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www.KMD.law

June 11, 2024

State of New Mexico 310 Old Santa Fe Trail Santa Fe, NM 87501

RE:

SUPPLEMENTAL INFORMATION FOR APPLICATION OF LARIO OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO; CASE NO. 24493

To Whom it may Concern;

To correct the record with the State of New Mexico Department Energy, Minerals and Natural Resources Oil Conservation Division for the Application for Lario Operating LLC's Compulsory Pooling and Approval of Non-standard Spacing Unit in Lea County, NM, Case No. 24493 filed on June 7, 2024 Kearney, McWilliams & Davis wishes to file a complete application which includes the following changes:

- 1) Revision to the **Compulsory Pooling Application Checklist**, specifically to the Unlocatable Parties to be Pooled, which should be blank as there are no unlocatable parties.
- 2) Revision to the **EXHIBIT INDEX** to include the following:

| Exhibit C | Self-Affirmed State of Engineer |
|-----------|--|
| C-1 | Facilities Comparison Map |
| C-2 | Facilities Comparison Costs |
| C-3 | Resume of Christopher M. Buscemi, Reservoir Engineer |

3) Revision to Exhibit B3 – Gunbarrel Diagram

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

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

CASE NO. 24493

REVISED EXHIBIT INDEX

| Checklist | Compulsory Pooling Application Checklist |
|-----------|--|
| Exhibit A | Self-Affirmed Statement of Landman |
| A-1 | Application & Proposed Notice of Hearing |
| A-2 | C-102s |
| A-3 | Depiction of Tracts, Tract Ownership, Applicable Lease Numbers |
| A-4 | Placement of proposed surface facilities |
| A-5 | Map depicting the non-standard spacing unit in relation to a standard spacing unit |
| A-6 | Sample well proposal letter and AFEs sent to working interest owners |
| A-7 | Summary of Chronology of Contact |
| Exhibit C | Self-Affirmed State of Engineer |
| C-1 | Facilities Comparison Map |
| C-2 | Facilities Comparison Costs |
| C-3 | Resume of Christopher M. Buscemi, Reservoir Engineer |
| Exhibit B | Self-Affirmed Statement of Geologist |
| B-1 | Location Map of Proposed Horizontal Spacing Unit |
| B-2a | Subsea Structure Map for the Third Bone Springs Sand |
| B-2b | Subsea Structure Map for the First Bone Springs Sand |
| B-3 | Gunbarrel Diagram |
| B-4 | Type Log |
| Exhibit D | Affirmation of Notice |

| D-1 | Notice of Application and Hearing |
|-----|---|
| D-2 | Certified Mailings |
| D-3 | Legal Notice posted in the Hobbs News Sun |

COMPULSORY POOLING APPLICATION CHECKLIST ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AF Case: APPLICANT'S RESP

| Case: | APPLICANT'S RESPONSE |
|--|---|
| Date | June 7, 2024 |
| Applicant | Lario Oil & Gas Company |
| Designated Operator & OGRID (affiliation if applicable) | 13089 |
| Applicant's Counsel: Case Title: | Christopher W. Lawyer APPLICATION OF LARIO OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO. |
| Entries of Appearance/Intervenors: | XTO Energy, Inc. |
| Well Family | Close Encounters |
| vven ramny | Close Efficienters |
| Formation/Pool | Danie Canina Farmantia |
| Formation Name(s) or Vertical Extent: | Bone Spring Formation |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Bone Spring Formation |
| Pool Name and Pool Code: | WC-025 G-06, S183518A; BONE SPRING/97930 |
| Well Location Setback Rules: | STATEWIDE RULES |
| Spacing Unit Size: | 960-acres |
| Snacing I Init | |
| Spacing Unit Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 960 acres |
| Building Blocks: | 40-acres - Quarter/Quarter Sections |
| | |
| Orientation: | South to North |
| Description: TRS/County | S2 of Section 12, All of Section 13, T18S R34E, Lea County, NM |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | No, non-standard horizontal spacing unit requested |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No, N/A |
| Proximity Tracts: If yes, description | Yes, the completed interval for the Close Encounters Com 302H, 303H and 304H wells are expected to be less than 330' from the adjoining tracts, thereby allowing for inclusion of the proximity tract within the proposed spacing unit. |
| Proximity Defining Well: if yes, description | Close Encounters Com 301H, 302H & 304H |
| Applicant's Ownership in Each Tract | See Exhibit A-3 |
| | |
| Well(s) Name & API (if assigned), surface and bottom hole location, | Add wells as needed |
| footages, completion target, orientation, completion status (standard or non-standard) Well #1 | Close Encounters State Com 101H (API 30-025-5280 to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 12, Township 18 South, Range 34 East |
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 880-FEET FWL Sec 13 T18S R34E LTP: 2495-FEET FSL, 880-FEET FWL Sec 12 T18S R34E |
| Completion Target (Formation, TVD and MD) | Bone Spring Formation 7764-feet TVD; 16084-feet TMD |
| Well #2 | ©lose Encounters State Com 102H (API 30-025-52809), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in th NE/4 SW/4 (Unit K) of Section 12, Township 18 South Range 34 East; |
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 2147-FEET FWL Sec 13 T18S R34E LTP: 2496-FEET FSL, 2147-FEET FWL Sec 12 T18S R34 |
| | |

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| Well #3 | Close Encounters State Com 103H (API 30-025-52810), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 34 East; |
|--|---|
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 1867-FEET FEL Sec 13 T18S R34E LTP: 2496-FEET FSL, 1867-FEET FEL Sec 12 T18S R34E |
| Completion Target (Formation, TVD and MD) | Bone Spring Formation 7548-feet TVD; 16238-feet TMD |
| Well #4 | Close Encounters State Com 104H (API 30-025-52811), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 12, Township 18 South, Range 34 East; |
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 600-FEET FEL Sec 13 T18S R34E LTP: 600-FEET FSL, 600-FEET FEL Sec 12 T18S R34E |
| Completion Target (Formation, TVD and MD) | Bone Spring Formation 7542-feet TVD; 16788-feet TMD |
| Well #5 | Close Encounters State Com 301H (API 30-025-52945), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 12, Township 18 South, Range 34 East; |
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 330-FEET FWL Sec 13 T18S R34E LTP: 600-FEET FSL, 330-FEET FWL Sec 12 T18S R34E |
| Completion Target (Formation, TVD and MD) | Bone Spring Formation 8618-feet TVD; 16396-feet TMD |
| Well #6 | Close Encounters State Com 302H (API 30-025-52946), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 12, Township 18 South, Range 34 East; |
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 1570-FEET FWL Sec 13 T18S R34E LTP: 1223-FEET FSL, 1570-FEET FWL Sec 12 T18S R34E |
| Completion Target (Formation, TVD and MD) | Bone Spring Formation 8492-feet TVD; 16176-feet TMD |
| Well #7 | Close Encounters State Com 303H (API 30-025-52947), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 12, Township 18 South, Range 34 East; and |
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 2390-FEET FEL Sec 13 T18S R34E LTP: 1223-FEET FSL, 2389-FEET FEL Sec 12 T18S R34E |
| Completion Target (Formation, TVD and MD) | Bone Spring Formation 8200-feet TVD; 16173-feet TMD |
| Well #8 | Close Encounters State Com 304H (API 30-025-52948), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 12, Township 18 South, Range 34 East. |
| Horizontal Well First and Last Take Points | FTP: 600-FEET FSL, 1070-FEET FEL Sec 13 T18S R34E LTP: 1223-FEET FSL, 1069-FEET FEL Sec 12 T18S R34E |
| | |

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| Completion Target (Formation, TVD and MD) | Bone Spring Formation 8000-feet TVD; 16403-feet TMD |
|---|---|
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | 10,000 |
| Production Supervision/Month \$ | 10,000 |
| Justification for Supervision Costs | 1,000 |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | EXHIBIT D, D1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | EXHIBIT D, D2 |
| Proof of Published Notice of Hearing (10 days before hearing) | EXHIBIT D, D3 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | EXHIBIT A-3 |
| Tract List (including lease numbers and owners) | EXHIBIT A-3 |
| Pooled Parties (including ownership type) | EXHIBIT A-5 |
| Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | EXHIBIT A-6 |
| List of Interest Owners (ie Exhibit A of JOA) | EXHIBIT A-3 |
| Chronology of Contact with Non-Joined Working Interests | EXHIBIT A-7 |
| Overhead Rates In Proposal Letter | EXHIBIT A-7 |
| Cost Estimate to Drill and Complete | EXHIBIT A-7 |
| Cost Estimate to Equip Well | EXHIBIT A-7 |
| Cost Estimate for Production Facilities | EXHIBIT A-7 |
| Geology | |
| Summary (including special considerations) | EXHIBIT B |
| Spacing Unit Schematic | EXHIBIT B-1b |
| Gunbarrel/Lateral Trajectory Schematic | EXHIBIT B-3 |
| Well Orientation (with rationale) | EXHIBIT B-1b |
| Target Formation | EXHIBIT B-2b |
| HSU Cross Section | EXHIBIT B-2 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | EXHIBIT A-2 |
| Tracts | EXHIBIT A-3 |
| Summary of Interests, Unit Recapitulation (Tracts) | EXHIBIT A-3 & A-4 |
| General Location Map (including basin) | EXHIBIT B-1a |
| Well Bore Location Map | EXHIBIT B-1b |
| Structure Contour Map - Subsea Depth | EXHIBIT B-2a |
| Cross Section Location Map (including wells) | EXHIBIT B-1b |
| Cross Section (including Landing Zone) Additional Information | EXHIBIT B-1b |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provide | led in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative): Signed Name (Attorney or Party Representative): | Christopher W. Lawyer Christopher W. Lawyer Liristopher W. Lawyer |
| Date: | 6/10/2024 |

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

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

CASE NO. 24493

SELF-AFFIRMED STATEMENT OF DAKOTA NAHM

- 1. I am a Senior Landman for Lario Oil and Gas Co. ("Lario"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division").
- 2. I attended Metropolitan State University of Denver, where I received a bachelor's degree in Sports Industry Operations with a minor in Management.
- 3. I have worked as a Landman since 2010. I initially worked for GFL & Associates, LLC as a title Landman from July 2010 to June 2011. Following that, I served as a Project Manager at Ironhorse Resources, LLC from June 2011 to January 2016. In January 2016, I established an oil and gas land brokerage, Gemini Titan Consulting, LLC, where I worked until August 2021. Currently, I am employed at Lario Oil & Gas Co. as a Landman, focusing on land matters in the Permian Basin since August 2021. In my role at Lario, I handle tasks including title examination, ownership verification, and leasing activities. Additionally, I work with our exploration team to streamline Lario's leasehold positions and negotiate agreements aimed at strengthening our operational position.

- 4. I have been directly involved in the development of the horizontal spacing units that are the subject of Lario's applications.
 - 5. A copy of Lario's application and proposed notice is attached as Exhibit A-1.
- 6. Lario seeks an order: (1) establishing a 960-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of Section 12 and all of Section 13 of Township 18 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit. The Unit will be dedicated to the following wells ("Wells"):
 - -Close Encounters State Com 101H (API 30-025-52808), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 12, Township 18 South, Range 34 East;
 - -Close Encounters State Com 102H (API 30-025-52809), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 12, Township 18 South, Range 34 East
 - -Close Encounters State Com 103H (API 30-025-52810), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 34 East;
 - -Close Encounters State Com 104H (API 30-025-52811), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 12, Township 18

South, Range 34 East;

- -Close Encounters State Com 301H (API 30-025-52945), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 12, Township 18 South, Range 34 East;
- -Close Encounters State Com 302H (API 30-025-52946), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 12, Township 18 South, Range 34 East;
- -Close Encounters State Com 303H (API 30-025-52947), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 12, Township 18 South, Range 34 East; and
- -Close Encounters State Com 304H (API 30-025-52948), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 12, Township 18 South, Range 34 East.
- 7. The proposed wells will be completed from south to north, with intervals completed according to standard practices.
- 8. The wells are located in the WC-025 G-06 S183518A; Bone Spring; Pool (Code 97930). Regarding well setback requirements, this pool adheres to the statewide horizontal well rules outlined in NMAC 19.15.16.15. Spacing in this pool is based on quarter-quarter sections, and the unit is constructed accordingly.

- 9. The C-102 forms for the wells are attached as Exhibit A-2.
- 10. A plat of the tracts included in the unit and the associated ownership interests is attached as Exhibit A-4. This exhibit also identifies the ownership in each tract, includes a unit recapitulation, and highlights in yellow the interests Lario seeks to pool
- 11. Lario owns 91.52% of the working interest in its proposed unit. Highland (Texas Energy Company) has elected to participate in this development. Lario has reached agreements with all other working interest owners in this unit except for XTO Holdings, Inc.
- 12. There are no unlocatable interests, as Lario believes it has identified a valid address for each party.
- 13. Lario seeks to develop the S/2 of Section 12 and all of Section 13. Allowing Lario to develop these sections is the most prudent approach and will prevent waste. This strategy enables Lario to coordinate development within the unit and implement operational efficiencies such as batch drilling and consolidated surface facilities.
- 14. Lario's comprehensive development plan also protects correlative rights and prevents the drilling of unnecessary wells. Lario can optimally locate its wells within each spacing unit, and the plan to drill one-and-a-half-mile laterals will efficiently produce the underlying reserves without the setback limitations associated with shorter laterals.
- 15. Lario's proposal to drill one-and-a-half-mile laterals will minimize the need for surface facilities. Lario plans to complete eight wells (four in the 1st Bone Spring and four in the 3rd Bone Spring), with the 1st Bone Spring wells being 1.5 miles long and the 3rd Bone Spring wells being 1.25 miles long in the S/2 of Section 12 and all of Section 13. The wells will be drilled and operated from a single pad in the S/2 of Section 13. This proposal to fully develop the

1st and 3rd Bone Spring formations from one well pad will reduce environmental, surface, and economic waste.

- 16. Lario seeks approval of a non-standard spacing unit to obtain flexibility regarding the placement of surface facilities and to consolidate those facilities as much as possible. Exhibit A-4 is a map showing the location of the proposed surface facilities for the wells, outlined in purple and brown. The map indicates a central tank battery located in the S/2. Without approval of a non-standard spacing unit, Lario would need multiple tank batteries or would have to seek commingling approval, which may not be granted. The ability to consolidate surface facilities reduces surface, environmental, and economic waste.
- 17. Exhibit A-5 is a map depicting the non-standard spacing unit in relation to a standard spacing unit. It also identifies the interest owners in the tracts surrounding the proposed unit, who were notified of Lario's application.
- 18. Approval of a non-standard spacing unit gives Lario the flexibility to optimally locate its proposed wells. Lario has determined that the optimal spacing between wells results in them being located within 330 feet of the internal quarter-quarter section lines. Applying for separate standard spacing units would require approval of unorthodox well locations, which may not be granted. Approval of a non-standard spacing unit ensures Lario can optimally locate its wells, preventing waste and protecting correlative rights.
 - 19. Lario has contracts in place for the takeaway of gas and water.
- 20. Exhibit A-6 includes a sample well proposal letter and AFEs sent to working interest owners in the wells. The estimated cost of the wells is fair, reasonable, and comparable to the cost of other wells of similar depth and length drilled in Lea County, NM.

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21. A summary of Lario's contacts with the pooled parties is attached as Exhibit A-7. In

my opinion, Lario has made a good faith effort to obtain the voluntary joinder of uncommitted

interests in the proposed wells.

22. Lario requests overhead and administrative rates of \$10,000 per month during drilling

and \$1,000 per month during production. These rates are fair and comparable to those charged by

Lario and other operators in the vicinity.

23. Lario requests to be designated as the operator of the wells.

24. Lario also requests that a 200% risk charge be assessed against the uncommitted

interests if they are non-consenting working interest owners.

25. For the reasons set out above, it is my opinion that granting Lario's applications

would best prevent waste, protect correlative rights, and prevent the drilling of unnecessary

wells. Lario should be permitted to proceed with its development plan.

26. The attached exhibits were either prepared by me or under my supervision or were

compiled from company business records.

27. I understand this Self-Affirmed Statement will be used as written testimony in the

subject cases. I affirm that my testimony above is true and correct and is made under penalty of

perjury under the laws of the State of New Mexico. My testimony is made as of the date next to

my signature below.

Dakota Nahm

<u>June 7, 2024</u>

Date

2581 S. Jersey, Denver, CO 80222 •720-231-3802 •dnahm@msn.com

Dakota Nahm

Professional Profile

Accomplished Landman with fourteen years of expertise in the oil and gas industry. Specializes in title work, lease and surface negotiations, contract preparation and negotiations, and project management. Proven track record in leading large leasing projects and negotiating contracts. Experienced across diverse geographic regions, including Texas, New Mexico, North Dakota, Colorado, Wyoming, and Kansas.

Professional Experience

Senior Landman

Lario Oil & Gas Company Denver, CO August 2021 - Present

- Review and analyze leases and contracts to ensure all obligations are understood and met.
- Examine title opinions for ownership and address title requirements.
- Negotiate Oil and Gas Leases, Surface Use Agreements, and Right-of-Way terms with mineral and surface owners.
- Direct brokers and Field Landmen according to prospect strategies and deadlines.
- Review and report on Fee, State, and Federal titles, including chains from patent to present, lease take-offs, cursory titles, and development of abstracts.
- Prepare and analyze various contracts including Lease Agreements, exchange agreements, term assignments, Surface Use Agreements, ROW Agreements, Communitization Agreements, Unitization Agreements, Joint Operating Agreements, Farmout Agreements, Assignments, and curative documents.
- Negotiate potential trades, acquisitions, and divestitures with third parties.
- Assist accounting and division orders with confirming ownership and setting up JIB accounts.
- Review, negotiate, and extend upcoming lease expirations.

Partner

Gemini Titan Consulting Denver, CO January 2016 - August 2021

- Coordinated several large leasing projects from take-off to title opinion curative and surface negotiations.
- Acquired and renewed leases in highly competitive prospect areas.

- Researched and reviewed public records, leases, and agreements to ascertain mineral, surface ownership, working interest, and net revenue interests.
- Conducted title research and land abstracts in county, federal, and state records.
- Reviewed County Clerk's office, Assessor's office, and Probate Court records.
- Prepared ownership reports, negotiated and acquired oil and gas leases.
- Managed and facilitated title, data, and lease acquisition costs and expenses for clients.
- Managed and supervised title and lease acquisition crews.
- Performed extensive qualitative field title research in Federal, State, and County Records.

Project Manager

Ironhorse Resources, LLC Denver, CO June 2011 - January 2016

- Managed leasing and title teams on assignments in Colorado, Wyoming, and Kansas.
- Contacted mineral owners to negotiate lease terms, cure title defects, and surface use.
- Conducted extensive title research to determine leasehold, mineral, and surface ownership.
- Reviewed field title for accuracy before client submission.
- Participated in due diligence projects to determine the accuracy of acreage in lease acquisitions.
- Reviewed and interpreted title opinions to satisfy curative requirements.
- Generated interested parties lists to notify royalty and working interest owners for spacing and pooling applications.
- Mentored and trained new Landmen.

Field Landman

GFL & Associates, LLC Parker, CO July 2010 - June 2011

- Conducted extensive title research from patent to present.
- Identified current surface and mineral owners and prepared detailed title reports.
- Performed lease checks to identify open acreage in multiple counties.

Education

Bachelor of Arts in Sports Industry Operations/Management

Metro State University of Denver, 2005-2009

• Metro State University Baseball Team - Captain

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

APPLICATION OF LARIO OIL AND GAS COMPANY FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

| CASE NO | |
|---------|--|
|---------|--|

APPLICATION

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(5), Lario Oil & Gas Company ("Lario" or "Applicant"), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") seeking an order to approve: (1) establishing a 960-acre, more or less, non-standard Bone Spring horizontal spacing unit comprised of the S/2 of Section 12 and all of Section 13 of Township 18 South, Range 34 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying the Unit. In support of this application, Lario states the following.

- 1. Applicant (OGRID No. 13089) is a working interest owner in the Unit and has the right to drill and operate a well thereon.
 - 2. Applicant seeks to dedicate the Unit to the following proposed wells ("Wells"):
 - a. Close Encounters State Com 101H (API 30-025-52808), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 12, Township 18 South, Range 34 East;
 - b. Close Encounters State Com 102H (API 30-025-52809), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 12, Township 18 South, Range 34 East;

- c. Close Encounters State Com 103H (API 30-025-52810), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 34 East;
- d. Close Encounters State Com 104H (API 30-025-52811), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 12, Township 18 South, Range 34 East;
- e. Close Encounters State Com 301H, to be drilled from a surface hole location in the SE/4 SW/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 12, Township 18 South, Range 34 East;
- f. Close Encounters State Com 302H, to be drilled from a surface hole location in the SE/4 SW/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 12, Township 18 South, Range 34 East;
- g. Close Encounters State Com 303H, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 12, Township 18 South, Range 34 East; and
- h. Close Encounters State Com 304H, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 12, Township 18 South, Range 34 East.
- 3. The wells will be drilled to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and, if the non-standard unit application is

approved the completed intervals of the Wells are expected to be orthodox.

