

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING**

**SEPTEMBER 15, 2026**

**CASE No. 26131-26132**

**CHANCER 5-17 STATE WELLS  
LEA COUNTY, NEW MEXICO**



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

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

**CASE NOS. 26131-26132**

**TABLE OF CONTENTS**

**FED Exhibit A:** Compulsory Pooling Application Checklists

**FED Exhibit B:** Applications for Compulsory Pooling

**FED Exhibit C: Self-Affirmed Statement of Paul Venincasa, Landman**

FED Exhibit C-1: Resume of Paul Venincasa

FED Exhibit C-2: Draft C-102s

FED Exhibit C-3: Land Tract Map / Uncommitted Interest Owners

FED Exhibit C-4: Sample Well Proposal Letter with AFEs

FED Exhibit C-5: Chronology of Contacts and Committed Interest Owner Table

**FED Exhibit D: Self-Affirmed Statement of Joseph Dishron, Geologist FED**

Exhibit D-1: Location

FED Exhibit D-2: Cross-section map

FED Exhibit D-3: Subsea structure & cross-section map

FED Exhibit D-4: Cross-section Map

FED Exhibit D-5: Stratigraphic Cross-Section

FED Exhibit D-6: Location

FED Exhibit D-7: Cross-section map

FED Exhibit D-8: Subsea structure & cross-section map

FED Exhibit D-9: Cross-section Map

FED Exhibit D-10: Stratigraphic Cross-Section

FED Exhibit D-11: Gun Barrel Diagram of Proposed Wells

**FED Exhibit E: Self-Affirmed Statement of Josh Sperry, Engineer**

**FED Exhibit E-1:** Resume of Josh Sperry

**FED Exhibit F: Self-Affirmed Statement of Kayleigh Landry, Engineer**

**FED Exhibit F-1:** Resume of Kayleigh Landry

**FED Exhibit G: Self-Affirmed Statement of Notice & Publication Affidavit.**

**COMPULSORY POOLING APPLICATION CHECKLIST**Cases 26131-26132  
EXHIBIT A**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

|                                                         |                                                                                                                                               |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 26131</b>                                      | <b>APPLICANT'S RESPONSE</b>                                                                                                                   |
| <b>Date: September 15, 2026</b>                         |                                                                                                                                               |
| Applicant                                               | <b>FED OPERATING, LLC</b>                                                                                                                     |
| Designated Operator & OGRID (affiliation if applicable) | <b>333904</b>                                                                                                                                 |
| Applicant's Counsel:                                    | Kaitlyn A. Luck                                                                                                                               |
| Case Title:                                             | APPLICATION OF FED OPERATING, LLC FOR APPROVAL OF A NON-STANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO. |
| Entries of Appearance/Intervenors:                      | (1) Permian Resources; (2) Rockwood; (3) JR Oil; (4) EOG; (5) Mewbourne                                                                       |
| Well Family                                             | Chancer 5-17 State wells                                                                                                                      |
| <b>Formation/Pool</b>                                   |                                                                                                                                               |
| Formation Name(s) or Vertical Extent:                   | Bone Spring                                                                                                                                   |
| Primary Product (Oil or Gas):                           | Oil                                                                                                                                           |
| Pooling this vertical extent:                           | Bone Spring formation                                                                                                                         |
| Pool Name and Pool Code:                                | MESCALERO ESCARPE; BONE SPRING [Pool Code: 45793]                                                                                             |
| Well Location Setback Rules:                            | Statewide oil rules                                                                                                                           |
| <b>Spacing Unit</b>                                     |                                                                                                                                               |
| Type (Horizontal/Vertical)                              | Horizontal                                                                                                                                    |
| Size (Acres)                                            | 1920 acres, more or less                                                                                                                      |
| Building Blocks:                                        | non-standard, 40-acres.                                                                                                                       |
| Orientation:                                            | <b>north-south</b>                                                                                                                            |
| Description: TRS/County                                 | all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico                                              |

|                                                                                                                                                    |                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?            | Non-Standard, approval requested in application.                                                                                                                                  |
| <b>Other Situations</b>                                                                                                                            |                                                                                                                                                                                   |
| Depth Severance: Y/N. If yes, description                                                                                                          | No.                                                                                                                                                                               |
| Proximity Tracts: If yes, description                                                                                                              | No.                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                                       | N/A.                                                                                                                                                                              |
| Applicant's Ownership in Each Tract                                                                                                                | Yes, Exhibit C                                                                                                                                                                    |
| <b>Well(s)</b>                                                                                                                                     |                                                                                                                                                                                   |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                               |
| Well #1                                                                                                                                            | Chancer 5-17 State #111H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5 |
| Horizontal Well First and Last Take Points                                                                                                         | FTP: 100' FSL & 330' FWL of Section 17, T18S, R34E<br>LTP: 100' FNL & 330' FWL of Section 5, T18S, R34E                                                                           |
| Completion Target (Formation, TVD and MD)                                                                                                          | Bone Spring; TVD: 8850'<br>TMD: 24490'                                                                                                                                            |
| Well #2                                                                                                                                            | Chancer 5-17 State #112H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NE/4 NW/4 (Unit C) of Section 5 |
| Horizontal Well First and Last Take Points                                                                                                         | FTP: 100' FSL & 1650' FWL of Section 17, T18S, R34E<br>LTP: 100' FNL & 1650' FWL of Section 5, T18S, R34E                                                                         |
| Completion Target (Formation, TVD and MD)                                                                                                          | Bone Spring; TVD: 8850'<br>TMD: 24490'                                                                                                                                            |
| Well #3                                                                                                                                            | Chancer 5-17 State #113H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NE/4 (Unit B) of Section 5 |



