBUQUERQUE,NM
USPS® Certified Mail	02-20-2024 10:34 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	02-21-2024 07:34 AM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	02-21-2024 05:07 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	02-22-2024 11:05 AM	[USPS] - CERTIFIED MAIL DELIVERED FRONT DESKRECEPTIONMAIL ROOM at SANTA FE,NM

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
December 19, 2023
and ending with the issue dated
December 19, 2023.



Publisher

Sworn and subscribed to before me this
19th day of December 2023.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087528
COMMISSION EXPIRES 01/29/2027

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

LEGAL NOTICE December 19, 2023

CASE NO. 24118: Notice to all affected parties, as well as heirs and devisees of: Permian Resources; EOG Resources, Inc.; Advance Energy Partners Hat Mesa LLC; Legacy Reserves Operating LP; Jupiter JV LP of the Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **January 4, 2024** to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

CASE NO. 24119: Notice to all affected parties, as well as heirs and devisees of: Permian Resources; EOG Resources, Inc.; Advance Energy Partners Hat Mesa LLC; Legacy Reserves Operating LP; Jupiter JV LP of the Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **January 4, 2024** to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the Margie 13 Fed Com 751H, Margie 13 Fed Com 752H, Margie 13 Fed Com 753H, Margie 13 Fed Com 754H, and the Margie 13 Fed Com 755H wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico. #00285872

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

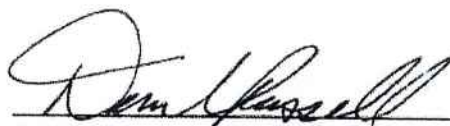
EXHIBIT
E-4

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

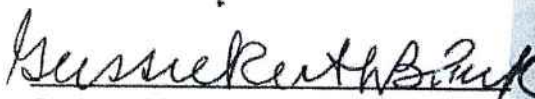
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 15, 2024
and ending with the issue dated
February 15, 2024.



Publisher

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



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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

LEGAL NOTICE February 15, 2024

CASE NO. 24118: Notice to all affected parties, as well as heirs and devisees of: Andarko Petroleum Corporation; Beverly Jean Renfro Barr, as Trustee of the Richard Kevin Barr Family Trust; Blue Star Royalty, LLC; Carol Cartwright III; COG Operating LLC; Collins & Ware Inc. (C&W Acquisition, LLC); ConocoPhillips Company; Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8-31- 2021; Cynthia Mae Wilson, Trustee of the Bypass Trust uwo Scott Evans Wilson dtd 7-12- 2012; DENM Holdco, LLC; Devon Energy Production Company, L.P.; Dorchester Minerals, LP; Durango Production Corporation; EGL Resources, Inc.; Georgette Nichols; Khody Land & Minerals, Co.; Manta II, LLC; Marathon Oil Permian, LLC; Merit Energy Partners D-111, L.P.; Merit Energy Partners III, L.P.; Merit Management Partners I, L.P.; Nortex Corporation; PBEX, LLC; Penroc Oil Corporation; Republic Royalty Company; Roger T. and Holly L. Elliott Family Limited Partnership, L.P.; Roy G. Barton; Sabre Exploration, Inc.; TD Minerals, LLC; The Kathleen I Schuster Trust; Todd M. Wilson and wife Carol I. Wilson; Todd M. Wilson; Tumbler Operating Partners; Vaughn Petroleum, Inc.; Wallace W. Irwin Properties, LLC; WallFam, Ltd.; West Central Texas Petroleum Partners, Ltd.; William W. Saunders; WPX Energy Permian, LLC; XTO Holdings, LLC of the Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 21, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13 Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.

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#00287367

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