- 4. The completed intervals for the Wells are expected to be less than 330-feet from adjoining tracts, which will be a standard location if the non-standard unit application is approved.
- 5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.
- 6. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.
- 8. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Unit;
- C. Approving the initial wells in the Unit;
- D. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

KEARNEY, MCWILLIAMS & DAVIS, PLLC

/s/ Joshua D. Cochran
Joshua D. Cochran
Christopher W. Lawyer
55 Waugh Suite 150
Houston, Texas 77007
Phone: (888) 855-1276 x 109

jcochran@kmd.law clawyer@kmd.law

Counsel for Lario Oil & Gas Company

Lario Oil & Gas Co. Case No. 24493

Page 19 of 138

Form C-102

DISTRICT I DISTRICT II , Artesia, NM 88210 748-1283 Fax: (575) 748-972 DISTRICT III DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Exhibit A-2 State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

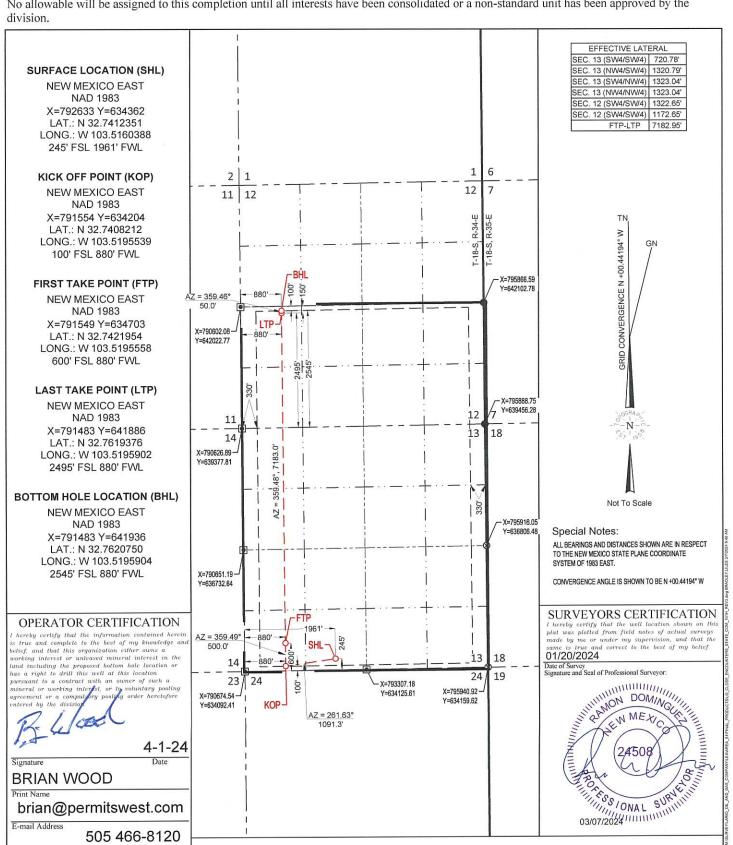
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WELL LOCATION AND ACREAGE DEDICATION PLAT

| A | API Number Pool Code WC-025 Pool Name | | | | | | | | | |
|-----------------|---------------------------------------|----------|-------------------------|-----------|-------------------|-------------------|---------------|----------------|--------|--|
| | 0-025- 52 | 2808 | | 97930 | | G-06 S183518A; | | 3 | | |
| Property C | ode | | | | Property Name | | | Well Number | | |
| | | | | CLOSE E | ENCOUNTERS | S STATE COM | | 101H | | |
| OGRID N | o. | | | | Operator Name | | | Elevation | on | |
| 13089 | € | | LARIO OIL & GAS 3977' | | | | | 77' | | |
| E 1 | | | | | Surface Locat | ion | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| N | 13 | 18-S | 34-E | - | 245' | SOUTH | 1961' | WEST | LEA | |
| | | | Botte | om Hole I | Location If Diffe | erent From Surfac | ce | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| L | 12 | 18-S | 34-E - 2545' SOUTH 880' | | | | | WEST | LEA | |
| Dedicated Acres | Joint or | Infill | Consolidated Coo | le Orde | r No. | • | | | | |
| 960.00 | | | C | | | | | | | |

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



DISTRICT I DISTRICT II DISTRICT III 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, New Mexico 87505

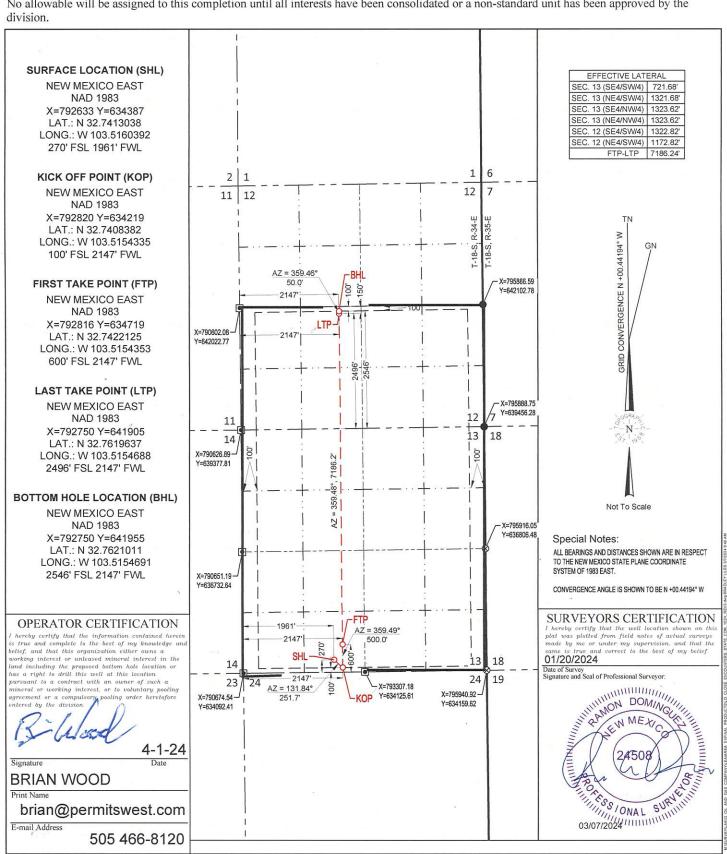
Form C-102 Revised August 1, 2011 Submit one copy to appropriate

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code WC-025 Pool Name

| | API Number | | 1 | Pool Code | WC- | 025 | Pool Name | | ii ii | |
|-----------------|---------------|----------|------------------|----------------------|------------------|------------------|---------------|----------------|--------|--|
| 3 | 30-025- 52809 | | | 97930 | G-06 | S S183518A; | BONE SPRING | | | |
| Property Code | | | • | | Property Name | | | Well Nur | nber | |
| | | | | CLOSE I | ENCOUNTERS | S STATE COM | | 10 | 102H | |
| OGRID N | No. | | | | Operator Name | | | Elevati | on | |
| 1308 | 9 | | | | LARIO OIL & | GAS | | 39 | 77' | |
| | | | | | Surface Locat | ion | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| N | 13 | 18-S | 34-E | - | 270' | SOUTH | 1961' | WEST | LEA | |
| | | | Bott | om Hole I | Location If Diff | erent From Surfa | nce | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| K | 12 | 18-S | 34-E | 34-E - 2546' SOUTH 2 | | | | WEST | LEA | |
| Dedicated Acres | Joint or | Infill | Consolidated Cod | de Orde | r No. | | | | • | |
| 960.00 | | C | | | | | | | | |

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



API Number

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-4614 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rto Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170
DISTRICT IV
220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 376-3460 Fax: (505) 476-3462

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

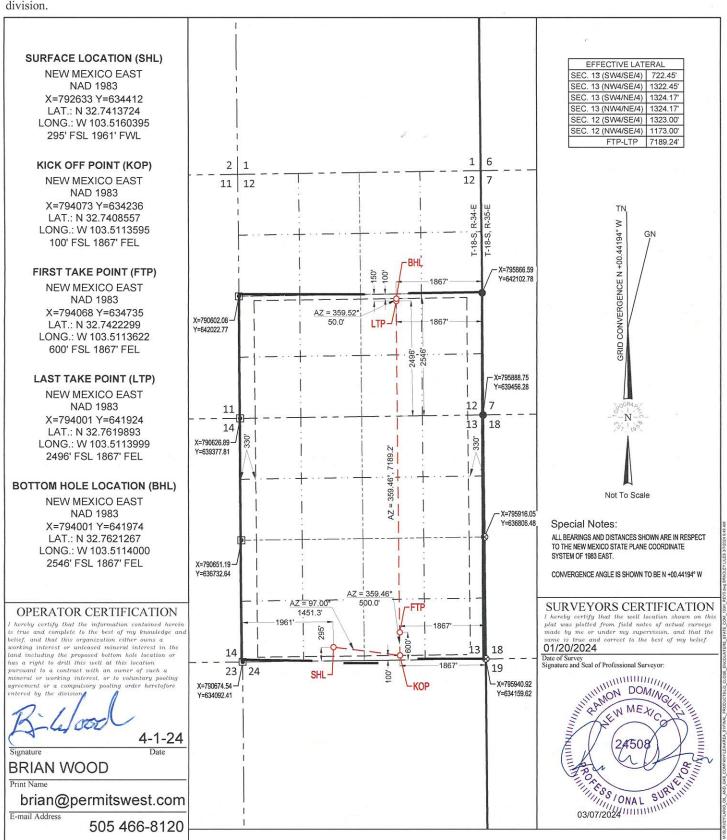
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WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code N/C_025 Pool Name

| | 0-025- 52 | 5- 52810 97930 WC-025 G-06 S183518A; BONE SPRING | | | | | | G | | |
|-----------------|-----------|---|-----------------|---------------------|------------------|-------------------|---------------|----------------|--------|--|
| Property C | ode | | | Well Number 103H | | | | | | |
| OGRID N 1308 | | | ¥ | Elevation 3977' | | | | | | |
| | | *** | | | Surface Locat | ion | | | | |
| UL or lot no. | Section | Township | p Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| N | 13 | 18-S | 34-E | - | 295' | SOUTH | 1961' | WEST | LEA | |
| | | | Bott | om Hole | Location If Diff | erent From Surfac | e | | | |
| UL or lot no. | Section | Township | p Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| J | 12 | 18-S | 34-E | - | 2546' | SOUTH | 1867' | EAST | LEA | |
| Dedicated Acres | Joint or | Infill | Consolidated Co | de Ord | er 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.



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fax: (375) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (375) 748-1285 Fax: (375) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
2120 S. St. Funcis Dr., Santa Fe, NM 87505

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

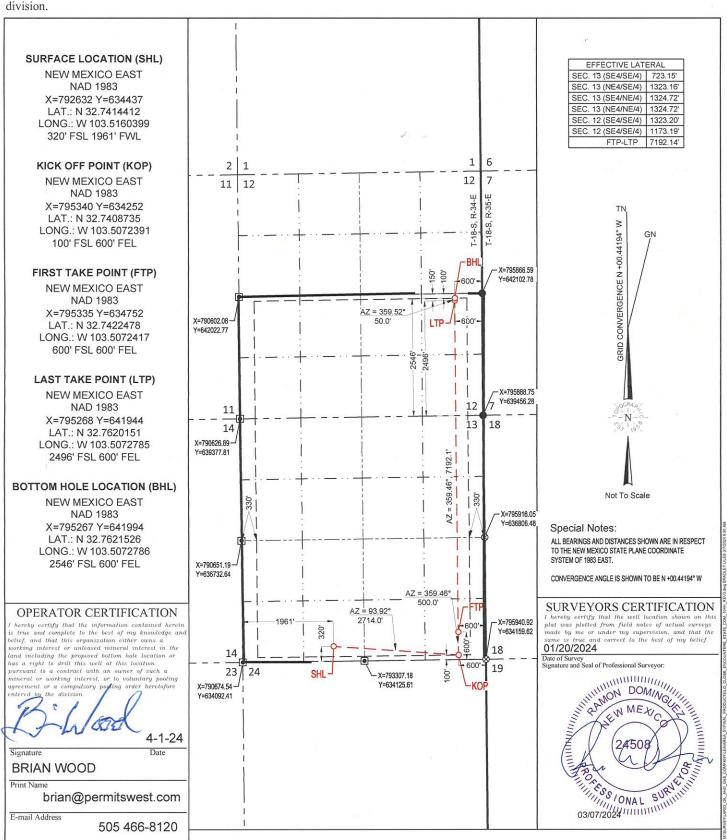
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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | 30-025- 52811 97930 WC-025 WC-025 G-06 S183518A; BONE SPRING | | | | | | i | | | |
|-----------------|--|----------|----------------------------|---------|------------------|-------------------|---------------|----------------|--------|--|
| Property Co | ode | | | | Property Name | | | Well Number | | |
| | | | CLOSE ENCOUNTERS STATE COM | | | | | |)4H | |
| OGRID N | o. | | Operator Name | | | | | | on | |
| 13089 | 9 | | LARIO OIL & GAS | | | | | | 76' | |
| | | | | | Surface Locat | ion | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| N | 13 | 18-S | 34-E | - | 320' | SOUTH | 1961' | WEST | LEA | |
| - | | | Botte | om Hole | Location If Diff | erent From Surfac | ce | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| I | 12 | 18-S | 34-E | - | 2546' | SOUTH | 600' | EAST | LEA | |
| Dedicated Acres | Joint or | Infill | Consolidated Cod | le Orde | er No. | | | | | |
| 960.00 | | | C | | | | | | | |

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.



DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

API Number

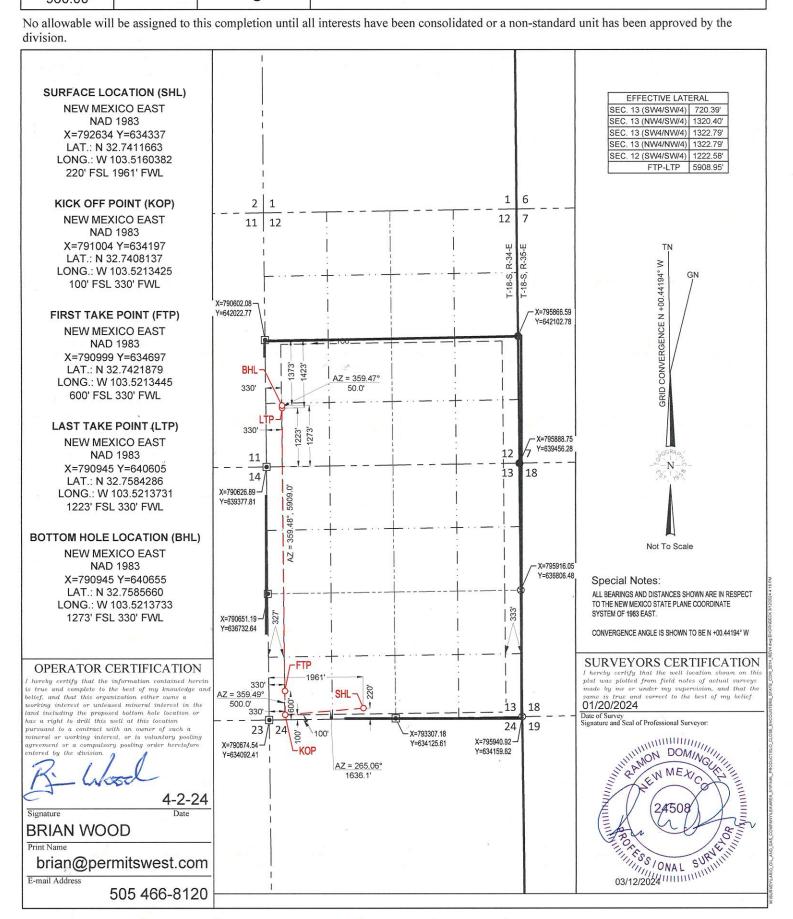
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | ti i i dillioci | | Tool reads | | | | | | | |
|-----------------|-----------------|----------|----------------------------|---------|-----------------|-----------------------------------|---------------|----------------|--------|--|
| 3 | 30-025- 52 | 2945 | | 97930 | | WC-025 G-06 S183518A; BONE SPRING | | | | |
| Property C | Code | | Property Name | | | | | | mber | |
| | | | CLOSE ENCOUNTERS STATE COM | | | | | | | |
| OGRID N | No. | | | | Operator Nam | e | | Elevati | on | |
| 1308 | 9 | - | | | LARIO OIL 8 | & GAS | | 39 | 3977' | |
| | | | (1 | | Surface Loca | ation | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| N | 13 | 18-S | 34-E | | 220' | SOUTH | 1961' | WEST | LEA | |
| 1 | , MI | | Bott | om Hole | Location If Dit | fferent From Surfa | ce | | is. | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| M | 12 | 18-S | 34-E | - | 1273' | SOUTH | 330' | WEST | LEA | |
| Dedicated Acres | Joint or | r Infill | Consolidated Co | de Orde | r No. | ' | * | | | |
| 960.00 | - 1 | | С | | | | | | | |



DISTRICT I DISTRICT II DISTRICT III DISTRICT IV 0 S. St. Francis Dr., Santa Fe, NM 87505 ne: (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, New Mexico 87505

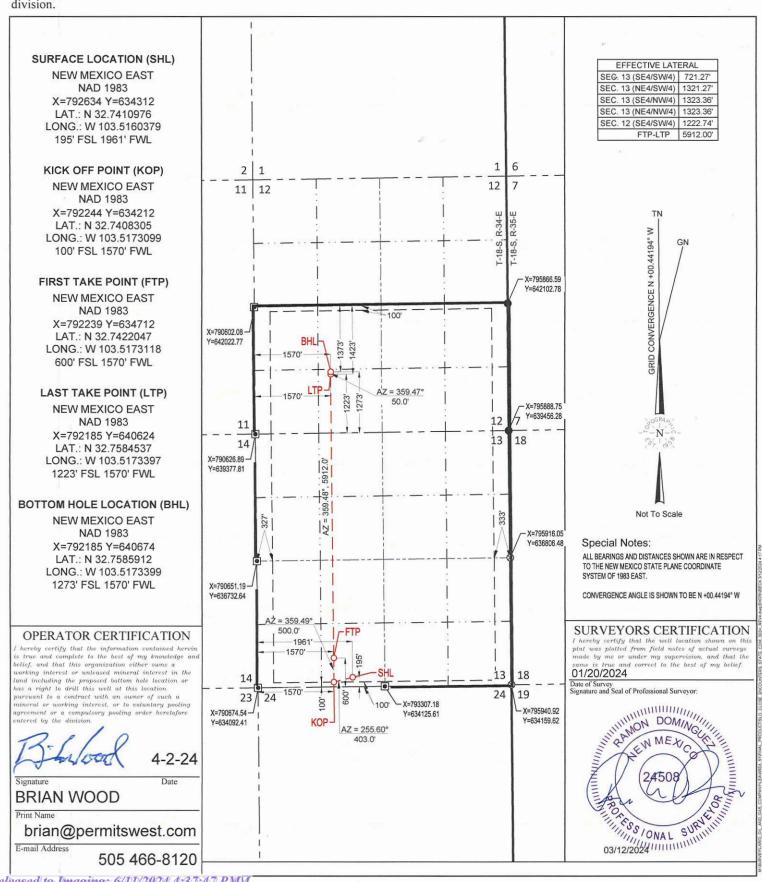
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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | PI Number 0-025- 52 | 2946 | | Pool Code 97930 | G-06 | 025 S S183518A; | Pool Name BONE SPRING | 3. | |
|-----------------|------------------------|----------|----------------------------|--------------------|------------------|--------------------|-----------------------|----------------|--------|
| Property Co | Property Code | | Property Name | | | | | Well Nur | nber |
| | | | CLOSE ENCOUNTERS STATE COM | | | | | 30 | 2H |
| OGRID N | o. | | | | Operator Name | | | Elevati | on |
| 13089 | 9 | | | | LARIO OIL & | GAS | | 39 | 77' |
| | | | | | Surface Locat | ion | * | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| N | 13 | 18-S | 34-E | - | 195' | SOUTH | 1961' | WEST | LEA |
| | | , | Bott | om Hole I | Location If Diff | erent From Surfa | ice | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| N | 12 | 18-S | 34-E | - | 1273' | SOUTH | 1570' | WEST | LEA |
| Dedicated Acres | Joint or | Infill | Consolidated Co | de Orde | r No. | | | | |
| 960.00 | | 1 | C | | | | | | |

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.



BONE SPRING

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1285 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fc. NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

API Number

30-025- 52947

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

Form C-102 Revised August 1, 2011

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WELL LOCATION AND ACREAGE DEDICATION PLAT

97930

WC-025

G-06 S183518A;

| | 00-020- 52 | | | 0.000 | | 3 1033 TOA, | | | | | |
|---|---|---|------------------------------|----------------|------------------------------|--------------------|----------------------------|--|--|--|--|
| Property C | ode | | | CLOSE | Property Name ENCOUNTERS | STATE COM | 1 | Well Nur | nber)3H | | |
| 0GRID N 1308 | | | | - | Operator Name | GAS | - | 102000000000 | Elevation 3977' | | |
| | | | 1- | - | Surface Locati | | 11.2 | | | | |
| UL or lot no. | Section | Towns | nip Range | Lot Idn | Feet from the | North/South line | Feet fro | m the East/West line | County | | |
| N | 13 | 18- | S 34-E | - | 170' | SOUTH | 196 | S1' WEST | LE/ | | |
| 2.1 | | | Bot | tom Hole | Location If Diffe | rent From Sur | face | | | | |
| UL or lot no. | Section | Towns | | Lot Idn | Feet from the | North/South line | Feet fro | | County | | |
| 0 | 12 | 18- | | - | 1273' | SOUTH | 238 | B9' EAST | LEA | | |
| Dedicated Acres | Joint or | Infill | Consolidated Co | ode Orde | er No. | | | | | | |
| 960.00 | | | С | | | | | | | | |
| allowable wision. | rill be assig | ned to t | nis completion | until all inte | erests have been co | onsolidated or a | non-standard | unit has been approved b | by the | | |
| | | | | | | | | | | | |
| NA X=7926 LAT.: N LONG.: V | LOCATION EXICO EAS AD 1983 34 Y=63428 I 32.741029 V 103.51603 IL 1961' FW | 37 0 376 | | | | | 34 | SEC. 13 (NW4/SE/4) 13: SEC. 13 (SW4/NE/4) 13: SEC. 13 (NW4/NE/4) 13: SEC. 12 (SW4/SE/4) 12: | AL (2.16' 22.16' 23.95' 23.95' 22.92' 15.14' | | |
| KICK OF | POINT (K | OP) | 2 1 | | | 1 | 6 | | | | |
| NEW M | EXICO EAS | | 11 1 | | | | 7 | | | | |
| | ND 1983 50 Y=63422 | 99 | 1 | i | Ì | | ı lu | TN, | | | |
| LAT.: N | 32.740848 | 2 | 1 | 1 | 1 | | R-35-E | | | | |
| | V 103.51306 SL 2390' FEI | | - | + | | | 7-18-S, | °4611 / GN | | | |
| | | | 1 | 1 | | i i | <u>Σ</u> | 00.44 | | | |
| | KE POINT (I | | | 1 | | | 1 | CONVERGENCE N +00.44194* W | | | |
| | EXICO EAS AD 1983 | ST | - | | | -100'- | 1 | SENC / | | | |
| X=7935 | 45 Y=63472 | | X=790602.08 | | BHL-\ | | X=795866.59 Y=642102.78 | VERG | | | |
| | I 32.742222 V 103.51306 | | Y=642022.77 | | Z = 359.46° | | | CON | | | |
| | SL 2390' FE | | | 1 + | | 2389' | - | GRID | | | |
| LASTTAL | KE POINT (L | TD\ | | | Į. | 2389' | - | | | | |
| | EXICO EAS | #000000 * 0 | | | LТР | 1273 | | | | | |
| N/ | AD 1983 | v. | 11 | i i | | 12 | 2 7 | 30GR4A | | | |
| 1980 H.W | 90 Y=64064 I 32.758480 | | 14 | 1 | | 1 13 | IIIA | 1950 | | | |
| | V 103.51309 | | X=790626.89 — Y=639377.81 | î | 7 | i i | X=795888.75 Y=639456.28 | - A | | | |
| 1223 F | SL 2389' FE | :L | | i i | 5915.1 | i i | | | | | |
| оттом ног | E LOCATIO | N (BHL | | ·¦· — · · + | 9.46° | <u>†</u> j | | | | | |
| | EXICO EAS | T | | i i | = 359.46 | į l | i i | Not To Scale | | | |
| | AD 1983 90 Y=64069 | 94 | | 1 | AZ | ; ! | 1 | Special Notes: | | | |
| | I 32.758617 V 103.51309 | | • | | | | - ⊗ | ALL BEARINGS AND DISTANCES SHOWN TO THE NEW MEXICO STATE PLANE CO | | | |
| | SL 2389' FE | | x=790651.19 | . | | i l | X=795916.05 Y=636806.48 | SYSTEM OF 1983 EAST. | OND HE WILL | | |
| | | | Y=636732.64 | \1 | | 1 1 | ^\ | CONVERGENCE ANGLE IS SHOWN TO B | E N +00.44194° | | |
| ODER AMOS | ODDATA | 7 4 001 02 | <u> </u> | | 93.67°— · · — – – – | AZ = 359.46° | | SURVEYORS CERTII | FICATION | | |
| OPERATOR creby certify that t | he information c | ontained her | ein - | 1961' | -\ | 500.0' . 2390' | - | I hereby certify that the well local plat was plotted from field notes o | ion shown on f actual suri | | |
| rue and complete t ef, and that this or king interest or un | rganization either | r owns a | | 1 ! | 170 | | 3 18 | made by me or under my supervisions ame is true and correct to the best 01/20/2024 | st of my beli | | |
| d including the pro a right to drill th | posed bottom hole is well at this le | e location o: ocation | 14 | | 244' | 100' — -1 2390' | 3 18 19 | Date of Survey Signature and Seal of Professional Surveyor | or: | | |
| suant to a contract teral or working in sement or a compu | terest, or to volu | ntary poolir | g /1 | 24 | SHI J S | OP | X=795940.92 | Date of Survey Signature and Seal of Professional Survey O DOM/N | | | |
| ered by the division | | , | Y=634092.41 | | X=793307.18 — Y=634125.61 | | Y=634159.62 | MINIMON DOMIN | GUIL | | |
| The | 1 | | | | | | | 24508 24508 03/12/2024 | TOIL | | |
| of his | CALL | 4-2-2 | 24 | | | | | Toward Contract | | | |
| gnature | 200 | Date | | | | | | (Z4508) | A | | |
| RIAN WO | OOD | | _ | | | ¥ | | To the state of th | 2011 | | |
| _{int Name} brian@pe | ermitswe | est.co | m | | | | | THESS IOW CL | RVIIII | | |
| mail Address | 141402020000000000000000000000000000000 | | 1 | | | | | 03/12/2024 IIIIIIIII | 1111 | | |
| errored contract projection (in the Contract of Text) | 505 46 | 6-812 | 0 | | | | | JAMEST | | | |

Page 25 Df 138

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District Office

WWW.7437634 4202/11/9: Suignmi of bestelest MMA. Local description of the C-105

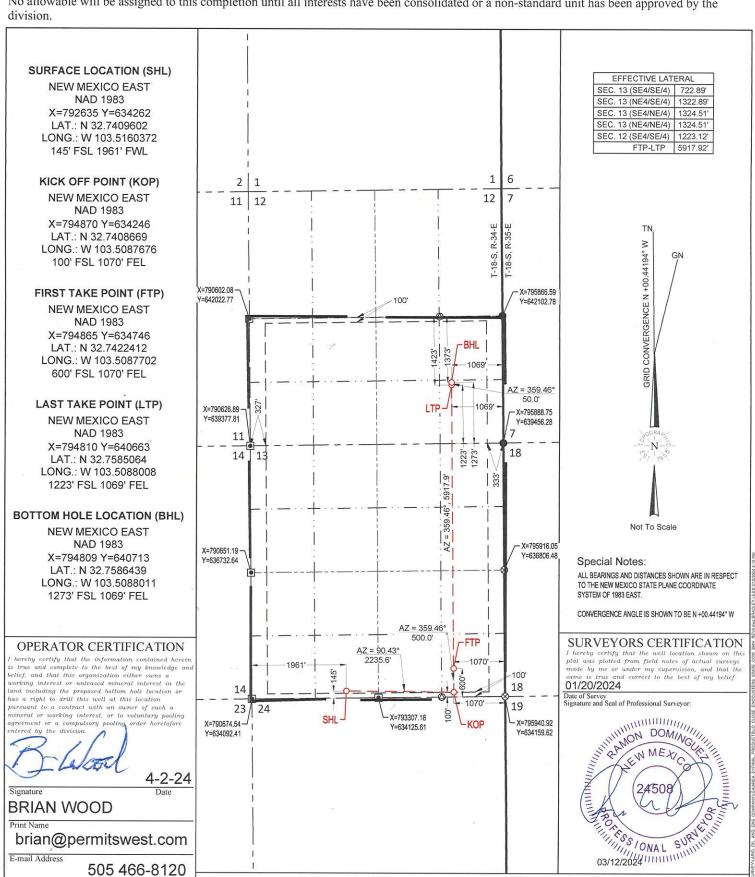
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

WELL LOCATION AND ACDEAGE DEDICATION DE

| | | WE | LL LOC | ATION A | AND ACK | EAGE DEDICA | TION PLAT | | |
|--|---------|----------|-------------------------------|--------------------|---------------|-----------------------|--------------------------|----------------|--------|
| API Number 30-025- 52948 | | | | Pool Code 97930 | | C-025 06 S183518A; | Pool Name BONE SPRING | | |
| Property Code Property Name CLOSE ENCOUNTERS STATE COM | | | Well Nur | nber 14H | | | | | |
| 0GRID 1 1308 | 0.550 | 4 11 | Operator Name LARIO OIL & GAS | | | Elevation 3977' | | | |
| | | | | | Surface Lo | cation | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| N | 13 | 18-S | 34-E | - | 145' | SOUTH | 1961' | WEST | LEA |
| | | | Bott | om Hole I | ocation If I | ifferent From Surf | ace | | |

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line P 12 18-S 34-E 1273' SOUTH 1069' **EAST** LEA Dedicated Acres Joint or Infill Consolidated Code Order No C 960.00

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.