|                                            |                                                                                                                                                                                   |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 2310' FEL of Section 17, T18S, R34E<br>LTP: 100' FNL & 2310' FEL of Section 5, T18S, R34E                                                                         |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 8850'<br>TMD: 24490'                                                                                                                                            |
| Well #4                                    | Chancer 5-17 State #114H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NE/4 NE/4 (Unit A) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 990' FEL of Section 17, T18S, R34E<br>LTP: 100' FNL & 990' FEL of Section 5, T18S, R34E                                                                           |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 8850'<br>TMD: 24490'                                                                                                                                            |
| Well #5                                    | Chancer 5-17 State #121H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 990' FWL of Section 17, T18S, R34E<br>LTP: 100' FNL & 990' FWL of Section 5, T18S, R34E                                                                           |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |
| Well #6                                    | Chancer 5-17 State #122H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NE/4 NW/4 (Unit C) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 2310' FWL of Section 17, T18S, R34E<br>LTP: 100' FNL & 2310' FWL of Section 5, T18S, R34E                                                                         |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |
| Well #7                                    | Chancer 5-17 State #123H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NE/4 (Unit B) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 1650' FEL of Section 17, T18S, R34E<br>LTP: 100' FNL & 1650' FEL of Section 5, T18S, R34E                                                                         |

|                                            |                                                                                                                                                                                   |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |
| Well #8                                    | Chancer 5-17 State #124H well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NE/4 NE/4 (Unit A) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 330' FEL of Section 17, T18S, R34E<br>LTP: 100' FNL & 330' FEL of Section 5, T18S, R34E                                                                           |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |
| Well #9                                    | Chancer 5-17 State #131H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 330' FWL of Section 17, T18S, R34E<br>LTP: 100' FNL & 330' FWL of Section 5, T18S, R34E                                                                           |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |
| Well #10                                   | Chancer 5-17 State #132H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and proposed last take points in the NE/4 NW/4 (Unit C) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 100' FSL & 1650' FWL of Section 17, T18S, R34E<br>LTP: 100' FNL & 1650' FWL of Section 5, T18S, R34E                                                                         |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |
| Well #11                                   | Chancer 5-17 State #133H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and proposed last take points in the NW/4 NE/4 (Unit B) of Section 5 |
| Horizontal Well First and Last Take Points | FTP: 2547' FNL & 2310' FEL of Section 17, T18S, R34E<br>LTP: 100' FNL & 2310' FEL of Section 5, T18S, R34E                                                                        |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |

|                                                                                                                                                  |                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Well #12                                                                                                                                         | Chancer 5-17 State #134H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and proposed last take points in the NE/4 NE/4 (Unit A) of Section 5 |
| Horizontal Well First and Last Take Points                                                                                                       | FTP: 100' FSL & 990' FEL of Section 17, T18S, R34E<br>LTP: 100' FNL & 990' FEL of Section 5, T18S, R34E                                                                           |
| Completion Target (Formation, TVD and MD)                                                                                                        | Bone Spring; TVD: 9550'<br>TMD: 25190'                                                                                                                                            |
| <b>AFE Capex and Operating Costs</b>                                                                                                             |                                                                                                                                                                                   |
| Drilling Supervision/Month \$                                                                                                                    | \$10,000/\$1000                                                                                                                                                                   |
| Production Supervision/Month \$                                                                                                                  | \$10,000/\$1000                                                                                                                                                                   |
| Justification for Supervision Costs                                                                                                              | Exhibit C                                                                                                                                                                         |
| Requested Risk Charge                                                                                                                            | 200%                                                                                                                                                                              |
| <b>Notice of Hearing</b>                                                                                                                         |                                                                                                                                                                                   |
| Proposed Notice of Hearing                                                                                                                       | Exhibit B, Exhibit E                                                                                                                                                              |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                       | Exhibit E                                                                                                                                                                         |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                    | Exhibit E                                                                                                                                                                         |
| <b>Ownership Determination</b>                                                                                                                   |                                                                                                                                                                                   |
| Land Ownership Schematic of the Spacing Unit                                                                                                     | Exhibit C                                                                                                                                                                         |
| Tract List (including lease numbers and owners)                                                                                                  | Exhibit C                                                                                                                                                                         |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A                                                                                                                                                                               |
| Pooled Parties (including ownership type)                                                                                                        | Exhibit C                                                                                                                                                                         |
| Unlocatable Parties to be Pooled                                                                                                                 | None                                                                                                                                                                              |
| Ownership Depth Severance (including percentage above & below)                                                                                   | None                                                                                                                                                                              |
| <b>Joinder</b>                                                                                                                                   |                                                                                                                                                                                   |
| Sample Copy of Proposal Letter                                                                                                                   | Exhibit C                                                                                                                                                                         |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                    | Exhibit C                                                                                                                                                                         |
| Chronology of Contact with Non-Joined Working Interests                                                                                          | Exhibit C                                                                                                                                                                         |
| Overhead Rates In Proposal Letter                                                                                                                | Exhibit C                                                                                                                                                                         |
| Cost Estimate to Drill and Complete                                                                                                              | Exhibit C                                                                                                                                                                         |
| Cost Estimate to Equip Well                                                                                                                      | Exhibit C                                                                                                                                                                         |
| Cost Estimate for Production Facilities                                                                                                          | Exhibit C                                                                                                                                                                         |
| <b>Geology</b>                                                                                                                                   |                                                                                                                                                                                   |
| Summary (including special considerations)                                                                                                       | Exhibit D                                                                                                                                                                         |
| Spacing Unit Schematic                                                                                                                           | Exhibit D                                                                                                                                                                         |
| Gunbarrel/Lateral Trajectory Schematic                                                                                                           | Exhibit D                                                                                                                                                                         |
| Well Orientation (with rationale)                                                                                                                | Exhibit D                                                                                                                                                                         |

|                                                                                                                  |                                                                                    |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Target Formation                                                                                                 | Exhibit D                                                                          |
| HSU Cross Section                                                                                                | Exhibit D                                                                          |
| Depth Severance Discussion                                                                                       | N/A                                                                                |
| <b>Forms, Figures and Tables</b>                                                                                 |                                                                                    |
| C-102                                                                                                            | Exhibit C                                                                          |
| Tracts                                                                                                           | Exhibit C                                                                          |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit C                                                                          |
| General Location Map (including basin)                                                                           | <b>Exhibit D</b>                                                                   |
| Well Bore Location Map                                                                                           | <b>Exhibit D</b>                                                                   |
| Structure Contour Map - Subsea Depth                                                                             | <b>Exhibit D</b>                                                                   |
| Cross Section Location Map (including wells)                                                                     | <b>Exhibit D</b>                                                                   |
| Cross Section (including Landing Zone)                                                                           | <b>Exhibit D</b>                                                                   |
| <b>Additional Information</b>                                                                                    |                                                                                    |
| Special Provisions/Stipulations                                                                                  | N/A                                                                                |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                                                                                    |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Kaitlyn A. Luck                                                                    |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           |  |
| <b>Date:</b>                                                                                                     | 8-Sep-26                                                                           |

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|                                                         |                                                                                                                                               |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 26132</b>                                      | <b>APPLICANT'S RESPONSE</b>                                                                                                                   |
| <b>Date: September 15, 2026</b>                         |                                                                                                                                               |
| Applicant                                               | <b>FED OPERATING, LLC</b>                                                                                                                     |
| Designated Operator & OGRID (affiliation if applicable) | <b>333904</b>                                                                                                                                 |
| Applicant's Counsel:                                    | Kaitlyn A. Luck                                                                                                                               |
| Case Title:                                             | APPLICATION OF FED OPERATING, LLC FOR APPROVAL OF A NON-STANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO. |
| Entries of Appearance/Intervenors:                      | (1) Permian Resources; (2) Rockwood; (3) JR Oil; (4) EOG; (5) Mewbourne                                                                       |
| Well Family                                             | Chancer 5-17 State wells                                                                                                                      |
| <b>Formation/Pool</b>                                   |                                                                                                                                               |
| Formation Name(s) or Vertical Extent:                   | Wolfcamp                                                                                                                                      |
| Primary Product (Oil or Gas):                           | Oil                                                                                                                                           |
| Pooling this vertical extent:                           | Wolfcamp formation                                                                                                                            |
| Pool Name and Pool Code:                                | E-K;WOLFCAMP [Pool Code: 21670]                                                                                                               |
| Well Location Setback Rules:                            | Statewide oil rules                                                                                                                           |
| <b>Spacing Unit</b>                                     |                                                                                                                                               |
| Type (Horizontal/Vertical)                              | Horizontal                                                                                                                                    |
| Size (Acres)                                            | 1920 acres, more or less                                                                                                                      |
| Building Blocks:                                        | non-standard, 40-acres.                                                                                                                       |
| Orientation:                                            | <b>north-south</b>                                                                                                                            |
| Description: TRS/County                                 | all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico                                              |

Cases 26131-26132  
EXHIBIT G

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

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

CASE NO. 26131

**APPLICATION**

FED Operating, LLC ("FED") (OGRID No. 333904), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order: (1) approving a 1,920-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation (Pool: MESCALERO ESCARPE; BONE SPRING [Pool Code: 45793]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the "Unit"), and (2) pooling all uncommitted interests therein. In support of this application, FED states as follows:

1. FED has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FED seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.
3. To allow the proposed wells to be dedicated to a state Communitization Agreement, FED seeks approval of a corresponding non-standard horizontal well spacing unit in the Bone Spring formation.

4. FED is proposing a Joint Operating Agreement covering the subject area and seeks approval of this non-standard horizontal well spacing unit to match a corresponding Communitization Agreement for the state leases within the subject area.

5. FED seeks to dedicate the Unit to the following wells:

- the Chancer 5-17 State #111H well, the Chancer 5-17 State #121H well, and the Chancer 5-17 State #131H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
- the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5;
- the Chancer 5-17 State #113H well, the Chancer 5-17 State #123H well, and the Chancer 5-17 State #133H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
- the Chancer 5-17 State #114H well, the Chancer 5-17 State #124H well, and the Chancer 5-17 State #134H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5.