DISTRICT I

DISTRICT II

DISTRICT III

B11 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

EXHIBIT A-3

Close Encounters State Com S/2 of Section 12 & ALL of 13 Section, T18S R34E BONE SPRING

301H, 302H, 303H, 304H, 101H, 102H, 103H & 104H 960 Acres in Spacing Unit

| 300 ACIES III | Spacing Unit | |
|--|--|--|
| Tract 3 NM State B012580003 SW/4 12-18S-34E 160 ac. | NM S B0093 N/2 12-18 80 Tra NM S B0093 S/25 | ct 1 State 160026 SE/4 S-34E ac. ct 2 State 160026 SE/4 S-34E ac. |
| Tract 7 NM State VC11940000 SW/4 13-18S-34E 160 ac. | Tract 5 NM State VC06380003 W/2NE/4 13-18S-34E 80 ac. | Tract 4 NM State V065640000 E/2NE/4 13-18S-34E 80 ac. |
| NM 9 VC063 S 13-18 | ct 6 State 370003 //2 3S-34E) ac. | |

| Recapitulation | | | | | |
|-----------------|---------------------------------|---|--|--|--|
| Tract Number | Number of Acres Committed | Percentage of Interest in Communitized Area | | | |
| 1 | 80 | 0.083333333 | | | |
| 2 | 80 | 0.083333333 | | | |
| 3 | 160 | 0.166666667 | | | |
| 4 | 80 | 0.083333333 | | | |
| 5 | 80 | 0.083333333 | | | |
| 6 | 320 | 0.333333333 | | | |
| 7 | 160 | 0.166666667 | | | |
| TOTAL: | 960 | 1 | | | |

EXHIBIT A-3, CONTINUED

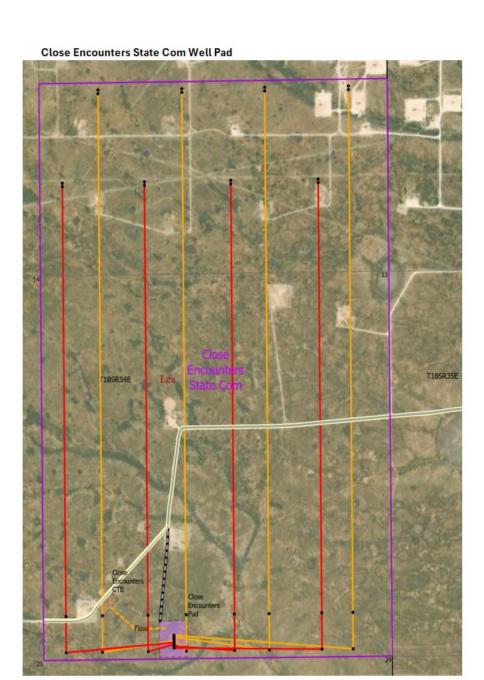
| | | | | iibii ii o, con | | | |
|---------------------------------|--------------------------|------------|--------------------------|--------------------------|------------|------------|------------|
| | Tract 1 | Tract 2 | Tract 3 | Tract 4 | Tract 5 | Tract 6 | Tract 7 |
| | B009360026 | B009360026 | B012580003 | V065640000 | VC06380003 | VC06370003 | VC11940000 |
| Leasehold Interest by Tract | N/2SE/4 | S/2SE/4 | SW/4 | E/2NE/4 | W/2NE/4 | S/2 | NW/4 |
| | 12-18S-34E | 12-18S-34E | 12-18S-34E | 13-18S-34E | 13-18S-34E | 13-18S-34E | 13-18S-34E |
| | 80 ac. | 80 ac. | 160 ac. | 80 ac. | 80 ac. | 320 ac. | 160 ac. |
| Depths | Bone Spring Fromation | ALL DEPTHS | Bone Spring Fromation | Bone Spring Formation | ALL DEPTHS | ALL DEPTHS | ALL DEPTHS |
| XTO Holdings Inc. | | 1.00000000 | | | | | |
| Lario Oil & Gas Company | 1.00000000 | | 1.00000000 | 0.98250000 | 1.00000000 | 1.00000000 | 1.00000000 |
| Highland (Texas) Energy Company | | | | 0.01750000 | | | |
| TOTALS: | 1.00000000 | 1.00000000 | 1.00000000 | 1.00000000 | 1.00000000 | 1.00000000 | 1.00000000 |

| UNIT WORKING INTEREST OWNERS TOTAL UNIT -960 AC. | WORKING INTEREST | NET REVENUE INTEREST |
|--|---------------------|----------------------------|
| Lario Oil & Gas Company | 0.91520834 | 0.69473960 |
| XTO Holdings Inc. | 0.08333333 | 0.06458333 |
| Highland (Texas) Energy Company | 0.00145833 | 0.00119340 |
| TOTAL: | 1.00000000 | 0.76051633 |

| UNIT ROYALTY INTEREST OWNERS TOTAL UNIT -960 AC. | NET REVENUE INTEREST |
|--|-------------------------|
| State of New Mexico | 0.17222222 |
| TOTAL: | 0.17222222 |

| UNIT OVERRIDING ROYALTY INTEREST OWNERS TOTAL UNIT -960 AC. | NET REVENUE INTEREST |
|---|-------------------------|
| XTO Holdings, LLC | 0.01666666 |
| The Allar Company | 0.00284722 |
| Cross Timbers Energy, LLC | 0.00208333 |
| Morningstar Operating, LLC | 0.02083333 |
| Cornerstone Family Trust | 0.00062500 |
| CrownRock Minerals, LP | 0.00062500 |
| Cavalry Resources, LLC | 0.00694444 |
| DSD Energy Resources, LLC | 0.00694444 |
| Loma Hombre Energy, LLC | 0.00694444 |
| Strategic Energy Income Fund IV, LP | 0.00274757 |
| TOTAL: | 0.06726144 |

EXHIBIT A-4



Page 30 of 1.

Exhibit A-5

| | S2NW 12-18S-R34E NMSLO B0-1258-3 | | S2NE 12-18S-R34E NMSLO B0-0936-27 | | Lot 2 (SWSW) 7-18S-35E NMSLO E0-6002-7 | |
|---|--|----------------|--------------------------------------|--|---|--|
| SWNW, E2SW 11- 18S-34E NMSLO B0-1258-3 | | | 12-T18S-R34E | | Lot 3 (NWSW), Lot 4 (SWSW) 7-18S-35E | |
| | | Lea C | NMSLO E0-6002-6 | | | |
| E2NE 11-18S-34E | | | | | | |
| NMSLO VC-1195 | | ALL of Section | 13-T18S-R34E | | Lot 1 (NWNW), Lot 2 (SWNW), Lot 3 (NWSW), Lot 4 (SWSW) | |
| E2SE 11-18S-34E | | | ounty | | 18-18S-35E NMSLO VB-1325 | |
| NMSLO B0-3011-3 | | | | | | |
| NENE 23-18S-34E NMSLO VB-2276-1 | N2N2 24-18S-34E NMSLO VB-1876-3 | | | | Lot 1 (NWNW) 19-18S-35E NMSLO VB-1499-4 | |

960 ACRE NON STANDARD SPACING UNIT S2 12-18S-34E, AND ALL 13-18S-34E S2NW 12-18S-R34E & SWNW, E2SW 11-18S-34E NMSLO - B0-1258-3 Lario Oil & Gas Co. WI **Cross Timbers Energy LLC ORRI** Bisco Inc. ORRI State of New Mexico RI MorningStar Operating, LLC ORRI S2NE 12-18S-35E NMSLO - BO-0936-27 XTO Holdings, LLC WI State of New Mexico RI Lot 2 (SWSW) 7-18S-35E NMSLO - E0-6002-7 Chase Oil Corporation WI DiaKan Minerals, LLC WI Ventana Minerals, LLC WI RDC Minerals, LLC WI State of New Mexico RI Lot 3 (NWSW), Lot 4 (SWSW) 7-18S-35E NMSLO - E0-6002-6 Chase Oil Corporation WI DiaKan Minerals, LLC WI Ventana Minerals, LLC WI RDC Minerals, LLC WI State of New Mexico RI Lot 1 (NWNW), Lot 2 (SWNW), Lot 3 (NWSW), Lot 4 (SWSW) 18-18S-35E NMSLO - VB-1325 Loma Hombre Energy, LLC WI DSD Energy II, LLC WI Cavalry Resources LLC WI **Broken Arrow Royalties, LLC ORRI** State of New Mexico RI Lot 1 (NWNW) 19-18S-35E NMSLO - VB-1499-4 Franklin Mountain Energy 3, LLC WI T.H. McElvain Oil & Gas, LLLP WI Thomaston, LLC WI N2N2 24-18S-34E NMSLO - VB-1876-3 Franklin Mountain Energy 3, LLC WI T.H. McElvain Oil & Gas LLLP WI Steven W. Shefte WI Thomaston, LLC WI Franklin Mountain Royalty Investments 3, LLC WI NENE 23-18S-34E NMSLO - VB-2276-1 Matador Resources Company WI Marathon Oil Permian, LLC WI State of New Mexico RI E2SE 11-18S-34E NMSLO - B0-3011-3 Lario Oil & Gas Co. WI **Cross Timbers Energy LLC ORRI** Bisco Inc. ORRI E2NE 11-18S-34E NMSLO - VC-1195 Lario Oil & Gas Co. WI State of New Mexico RI

LARIO OIL & GAS COMPANY

MAILING ADDRESS:
POST OFFICE BOX 29
DENVER, COLORADO 80201-0029



260 N JOSEPHINE, SUITE 400 **DENVER, COLORADO 80206** (303) 595-8030 FAX (303) 595-4849

January 19, 2023

Via Certified Mail

Highland (Texas) Energy Company 11886 Greenville Avenue Dallas, TX 75243 Attn: Land Department, Permian Basin

RE: Close Encounters State Com Well Proposals South-Half of Section 12, Township 18 South, Range 34 East

ALL of Section 13, Township 18 South, Range 34 East

Lea County, New Mexico

To whom it may concern:

Lario Oil & Gas Company ("Lario") is proposing the drilling and completion of the Close Encounters State Com #301H, 302H, 303H, 304H, 101H, 102H, 103H, and 104H wells. These wells are situated in Section 12, Township 18 South, Range 34 East, and Section 13, Township 18 South, Range 34 East, Lea County, New Mexico, with the objective of testing the Bone Spring Formation. Lario is currently finalizing reports, and preliminary title research indicates that you may have an interest in the referenced lands.

In relation to the above, please take note of the details described below:

- The projected expenses for drilling, testing, completing, and equipping each well are outlined in the attached Authority for Expenditures ("AFE").
- Close Encounters State Com #301H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 9,902' TVD and will be drilled horizontally to a Measured Depth of approximately 17,122'.
- Close Encounters State Com #302H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 9,902' TVD and will be drilled horizontally to a Measured Depth of approximately 17,122'.
- Close Encounters State Com #303H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 9,902' TVD and will be drilled horizontally to a Measured Depth of approximately 17,122'.
- Close Encounters State Com #304H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 9,902' TVD and will be drilled horizontally to a Measured Depth of approximately 17,122'.
- Close Encounters State Com #101H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 8,450' TVD and will be drilled horizontally to a Measured Depth of approximately 16,572'.

- Close Encounters State Com #102H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 8,450' TVD and will be drilled horizontally to a Measured Depth of approximately 16,572'.
- Close Encounters State Com #103H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 8,450' TVD and will be drilled horizontally to a Measured Depth of approximately 16,572'.
- Close Encounters State Com #104H: This well is slated to be drilled from a legal location in Section 13-18S-34E. It aims to target an interval within the Bone Spring formation at a depth of approximately 8,450' TVD and will be drilled horizontally to a Measured Depth of approximately 16,572'.

Lario retains the right to adjust the locations and drilling plans outlined above to accommodate factors such as topography, cultural considerations, or environmental concerns, among other reasons.

Lario is proposing the drilling of the mentioned wells under the terms of a modified 1989 AAPL form of Operating Agreement ("JOA"). This JOA will be forwarded to you subsequent to this proposal and will include the following general provisions:

- 100%/300%/300% non-consent penalty
- \$10,000/\$1,000 drilling and producing monthly overhead rates
- Contract Area covering S2 of Section 12-T18S-R34E and ALL of Section 13-T18S-R34E
- This proposed Operating Agreement will supersede any and all existing Operating Agreements concerning all depths on all horizontal wells drilled after the effective date of the JOA.

To proceed with your election, kindly indicate your election in the designated area on the following pages. If you decide to participate in the drilling and completion of the proposed wells, please sign and return a copy of this letter, along with the enclosed AFEs, to Dakota Nahm at Dakota@lario.net or to P.O. Box 29 Denver, CO 80201, within thirty (30) days of receiving this proposal.

In the interest of time, if we are unable to reach an agreement within thirty (30) days Lario will file an application(s) with the New Mexico Oil Conservation Division to compulsorily pool any uncommitted owners into a horizontal spacing unit for the proposed wells, facilitating the development of these lands.

If you opt not to partake in this proposed development and are interested in selling your interest, please inform us accordingly. For any inquiries, please reach out to the undersigned at dakota@lario.net or (720) 573-9816.

Sincerely,

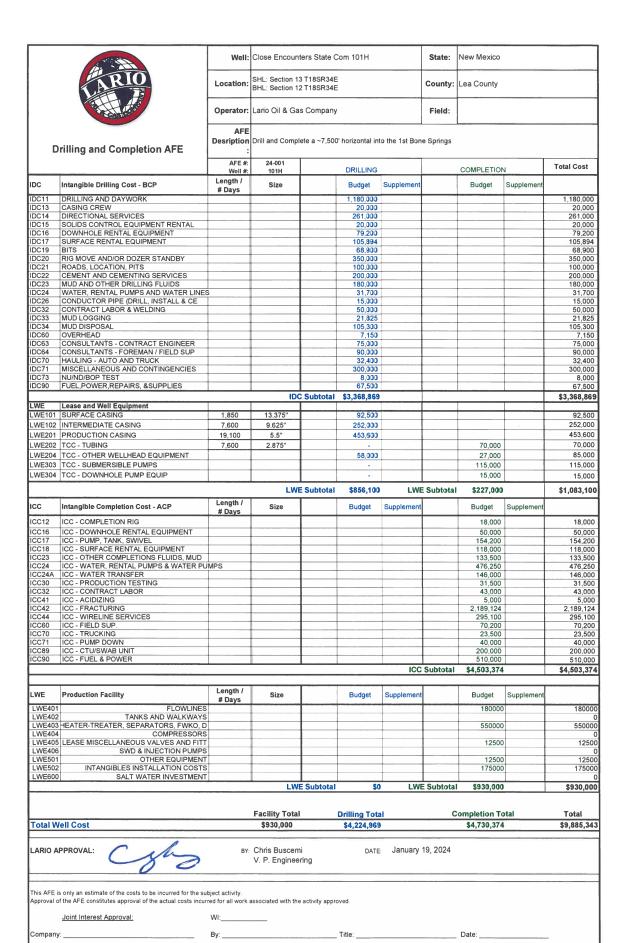
Dakota Nahm Landman dakota@lario.net 720-573-9816

Highland (Texas) Energy Company hereby elects to:

| WELL NAME | PARTICIPATE for proportionate share of costs | <u>NOT</u> TO PARTICIPATE |
|---------------------------------|--|------------------------------|
| Close Encounters State Com 301H | | |
| Close Encounters State Com 302H | | |
| Close Encounters State Com 303H | | |
| Close Encounters State Com 304H | | |
| Close Encounters State Com 101H | | |
| Close Encounters State Com 102H | | |
| Close Encounters State Com 103H | | |
| Close Encounters State Com 104H | | |

| Highland (Texas) Energy Company |
|---------------------------------|
| Ву: |
| Printed Name: |
| Title: |
| Date: |
| Contact Number: |

Received by OCD: 6/11/2024 4:22:42 PM



Received by OCD: 6/11/2024 4:22:42 PM



| | Well: | Close Encounters State Com 102H | State: | New Mexico |
|--|-----------|--|---------|------------|
| | Location: | SHL: Section 13 T18SR34E BHL: Section 12 T18SR34E | County: | Lea County |
| | Operator: | Lario Oil & Gas Company | Field: | |

| | Car Maria | Operator: Lario Oil & Gas Company | | | | | Field: | | | |
|--|---|-----------------------------------|----------------------------|----------------|------------------------------|---------------|------------|---------------------------------------|------------|----------------|
| | | AFE | | | | | | | | |
| D | rilling and Completion AFE | : | Drill and Comp | elete a ~7,500 |)' horizontal int | o the 1st Bon | e Springs | | | |
| | | AFE #: Well #: | 24-002 102H | ļ., | DRILLING | | COMPLETION | | | Total Cost |
| С | Intangible Drilling Cost - BCP | Length / # Days | Size | | Budget | Supplement | | Budget | Supplement | |
| | DRILLING AND DAYWORK | | | | 1,180,000 | | | | | 1,180, |
| | CASING CREW DIRECTIONAL SERVICES | | | | 20,000 | | | | | 20, |
| | SOLIDS CONTROL EQUIPMENT RENTAL | | | | 261,000 | | | | - | 261, 20, |
| | DOWNHOLE RENTAL EQUIPMENT | | | | 79,200 | | | | | 79, |
| | SURFACE RENTAL EQUIPMENT | | | | 105,894 | | | | | 105 |
| | BITS | | | | 68,900 | | | | | 68 |
| C20 | RIG MOVE AND/OR DOZER STANDBY | | | | 350,000 | | | | | 350 |
| | ROADS, LOCATION, PITS | | | | 100,000 | | | | | 100 |
| | CEMENT AND CEMENTING SERVICES | | | | 200,000 | | | | | 200 |
| | MUD AND OTHER DRILLING FLUIDS | | | | 180,000 | | | | | 180 |
| | WATER, RENTAL PUMPS AND WATER LINES | | | - | 31,700 | | | | | 31 |
| DC26 DC32 | CONDUCTOR PIPE (DRILL, INSTALL & CE CONTRACT LABOR & WELDING | | | - | 15,000 50,000 | | | | | 15 |
| | MUD LOGGING | | | - | 21,825 | | | | | 50 21 |
| | MUD DISPOSAL | | | | 105,300 | | | | | 105 |
| | OVERHEAD | | | | 7,150 | | | | | 7 |
| | CONSULTANTS - CONTRACT ENGINEER | | | | 75,000 | | | | | 75 |
| DC64 | CONSULTANTS - FOREMAN / FIELD SUP | | | | 90,000 | | | | | 90 |
| | HAULING - AUTO AND TRUCK | | | | 32,400 | | | | | 32 |
| | MISCELLANEOUS AND CONTINGENCIES | | | | 300,000 | | | | | 300 |
| | NU/ND/BOP TEST | | | | 8,000 | | | | | 8 |
| DC90 | FUEL, POWER, REPAIRS, & SUPPLIES | | | | 67,500 | | | | | 67 |
| | | | ID | C Subtotal | \$3,368,869 | | | | | \$3,368 |
| | Lease and Well Equipment | | | | | | | | | |
| | SURFACE CASING | 1,850 | 13.375" | | 92,500 | | | | | 92 |
| WE102 | INTERMEDIATE CASING | 7,600 | 9.625" | | 252,000 | | | | | 252 |
| WE201 | PRODUCTION CASING | 19,100 | 5.5" | | 453,600 | | | | | 453 |
| WE202 | TCC - TUBING | 7,600 | 2.875" | | - | | | 70,000 | | 70 |
| | TCC - OTHER WELLHEAD EQUIPMENT | | | | 58,000 | | | 27,000 | | 85 |
| | TCC - SUBMERSIBLE PUMPS | | | | | | | 115,000 | | 115 |
| | TCC - DOWNHOLE PUMP EQUIP | | | | _ | | | 15,000 | | 15 |
| 112004 | TOO DOWN IOLE TOWN EQUI | | | | | | | 10,000 | | 13 |
| | | | LW | E Subtotal | \$856,100 | LWE | Subtotal | \$227,000 | | \$1,083 |
| cc | Intangible Completion Cost - ACP | Length / # Days | Size | | Budget | Supplement | | Budget | Supplement | |
| CC12 | ICC - COMPLETION RIG | | | | | | | 18,000 | | 18 |
| CC16 | ICC - DOWNHOLE RENTAL EQUIPMENT | | | | | | | 50,000 | | 50 |
| CC17 | ICC - PUMP, TANK, SWIVEL | | | | | | | 154,200 | | 154 |
| CC18 | ICC - SURFACE RENTAL EQUIPMENT | | | | | | | 118,000 | | 118 |
| CC23 | ICC - OTHER COMPLETIONS FLUIDS, MUD | | | | | | | 133,500 | | 133 |
| CC24 | ICC - WATER, RENTAL PUMPS & WATER PU | MPS | | | | | | 476,250 | | 476 |
| CC24A | ICC - WATER TRANSFER | | | | | | | 146,000 | | 146 |
| CC30 | ICC - PRODUCTION TESTING | | | | | | | 31,500 | | 31 |
| CC32 | ICC - CONTRACT LABOR | | | | | | | 43,000 | | 43 |
| CC41 | ICC - ACIDIZING | | | | | | | 5,000 | | |
| CC42 | ICC - FRACTURING | | | - | | | | 2,189,124 | - | 2,189 |
| CC44 | ICC - WIRELINE SERVICES | | | | | | | 295,100 | | 295 |
| CC60 CC70 | ICC - FIELD SUP. ICC - TRUCKING | | | | | | | 70,200 | 1 | 70 |
| C71 | ICC - PUMP DOWN | | | _ | | | | 23,500 40,000 | | 23 |
| C89 | ICC - CTU/SWAB UNIT | | | - | | | | 200,000 | | 200 |
| CC90 | ICC - FUEL & POWER | | | 1 | | | | 510,000 | | 510 |
| | | | | | - | ICC | Subtotal | \$4,503,374 | | \$4,50 |
| | | | | | | | | | | V 1,1 |
| ΝE | Production Facility | Length / | Size | | Budget | Supplement | | Budget | Supplement | |
| | | # Days | - | 1 | | | | 180000 | | 1 |
| WE401 | FLOW! INFS | | H | | | | | 100000 | | - 10 |
| | | | | | | - | | 550000 | 1 | 55 |
| WE402 | | | | | | | | 330000 | | |
| LWE401 LWE402 LWE403 LWE404 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D | | | | | | | 330000 | | |
| LWE402 LWE403 LWE404 LWE405 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT | | | | | | | 12500 | | |
| _WE402 _WE403 _WE404 _WE405 _WE406 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS | | | | | | | 12500 | | |
| WE402 WE403 WE404 WE405 WE406 | TANKS AND WALKWAYS LEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT | | | | | | | 12500 12500 | | 1 |
| WE402 WE403 WE404 WE405 WE406 WE501 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS | | | | | | | 12500 | | 1 17 |
| WE402 WE403 WE404 WE405 WE406 WE501 WE502 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS | | I W | E Subtotal | \$n | I WE | Subtotal | 12500 12500 175000 | | 17 |
| WE402 WE403 WE404 WE405 WE406 WE501 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS | | LW | E Subtotal | \$0 | LWE | Subtotal | 12500 12500 | | 1 |
| WE402 WE403 WE404 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS | | LW Facility Tota | | | | | 12500 12500 175000 | | \$930 |
| WE402 WE403 WE404 WE405 WE406 WE501 WE502 WE600 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | | Facility Tota | | Drilling Tota | 1 | | 12500 12500 175000 \$930,000 | otal | \$930 Tota |
| WE402 WE403 WE404 WE405 WE406 WE501 WE502 WE600 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS | | | | | 1 | | 12500 12500 175000 \$930,000 | otal | \$93 |
| WE402 WE403 WE404 WE405 WE406 WE501 WE502 WE600 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | | Facility Tota \$930,000 | ıl | Drilling Tota \$4,224,969 | ıl . | Co | 12500 12500 175000 \$930,000 | otal | 1 \$93 Tota |
| WE402 WE403 WE404 WE405 WE406 WE501 WE502 WE600 | TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | BY: | Facility Tota | ı l | Drilling Tota | ıl . | Co | 12500 12500 175000 \$930,000 | otal | 1 \$93 |