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

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

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

WHEREFORE, FED requests this application be set for a hearing before an Examiner of the Oil Conservation Division, on June 4, 2026, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed non-standard unit and pooling all uncommitted interests in Wolfcamp formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
- B. Designating FED as operator of this unit and the wells to be drilled thereon;
- C. Authorizing FED to recover its costs of drilling, equipping and completing the Wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully,

Kaitlyn A. Luck  
P.O. Box 483  
Taos, New Mexico 87571  
(361) 648-1973  
kaitlyn.luck@outlook.com

*Attorney for FED Operating, LLC*



**CASE NO. \_\_\_\_\_: Application of FED Operating, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests within a non-standard 1,920-acre, more or less, horizontal spacing unit, in the Bone Spring Formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Chancer 5-17 State #111H well, the Chancer 5-17 State #121H well, and the Chancer 5-17 State #131H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5; the Chancer 5-17 State #113H well, the Chancer 5-17 State #123H well, and the Chancer 5-17 State #133H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of FED Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 29 miles west of Eunice, New Mexico.

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

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

26132  
**CASE NO.** \_\_\_\_\_

**APPLICATION**

FED Operating, LLC (“FED”) (OGRID No. 333904), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order: (1) approving a non-standard 1,920-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Pool: E-K; WOLFCAMP [Pool Code: 21670]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the “Unit”), and (2) pooling all uncommitted interests therein. In support of this application, FED states as follows:

1. FED has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FED seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.
3. To allow the proposed wells to be dedicated to a state Communitization Agreement, FED seeks approval of a corresponding non-standard horizontal well spacing unit in the Wolfcamp formation.

4. FED is proposing a Joint Operating Agreement covering the subject area and seeks approval of this non-standard horizontal well spacing unit to match a corresponding Communitization Agreement for the state leases within the subject area.

5. FED seeks to dedicate the Unit to the following wells:

- the Chancer 5-17 State #211H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 5;
- the Chancer 5-17 State #212H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 5;
- the Chancer 5-17 State #213H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 5; and
- the Chancer 5-17 State #214H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 5.

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

7. FED sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed Unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

8. Approval of this overlapping non-standard spacing unit and the pooling of interests therein will allow FED to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands, reduce surface disturbance, lower operating costs, avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, FED requests this application be set for a hearing before an Examiner of the Oil Conservation Division, on June 4, 2026, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed non-standard unit and pooling all uncommitted interests in Wolfcamp formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
- B. Designating FED as operator of this unit and the wells to be drilled thereon;
- C. Authorizing FED to recover its costs of drilling, equipping and completing the Wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully,

Kaitlyn A. Luck  
P.O. Box 483  
Taos, New Mexico 87571  
(361) 648-1973  
kaitlyn.luck@outlook.com

***Attorney for FED Operating, LLC***

**CASE NO. \_\_\_\_\_: Application of FED Operating, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests within a non-standard 1,920-acre, more or less, horizontal spacing unit, in the Wolfcamp Formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Chancer 5-17 State #211H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 5; the Chancer 5-17 State #212H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 5; the Chancer 5-17 State #213H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 5; and the Chancer 5-17 State #214H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 5. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of FED Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 29 miles west of Eunice, New Mexico.

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
APPLICATION OF FED OPERATING,  
LLC FOR APPROVAL OF A NON-STANDARD  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 26131-26132**

**SELF-AFFIRMED STATEMENT OF PAUL VENINCASA**

Paul Venincasa hereby states and declares as follows:

1. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters.
3. I seek to have my credentials as a petroleum landman accepted by the Division and made a matter of record. I am qualified as an expert witness in petroleum land matters by my education and experience, as reflected in the attached **FED Exhibit C-1**. I graduated from Texas Tech University with a Bachelors of Business Administration in Energy Commerce in December 2019. Since that time, I have been a landman throughout the Permian Basin and in New Mexico. I previously worked as a Landman at Norwood Land Services, LLC and Stronghold Resource Partners prior to joining Fortress Energy, LLC, an affiliate entity to FED Operating, LLC. I am also involved in the Permian Basin Landmen’s Association and ADAM-Permian. Based on this information, I request to be recognized as an expert in petroleum land matters by the Division and in this case.
4. I am familiar with the applications filed by FED Operating, LLC in Case Nos. 26131-26132.

5. FED seeks the orders from the Division approving the pooling and operatorship requested by FED in the Applications in Case Nos. 26131-26132.

6. In Case No. **26131**, FED requests an order from the Division: (1) approving a 1,920-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation (Pool: MESCALERO ESCARPE;BONE SPRING [Pool Code: 45793]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the "Unit").

7. FED seeks to dedicate the Unit to the following wells, to be horizontally drilled:
- a. the Chancer 5-17 State #111H well, the Chancer 5-17 State #121H well, and the Chancer 5-17 State #131H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
  - b. the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5;
  - c. the Chancer 5-17 State #113H well, the Chancer 5-17 State #123H well, and the Chancer 5-17 State #133H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
  - d. the Chancer 5-17 State #114H well, the Chancer 5-17 State #124H well, and the Chancer 5-17 State #134H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5.

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

9. The wells are expected to be producing within the MESCALERO ESCARPE;BONE SPRING [Pool Code: 45793].

10. There are errors in the application for Case No. 26131 as follows:

- A. Although the application describes all Bone Spring SHLs as being in Unit C. The attached C-102s reflect the following correct locations for the Surface Hole Locations of the wells:
- The 111H–124H surface locations are in Unit C of Section 20.
  - The 131H–134H surface locations are in Unit B of Section 20.
- B. The legal land description on page 2 for the 112H/122H/132H group also appears to contain duplicated language. The text reads “NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5” and should be NE/4 NW/4 (Unit C) of Section 5.
- C. The application also lists the 113H/123H/133H LTPs as Unit D, and describes the 114H/124H/134H LTPs as Unit C. The C102's correctly reflect the following:
- The 111H/121H/131H last take points are in Unit D of Section 5.
  - The 112H/122H/132H last take points are in Unit C of Section 5.
  - The 113H/123H/133H last take points are in Unit B of Section 5.
  - The 114H/124H/134H last take points are in Unit A of Section 5.
- D. Point A. of the requested relief refers to the Wolfcamp formation rather than the Bone Spring formation.
- E. The final well group in the notice paragraph repeats the 112H/122H/132H wells instead of listing the 114H/124H/134H wells.
- F. FED requests for the OCD to recognize these corrections as described in this affidavit and the exhibits in this case.