This AFE is only an estimate of the costs to be incurred for the subject activity. Approval of the AFE constitutes approval of the actual costs incurred for all work associated with the activity approved

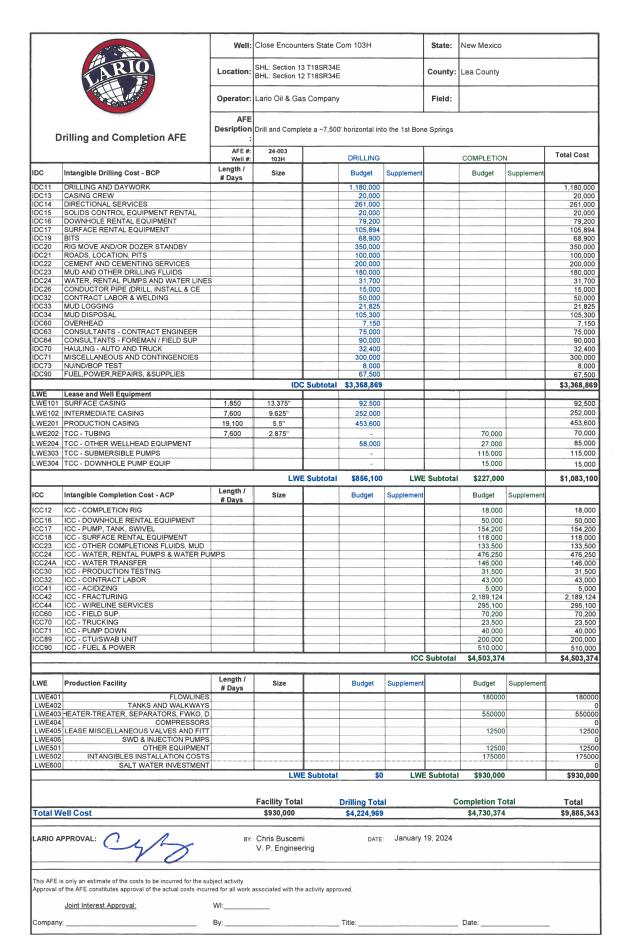
Joint Interest Approval:

WI:_

Ву: _

Date:

Received by OCD: 6/11/2024 4:22:42 PM





| | Well: | Close Encounters State Com 104H | State: | New Mexico |
|---|-----------|--|---------|------------|
| | Location: | SHL: Section 13 T18SR34E BHL: Section 12 T18SR34E | County: | Lea County |
| | Operator: | Lario Oil & Gas Company | Field: | |
| ı | AFE | | | |

| | | Operator: | Lario Oil & Gas Co | mpany | | Field: | | | |
|--|---|------------------------|----------------------|------------------------|----------------|-----------|---|--|---|
| D | rilling and Completion AFE | AFE Desription : | Drill and Complete a | ~7,500' horizontal int | o the 1st Bond | e Springs | | | 52 5 -12 |
| | | AFE #: Well #: | 24-004 104H | DRILLING | | | COMPLETION | v | Total Cost |
| IDC | Intangible Drilling Cost - BCP | Length / # Days | Size | Budget | Supplement | | Budget | Supplement | |
| IDC11 | DRILLING AND DAYWORK | | | 1,180,000 | | | | | 1,180,000 |
| IDC13 | CASING CREW | | | 20,000 | | | | | 20,000 |
| IDC14 IDC15 | DIRECTIONAL SERVICES SOLIDS CONTROL EQUIPMENT RENTAL | | | 261,000 | | | | | 261,000 |
| IDC15 | DOWNHOLE RENTAL EQUIPMENT | | | 20,000 79,200 | | | | - | 20,000 79,200 |
| IDC17 | SURFACE RENTAL EQUIPMENT | | | 105,894 | | | | | 105,894 |
| IDC19 | BITS | | | 68,900 | | | | | 68,900 |
| IDC20 | RIG MOVE AND/OR DOZER STANDBY | | | 350,000 | | | | | 350,000 |
| IDC21 | ROADS, LOCATION, PITS | | | 100,000 | | | | | 100,000 |
| IDC22 | CEMENT AND CEMENTING SERVICES | | | 200,000 | | | | | 200,000 |
| IDC23 | MUD AND OTHER DRILLING FLUIDS | | | 180,000 | | | | | 180,000 |
| IDC24 | WATER, RENTAL PUMPS AND WATER LINES | 3 | | 31,700 | | | | | 31,700 |
| IDC26 | CONDUCTOR PIPE (DRILL, INSTALL & CE | | | 15,000 | | | | | 15,000 |
| IDC32 | CONTRACT LABOR & WELDING | | | 50,000 | | | | | 50,000 |
| IDC33 IDC34 | MUD LOGGING MUD DISPOSAL | | | 21,825 105,300 | | | | | 21,825 105,300 |
| IDC60 | OVERHEAD | | | 7,150 | - | | | | 7,150 |
| IDC63 | CONSULTANTS - CONTRACT ENGINEER | | | 75,000 | | | | | 75,000 |
| IDC64 | CONSULTANTS - FOREMAN / FIELD SUP | | | 90,000 | | | | | 90,000 |
| IDC70 | HAULING - AUTO AND TRUCK | | | 32,400 | ii | | | | 32,400 |
| IDC71 | MISCELLANEOUS AND CONTINGENCIES | | | 300,000 | | | | | 300,000 |
| IDC73 | NU/ND/BOP TEST | | | 8,000 | | | | | 8,000 |
| IDC90 | FUEL, POWER, REPAIRS, & SUPPLIES | | | 67,500 | | | | | 67,500 |
| | | | IDC Sul | ototal \$3,368,869 | | | | | \$3,368,869 |
| LWE | Lease and Well Equipment | | | | | | | | |
| LWE101 | SURFACE CASING | 1,850 | 13.375" | 92,500 | | | | | 92,500 |
| LWE102 | INTERMEDIATE CASING | 7,600 | 9.625" | 252,000 | | | | | 252,000 |
| LWE201 | PRODUCTION CASING | 19,100 | 5.5" | 453,600 | | | | | 453,600 |
| LWE202 | TCC - TUBING | 7,600 | 2.875" | - | | | 70,000 | | 70,000 |
| LWE204 | TCC - OTHER WELLHEAD EQUIPMENT | | | 58,000 | | | 27,000 | | 85,000 |
| | TCC - SUBMERSIBLE PUMPS | | | 00,000 | | | 115,000 | 1 | 115,000 |
| I WE303 | | | | | | | | | |
| LWE303 | | | | - | - | | | 1 | |
| LWE303 LWE304 | TCC - DOWNHOLE PUMP EQUIP | | | - | | | 15,000 | | 15,000 |
| | | Locath I | LWE Sul | | LWE | Subtotal | 15,000 | | |
| | | Length / # Days | LWE Sul | | LWE | Subtotal | 15,000 | Supplement | 15,000 |
| LWE304 | TCC - DOWNHOLE PUMP EQUIP | | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 | Supplement | 15,000 |
| ICC | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG | | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 | Supplement | 15,000 \$1,083,100 18,000 |
| ICC ICC12 ICC16 | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP | | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 | Supplement | 15,000 \$1,083,100 18,000 50,000 |
| ICC ICC12 ICC16 ICC17 | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT | | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 | Supplement | 15,000 \$1,083,100 18,000 |
| ICC ICC12 ICC16 ICC17 ICC18 ICC23 | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 |
| ICC ICC12 ICC16 ICC17 ICC18 ICC23 ICC24 | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 133,500 476,250 |
| ICC ICC12 ICC16 ICC17 ICC18 ICC23 ICC24 ICC24A | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - DUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 146,000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 476,250 146,000 |
| ICC ICC12 ICC16 ICC17 ICC18 ICC23 ICC24 ICC24A ICC30 | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FILLIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - PRODUCTION TESTING | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 133,500 476,250 146,000 31,500 |
| ICC 12 ICC16 ICC17 ICC18 ICC23 ICC24 ICC24 ICC24 ICC24 ICC24 ICC24 ICC30 ICC32 | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 43,000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 476,250 146,000 31,500 43,000 |
| ICC 12 ICC16 ICC17 ICC18 ICC23 ICC24 ICC30 ICC30 ICC32 ICC41 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - DUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,220 118,000 476,250 146,000 31,500 43,000 5,000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 43,000 5,000 |
| ICC ICC12 ICC16 ICC23 ICC24 ICC24A ICC30 ICC30 ICC30 ICC31 ICC32 ICC41 ICC32 ICC41 | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, RENTAL PUMPS & WATER PU ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - FRACTURING | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 146,000 31,500 43,000 5,000 2,189,124 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 133,500 476,250 146,000 31,500 43,000 2,189,124 |
| ICC ICC12 ICC16 ICC17 ICC18 ICC23 ICC24A ICC30 ICC32 ICC41 ICC42 ICC41 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CACIDIZING ICC - CACIDIZING ICC - ACIDIZING ICC - WRELINE SERVICES | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 43,000 5,000 2,189,124 295,100 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 133,500 476,250 146,000 31,500 43,000 5,000 2,189,124 295,100 |
| ICC ICC12 ICC16 ICC17 ICC28 ICC23 ICC24 ICC240 ICC32 ICC41 ICC41 ICC41 ICC60 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 146,000 31,500 43,000 2,189,124 295,100 70,200 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 133,500 476,250 146,000 31,500 43,000 5,000 2,189,124 295,100 70,200 |
| ICC 1CC12 ICC16 ICC17 ICC18 ICC24 ICC24A ICC30 ICC31 ICC32 ICC31 ICC32 ICC41 ICC42 ICC4C ICC6C4ICC6C ICC6C4ICC6C ICC6C4ICC6C4ICC6C6C ICC6C | TCC - DOWNHOLE PUMP EQUIP Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FIELD SUP. ICC - TRUCKING | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 146,000 31,500 43,000 5,000 2,189,124 295,100 70,200 23,500 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 476,250 146,000 31,500 43,000 2,189,124 295,100 70,200 23,500 |
| ICC 12 ICC16 ICC17 ICC23 ICC24 ICC24 ICC32 ICC41 ICC32 ICC41 ICC66 ICC67 ICC47 ICC67 ICC67 ICC67 ICC67 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - DUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - CACIDIZING ICC - MITCH COMPLETIONS ICC - FRACTURING ICC - PUMP DOWN | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 43,000 5,000 2,189,124 295,100 70,200 23,5000 40,000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 476,250 146,000 31,500 43,000 5,000 2,189,124 295,120 23,500 40,000 |
| ICC 12 ICC16 ICC17 ICC23 ICC24 ICC24A ICC32 ICC41 ICC44 ICC60 ICC70 ICC70 ICC70 ICC70 ICC70 ICC70 ICC70 ICC71 ICC89 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRACTURING ICC - FRUICH SUP- ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | # Days | | btotal \$856,100 | | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 43,500 43,500 43,900 2,189,124 295,100 70,200 23,500 40,000 200,000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 476,250 476,250 43,000 2,189,124 295,100 70,200 23,500 40,000 200,000 |
| ICC 12 ICC16 ICC17 ICC23 ICC24 ICC24 ICC32 ICC41 ICC32 ICC41 ICC66 ICC67 ICC47 ICC67 ICC67 ICC67 ICC67 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 ICC71 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - DUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - CACIDIZING ICC - MITCH COMPLETIONS ICC - FRACTURING ICC - PUMP DOWN | # Days | | btotal \$856,100 | Supplement | | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 446,000 2,189,124 295,100 70,200 40,000 20,000 510,000 | | 15,000 \$1,083,100 18,000 154,200 118,000 133,500 476,250 146,000 2,189,124 295,100 70,200 23,500 40,000 510,000 |
| ICC 12 ICC16 ICC17 ICC23 ICC24 ICC24A ICC32 ICC41 ICC44 ICC66 ICC70 ICC7 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRACTURING ICC - FRUICH SUP- ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | # Days | | btotal \$856,100 | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 43,500 43,500 43,900 2,189,124 295,100 70,200 23,500 40,000 200,000 | | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 476,250 446,000 2,189,124 295,100 70,200 23,500 40,000 510,000 510,000 |
| ICC 12 ICC12 ICC16 ICC24 ICC24 ICC24 ICC32 ICC32 ICC32 ICC41 ICC60 ICC60 ICC60 ICC60 ICC60 ICC60 ICC60 ICC60 ICC71 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRACTURING ICC - FRUICH SUP- ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | # Days | | btotal \$856,100 | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 476,250 446,000 2,189,124 295,100 70,200 40,000 20,000 510,000 | | 15,000 \$1,083,100 18,000 154,200 118,000 133,500 476,250 146,000 2,189,124 295,100 70,200 23,500 40,000 510,000 |
| ICC 12 ICC18 ICC24 ICC24 ICC32 ICC30 ICC30 ICC32 ICC44 ICC642 ICC640 ICC60 ICC | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - TUSWAB UNIT ICC - FUEL & POWER Production Facility | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 2,189,124 295,100 70,200 20,000 40,000 20,000 \$4,503,374 Budget | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 138,500 476,250 476,250 43,000 5,000 2,189,124 295,100 70,200 23,500 40,000 200,000 510,000 \$4,503,374 |
| IGC ICC12 ICC16 ICC17 ICC18 ICC24 ICC24 ICC30 ICC30 ICC31 ICC41 ICC41 ICC41 ICC41 ICC60 ICC70 ICC71 ICC89 ICC90 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - DUMP, TANK, SWIVEL ICC - SURFAGE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - ACIDIZING ICC - MIRELINE SERVICES ICC - FRACTURING ICC - FRACTURING ICC - FRACTURING ICC - FRACTURING ICC - FRUELINE SERVICES ICC - FUEL & POWER Production Facility FLOWLINES FLOWLINES | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 476,250 21,500 21,189,124 295,100 70,200 20,000 40,000 20,000 \$1,000 \$4,503,374 | Supplement | 15,000 \$1,083,100 18,000 154,200 118,000 133,500 476,250 146,000 2,189,124 295,100 70,200 23,500 40,000 510,000 |
| ICC ICC12 ICC16 ICC17 ICC18 ICC23 ICC24 ICC30 ICC30 ICC30 ICC32 ICC41 ICC42 ICC40 ICC70 ICC70 ICC70 ICC70 ICC80 ICC90 LWE LWE401 LWE402 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FUEL SUP. ICC - FUEL SUP. ICC - FUEL SUP. ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 2,189,124 295,100 70,200 20,000 40,000 20,000 \$4,503,374 Budget | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 138,500 476,250 476,250 43,000 5,000 2,189,124 295,100 70,200 23,500 40,000 200,000 510,000 \$4,503,374 |
| IGC ICC12 ICC16 ICC17 ICC18 ICC24 ICC24 ICC30 ICC30 ICC30 ICC32 ICC44 ICC42 ICC40 ICC60 ICC70 ICC70 ICC70 ICC70 ICC80 ICC90 LWE LWE401 LWE402 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, RENTAL PUMPS & WATER PU ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP, ICC - TRUCKING ICC - FULL SUPPOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 31,3500 476,250 43,000 2,189,124 295,100 20,000 510,000 \$4,503,374 Budget | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 476,250 43,000 2,189,124 295,100 20,000 20,000 510,000 \$4,503,374 |
| ICC 10C12 ICC16 ICC17 ICC24 ICC24 ICC24 ICC24 ICC24 ICC24 ICC24 ICC24 ICC26 ICC41 ICC26 ICC71 ICC89 ICC70 ICC71 ICC89 ICC90 ICC71 ICC89 ICC90 ICC70 ICC90 IC | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CACIDIZING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - TUJSWAB UNIT ICC - TUJSWAB UNIT ICC - FUEL & POWER PRODUCTION FACILITY FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 31,3500 476,250 43,000 2,189,124 295,100 20,000 510,000 \$4,503,374 Budget | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 18,800 476,250 476,250 48,000 5,000 2,189,124 295,100 70,200 20,000 200,000 \$4,503,374 |
| ICC ICC12 ICC16 ICC17 ICC18 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC41 ICC41 ICC42 ICC60 ICC70 ICC70 ICC70 ICC70 ICC70 ICC70 ICC70 ICC40 ICC40 ICC90 LWE401 LWE402 LWE401 LWE402 LWE403 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CACIDIZING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - TUJSWAB UNIT ICC - TUJSWAB UNIT ICC - FUEL & POWER PRODUCTION FACILITY FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 146,000 31,500 43,000 2,189,124 295,100 20,000 510,000 \$4,503,374 Budget 180000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 133,500 476,250 476,250 43,000 5,000 2,189,124 295,100 40,000 20,000 510,000 \$4,503,374 |
| IGC ICC12 ICC16 ICC17 ICC18 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC42 ICC60 ICC70 ICC60 ICC70 ICC70 ICC70 ICC70 ICC90 LWE401 LWE401 LWE402 LWE402 LWE403 LWE405 LWE406 LWE406 LWE406 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - DUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, TRANSFER ICC - PRODUCTION TESTING ICC - ACIDIZING ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FILLD SUP. ICC - FILLD SUP. ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWGO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 31,500 476,250 146,000 31,500 43,000 2,189,124 295,100 23,500 40,000 200,000 510,000 \$4,503,374 Budget 180000 125000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 31,500 476,250 43,000 2,189,124 295,100 20,000 510,000 \$4,503,374 |
| ICC ICC12 ICC16 ICC17 ICC23 ICC24 ICC23 ICC24 ICC30 ICC24 ICC30 ICC32 ICC41 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE401 LWE405 LWE406 LWE501 LWE501 LWE501 LWE501 LWE501 LWE501 LWE501 | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, RENTAL PUMPS & WATER PU ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP, ICC - TRUCKING ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INTANGIBLES INSTALLATION COSTS | # Days | Size | Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 43,000 5,000 2,189,124 295,100 70,200 23,500 200,000 \$4,503,374 Budget 180000 550000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 138,500 476,250 476,250 23,500 20,000 20,000 20,000 \$4,000 \$4,503,374 |
| IGC ICC12 ICC16 ICC17 ICC28 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC41 ICC60 ICC70 IC | Intangible Completion Cost - ACP ICC - COMPLETION RIG ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER, RENTAL PUMPS & WATER PU ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP, ICC - TRUCKING ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INTANGIBLES INSTALLATION COSTS | # Days | Size | Budget Budget | Supplement | Subtotal | 15,000 \$227,000 Budget 18,000 50,000 154,200 118,000 133,500 476,250 43,000 5,000 2,189,124 295,100 70,200 23,500 200,000 \$4,503,374 Budget 180000 550000 125000 125000 175000 | Supplement | 15,000 \$1,083,100 18,000 50,000 154,200 118,000 31,500 476,250 43,000 2,189,124 295,100 20,000 510,000 \$4,503,374 |

| | | | | | | | | | | 100 00000 |
|--------|-------------------------------------|--------------------|-------|----------|--------|------------|----------|-----------|------------|-----------|
| LWE | Production Facility | Length / # Days | Size | | Budget | Supplement | | Budget | Supplement | |
| LWE401 | | | | | | | | 180000 | | 180000 |
| LWE402 | TANKS AND WALKWAYS | | | | | | | | | 0 |
| LWE403 | HEATER-TREATER, SEPARATORS, FWKO, D | | | | | | | 550000 | | 550000 |
| LWE404 | COMPRESSORS | | | | | | | | | 0 |
| LWE405 | LEASE MISCELLANEOUS VALVES AND FITT | | | | | | | 12500 | | 12500 |
| LWE406 | SWD & INJECTION PUMPS | | | | | | | | | 0 |
| LWE501 | | | | | | | | 12500 | | 12500 |
| LWE502 | INTANGIBLES INSTALLATION COSTS | | | | | | | 175000 | | 175000 |
| LWE600 | SALT WATER INVESTMENT | | | | | | | | | 0 |
| | | | L MAI | Subtotal | 90 | LIME | Subtotal | \$930,000 | | 6030 000 |

| | Facility Total | Drilling Total | Completion Total | Total |
|-----------------|----------------|----------------|------------------|-------------|
| Total Well Cost | \$930,000 | \$4,224,969 | \$4,730,374 | \$9,885,343 |

| LARIO | APPROVAL: | |
|-------|-----------|-----|
| | | - (|

Received by OCD: 6/11/2024 4:22:42 PM

BY: Chris Buscemi V. P. Engineering

DATE: January 19, 2024

This AFE is only an estimate of the costs to be incurred for the subject activity. Approval of the AFE constitutes approval of the actual costs incurred for all work associated with the activity approved

Joint Interest Approval:

Ву: _

Title:

Date:

| | | Well: | Close Encoun | ters State Com 301H | | State: | New Mexico | | |
|--|--|---|---|--|----------------|------------|--|------------|--|
| | ARIO | Location: | SHL: Section 1 BHL: Section 1 | | | County: | Lea County | | |
| | | Operator: | Lario Oil & Ga | s Company | | Field: | | | |
| D | rilling and Completion AFE | AFE Desription : | Drill and Comp | lete a ~6,500' horizontal in | to the 3rd Bor | ne Springs | • | | |
| | | AFE #: | 24-005 | DDII I INC | | | 00140: 57:01 | . 1 | Total Cost |
| I.D.O | | Well #: Length / | 301H | DRILLING | T | | COMPLETION | | |
| IDC | Intangible Drilling Cost - BCP | # Days | Size | Budget | Supplement | | Budget | Supplement | |
| IDC11 IDC13 | DRILLING AND DAYWORK CASING CREW | | | 1,135,000 20,000 | | | | | 1,135,000 |
| IDC14 | DIRECTIONAL SERVICES | | | 241,000 | | | | | 241,000 |
| IDC15 IDC16 | SOLIDS CONTROL EQUIPMENT RENTAL DOWNHOLE RENTAL EQUIPMENT | | | 18,000 | | | | | 18,000 |
| IDC17 | SURFACE RENTAL EQUIPMENT | | | 74,800 100,011 | | | - | | 74,800 100,011 |
| IDC19 | BITS | | | 68,900 | | | | | 68,900 |
| IDC20 IDC21 | RIG MOVE AND/OR DOZER STANDBY ROADS, LOCATION, PITS | | | 350,000 | | | | | 350,000 |
| IDC21 | CEMENT AND CEMENTING SERVICES | | | 100,000 200,000 | - | | - | | 100,000 200,000 |
| IDC23 | MUD AND OTHER DRILLING FLUIDS | | | 180,000 | | | | | 180,000 |
| IDC24 IDC26 | WATER, RENTAL PUMPS AND WATER LINES CONDUCTOR PIPE (DRILL, INSTALL & CE | 3 | | 31,700 15,000 | | | - | | 31,700 15,000 |
| IDC32 | CONTRACT LABOR & WELDING | | | 50,000 | | | | | 50,000 |
| IDC33 | MUD LOGGING | | | 20,400 | | | | | 20,400 |
| IDC34 IDC60 | MUD DISPOSAL OVERHEAD | | | 105,300 6,825 | 1 | | - | | 105,300 6,825 |
| IDC63 | CONSULTANTS - CONTRACT ENGINEER | | | 72,000 | | | | | 72,000 |
| IDC64 | CONSULTANTS - FOREMAN / FIELD SUP | | | 85,000 | | | | | 85,000 |
| IDC70 | HAULING - AUTO AND TRUCK | | | 30,400 | | | | | 30,400 |
| IDC71 IDC73 | MISCELLANEOUS AND CONTINGENCIES NU/ND/BOP TEST | | | 300,000 8,000 | | - | | | 300,000 8,000 |
| IDC90 | FUEL, POWER, REPAIRS, & SUPPLIES | | | 63,750 | | | | | 63,750 |
| | | | IDO | Subtotal \$3,276,086 | | | | | \$3,276,086 |
| | Lease and Well Equipment | 4.55- | 4 | | | | | 7 | |
| | SURFACE CASING | 1,850 | 13.375" | 92,500 | | | - | | 92,500 252,000 |
| | INTERMEDIATE CASING | 7,600 | 9.625" | 252,000 | | | | | 494,100 |
| | PRODUCTION CASING TCC - TUBING | 19,100 7,600 | 5.5" 2.875" | 494,100 | - | | 60,667 | | 60,667 |
| | TCC - OTHER WELLHEAD EQUIPMENT | 7,000 | 2.073 | 58,000 | | | 23,400 | | 81,400 |
| | TCC - SUBMERSIBLE PUMPS | | | - | | | 99,667 | | 99,667 |
| LWE304 | TCC - DOWNHOLE PUMP EQUIP | | | | | | 13,000 | | 13,000 |
| | | | LWI | Subtotal \$896,600 | LWE | Subtotal | \$196,733 | | \$1,093,333 |
| | | Length / | | - Subtotal \$050,000 | | Jubiolai | 7130,733 | | \$1,033,333 |
| ICC | Intangible Completion Cost - ACP | # Days | Size | Budget | Supplement | | Budget | Supplement | |
| ICC12 | ICC - COMPLETION RIG | | | | | | 15,600 | | 15,600 |
| ICC16 | ICC - DOWNHOLE RENTAL EQUIPMENT | | | | | | 43,333 | | 43,333 |
| ICC17 | ICC - PUMP, TANK, SWIVEL | | | | | | 135,640 | | 135,640 |
| | | | + | | | | | | |
| ICC18 | ICC - SURFACE RENTAL EQUIPMENT | | | | - | | 102,267 | | 102,267 |
| ICC18 ICC23 ICC24 | ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU | MPS | | | | | | | |
| ICC23 ICC24 ICC24A | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER | MPS | | | | | 102,267 115,700 412,750 126,533 | | 102,267 115,700 412,750 126,533 |
| ICC23 ICC24 ICC24A ICC30 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PUI ICC - WATER TRANSFER ICC - PRODUCTION TESTING | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 | | 102,267 115,700 412,750 126,533 31,500 |
| ICC23 ICC24 ICC24A ICC30 ICC32 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 43,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PUI ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PUI ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FILED SUP. | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PUI ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PUI ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - ACIDIZING ICC - WIRELING ICC - WIRELING SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN | MPS | | | | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | MPS | | | ICC | Subtotal | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 |
| ICC23 ICC24 ICC24A ICC30 ICC30 ICC41 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - FUEL SERVICES ICC - FUEL SUP. ICC - TRUCKING ICC - CTUSWAB UNIT ICC - FUEL & POWER | | | | | | 102.267 115.700 412.750 126.533 31.500 43.000 4,333 70.200 20.367 34.667 173.333 442.000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | MPS Length / # Days | Size | Budget | ICC | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 | Supplement | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - ACIDIZING ICC - WILLIAM SERVICES ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES | Length / | Size | Budget | | | 102.267 115.700 412.750 126.533 31.500 43.000 4,333 70.200 20.367 34.667 173.333 442.000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24A ICC30 ICC32 ICC41 ICC41 ICC41 ICC60 ICC71 ICC71 ICC89 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FRELD SUP. ICC - TRUCKING ICC - TUKKING ICC - CUNSWAB UNIT ICC - FULL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | Length / | Size | Budget | | | 102.267 115,700 412,750 126,533 31,500 43,000 4,333 70,200 20,367 34,667 173,333 442,000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24A ICC30 ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE402 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - WILLIAM STATEMENT OF THE STATEM | Length / | Size | Budget | | | 102.267 115.700 412.750 126.533 31.500 43.000 4,333 70.200 20.367 34.667 173.333 442.000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24A ICC30 ICC30 ICC32 ICC41 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC80 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - WILLIAM STRING ICC - TRUCKING ICC - TRUCKING ICC - TUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D | Length / | Size | Budget | | | 102.267 115,700 412,750 126,533 31,500 43,000 4,333 70,200 20,367 34,667 173,333 442,000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24 ICC230 ICC30 ICC32 ICC41 ICC41 ICC42 ICC64 ICC60 ICC70 ICC70 ICC70 ICC90 LWE LWE401 LWE401 LWE404 LWE404 LWE405 LWE405 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - MILLION SERVICES ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALUES AND FITTER SWD & INJECTION PUMPS | Length / | Size | Budget | | | 102.267 115.700 412.750 126.533 31.500 43.900 43.333 1.897.241 255.753 70.200 20.367 34.667 173.333 442,000 \$3,924,217 | | 102.267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24 ICC30 ICC30 ICC31 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 ICC90 ICWE401 LWE402 LWE404 LWE404 LWE405 LWE405 LWE406 LWE406 LWE406 LWE406 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWAO, COMPRESORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT | Length / | Size | Budget | | | 102.267 115.700 115.700 126.533 31.500 43.000 4.333 31.897.241 255.753 70.200 70.203 34.667 34.667 173.333 442.000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,500 20,367 34,667 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24A ICC30 ICC30 ICC32 ICC41 ICC60 ICC70 ICC71 ICC69 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INSTALLATION COSTS | Length / | Size | Budget | | | 102.267 115.700 412.750 126.533 31.500 43.900 43.333 1.897.241 255.753 70.200 20.367 34.667 173.333 442,000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,500 20,367 34,667 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24 ICC30 ICC30 ICC31 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 ICC90 ICWE401 LWE402 LWE404 LWE404 LWE405 LWE405 LWE406 LWE406 LWE406 LWE406 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INSTALLATION COSTS | Length / | | Budget | Supplement | | 102.267 115.700 115.700 126.533 31.500 43.000 4.333 31.897.241 255.753 70.200 70.203 34.667 34.667 173.333 442.000 \$3,924,217 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24A ICC30 ICC30 ICC32 ICC41 ICC60 ICC70 ICC71 ICC69 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INSTALLATION COSTS | Length / | | | Supplement | | 102.267 115.700 115.700 126.533 31.500 43.000 43.303 1.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24A ICC30 ICC30 ICC32 ICC41 ICC42 ICC41 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FIELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INSTALLATION COSTS | Length / | LWI | E Subtotal \$0 | Supplement | Subtotal | 102.267 115.700 115.700 126.533 31.500 43.000 4,333 1.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 175000 \$930,000 | | 102,267 115,700 115,700 126,533 31,500 43,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE404 LWE405 LWE405 LWE405 LWE406 LWE501 LWE502 LWE600 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - CONTRACT LABOR ICC - ACIDIZING ICC - WIRELINE SERVICES ICC - FIELD SUP, ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | Length / | LWI Facility Total | E Subtotal \$0 | Supplement | Subtotal | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 1,897,241 255,753 34,667 34,667 173,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 0 \$930,000 |
| ICC23 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE404 LWE405 LWE405 LWE405 LWE406 LWE501 LWE502 LWE600 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FIELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INSTALLATION COSTS | Length / | LWI | E Subtotal \$0 | Supplement | Subtotal | 102.267 115.700 115.700 126.533 31.500 43.000 4,333 1.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 175000 \$930,000 | | 102,267 115,700 115,700 126,533 31,500 43,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC23 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE406 LWE501 LWE502 LWE600 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - CONTRACT LABOR ICC - ACIDIZING ICC - WIRELINE SERVICES ICC - FIELD SUP, ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | Length / # Days | LWI Facility Total | E Subtotal \$0 Drilling Tota \$4,172,686 | Supplement | E Subtotal | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,897,241 255,753 255,753 34,667 34,667 173,333 442,000 \$3,924,217 180000 0 0 12500 0 12500 0 \$930,000 |
| ICC23 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE406 LWE501 LWE502 LWE600 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRELD SUP. ICC - FRELD SUP. ICC - TRUCKING ICC - FUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | Length / # Days | LWI Facility Total \$930,000 Chris Buscem | E Subtotal \$0 Drilling Tota \$4,172,686 | Supplement | E Subtotal | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,897,241 255,753 255,753 34,667 73,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 \$930,000 |
| ICC23 ICC24 ICC24A ICC30 ICC30 ICC32 ICC41 ICC42 ICC41 ICC60 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE405 LWE501 LWE501 LWE501 LWE600 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - MICHELINE SERVICES ICC - FRACTURING ICC - TRUCKING ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITTE SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT ell Cost | Length / # Days | LWI Facility Total \$930,000 Chris Buscem | E Subtotal \$0 Drilling Tota \$4,172,686 | Supplement | E Subtotal | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,897,241 255,753 255,753 34,667 73,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 \$930,000 |
| ICC23 ICC24 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC62 ICC41 ICC60 ICC70 ICC71 ICC69 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FREED SUP. ICC - FREED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUISWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | Length / # Days BY: | Facility Total \$930,000 Chris Buscem V. P. Engineer | Drilling Tota \$4,172,686 | Supplement | E Subtotal | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,500 20,367 34,667 34,667 34,667 173,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 \$930,000 |
| ICC23 ICC24 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC62 ICC41 ICC60 ICC70 ICC71 ICC69 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FACTURING ICC - FURLING ICC - TRUCKING ICC - FULL SUP. ICC - TRUCKING ICC - FULL & POWER PROVALTH FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT BILD COST BILD COST SONLY AND STANLATION COSTS SALT WATER INVESTMENT BILD COST ONLY AND STANLATION COSTS ONLY AND S | Length / # Days BY: | LWI Facility Total \$930,000 Chris Buscem V. P. Engineer | Drilling Tota \$4,172,686 | Supplement | E Subtotal | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,897,241 255,753 255,753 34,667 73,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 \$930,000 |
| ICC23 ICC24 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC62 ICC41 ICC60 ICC70 ICC71 ICC69 ICC90 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FACTURING ICC - FURL SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUISWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT BILD COST BOTH OF THE STAND OF THE SUB- OTHER PROVINCES | Length / # Days BY: | LWI Facility Total \$930,000 Chris Buscem V. P. Engineer | Drilling Tota \$4,172,686 | Supplement | E Subtotal | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,897,241 255,753 255,753 34,667 34,667 173,333 442,000 \$3,924,217 180000 0 0 12500 0 12500 0 \$930,000 |
| ICC23 ICC24 ICC24 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC42 ICC41 ICC60 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE405 LWE405 LWE406 LWE501 LWE502 LWE600 | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - RENTAROT LABOR ICC - RENTAROT LABOR ICC - WIRELINE SERVICES ICC - FIELD SUP ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITTE SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT eli Cost PPROVAL: sonly an estimate of the costs to be incurred for the sub | Length / # Days BY: Oject activity, ed for all work a WI: | LWI Facility Total \$930,000 Chris Buscem V. P. Engineer | Drilling Tota \$4,172,686 i DATE ring DATE | LWE April 4. | C 2024 | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 550000 12500 12500 12500 12500 0mpletion To \$4,120,951 | tal | 102,267 115,700 412,750 126,533 31,500 43,000 4,333 31,897,241 255,7530 7,230 7,230 7,230 442,000 \$3,924,217 180000 0 12500 0 12500 0 12500 0 \$930,000 Total \$9,223,637 |
| ICC23 ICC24 ICC24 ICC30 ICC30 ICC32 ICC41 ICC32 ICC41 ICC60 ICC71 ICC89 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE403 LWE404 LWE405 LWE406 LWE501 LWE600 Total W LARIO Al | ICC - OTHER COMPLETIONS FLUIDS, MUD ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - RENTAROT LABOR ICC - RENTAROT LABOR ICC - WIRELINE SERVICES ICC - FIELD SUP ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITTE SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT eli Cost PPROVAL: sonly an estimate of the costs to be incurred for the sub | Length / # Days BY: Oject activity, ed for all work a WI: | LWI Facility Total \$930,000 Chris Buscem V. P. Engineer | Drilling Tota \$4,172,686 | LWE April 4. | C 2024 | 102.267 115.700 115.700 412.750 126.533 31.500 43.000 4,333 31.897.241 255.753 70.200 20.367 34.667 173.333 442.000 550000 12500 12500 12500 12500 0mpletion To \$4,120,951 | tal | 102,267 115,700 115,700 126,533 31,500 43,000 4,333 31,897,241 255,753 34,667 34,667 34,667 173,333 442,000 \$3,924,217 180000 0 12500 0 12500 0 \$930,000 Total |

| | al all | Well: | Close Encount | ers State C | Com 302H | | State: | New Mexico | | |
|--------------------------|--|-------------------------------------|------------------------------------|---------------|-----------------------|---------------|-----------|--------------------|------------|-----------------------|
| | ARIO | Location: | SHL: Section 13 BHL: Section 12 | | | | County: | Lea County | | |
| | | Operator: | Lario Oil & Gas | s Company | | | Field: | | | |
| | william and Completion AFE | AFE Desription | Drill and Comple | ete a ~6,500 |)' horizontal int | o the 3rd Bon | e Springs | | | |
| ٦ | rilling and Completion AFE | AFE #: | 24-006 | | | | | | | Total Cost |
| | | Well #: Length / | 302H | | DRILLING | | | COMPLETION | | Total Cost |
| IDC | Intangible Drilling Cost - BCP | # Days | Size | | Budget | Supplement | | Budget | Supplement | 1 105 000 |
| IDC11 IDC13 | DRILLING AND DAYWORK CASING CREW | | | | 1.135.000 | | | | | 1,135,000 20,000 |
| IDC14 | DIRECTIONAL SERVICES | | | | 241,000 | | | | | 241,000 |
| IDC15 | SOLIDS CONTROL EQUIPMENT RENTAL | | | | 18,000 | | | | | 18,000 |
| IDC16 IDC17 | DOWNHOLE RENTAL EQUIPMENT SURFACE RENTAL EQUIPMENT | | | | 74,800 100,011 | | | | | 74,800 100,011 |
| IDC19 | BITS | | | | 68,900 | | | | | 68,900 |
| IDC20 | RIG MOVE AND/OR DOZER STANDBY | | | | 350,000 | | | | | 350,000 |
| IDC21 IDC22 | ROADS, LOCATION, PITS CEMENT AND CEMENTING SERVICES | | | | 100,000 200,000 | | | | | 100,000 200,000 |
| IDC22 | MUD AND OTHER DRILLING FLUIDS | | | | 180,000 | | | | | 180,000 |
| IDC24 | WATER, RENTAL PUMPS AND WATER LINES | 3 | | | 31,700 | | | | | 31,700 |
| IDC26 | CONDUCTOR PIPE (DRILL, INSTALL & CE | | | | 15,000 | | | | | 15,000 50,000 |
| IDC32 IDC33 | CONTRACT LABOR & WELDING MUD LOGGING | | | | 50,000 20,400 | | | | | 20,400 |
| IDC33 | MUD DISPOSAL | | | | 105,300 | | | | | 105,300 |
| IDC60 | OVERHEAD | | | | 6,825 | | | | | 6,825 |
| IDC63 | CONSULTANTS - CONTRACT ENGINEER | | | | 72,000 85,000 | | | | | 72,000 85,000 |
| IDC64 IDC70 | CONSULTANTS - FOREMAN / FIELD SUP HAULING - AUTO AND TRUCK | | | | 30,400 | | | | | 30,400 |
| IDC71 | MISCELLANEOUS AND CONTINGENCIES | | | | 300,000 | | | | | 300,000 |
| IDC73 | NU/ND/BOP TEST | | | | 8,000 | | | | | 8,000 |
| IDC90 | FUEL, POWER, REPAIRS, & SUPPLIES | | IDC | Cubtotal | 63,750 | | | | | 63,750 \$3,276,086 |
| LWE | Lease and Well Equipment | T | IDC | Subtotal | \$3,276,086 | | | | | \$3,276,000 |
| | SURFACE CASING | 1,850 | 13.375" | | 92,500 | | | | | 92,500 |
| | INTERMEDIATE CASING | 7,600 | 9.625" | | 252,000 | | | | | 252,000 |
| LWE201 | PRODUCTION CASING | 19,100 | 5.5" | | 494,100 | | | | | 494,100 |
| LWE202 | TCC - TUBING | 7,600 | 2.875" | | - | | | 60,667 | | 60,667 |
| | TCC - OTHER WELLHEAD EQUIPMENT | | | | 58,000 | | | 23,400 | | 81,400 |
| LWE303 | | | | | - | | | 99,667 | | 99,667 |
| LWE304 | TCC - DOWNHOLE PUMP EQUIP | | | <u> </u> | | | | 13,000 | | 13,000 |
| 1 | | | LWE | Subtotal | \$896,600 | LWE | Subtotal | \$196,733 | | \$1,093,333 |
| | Later with the Committee Cont. ACD. | Length / | Cina | | Budget | Supplement | | Budget | Supplement | |
| ICC | Intangible Completion Cost - ACP | # Days | Size | | Budget | Supplement | | Budget | Supplement | |
| ICC12 | ICC - COMPLETION RIG | | | | | | | 15,600 | | 15,600 |
| ICC16 | ICC - DOWNHOLE RENTAL EQUIPMENT | | | | | | | 43,333 | | 43,333 |
| ICC17 | ICC - PUMP, TANK, SWIVEL ICC - SURFACE RENTAL EQUIPMENT | | | | | | | 135,640 102,267 | | 135,640 102,267 |
| ICC18 ICC23 | ICC - OTHER COMPLETIONS FLUIDS, MUD | | | | | | | 115,700 | | 115,700 |
| ICC24 | ICC - WATER, RENTAL PUMPS & WATER PU | MPS | | | | | | 412,750 | | 412,750 |
| ICC24A | ICC - WATER TRANSFER | | | | | | | 126,533 | | 126,533 31,500 |
| ICC30 ICC32 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR | | - | | | | | 31,500 43,000 | | 43,000 |
| ICC32 | ICC - ACIDIZING | | | | | <u> </u> | | 4,333 | | 4,333 |
| ICC42 | ICC - FRACTURING | | | | | | | 1,897,241 | | 1,897,241 |
| ICC44 | ICC - WIRELINE SERVICES | | - | | | - | | 255,753 70,200 | | 255,753 70,200 |
| ICC60 ICC70 | ICC - FIELD SUP. | | | | | | | 20,367 | | 20,367 |
| ICC71 | ICC - PUMP DOWN | | 1 | | | | | 34,667 | | 34,667 |
| ICC89 | ICC - CTU/SWAB UNIT | | | | | | | 173,333 | | 173,333 |
| ICC90 | ICC - FUEL & POWER | | | | ļ | | | 442,000 | | 442,000 |
| | | | | | | ICC | Subtotal | \$3,924,217 | | \$3,924,217 |
| | | Learner 1 | | | | T | | I | | |
| LWE | Production Facility | Length / # Days | Size | | Budget | Supplement | | Budget | Supplement | |
| LWE401 | FLOWLINES | | | | | | | 180000 | | 180000 |
| LWE402 | TANKS AND WALKWAYS | | | | | | | | | C |
| | HEATER-TREATER, SEPARATORS, FWKO, D | | | | | | - | 550000 | | 550000 |
| LWE404 LWE405 | | | | - | | | | 12500 | | 12500 |
| LWE405 | | | | | | | | 12000 | | 12300 |
| LWE501 | OTHER EQUIPMENT | | | | | | | 12500 | | 12500 |
| LWE502 | | | | | | | | 175000 | | 175000 |
| LWE600 | SALT WATER INVESTMENT | | 1.100 | Cubhadal | *** | 1 140 | Cubbata | 6020.000 | | \$930,000 |
| ├ | | | LVVI | E Subtotal | \$0 | LAN | E Subtota | \$930,000 | | \$930,000 |
| 1 | | | | | | | | | | |
| 1 | | | Facility Total | | Drilling Total | ıl | | ompletion To | tal | Total |
| Total W | /ell Cost | | \$930,000 | | \$4,172,686 | | | \$4,120,951 | | \$9,223,637 |
| LARIO A | PPROVAL: | ВУ | Chris Buscem V. P. Enginee | | DATE | : April 4 | , 2024 | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| This AFE i | s only an estimate of the costs to be incurred for the su | bject activity. | | | | - | | | | |
| This AFE i | is only an estimate of the costs to be incurred for the su of the AFE constitutes approval of the actual costs incur | bject activity. | associated with the | activity appr | oved. | - | | | | |
| This AFE i | of the AFE constitutes approval of the actual costs incur | red for all work | | activity appr | oved. | - | | | | |
| This AFE i Approval c | s only an estimate of the costs to be incurred for the su of the AFE constitutes approval of the actual costs incur Joint Interest Approval: | bject activity. red for all work | | activity appr | oved. | | | | | |
| Approval o | of the AFE constitutes approval of the actual costs incur | red for all work | | | | | | Date: | | _ |
| Approval o | of the AFE constitutes approval of the actual costs incur <u>Joint Interest Approval:</u> | red for all work | | | | | | Date: | | _ |

| | and the same of th | Well: | Close Encounters State Com 304H | | | | State: | New Mexico | | |
|---|--|---------------------|--|---------------------------------|--------------------------------------|-------------------|------------|---|------------|---|
| | ARIO | Location: | SHL: Section 1 BHL: Section 1 | | | | County: | Lea County | | |
| | | Operator: | Lario Oil & Ga | s Company | | | Field: | | | |
| _ | willing and Completion AFE | AFE Desription | Drill and Comp | lete a ~6,500 | ' horizontal int | o the 3rd Bor | ne Springs | | | |
| ١ | rilling and Completion AFE | AFE #: | 24-008 | 1 | | | <u> </u> | | | Total Cost |
| | | Well #: Length / | 304H | | DRILLING | | | COMPLETION | | l otal Cost |
| IDC | Intangible Drilling Cost - BCP | # Days | Size | | Budget | Supplement | | Budget | Supplement | 1 105 000 |
| IDC11 IDC13 | DRILLING AND DAYWORK CASING CREW | | | | 1,135,000 20,000 | | | | | 1,135,000 20,000 |
| IDC14 | DIRECTIONAL SERVICES | | | | 241,000 | | | | | 241,000 |
| IDC15 IDC16 | SOLIDS CONTROL EQUIPMENT RENTAL DOWNHOLE RENTAL EQUIPMENT | | | | 18,000 74,800 | | | | | 18,000 74,800 |
| IDC17 | SURFACE RENTAL EQUIPMENT | | | | 100,011 | | | | | 100,011 |
| IDC19 IDC20 | BITS RIG MOVE AND/OR DOZER STANDBY | | | - | 68,900 350,000 | | | | | 68,900 350,000 |
| IDC21 | ROADS, LOCATION, PITS | | | | 100,000 | | | | | 100,000 |
| IDC22 | CEMENT AND CEMENTING SERVICES | | | | 200,000 | | | | | 200,000 |
| IDC23 IDC24 | MUD AND OTHER DRILLING FLUIDS WATER, RENTAL PUMPS AND WATER LINES | | | | 180,000 31,700 | | | | | 180,000 31,700 |
| IDC26 | CONDUCTOR PIPE (DRILL, INSTALL & CE | | | | 15,000 | | | | | 15,000 |
| IDC32 IDC33 | CONTRACT LABOR & WELDING MUD LOGGING | | | | 50,000 20,400 | | | | | 50,000 20,400 |
| IDC33 | MUD DISPOSAL | | | | 105,300 | | | | | 105,300 |
| IDC60 | OVERHEAD | | | | 6,825 | | | | | 6,825 |
| IDC63 IDC64 | CONSULTANTS - CONTRACT ENGINEER CONSULTANTS - FOREMAN / FIELD SUP | | | | 72,000 85,000 | | | | | 72,000 85,000 |
| IDC70 | HAULING - AUTO AND TRUCK | | | | 30,400 | | | | | 30,400 |
| IDC71 | MISCELLANEOUS AND CONTINGENCIES | | | | 300,000 | | | | | 300,000 |
| IDC73 IDC90 | NU/ND/BOP TEST FUEL,POWER,REPAIRS, &SUPPLIES | | | | 8,000 63,750 | | | | | 8,000 63,750 |
| | | | IDO | Subtotal | \$3,276,086 | | | | | \$3,276,086 |
| LWE | Lease and Well Equipment | | | | | | | | | |
| | SURFACE CASING | 1,850 | 13.375" | | 92,500 | | | | | 92,500 |
| | PRODUCTION CASING | 7,600 19,100 | 9.625" 5.5" | | 252,000 494,100 | | - | | | 252,000 494,100 |
| | TCC - TUBING | 7,600 | 2.875" | | 494,100 | | | 60,667 | | 60,667 |
| LWE204 | TCC - OTHER WELLHEAD EQUIPMENT | .,,=== | | | 58,000 | | | 23,400 | | 81,400 |
| LWE303 | TCC - SUBMERSIBLE PUMPS | | | | - | | | 99,667 | | 99,667 |
| LWE304 | TCC - DOWNHOLE PUMP EQUIP | | | | - | | | 13,000 | | 13,000 |
| | | | LWI | E Subtotal | \$896,600 | LWE | Subtotal | \$196,733 | | \$1,093,333 |
| ICC | Intangible Completion Cost - ACP | Length / | Size | | Budget | Supplement | | Budget | Supplement | |
| | | # Days | Size | | Duuget | Supplement | | | Supplement | |
| | ICC - COMPLETION RIG | | | | | | | 15,600 | | 15,600 |
| ICC16 ICC17 | ICC - DOWNHOLE RENTAL EQUIPMENT ICC - PUMP, TANK, SWIVEL | | | | | | | 43,333 135,640 | | 43,333 135,640 |
| ICC18 | ICC - SURFACE RENTAL EQUIPMENT | | | | | | | 102,267 | | 102,267 |
| ICC23 | ICC - OTHER COMPLETIONS FLUIDS, MUD | MDC | | | | | | 115,700 412,750 | - | 115,700 412,750 |
| ICC24 | ICC - WATER, RENTAL PUMPS & WATER PU ICC - WATER TRANSFER | IVIFO | | | | | | 126,533 | | 126,533 |
| HUUZ4A | | | | | | | | 31,500 | | 31,500 |
| ICC24A ICC30 | ICC - PRODUCTION TESTING | | | | | | | | | |
| ICC30 ICC32 | ICC - CONTRACT LABOR | | | | | | | 43,000 | | 43,000 |
| ICC30 ICC32 ICC41 | | | | | | | | | | 43,000 4,333 |
| ICC30 ICC32 ICC41 ICC42 ICC44 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES | | | | | | | 43,000 4,333 1,897,241 255,753 | | 43,000 4,333 1,897,241 255,753 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. | | | | | | | 43,000 4,333 1,897,241 255,753 70,200 | | 43,000 4,333 1,897,241 255,753 70,200 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES | | | | | | | 43,000 4,333 1,897,241 255,753 | | 43,000 4,333 1,897,241 255,753 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | | | | | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN | | | | | | Subtestal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | | | | | ICC | Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - TRUCKING ICC - CTU/SWAB UNIT ICC - FUEL & POWER | Length / | | | D. de d | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 | Cunsia | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FIELD SUP. ICC - TRUCKING ICC - TRUCKING ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility | Length / # Days | Size | | Budget | ICC Supplement | | 43,000 4,333 1,897,241 255,753 70,200 20,367 173,333 442,000 \$3,924,217 | Supplement | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES | | Size | | Budget | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC30 ICC32 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - TRUCKING ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | | Size | | Budget | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 173,333 442,000 \$3,924,217 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC30 ICC32 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE403 LWE403 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - TRUCKING ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWGO, D COMPRESSORS | | Size | | Budget | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC30 ICC32 ICC42 ICC44 ICC640 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE404 LWE404 LWE404 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP, ICC - FILED SUP, ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - TUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT | | Size | | Budget | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC30 ICC32 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE403 LWE403 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FREACTURING ICC - FILED SUP. ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - TUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS +EATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT | | Size | | Budget | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC30 ICC30 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC88 ICC90 LWE LWE401 LWE402 LWE405 LWE404 LWE404 LWE406 LWE501 LWE501 LWE501 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRED SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | | Size | | Budget | | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 0 550000 0 0 12500 175000 175000 |
| ICC30 ICC32 ICC42 ICC44 ICC64 ICC60 ICC70 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE404 LWE404 LWE405 LWE406 LWE406 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRED SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | | | F Subtreal | | Supplement | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 0 550000 0 12500 0 12500 0 |
| ICC30 ICC30 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC88 ICC90 LWE LWE401 LWE402 LWE405 LWE404 LWE404 LWE406 LWE501 LWE501 LWE501 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRED SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | | | E Subtotal | Budget \$0 | Supplement | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 0 550000 0 0 12500 175000 175000 |
| ICC30 ICC30 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC88 ICC90 LWE LWE401 LWE402 LWE405 LWE404 LWE404 LWE406 LWE501 LWE501 LWE501 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRED SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | | LW | | \$0 | Supplement | Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 43,000 4,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 550000 0 125000 12500 175000 0 9 |
| ICC30 ICC30 ICC31 ICC32 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE406 LWE501 LWE501 LWE600 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FIELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS TANKS AND WALKWAYS GEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | | LWI Facility Total | | \$0 Drilling Tota | Supplement | Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 \$930,000 | | 43,000 4,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 12500 12500 175000 0 \$930,000 |
| ICC30 ICC30 ICC31 ICC32 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE406 LWE501 LWE501 LWE600 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRED SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS | | LW | | \$0 | Supplement | Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 12500 12500 175000 \$930,000 | | 43,000 4,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 550000 0 125000 12500 175000 0 9 |
| ICC30 ICC30 ICC31 ICC32 ICC41 ICC42 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE405 LWE501 LWE502 LWE600 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FIELD SUP. ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - CTUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS TANKS AND WALKWAYS GEATER-TREATER, SEPARATORS, FWKO, D COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | # Days | LWI Facility Total | ni | \$0 Drilling Tota | Supplement | E Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 \$930,000 | | 43,000 4,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 12500 12500 175000 0 \$930,000 |
| ICC30 ICC30 ICC31 ICC32 ICC41 ICC42 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE405 LWE501 LWE501 LWE600 | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FREACTURING ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - CTUSWAB UNIT ICC - TUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWG, DO COMPRESORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | # Days | LWI Facility Total \$930,000 Chris Buscern | ni | \$0 Drilling Tota \$4,172,686 | Supplement | E Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 \$930,000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 0 \$930,000 |
| ICC30 ICC30 ICC31 ICC42 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE401 LWE402 LWE405 LWE406 LWE501 LWE406 LWE501 LWE600 Total W LARIO Al | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - TRUCKING ICC - TUSWAB UNIT INTENDED INDED INTENDED | # Days | Facility Total \$930,000 Chris Buscer V. P. Enginee | ni rring | \$0 Drilling Tota \$4,172,686 DATE: | Supplement | E Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 \$930,000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 0 \$930,000 |
| ICC30 ICC30 ICC31 ICC42 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE401 LWE402 LWE405 LWE406 LWE501 LWE406 LWE501 LWE600 Total W LARIO Al | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FREACTURING ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT ICC - CTUSWAB UNIT ICC - TUSWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS HEATER-TREATER, SEPARATORS, FWG, DO COMPRESORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT | # Days BY: | Facility Total \$930,000 Chris Buscerr V. P. Enginee | ni rring | \$0 Drilling Tota \$4,172,686 DATE: | Supplement | E Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 \$930,000 | | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 12500 0 12500 175000 0 \$930,000 |
| ICC30 ICC30 ICC31 ICC42 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 LWE401 LWE402 LWE405 LWE406 LWE501 LWE406 LWE501 LWE600 Total W LARIO Al | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - TRUCKING ICC - TUSWAB UNIT INTENDED INDED INTENDED | # Days | Facility Total \$930,000 Chris Buscerr V. P. Enginee | ni rring | \$0 Drilling Tota \$4,172,686 DATE: | Supplement | E Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 \$930,000 | | 43,000 4,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 180000 0 12500 12500 175000 0 \$930,000 |
| ICC30 ICC30 ICC31 ICC32 ICC41 ICC42 ICC42 ICC42 ICC50 ICC71 ICC89 ICC90 LWE LWE401 LWE402 LWE405 LWE406 LWE501 LWE406 LWE501 LWE600 Total W LARIO Al | ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FREACTURING ICC - FILED SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - TRUCKING ICC - PUMP DOWN ICC - TRUCKING ICC - FUEL & POWER Production Facility FLOWLINES TANKS AND WALKWAYS IEATER-TREATER, SEPARATORS, FWKO, COMPRESSORS LEASE MISCELLANEOUS VALVES AND FITT SWD & INJECTION PUMPS OTHER EQUIPMENT INTANGIBLES INSTALLATION COSTS SALT WATER INVESTMENT ell Cost PPROVAL: s only an estimate of the costs to be incurred for the sulf the AFE constitutes approval of the actual costs incurred to the | # Days BY: | Facility Total \$930,000 Chris Buscer V. P. Enginee | ni rring e activity appro | \$0 Drilling Tota \$4,172,686 DATE: | LWE April 4 | E Subtotal | 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 Budget 180000 550000 12500 175000 \$930,000 completion To: \$4,120,951 | otal | 43,000 4,303 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 55000 0 12500 0 12500 0 12500 0 \$930,000 Total \$9,223,637 |

| | | Well: | Close Encoun | State: | New Mexico | | | | |
|---|--|--|--|--|---------------------------|-----------------|--|------------|--|
| | ARIO | Location: | SHL: Section 1 BHL: Section 1 | | | County: | Lea County | | |
| | | Operator: | Lario Oil & Ga | is Company | | Field: | | | . , |
| | willing and Completion AFF | AFE Desription | Drill and Comp | lete a ~6,500' horizontal ir | nto the 3rd Bor | l ne Springs | | | |
| ١ | rilling and Completion AFE | AFE #: | 24-007 | I | | | | 1 | Total Cost |
| IDC | Intangible Drilling Cost - BCP | Well #: Length / | 303H Size | DRILLING Budget | Supplement | | COMPLETION Budget | Supplement | Total Cost |
| IDC11 | DRILLING AND DAYWORK | # Days | Oize | 1,135,000 | | | Budget | Supplement | 1,135,000 |
| IDC13 | CASING CREW | | | 20,000 | | | | | 20,000 |
| IDC14 IDC15 | DIRECTIONAL SERVICES SOLIDS CONTROL EQUIPMENT RENTAL | | | 241,000 18,000 | | | | | 241,000 18.000 |
| IDC16 | DOWNHOLE RENTAL EQUIPMENT | | | 74,800 | | | | | 74,800 |
| IDC17 | SURFACE RENTAL EQUIPMENT | | | 100,011 | | | | | 100,011 |
| IDC19 IDC20 | RIG MOVE AND/OR DOZER STANDBY | | | 68,900 350,000 | | | | | 68,900 350,000 |
| IDC21 | ROADS, LOCATION, PITS | | | 100,000 | | | | | 100,000 |
| IDC22 | CEMENT AND CEMENTING SERVICES | | | 200,000 | | | | | 200,000 |
| IDC23 IDC24 | MUD AND OTHER DRILLING FLUIDS WATER, RENTAL PUMPS AND WATER LINES | | | 180,000 31,700 | | | | | 180,000 31,700 |
| IDC26 | CONDUCTOR PIPE (DRILL, INSTALL & CE | | | 15,000 | | | | | 15,000 |
| IDC32 | CONTRACT LABOR & WELDING | | | 50,000 | | | | | 50,000 |
| IDC33 IDC34 | MUD LOGGING MUD DISPOSAL | | | 20,400 105,300 | | | | | 20,400 |
| IDC60 | OVERHEAD | | | 6,825 | | | | | 105,300 6,825 |
| IDC63 | CONSULTANTS - CONTRACT ENGINEER | | | 72,000 | | | | | 72,000 |
| IDC64 | CONSULTANTS - FOREMAN / FIELD SUP | | | 85,000 | | | | | 85,000 |
| IDC70 IDC71 | HAULING - AUTO AND TRUCK MISCELLANEOUS AND CONTINGENCIES | | | 30,400 300,000 | | | | | 30,400 300,000 |
| IDC73 | NU/ND/BOP TEST | | | 8,000 | | | | | 8,000 |
| IDC90 | FUEL, POWER, REPAIRS, & SUPPLIES | | | 63,750 | | | | | 63,750 |
| 1.100 | II and Wall Environment | | IDO | Subtotal \$3,276,086 | <u> </u> | | | | \$3,276,086 |
| LWE LWE101 | Lease and Well Equipment SURFACE CASING | 1,850 | 13.375" | 92,500 | | | | | 92,500 |
| | INTERMEDIATE CASING | 7,600 | 9.625" | 252,000 | | | | | 252,000 |
| | PRODUCTION CASING | 19,100 | 5.5" | 494,100 | | | | | 494,100 |
| LWE202 | TCC - TUBING | 7,600 | 2.875" | | | | 60,667 | | 60,667 |
| LWE204 | TCC - OTHER WELLHEAD EQUIPMENT | | | 58,000 | | | 23,400 | | 81,400 |
| LWE303 | TCC - SUBMERSIBLE PUMPS | | | - | | | 99,667 | | 99,667 |
| LWE304 | TCC - DOWNHOLE PUMP EQUIP | | | | | | 13,000 | | 13,000 |
| | | | LWI | E Subtotal \$896,600 |) LWE | Subtotal | \$196,733 | | \$1,093,333 |
| ICC | Intangible Completion Cost - ACP | Length / # Days | Size | Budget | Supplement | | Budget | Supplement | |
| ICC12 | ICC - COMPLETION RIG | Dujo | | | | | 15,600 | | 15,600 |
| ICC16 | ICC - DOWNHOLE RENTAL EQUIPMENT | | | | | | 43,333 | | 43,333 |
| ICC17 | ICC - PUMP, TANK, SWIVEL | | | | | | 135,640 | | 135,640 |
| ICC18 ICC23 | ICC - SURFACE RENTAL EQUIPMENT ICC - OTHER COMPLETIONS FLUIDS, MUD | | | | - | | 102,267 115,700 | | 102,267 115,700 |
| ICC24 | ICC - WATER, RENTAL PUMPS & WATER PU | MPS | | | 1 | | 412,750 | | 412,750 |
| ICC24A | ICC - WATER TRANSFER | | | | | | | | |
| | | | | | - | | 126,533 | | 126,533 |
| ICC30 | ICC - PRODUCTION TESTING | | | | | | 31,500 | | 31,500 |
| ICC30 ICC32 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR | | | | | | 31,500 43,000 | | 31,500 43,000 |
| ICC30 ICC32 ICC41 ICC42 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING | | | | | | 31,500 | | 31,500 |
| ICC30 ICC32 ICC41 ICC42 ICC44 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES | | | | | | 31,500 43,000 4,333 1,897,241 255,753 | | 31,500 43,000 4,333 1,897,241 255,753 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. | | | | | | 31,500 43,000 4,333 1,897,241 255,753 70,200 | | 31,500 43,000 4,333 1,897,241 255,753 70,200 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - FIELD SUP. ICC - PUMP DOWN | | | | | | 31,500 43,000 4,333 1,897,241 255,753 | | 31,500 43,000 4,333 1,897,241 255,753 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | | | | | | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 | | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - FIELD SUP. ICC - PUMP DOWN | | | | 100 | Supta 4-1 | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 | | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTUSWAB UNIT | | | | ICC | Subtotal | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 | | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - FRACTURING ICC - FILED SUP. ICC - TRUCKING ICC - TRUCKING ICC - PUMP DOWN ICC - DUMP DOWN ICC - CTUSWAB UNIT ICC - FUEL & POWER | Length / | Cinc | Surface Contract Cont | 1 | | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 | Sundage | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 |
| ICC30 ICC32 ICC41 ICC42 ICC42 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WIRELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - TRUCKING ICC - FUEL & POWER Production Facility | Length / # Days | Size | Budget | ICC Supplement | | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 | Supplement | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 |
| ICC30 ICC32 ICC41 ICC42 ICC44 ICC60 ICC70 ICC71 ICC89 ICC90 | ICC - PRODUCTION TESTING ICC - CONTRACT LABOR ICC - ACIDIZING ICC - FRACTURING ICC - WINDELINE SERVICES ICC - FIELD SUP. ICC - TRUCKING ICC - PUMP DOWN ICC - CTU/SWAB UNIT ICC - FUEL & POWER Production Facility FLOWLINES | | Size | Budget | 1 | | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 34,667 173,333 442,000 \$3,924,217 | Supplement | 31,500 43,000 4,333 1,897,241 255,753 70,200 20,367 173,333 442,000 \$3,924,217 |
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EXHIBIT A-7

| | | | Type of | |
|--------------------|-------------------|-----------|---------------|--|
| Name of Contact | Company | Date | Communication | Discussion Topic |
| | | | | Well Proposals, Unit Ownership, Drill |
| Bryan J. Cifuentes | XIO Holdings, LLC | 2/6/2024 | Email | plans |
| Cindy Sloan | XIO Holdings, LLC | 2/8/2024 | Email | Sent out Well Plans |
| Bryan J. Cifuentes | XIO Holdings, ЦС | 2/15/2024 | Email | Projected Drilling Dates |
| Bryan J. Cifuentes | XIO Holdings, LLC | 2/15/2024 | Email | Requested to schedule a technical call |
| | | | | |
| | | | | |
| | | | | Sent over Updated Ownership |
| Bryan J. Cifuentes | XIO Holdings, ЦС | 2/28/2024 | Email | Attempted to Setup Development meeting |
| Bryan J. Cifuentes | XIO Holdings, ЦС | 3/12/2024 | Email | Sent term assignment offer |
| | | | | |
| Bryan J. Cifuentes | XIO Holdings, ЦС | 4/1/2024 | Email | Sent APDs |
| Bryan J. Cifuentes | XIO Holdings, ЦС | 5/2/2024 | Email | Sent updated AFEs |
| Bryan J. Cifuentes | XIO Holdings, LLC | 5/17/2024 | Email | Sent Carry offer |
| | | | | Followed up on Offer, XIO plans to give us |
| Bryan J. Cifuentes | XIO Holdings, LLC | 5/24/2024 | Email | a answer prior to hearing |

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

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

CASE NO. 24493

SELF-AFFIRMED STATEMENT OF KRISTOPHER CLEMONS

- 1. I am a geologist for Lario Oil & Gas Company. I am over 18 years of age, have a personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division").
- 2. I have a Master of Science in Geology from the University of Kentucky and 15 years of experience in the petroleum industry. My experience has focused on a diverse list of aspects of petroleum geology, including planning, development, and execution of horizontal unconventional reservoir projects in the Permian Basin. A copy of my resume' is attached to this exhibit.
- 3. I am familiar with geologic matters that pertain to the above referenced case.
- 4. Exhibit B-1 is a location map of the proposed horizontal spacing unit ("Unit"). The approximate wellbore paths for the proposed Close Encounters State Com 301H, Close Encounters State Com 302H, Close Encounters State Com 303H, Close Encounters State Com 304H, Close Encounters State Com 101H, Close Encounters State Com102H, Close Encounters State Com 103H, and Close Encounters State Com 104H wells are represented by dashed lines. Existing producing wells in the targeted formations are represented by solid lines.
- 5. Exhibit B-2a is a subsea structure map for the Third Bone Springs Sand and is representative of the top of the targeted interval for the proposed Close Encounters State Com 301H, Close Encounters State Com 302H, Close Encounters State Com 303H, and Close Encounters State Com 304H. The data points are indicated by crosses. The approximate wellbore paths are depicted by dashed lines. The map demonstrates the formation is moderately dipping to the south in this area. I do not observe significant faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 6. Exhibit B-2b is a subsea structure map for the First Bone Springs Sand and is representative of the top of the targeted interval for the proposed Close Encounters State Com 101H, Close Encounters State Com 102H, Close Encounters State Com 103H, and Close Encounters State Com 104H. The data points are indicated by crosses. The approximate wellbore paths are depicted by dashed lines. The map demonstrates the formation is moderately dipping to the south in this area. I do not observe significant faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

- 7. Exhibit B-3a is a structural cross-section using the representative wells identified on Exhibits B-2a and B-2b. It contains gamma-ray, resistivity, and porosity logs. The proposed landing zones for the Close Encounters State Com 301H, Close Encounters State Com 302H, Close Encounters State Com 303H, and Close Encounters State Com 304H wells are located on the exhibit. Exhibit B-b is a structural cross-section using the representative wells identified on Exhibits B-2b and B-2b. It contains gamma-ray, resistivity, and porosity logs. The proposed landing zones for the cross-sections demonstrate the target intervals are continuous across the unit.
- 8. In my opinion, a North- South azimuth orientation for the wells is appropriate to properly develop the subject acreage because consistent reservoir properties, maximization of lateral length, and the preferred orientation of induced fracture (Shmax).
- 9. Based on my geologic study of the area, the targeted interval in the unit is suitable for development by horizontal wells and the reacts comprising the unit will contribute roughly equally to the wells production.
- 10. In my opinion, the granting of Lario Oil & Gas Company's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 11. The attached exhibits were either prepared by me or under my supervision, or were compiled from company business records.
- 12. I understand this SELF-AFFIRMED STATEMENT will be used as written testimony in the case. I affirm my testimony above is true and correct and is made under the penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

| DocuSigned by: | |
|--------------------|--|
| Kristopher Clemons | |
| 6/7/2024 | |
| Date | |

28610 Pine Drive - Evergreen, CO 80439 859.321.5558 - Clemons.kit@gmail.com

Kristopher (Kit) Clemons

Profile

Vice President of Geoscience with proven management and technical expertise in conventional and unconventional exploration and exploitation business environments. Strong ability to work and coordinate with multiple disciplines (Geoscience, Operations, Marketing, Finance, Accounting, Land, Regulatory, EHS) to meet company objectives and steward full cycle field development. Strengths in stratigraphy, structural geology and geomechanics.