11. In Case No. **26132**, FED seeks an order from the Division (1) approving a non-standard 1,920-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Pool:



E-K;WOLFCAMP [Pool Code: 21670]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the "Unit").

- a. the Chancer 5-17 State #211H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 5;
- b. the Chancer 5-17 State #212H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 5;
- c. the Chancer 5-17 State #213H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 5; and
- d. the Chancer 5-17 State #214H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 5.

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

13. The wells are expected to be producing within the E-K;WOLFCAMP [Pool Code: 21670].

14. **FED Exhibit C-2** are the C-102 for each of the wells in Case Nos. 26131-26132.

15. For Case No. **26131**, the forms demonstrate the completed intervals for the wells will comply with the standard setbacks for oil wells and the wells are assigned to the MESCALERO ESCARPE;BONE SPRING [Pool Code: 45793].

16. For Case No. **26132**, the forms reflect that the wells will comply with standard setbacks for the E-K;WOLFCAMP [Pool Code: 21670]).

17. Attached as **FED Exhibit C-3** are the Land Tract Map for each of the units and the Uncommitted Interest Owners in Case Nos. 26131-26132. The Exhibit identifies the tracts of land in the proposed Units, the ownership interests in each tract, and the ownership interests on a spacing unit basis. The Exhibit also reflects each of the uncommitted parties that FED seeks to pool in these cases.

18. **FED Exhibit C-4** are the Sample Well Proposal Letter with AFEs for each of the units in Case Nos. 26131-26132. The costs reflected in the AFEs are consistent with what FED and other operators have incurred for drilling similar horizontal wells in the area in this formation. FED requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$10,000 per month while drilling and \$1,000 per month while producing; these costs are consistent with what other operators are charging in this area for similar wells.

19. **FED Exhibit C-5** are the Chronology of Contacts for Case Nos. 26131-26132. FED Exhibit C-5 contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, FED has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In this exhibit, FED also includes a table with the dates of notice for each interest owner, and whether the party is committed.

20. In my opinion, FED has undertaken good faith efforts to reach an agreement with the uncommitted interest owners, and has provided notice to each of them as reflected on this exhibit.

21. Additional information regarding FED's proposed non-standard unit is attached as FED Exhibit C-6. The above-referenced applications and notice of the hearing on these applications were sent by certified mail to the locatable affected parties, as reflected on **Exhibit G**.

22. FED's Exhibits C-1 to C-6 were either prepared by me or compiled under my direction and supervision.

23. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct.

24. I understand that this self-affirmed statement will be used as written testimony in this case.

25. This statement is made on the date next to my signature below.

A handwritten signature in black ink, appearing to read "Paul Venincasa".

Paul Venincasa, Landman

Date: 09/08/2026

# Paul Anthony Venincasa

972-742-9766 | p.venincasa@fortressep.com | Midland, TX 79707

## Education

### **Texas Tech University, Rawls College of Business**

Lubbock, TX

*Bachelor of Business Administration in Energy Commerce, Cum Laude*

Graduated December 2019

- Cumulative GPA: 3.54
- TTU Presidential Scholarship Recipient
- Dean's List: Fall 2016, Spring 2017
- President's List: Fall 2015, Spring 2016

## Professional Experience

### **Fortress Energy, LLC**

Midland, TX

*Acquisitions Landman*

January 2024–Present

- Lead acquisitions of mineral, royalty, and operated and non-operated leasehold interests across the Permian Basin, with an emphasis on southeastern New Mexico.
- Support the managing partners in developing acquisition strategies, negotiating acreage trades, and prioritizing capital deployment.
- Partner with reservoir engineers to evaluate mineral, royalty, and leasehold opportunities, assess transaction economics, and support investment decisions.

### **Stronghold Resource Partners**

Dallas, TX

*Senior Landman*

June 2020–January 2024

- Negotiated and closed mineral and royalty acquisitions across the Midland Basin and Haynesville Shale.
- Coordinated with operators and interest owners to resolve title defects, cure ownership issues, and facilitate the release of suspended funds following acquisitions.
- Collaborated with management to define areas of interest, evaluate acquisition opportunities, and prioritize capital deployment.

### **Norwood Land Services, LLC**

Fort Worth, TX

*Landman*

May 2018–August 2019

- Performed leasehold checks to identify open, leased, and held-by-production acreage in targeted areas.
- Researched mineral title from patent to present and prepared both limited and comprehensive ownership reports.
- Coordinated probate research and drafted lease amendments and extensions for high-priority acreage.