Experience

Vice President Geoscience – Lario Permian LLC, Lario Oil & Gas Company, Denver, CO (2016 - Present)

Permian Basin, Mid-Con and Rockies Mountain Regions, Regional Assessment, New Plays and Exploration, Conventional and unconventional play assessment / play mapping. Led the geoscience effort to identify, build, and develop Lario's Midland Basin unconventional position culminating in the successful asset divestiture to Diamondback in 2023 ((\$1.5 B).

Senior Geologist – Lario Oil & Gas Company, Denver, CO (2015 - 2016)

Permian Basin and Rockies Mountain Regions, Regional Assessment, New Plays and Exploration Conventional and unconventional play assessment / play mapping

Senior Geologist – Pioneer Natural Resources, Denver, CO (2013 –2015)

Rockies Mountain Region and Appalachian Basin New Plays and Exploration Conventional and unconventional play assessment / play mapping Lead maturation and prospect development

Geologist II - Pioneer Natural Resources, Irving, TX (2010 – 2013)

Regional assessment of the Gulf Coast and Permian Basin Geomechanical evaluation of unconventional targets Seismic attribute analysis and seismic sweet-spot mapping Exploitation geology – well planning and execution

Geologist I – Pioneer Natural Resources, Irving, TX (2009)

Regional assessment of the Permian Basin Spraberry and Wolfcamp intervals Wolfcamp Lateral well planning Permian geomechanics / fracture stratigraphy

Skill Set

<u>Technical:</u> 2D/3D seismic interpretation, well log correlation, structural analysis, geomechanical evaluation, geochemical evaluation (Oil geochem, RockEval, and x-ray fluorescence), geologic model building, well planning, and geosteering. Designated Technical Key Expert (Jan 2015)

<u>Management:</u> Managed multidisciplinary team of geoscientist and engineers in Permian Basin horizontal asset and Midcon conventional asset development with emphasis on efficient and effective resource exploitation.

<u>Mentor:</u> Experience developing continuing education program for Lario geoscience staff. Experience as primary and co-mentor for summer intern program and new hires at Pioneer NRC (2013-2015)

<u>Computing:</u> Petra, Kingdom SMT, SES Geosteering, Paradigm, Geographix, Geolog, Arc GIS, Oasis Montage, Rose and Assoc Risking and Spotfire.

Industry related publications and presentations

Pandey, V. Nekrasova, T., **Clemons, K.**, and Six, B. 2020. Prediction of 3-D Facies and Petrophysical Models using Seismic Inversion and Advanced Statistical Data Analytics in Midland Basin Study Area. Unconventional Resources Technology Conference (URTeC) DOI 10.15530/urtec-2020-2442.

Mohamed, A., **Clemons, K.**, Pandey, V., Six, B., Chesser, K., and Swami, V. 2019. Seismic-driven pore and fracture pressure prediction in the Permian Basin, SEG Technical Program Expanded Abstracts: 4947-4951.

Clemons, K. and Havens, J. 2017. High frequency depositional variability in interbedded carbonates and shales affects mechanical heterogeneity: implications for resource exploitation in the Woflcamp Formation, West Texas, USA., 2017 RMAG DWLS Fall Symposium - Geology and Petrophysics of Unconventional Mudrocks, 2017.

Clemons, K. M., Bello, H., Bodziak, R., McChesney, M., Meek, R., and Stephens, A. 2016. Seismic Attributes: Exploiting seismic data to understand heterogeneous reservoir performance in the Eagle Ford Shale, South Texas, USA. AAPG Eagle Ford Memoir 110.

Drake, William R., Pollock, Caleb J., Henk, Bo, Anderson, Justin B., and **Clemons Kristopher M.**, 2015. Evolution of the Southwestern Midcontinent Basin During the Middle Pennsylvanian: Evidence From Sequence Stratigraphy, Core and XRF in Southeastern Colorado* AAPG Annual Convention & Exhibition, Denver, Colorado, May 31-June 3, 2015. Search and Discovery Article #10753 (2015).

Bodziak, R.M., **Clemons, K. M.**, Meek, R., and Stephens, A. 2014. The role of seismic attributes in understanding the 'frac-able' limits and reservoir performance in shale reservoirs: An Example from the Eagle Ford Shale, South Texas, USA. AAPG Bulletin Special Issue: Faulting and Fracturing in Shale and Self-Sourced Reservoirs. AAPG Bulletin, v.98, No. 11, November 2014.

Bello, H.D., Barzola, G., Portis, D., Tinnin, B., **Clemons, K.**, 2013. Multiuse of Seismic and Attribute Mapping for Field Appraisal and Development in the Eagle Ford Shale: Mapping TOC, Porosity and Seal Integrity. Unconventional Resources Technology Conference held in Denver, Colorado, USA, 12-14 August 2013. URTeC #158153.

Clemons, Kristopher, Bodziak, Robert, Meek, Robert and Stephens, Andy, 2012. Leveraging seismic attributes to understand the "frac-able" limits and reservoir performance in the Eagle Ford Shale, South Texas, USA. AAPG 2013 Annual Convention, Long Beach, CA. AAPG Search and Discovery, http://www.searchanddiscovery.com/abstracts/html/2012/90142ace/abstracts/clemons.htm.

Clemons, Kristopher, 2010. Fracture stratigraphy and mechanical stratigraphy evolution and The implications for fluid migration in tight reservoirs. *2010 West Texas Geological Society Fall Symposium, Pub No. 10-123*.

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Education

MS Geology (2006) University of Kentucky, Lexington KY. Thesis: Petrofabric and Geochemical Analysis of the Great Smoky – Snowbird Contact, Western Blue Ridge, North Carolina and Tennessee BA Political Science (1996) Eastern Kentucky University, Richmond, KY.

Professional Society Memberships and other professional associations

University of Kentucky Department of Earth and Environmental Sciences Alumni Board Member American Association of Professional Geologists Rocky Mountain Association Geologists West Texas Geological Society Geological Society of America

References

Available upon request

EXHIBIT B-1a

Proposed Location

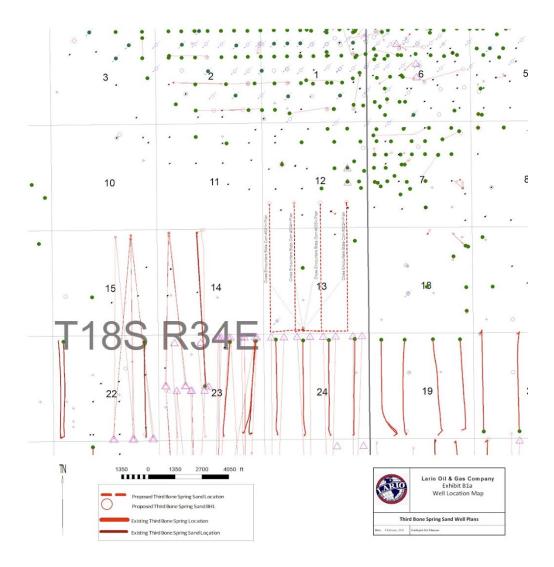


EXHIBIT B-1b

Proposed Location

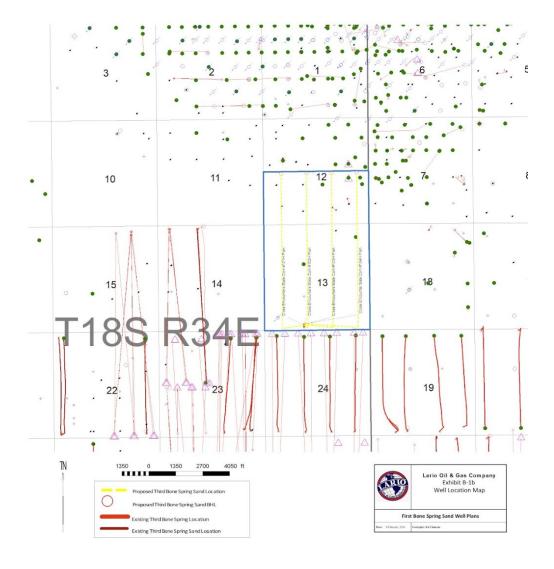
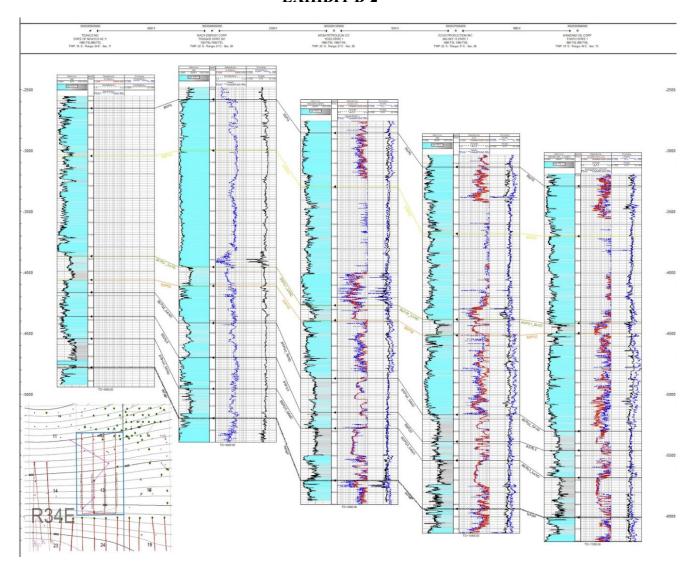
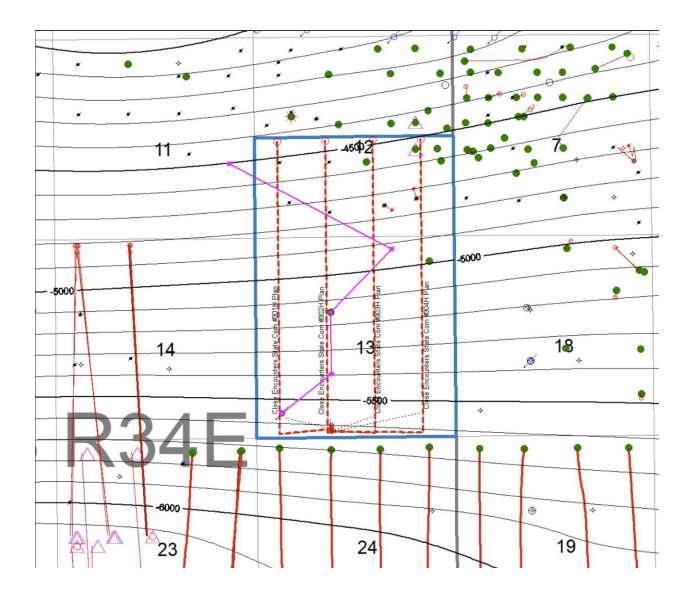
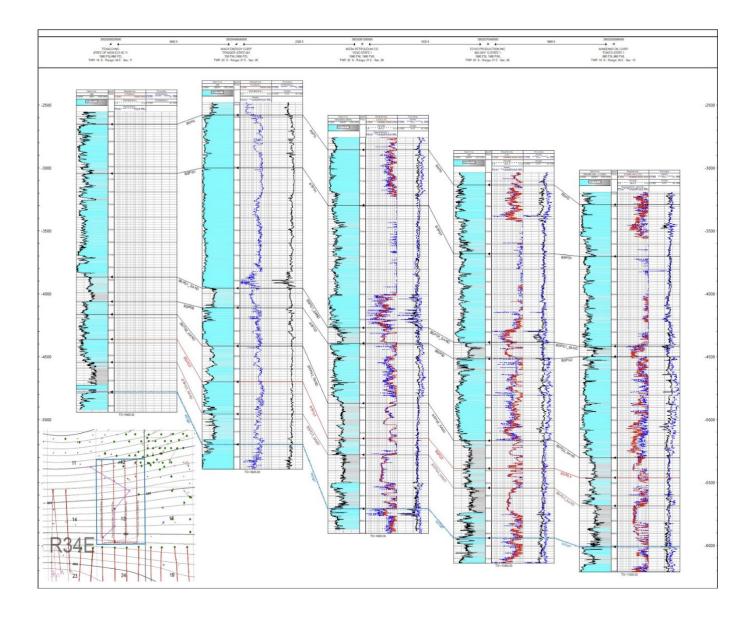
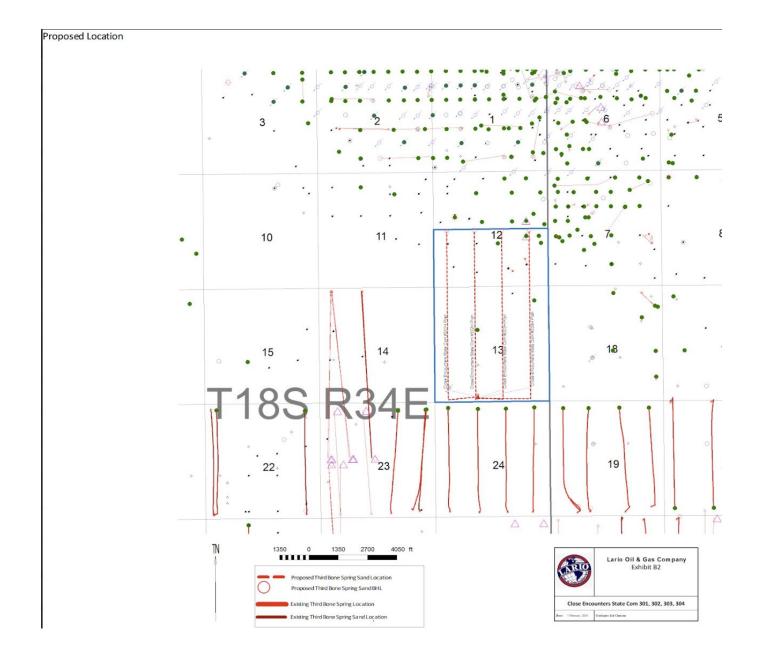


EXHIBIT B-2









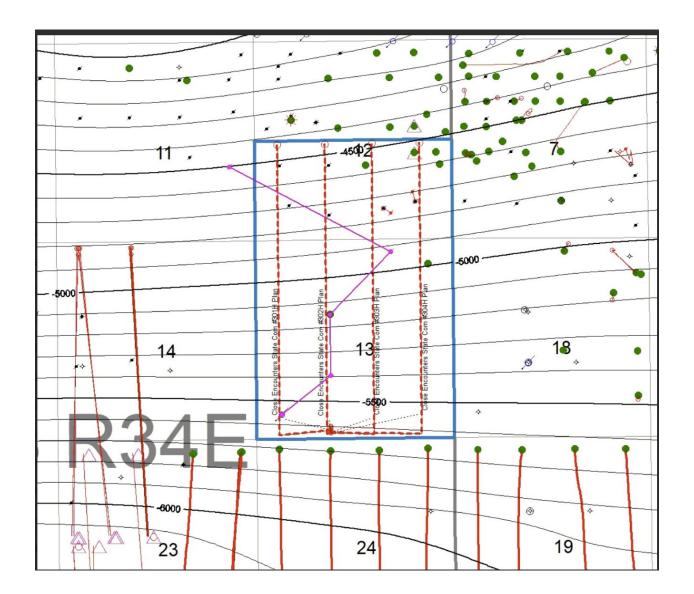


EXHIBIT B-2a

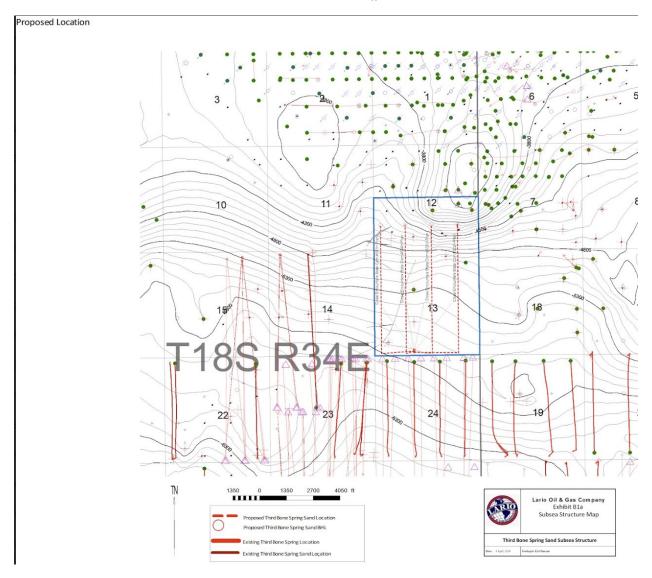
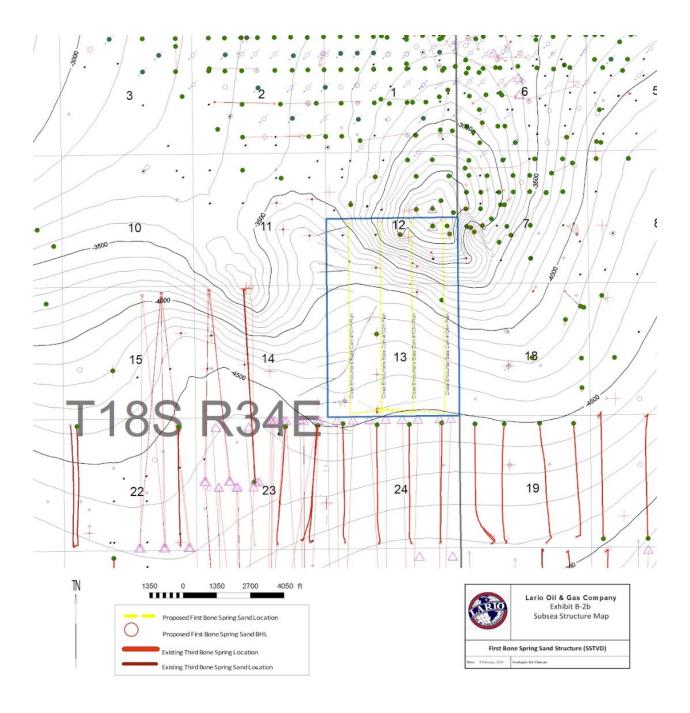


EXHIBIT B-2b



Close Encounters State Com Unit Development (Gunbarrel View)

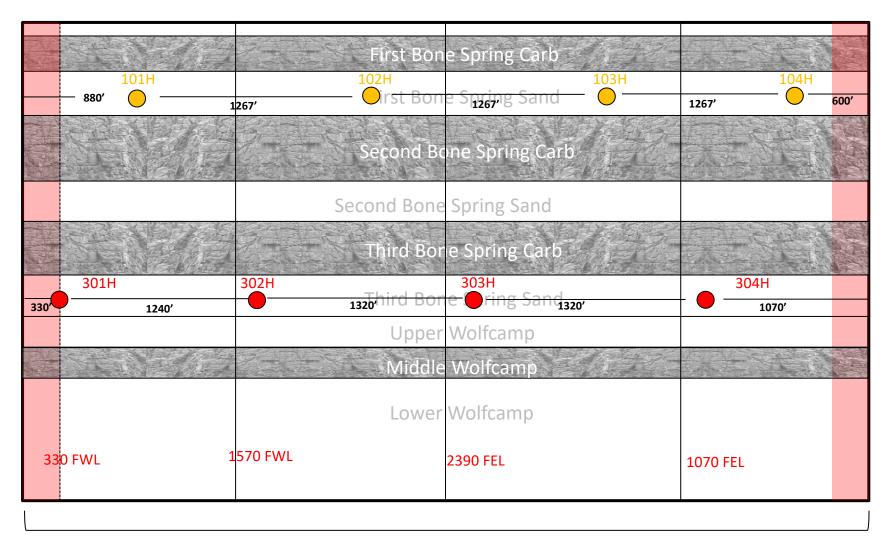
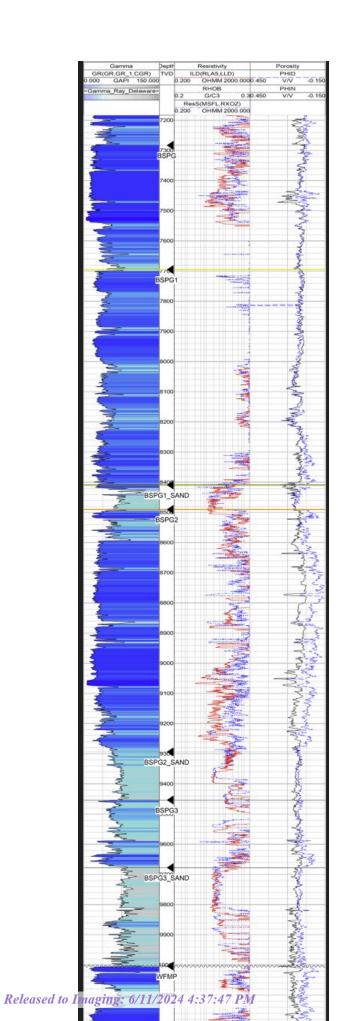


EXHIBIT B-4



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

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

CASE NO. 24493

SELF-AFFIRMED STATEMENT OF CHRISTOPHER BUSCEMI

- I am an engineer for Lario Oil & Gas Company. I am over 18 years of age, have a personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division").
- 2. I have a bachelor's degree in mechanical engineering from the University of Florida and 14 years of experience in the petroleum industry. I have had a variety of roles in reservoir engineering over my career, with a focus on unconventional horizontal well development. A copy of my resume is attached under exhibit C-3.
- 3. In this case, Lario seeks the approval of a 960-acre non-standard Bone Springs Unit.
- 4. The single non-standard unit would significantly reduce the anticipated costs and surface disturbance compared to 4-standard spacing units.
- 5. Exhibit C-1 illustrates the central tank batteries required in a non-standard unit as opposed to using standard horizontal spacing units. Exhibit C-2 compares the estimated cost and surface disturbance reductions if able to proceed with a non-standard unit.

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- 6. In my opinion, the granting of this non-standard spacing application will allow Lario to limit surface disturbance, allow for effective well spacing across the Bone Springs formation, and locate facilities in the most efficient manner.
- 7. The attached exhibits were either prepared by me or under my supervision, or were compiled from company business records.
- 8. I understand this SELF-AFFIRMED STATEMENT will be used as written testimony in the case. I affirm my testimony above is true and correct and is made under the penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Christopher Buscemi

6/10/2024

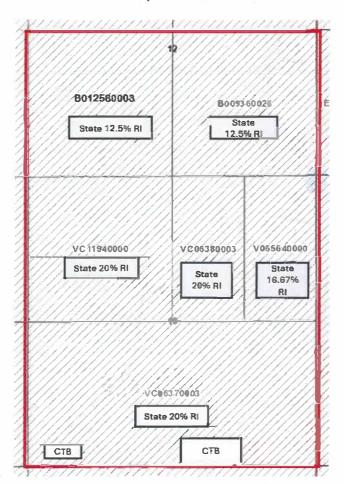
Date

Facilities Comparison Map

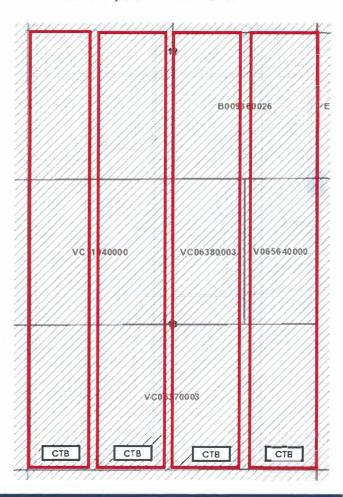
Case No: 24493

Lease Tract Map: S/2 of Section 12, ALL of Section 13 T18S R34E, Lea County, New Mexico Standard Unit vs. Non-Standard Unit

Non-Standard Unit; 1 UNIT and 2 CTB



Standard Unit; 4 UNIT and 4 CTB



Facilities Comparison

Case No: 24493

| Scenario | Design Basis per CTB (BOPD) | CTB Cost (\$M) | Pipeline Cost (\$M) | Total Capital (\$M) | CTB and Pipeline Disturbance (Acres) |
|--------------------------|--------------------------------|----------------|---------------------|---------------------|---|
| Four Separate Facilities | 2,500 | \$8.0 | \$1.0 | \$9.0 | 15 |
| Two Pooled Facilities | 2,000 / 8,000 | \$5.5 | \$0.6 | \$6.1 | 9.9 |
| SAVINGS | | \$2.5 | \$0.4 | \$2.9 | 5.1 |

CHRISTOPHER M. BUSCEMI

Cell:(850)529-0706 cbuscemi2238@gmail.com

PROFESSIONAL SUMMARY

Highly motivated, results-oriented Reservoir Engineer known as a consistent team player with strong technical and leadership abilities.

| WORK I | HISTORY |
|-----------|---|
| 09/2023 - | VP of Engineering |
| Present | Lario Oil & Gas Company – Denver, CO |
| 08/2022 - | Exploitation Manager |
| 07/2023 | Four Corners Petroleum – Golden, CO |
| 10/2021 - | Staff Reservoir Engineer |
| 05/2022 | Great Western Petroleum, LLC – Denver, CO |
| 09/2017 - | Reservoir Engineering Manager – Permian Division |
| 05/2021 | QEP Resources – Denver, CO |
| 05/2016 - | Reservoir Engineering, Team Lead |
| 09/2017 | QEP Resources – Denver, CO |
| 10/2013 - | Reservoir Engineer – Pinedale |
| 05/2016 | QEP Resources - Denver,CO |
| 07/2010 - | Reservoir Engineer |
| 10/2013 | ExxonMobil Corporation, US Production Company - Houston, TX |
| EDUCAT | ION |

2010

Bachelor of Science: Mechanical Engineering

University of Florida - Gainesville, FL

• Graduated Magna Cum Laude

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

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

CASE NO. 24493

AFFIRMATION OF NOTICE

| STATE OF NEW MEXICO |) | |
|---------------------|---|----|
| |) | SS |
| COUNTY OF LEA |) | |

I, Christopher W. Lawyer, counsel for and authorized representative of Lario Oil & Gas Company ("Lario"), the Applicant herein, being first duly sworn, upon oath, states the following:

- 1) Notice of the application and hearing in the above referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on May 7, 2024, to all interest owners sought to be pooled in this proceeding. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits D-1 and D-2.
- 2) Notice was sent to Hobbs News Sun, a newspaper on May 17, 2024, and was timely published on May 21, 2024. See Exhibit D-3.
- 3) During Lario's additional review of title, it was discovered that a working interest owner sold to Matador Resources Company ("Matador"), after which Lario promptly sent an additional letter to Matador on May 13, 2024.
- 4) It is my understanding that Lario has made a reasonably diligent effort to find the names and addresses for the interest owners entitled to receive notice of the application and case herein.

I understand that this Affirmation will be used as written testimony before the Division in Case No. 24493 and affirm my testimony herein is true and made under penalty of perjury under the laws of the State of New Mexico.

Christopher W. Lawyer Christopher W. Lawyer

6/7/2024

Date

KEARNEY MCWILLIAMS & DAVIS

ATTORNEYS AT LAW

Denver: 1625 Broadway, Suite 2950, Denver, CO 80202
 Fort Worth: 777 Main, Suite 600, Fort Worth, TX 76102
 Phone: (713) 936-9620 or (720) 863-4012

Houston: 55 Waugh, Suite 150, Houston, TX 77007 San Antonio: 8626 Tesoro, Suite 816, San Antonio, TX 78217 Fax: (713) 936-9621

www.KMD.law

May 7, 2024

State of New Mexico 310 Old Santa Fe Trail Santa Fe, NM 87501

Via Certified Mail

RE: Notice of Compulsory Pooling Hearing

Case No. 24493

NMOCD Notice - Rule 19.15.16.15(B)(5)(b)

Bone Spring Formation

Lea County, NM

To Whom It May Concern;

Pursuant to New Mexico Administrative Code ("NMAC" or the "Division") Rule 19.15.4.12(A) you are receiving this notice because are an owner of interest in the mineral estate or portion of lands proposed to be pooled in Lario Oil & Gas Company's ("Lario") application pursuant to NMAC Rule 19.15.16.15(B)(5)(b) for Compulsory Pooling and approval of a Non-Standard Spacing Unit in the Bons Spring (the "Application") for the following wells situated in Lea County, NM. The Application, attached, was filed with the Division on April 29, 2024 and has been assigned Case No. 24493.

- 1) Close Encounters State Com 101H (API 30-025-52808), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 12, Township 18 South, Range 34 East;
- 2) Close Encounters State Com 102H (API 30-025-52809), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 12, Township 18 South, Range 34 East;

- 3) Close Encounters State Com 103H (API 30-025-52810), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 34 East;
- **4)** Close Encounters State Com 104H (API 30-025-52811), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 12, Township 18 South, Range 34 East;
- 5) Close Encounters State Com 301H, to be drilled from a surface hole location in the SE/4 SW/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 12, Township 18 South, Range 34 East;
- 6) Close Encounters State Com 302H, to be drilled from a surface hole location in the SE/4 SW/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 12, Township 18 South, Range 34 East;
- 7) Close Encounters State Com 303H, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 12, Township 18 South, Range 34 East; and
- 8) Close Encounters State Com 304H, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 12, Township 18 South, Range 34 East.

The matter of the Application will be heard at the Division hearing on June 13, 2024 which will take place at the Division at Pecos Hall, 1220 South Francis, Santa Fe New Mexico, 87505. The hearings typically begin. Should you require any further information regarding the Division hearing process please visit https://www.emnrd.nm.gov/ocd/ocd-announcements-and-notifications/.

Should you wish to protest the Application, you must file your protest in writing with the Division at OCD.Hearings@emnrd.nm.gov, listing the Case No. and details regarding the protest.

Should you have any questions about Lario's Application please contact Dakota Nahm at <u>Dakota@lario.net</u> or at 720-573-9816.

Notice Letter Tracking Spreadsheet

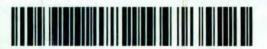
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| The Allar Company | 05/13/2024 | Received |
| Broken Arrow Royalties, | 05/17/2024 | |
| LLC | | |
| Cavalry Resources, LLC | 05/15/2024 | |
| Chase Oil Corporation | | |
| COG Operating LLC | 05/13/2024 | |
| Cornerstone Family Trust | | |
| John Kyle Thomas, Trustee | | |
| Cross Timbers Energy LLC | Yes. Date not included | |
| CrownRock Minerals, LP | 05/14/2024 | |
| DENM Holdco LLC | Yes. Date not included | |
| DiaKan Minerals, LLC | | |
| DSD Energy II, LLC | Yes. Date not included | |
| DSD Energy Resources, LLC | Yes. Date not included | |
| Franklin Mountain Energy 3, LLC | Yes. Date not included | |
| Highland (Texas) Energy | 05/23/2024 | |
| Company | | |
| Loma Hombre Energy, LLC | Yes. Date not included | |
| Mack Energy Corporation | 05/28/2024 | |
| Marathon Oil Permian, LLC | 05/10/2024 | |
| Matador Resources Company | 05/20/2024 | |
| MorningStar Operating, LLC | Yes. Date not included | |
| RDC Minerals, LLC | | |
| State Land Trust of New | Yes. Date not included | |
| Mexico | | |
| State of New Mexico | Yes. Date not included | |
| Strategic Energy Income Fund IV, LP | 05/13/2024 | |
| T.H. McElvain Oil & Gas, | Yes. Date not included | |
| LLLP | | |
| Thomaston, LLC | Yes. Date not included | |
| Ventana Minerals, LLC | | |
| XTO Holdings, LLC | Yes. Date not included | |

Signature) (Addressee or Agent)

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2. Article Number (Transfer from service label)

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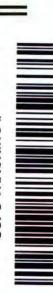
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1600 STOUT ST STE 500 **DENVER CO 80202-3137** THOMASTON, LLC

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MIDLAND TX 79701-4882 COG OPERATING LLC 600 W ILLINOIS AVE

2. Article Number (Transfer from service label)

PS Form 3811 Facsimile, July 2015 (SDC 3930)

Released to Imaging: COMPLETE THIS SECTION ON DELIVERY

A. Signature: (\[\text{Addressee or } \text{Agent})

C. Date of Delivery

B. Received By: (Printed Name)

if YES, enter delivery address below:

3. Service Type

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Received by OCD: 6/11/2024 4:22:42 PM

Page 92 of 138

C. Date of Delivery

if YES, enter delivery address below:

- the front if space permits.
- 1. Article Addressed to:

CROWNROCK MINERALS, LP MIDLAND TX 79710-1933 PO BOX 51933

✓ Certified Mail®

3. Service Type

- 9490 9112 0623 9516 4395 06
 - 2. Article Number (Transfer from service label)
 - 9414 7112 0623 9516 4395 26

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UNITED STATES

POSTAL SERVICE

3007-33

HOUSTON TX 77007 McWilliams & Davis 55 Waugh Drive Suite 150 Kearney

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Page 94 of 138

- Ensure Items 1, 2, and 3 are completed.
- the front if space permits.

C. Date of Delivery

B. Received By: (Printed Name)

- Attach this card to the back of the malipiece, or on
- 1. Article Addressed to:

D. Is delivery address different from item 1? If YES, enter delivery address below:

- CROSS TIMBERS ENERGY LLC, FORT WORTH TX 76102-4701 400 W 7TH ST
- 3. Service Type

✓ Certified Mail®

- 9490 9112 0623 9516 4414 31 2. Article Number (Transfer from service label)
 - 9414 7112 0623 9516 4414 82

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PS Form 3811 Facsimile, July 2015 (SDC 3930) Page 95 of 138

Domestic Return Receipt

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McWilliams & Davis 55 Waugh Drive Kearney

HOUSTON TX 77007

Suite 150

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Page 96 of 138

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9490 9112 0623 9516 4465 42 2. Article Number (Transfer from service label)

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McWilliams & Davis 55 Waugh Drive

HOUSTON TX 77007 Suite 150

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Page 98 of 138

SENDER: COMPLETE THIS SECTION

- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

STRATEGIC ENERGY INCOME FUND IV, LP U.S. Energy Development Corporation

AS MANAGING GENERAL PARTNER 1521 N COOPER ST STE 400 **ARLINGTON TX 76011-5537**



2. Article Number (Transfer from service label) 9414 7112 0623 9516 4365 56

A. Signature: T Addressee or Agent) COMPLETE THIS SECT

C. Date of Delivery B. Received By: (Printed Name)

D. Is delivery address different from Item 1? If YES, enter delivery address below:

3. Service Type

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C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

1. Article Addressed to:

- 1819 DENVER WEST DR STE 260 T.H. MCELVAIN OIL & GAS, LLLP GOLDEN CO 80401-3118
- 9490 9112 0623 9516 4117 24

Certified Mail®

3. Service Type

- 2. Article Number (Transfer from service label)
- 9414 7112 0623 9516 4117 68

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Released to Imaging: 6/11/2024 4:37-47 PM Received by OCD: 6/11/2024 4:22:42 PM ermit-No.G-10 Postage & Fees Paid JSPS HOLISTON TX 77007 McWilliams & Davis 55 Waugh Drive Suite 150 Kearney 9490 9112 0623 9516 4131 86 UNITED STATES POSTAL SERVICE Page 102 of 138 C. Date of Delivery A. Signature: (Addressee or Agent) B. Received By: (Printed Name) ■ Attach this card to the back of the mailpiece, or on SENDER: COMPLETE THIS SECTION

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D. Is delivery address different from item 1? If YES, enter delivery address below:

■ Ensure Items 1, 2, and 3 are completed.

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1. Article Addressed to:

CAVALRY RESOURCES, LLC PO BOX 5442

MIDLAND TX 79704-5442

2. Article Number (Transfer from service label)

3. Service Type

✓ Certified Mail®

Page 103 of 138

PS Form 3811 Facsimile, July 2015 (SDC 3930)

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Page 104 of 138

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- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

THE ALLAR COMPANY PO BOX 1567 GRAHAM TX 76450-7567

3. Service Type

Certified Mail®

2. Article Number (Transfer from service label)

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HOUSTON TX 77007 Kearney McWilliams & Davis 55 Waugh Drive Suite 150

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Page 106 of 138

- Ensure items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LOMA HOMBRE ENERGY, LLC MIDLAND TX 79710-0187 PO BOX 50187



2. Article Number (Transfer from service label)

PS Form 3811 Facsimile, July 2015 (SDC 3930)

A. Signature (| Address

B. Received By: (Printed Name)

C. Date of Delivery John Hillman

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type

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Page 108 of 138

- Ensure Items 1, 2, and 3 are completed.
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Heur latur Attach this card to the back of the mailpiece, or on

A. Signature: (Addressee or Agent)

C. Date of Delivery B. Received By: (Printed Name)

D. Is delivery address different from item 1? If YES, enter delivery address below:

FORT WORTH TX 76107-6816

DENM HOLDCO LLC

1. Article Addressed to:

3724 HULEN ST

3. Service Type

Certified Mail®

2. Article Number (Transfer from service label) 9414 7112 0623 9516 4462 65

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Page 109 of 138

C. Date of Delivery

B. Received By: (Printed Name)

- the front if space permits.
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22777 SPRINGWOODS VILLAGE PKWY SPRING TX 77389-1425 XTO HOLDINGS, LLC,

D. Is delivery address different from Item 1? If YES, enter delivery address below:

3. Service Type

2. Article Number (Transfer from service label)

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Page 110 of 138

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UNITED STATES
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McWilliams & Davis Kearney

55 Waugh Drive Suite 150

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Page 111 of 138

PS Form 3811 Facsimile, July 2015 (SDC 3930)

2. Article Number (Transfer from service label)

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HILLIAM TX 7000 H

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|-------------------------------|--|---|--|--|---------------------------|--------------------|-------------------------------------|-----------------|----|-----|-----------------------------|---------------------------|--------------------|-------------------------------------|---|-----------------------------|--|
| | A. Signature: (□ Addressee or □ Agent) | × | B. Received By: (Printed Name) C. Date of Delivery | D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No | | | | | | | 3. Service Type | Certified Mail® | | | | | Domestic Return Receipt |
| SENDER: COMPLETE THIS SECTION | | Ensure items 1, 2, and 3 are completed. Attach this card to the back of the mailpiece, or on | the front if space permits. | 1. Article Addressed to: | MATADOR RESOURCES COMPANY | One Lincoln Centre | 5400 LYDON B JOHNSON FWY SUITE 1500 | DALLAS TX 75240 | | | | | | 9490 9112 0623 9531 6328 21 | 2. Article Number (Transfer from service label) | 9414 7112 0623 9531 6328 65 | PS Form 3811 Facsimile, July 2015 (SDC 3930) |
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A. Signature: + Addressee or Agent)

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- Ensure Items 1, 2, and 3 are completed.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

990 TOWN AND COUNTRY BLVD MARATHON OIL PERMIAN, LLC HOUSTON TX 77024-2217

2. Article Number (Transfer from service label)

✓ Certified Mail®

3. Service Type

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Page 116 of 138

WITHOUT Physical Return (No Return Receipt Card)

1. Apply this label to the TOP EDGE of the mailpiece. Instructions

2. Apply address label below to the CENTER of the

mailpiece.

3. Peel the Certified Mail label below and fold it over your the existing Certified Mail envelope, just above the postage so that it covers marking.

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← Fold and Tear →

CERTIFIED MAIL CERTIFIED MAIL

PS Form 3800 6/02

Return Receipt Fee Postage per piece Certified Fee RETURN RECEIPT TRACKING NUMBER 9490 9112 0623 9516 1061 32 OUTBOUND TRACKING NUMBER 9414 7112 0623 9516 1061 83

\$0.880 \$4.400 \$3.650 \$8.930

Total Postage & Fees:

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XTO HOLDINGS, LLC, 22777 SPRINGWOODS VILLAGE PKWY SPRING TX 77389-1425

U.S. Postal Service

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stam ps .com° Top of the page WITHOUT Physical Return 3. Peel the Certified Mail label below and fold it over your 2. Apply address label below 1. Apply this label to the TOP the existing Certified Mail envelope, just above the (No Return Receipt Card) postage so that it covers Service (Option (a)) or with Physical Return Receipt Service (Option (b)) or with Physical Return Receipt Service (Option (c)).

**Can be used for one Certified Mail piece, which can be sent without Physical Return Receipt Service (Option (c)).

**Can be used for one Certified Mail piece, which can be sent without Physical Return Receipt Service (Option (c)).

Can be used for one Certified Mail piece, which can be sent without Physical Return Receipt Service (Option (c)). ← Fold and Tear → EDGE of the mailpiece. when used with 🚨 when used with or Return Address to the CENTER of the **Delivery Address Receipt Service Instructions mailpiece. marking. CERTIFIED MAIL CERTIFIED MAIL PS Form 3800 6/02 \$0.880 \$4.400 \$8.930 Postmark Here Total Postage & Fees: Return Receipt Fee Postage per piece Certified Fee **1600 STOUT ST STE 500** DENVER CO 80202-3137 RETURN RECEIPT TRACKING NUMBER 9490 9112 0623 9516 4434 11 THOMASTON, LLC OUTBOUND TRACKING NUMBER 9414 7112 0623 9516 4430 73 ARTICLE ADDRESS TO:

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WITHOUT Physical Return Receipt Service

(No Return Receipt Card) Instructions

1. Apply this label to the TOP EDGE of the mailpiece.

2. Apply address label below to the CENTER of the mailpiece.

3. Peel the Certified Mail label below and fold it over your envelope, just above the postage so that it covers

the existing Certified Mail marking.

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\$0.880 \$4.400 \$3.650 \$8.930

Total Postage & Fees: Return Receipt Fee Postage per piece Certified Fee

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ARTICLE ADDRESS TO:

1819 DENVER WEST DR STE 260 T.H. MCELVAIN OIL & GAS, LLLP GOLDEN CO 80401-3118

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PS Form 3800 6/02

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STRATEGIC ENERGY INCOME FUND IV, LP

O.S. Energy Development Corporation AS MANAGING GENERAL PARTNER 1521 N COOPER ST STE 400 ARLINGTON TX 76011-5537

RETURN RECEIPT TRACKING NUMBER 9490 9112 0623 9516 4365 67

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2. Apply address label below EDGE of the mailpiece.

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SANTA FE NM 87501-2708

STATE OF NEW MEXICO 310 OLD SANTA FE TRL

ARTICLE ADDRESS TO:

PS Form 3800 6/02

\$0.880 \$4.400 \$3.650 \$8.930

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**Mathematical Return Receipt Service (Option (3)) or with Physical Return Receipt Service (Option (3)).

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3. Peel the Certified Mail label below and fold it over your envelope, just above the the existing Certified Mail postage so that it covers mailpiece.

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STATE LAND TRUST OF NEW MEXICO, 310 OLD SANTA FE TRL SANTA FE NM 87501-2708

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Receipt Service (Option (3)) or with Physical Return Receipt Service (Option (3)). (No Return Receipt Card) EDGE of the mailpiece. when used with 🖎 when used with ® or Return Address to the CENTER of the **Delivery Address ← Fold and Tear Receipt Service Instructions mailpiece. marking. CERTIFIED MAIL CERTIFIED MAIL PS Form 3800 6/02

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Total Postage & Fees: Return Receipt Fee Postage per piece Certified Fee

RETURN RECEIPT TRACKING NUMBER 9490 9112 0623 9516 4478 91

ARTICLE ADDRESS TO:

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990 TOWN AND COUNTRY BLVD HOUSTON TX 77024-2217 MARATHON OIL PERMIAN, LLC

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1. Apply this label to the TOP (No Return Receipt Card) EDGE of the mailpiece. Instructions

2. Apply address label below to the CENTER of the mailpiece.

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MORNINGSTAR OPERATING, LLC

ARTICLE ADDRESS TO:

FORT WORTH TX 76102-4701

400 W 7TH ST

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PS Form 3800 6/02

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RETURN RECEIPT TRACKING NUMBER 9490 9112 0623 9516 4465 42

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CERTIFIED MAIL

(No Return Receipt Card) Instructions

1. Apply this label to the TOP EDGE of the mailpiece.

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HIGHLAND (TEXAS) ENERGY COMPANY 11886 GREENVILLE AVE STE 106 DALLAS TX 75243-3569

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1. Apply this label to the TOP (No Return Receipt Card) EDGE of the mailpiece. Instructions

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the existing Certified Mail postage so that it covers marking.

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ARTICLE ADDRESS TO:

\$0.880 \$4.400 \$3.650 \$8.930

Total Postage & Fees:

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FRANKLIN MOUNTAIN ENERGY 3, LLC 44 COOK ST STE 1000 DENVER CO 80206-5827

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DSD ENERGY RESOURCES, LLC 1150 N KIMBALL AVE STE 100 SOUTHLAKE TX 76092-4738

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WITHOUT Physical Return (No Return Receipt Card) Receipt Service

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1. Apply this label to the TOP EDGE of the mailpiece. Instructions

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PS Form 3800 6/02

RETURN RECEIPT TRACKING NUMBER 9490 9112 0623 9516 4103 38

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ARTICLE ADDRESS TO:

DSD ENERGY II, LLC

1150 N KIMBALL AVE STE 100 **SOUTHLAKE TX 76092-4738**

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PS Form 3800 6/02

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\$4.400 \$8.930

Total Postage & Fees: Return Receipt Fee Postage per piece Certified Fee

ARTICLE ADDRESS TO:

DENM HOLDCO LLC 3724 HULEN ST

FORT WORTH TX 76107-6816

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3. Peel the Certified Mail label below and fold it over your postage so that it covers the existing Certified Mail envelope, just above the marking.

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CROWNROCK MINERALS, LP

ARTICLE ADDRESS TO:

MIDLAND TX 79710-1933

PO BOX 51933

CERTIFIED MAIL

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Service (Option ©) or with Physical Return Receipt Service (Option ©).

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CORNERSTONE FAMILY TRUST

ARTICLE ADDRESS TO:

John Kyle Thoma, Trustee

PEYTON CO 80831-0558

PO BOX 558

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CAVALRY RESOURCES, LLC MIDLAND TX 79704-5442 PO BOX 5442

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GRAHAM TX 76450-7567 THE ALLAR COMPANY PO BOX 1567

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**Section 15 Service (Option (3) or with Physical Return Receipt Service (Option (3) or with Physical Return Receipt Service (Option (3)).

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LEGAL NOTICE

May 21, 22, 23, 24, 26, 28, 29, 30, 31 and June 2, 3, 4, 5, 6, 7, 9, 11, 12

Lario Oil & Gas Company has filed an application, case number 24493, with the with the Oil Conservation Division ("Division") seeking an order to approve:

- (1) establishing a 960-acre, more or less, non-standard Bone Spring horizontal spacing unit comprised of the S/2 of Section 12 and all of Section 13 of Township 18 South, Range 34 East, Lea County, New Mexico ("Unit"); and
- (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying the Unit for the following wells:
- a. Close Encounters State Com 101H (API 30-025-52808), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 12, Township 18 South, Range 34 East;
- b. Close Encounters State Com 102H (API 30-025-52809), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SW/4 (Unit K) of Section 12, Township 18 South, Range 34 East;
- c. Close Encounters State Com 103H (API 30-025-52810), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 34 East;
- d. Close Encounters State Com 104H (API 30-025-52811), to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 12, Township 18 South, Range 34 East;
- e. Close Encounters State Com 301H, to be drilled from a surface hole location in the SE/4 SW/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 12, Township 18 South, Range 34 East;
- f. Close Encounters State Com 302H, to be drilled from a surface hole location in the SE/4 SW/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 12, Township 18 South, Range 34 East;
- g. Close Encounters State Com 303H, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 12, Township 18 South, Range 34 East; and
- h. Close Encounters State Com 304H, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 13, Township 18 South, Range 34 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 12, Township 18 South, Range 34 East.
- 3. The wells will be drilled to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and, if the non-standard unit application is approved the completed intervals of the Wells are expected to be orthodox.

The matter of the Application will be heard at the Division hearing on June 13, 2024 which will take place at the Division at Pecos Hall, 1220 South Francis, Santa Fe New Mexico, 87505. The hearings typically begin. Should you require any further information regarding the Division hearing process please visit https://www.emnrd.nm.gov/ocd/ocd-announcements-and-notifications/.

Should you wish to protest the Application, you must file your protest in writing with the Division at OCD.Hearings@emnrd.nm.gov, listing the Case No. and details regarding the protest.

Should you have any questions about Lario's Application please contact Dakota Nahm at <u>Dakota@lario.net</u> or at 720-573-9816.