## Organizations

### **Permian Basin Landmen's Association**

January 2024–Present

ADAM–Permian

January 2024–Present

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting<br><br><input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>111H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,265' FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.583795</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.783740</b> | Longitude<br><b>-103.590249</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                            |                                 |                                                                                                               |                                |
|---------------------------------|--------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>DEFINING</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                            |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>M</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.590093</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

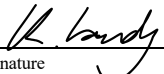
|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.783740</b> | Longitude<br><b>-103.590249</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

## OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

  
Signature  
09/06/2026  
Date  
Kayleigh Landry  
Printed Name  
kayleigh@fedoperating.com  
Email Address

## SURVEYOR CERTIFICATIONS

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

Signature and Seal of Professional Surveyor

Certificate Number

Date of Survey

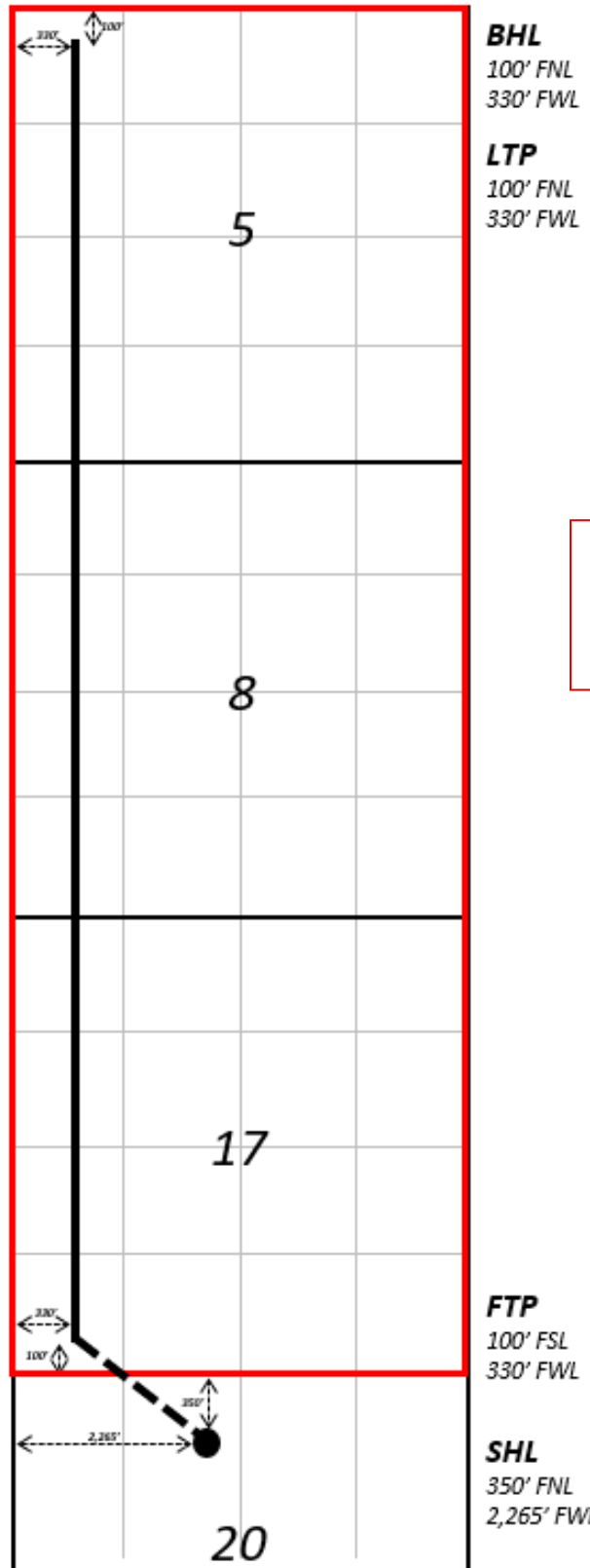
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**111H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                                               |
|                                                                                                                                                                                                                                       |                                                                                                                            | Submittal Type:<br><input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>112H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,315' FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.583632</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.783748</b> | Longitude<br><b>-103.585954</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>N</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.585800</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.783748</b> | Longitude<br><b>-103.585954</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

## OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

 09/06/2026  
Signature Date

Printed Name  
Kayleigh Landry

Printed Name

Email Address  
kayleigh@fedoperating.com

Email Address

## SURVEYOR CERTIFICATIONS

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

Signature and Seal of Professional Surveyor

Certificate Number

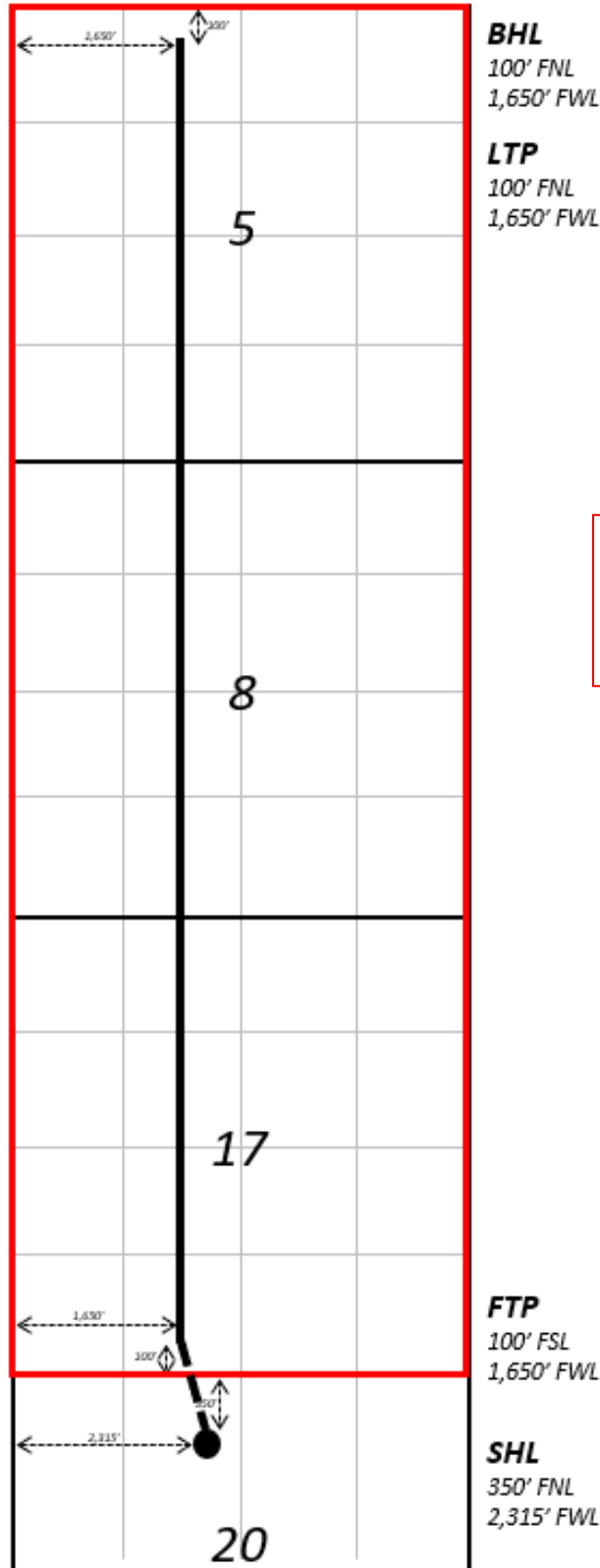
Date of Survey

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**112H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**



|                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br><b>OIL CONSERVATION DIVISION</b><br><br><div style="border: 2px solid red; padding: 5px; display: inline-block; color: red; font-weight: bold; font-size: 1.2em;">DRAFT</div> | <div style="text-align: right;"> <b>C-102</b><br/>           Revised July 9, 2024<br/>           Submit Electronically<br/>           via OCD Permitting         </div> <div style="border: 1px solid black; padding: 2px;">           Submittal Type:           <div style="display: inline-block; vertical-align: top; margin-left: 10px;"> <input checked="" type="checkbox"/> Initial Submittal<br/> <input type="checkbox"/> Amended Report<br/> <input type="checkbox"/> As Drilled           </div> </div> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>113H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,365' FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.583470</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.783755</b> | Longitude<br><b>-103.581673</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>O</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.581481</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

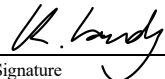
|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.783755</b> | Longitude<br><b>-103.581673</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

## OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

 09/06/2026  
 Signature Date

Kayleigh Landry

Printed Name

kayleigh@fedoperating.com

Email Address

## SURVEYOR CERTIFICATIONS

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

Signature and Seal of Professional Surveyor

Certificate Number

Date of Survey

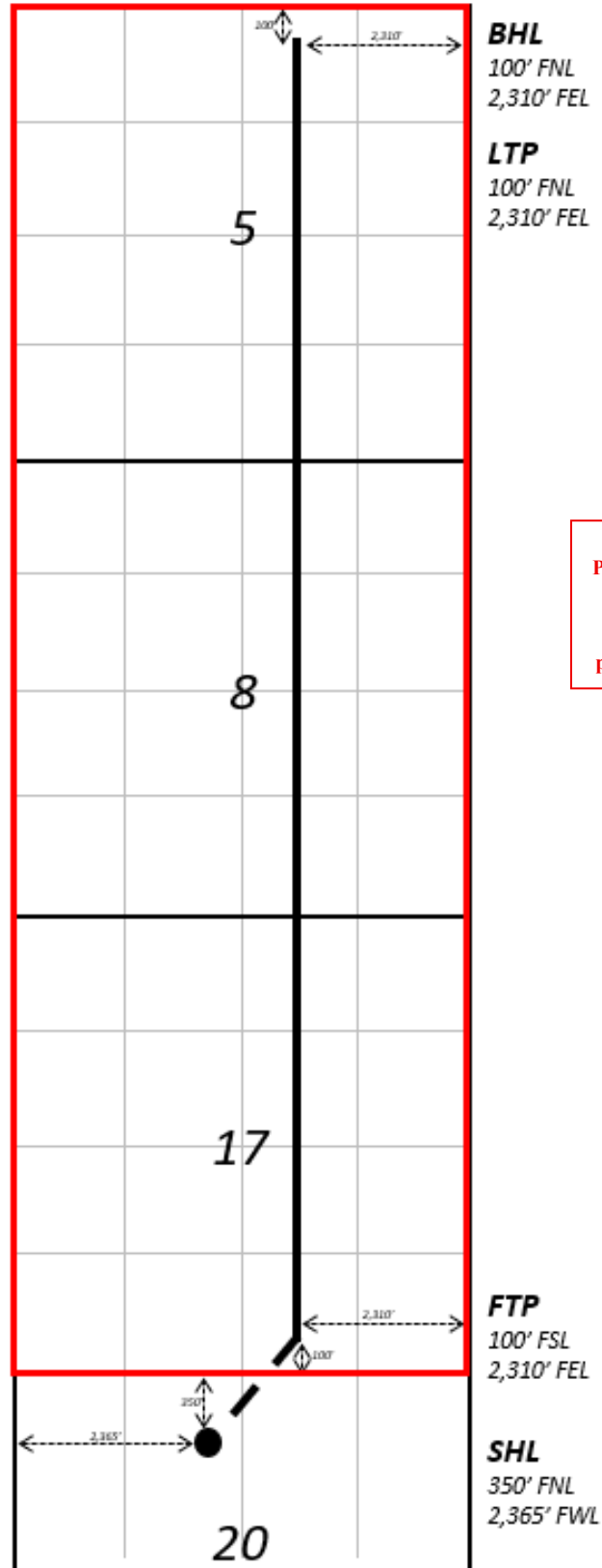
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**113H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br><b>OIL CONSERVATION DIVISION</b><br><br><div style="border: 2px solid red; padding: 5px; display: inline-block; font-weight: bold; font-size: 1.2em;">DRAFT</div> | <div style="text-align: right;"> <b>C-102</b><br/>           Revised July 9, 2024<br/>           Submit Electronically<br/>           via OCD Permitting         </div> <div style="border: 1px solid black; padding: 2px;">           Submittal Type:           <div style="display: inline-block; vertical-align: top; margin-left: 10px;"> <input checked="" type="checkbox"/> Initial Submittal<br/> <input type="checkbox"/> Amended Report<br/> <input type="checkbox"/> As Drilled           </div> </div> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>114H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,415' FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.583307</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.783763</b> | Longitude<br><b>-103.577378</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>P</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.577188</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

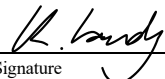
|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.783763</b> | Longitude<br><b>-103.577378</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

## OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

 09/06/2026  
 Signature Date

Kayleigh Landry

Printed Name

kayleigh@fedoperating.com

Email Address

## SURVEYOR CERTIFICATIONS

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

Signature and Seal of Professional Surveyor

Certificate Number

Date of Survey

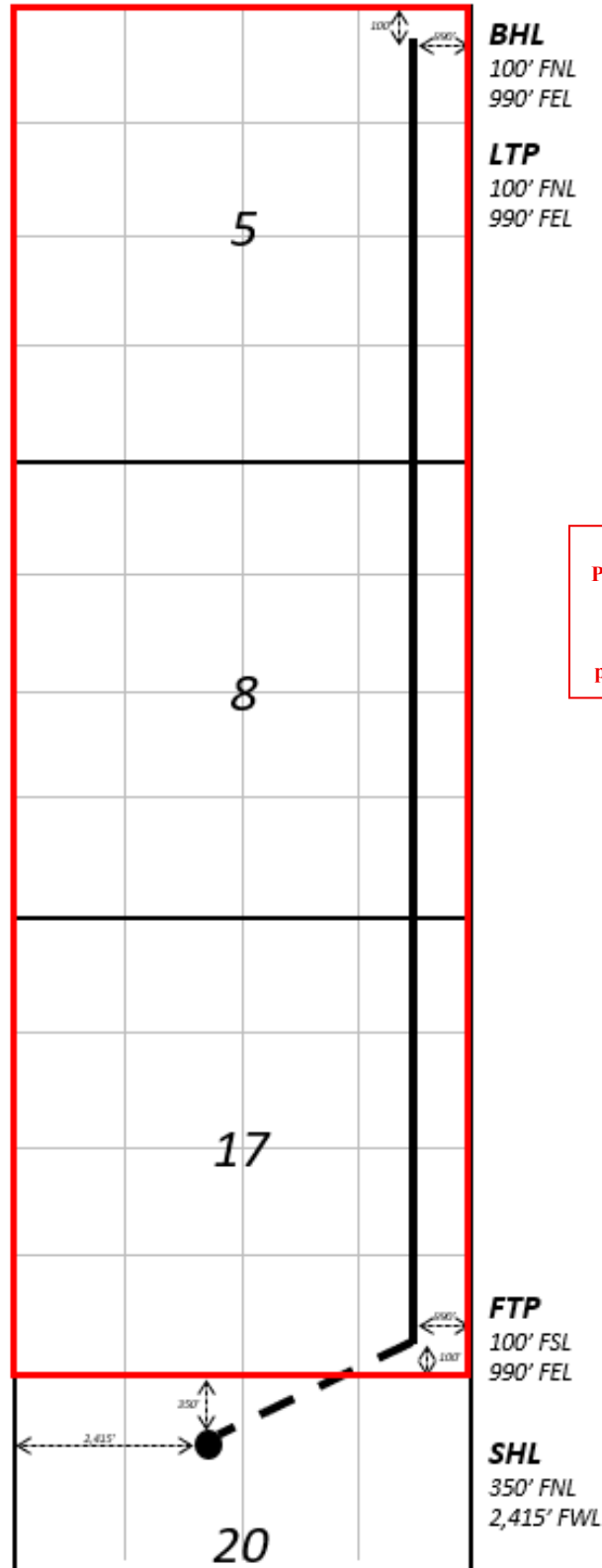
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**114H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                                               |
|                                                                                                                                                                                                                                       |                                                                                                                            | Submittal Type:<br><input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>121H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,465' FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.583144</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FWL</b> | Latitude<br><b>32.783744</b> | Longitude<br><b>-103.588102</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>M</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>990' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.587946</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FWL</b> | Latitude<br><b>32.783744</b> | Longitude<br><b>-103.588102</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

## OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

 09/06/2026  
Signature Date

Kayleigh Landry

Printed Name

kayleigh@fedoperating.com

Email Address

## SURVEYOR CERTIFICATIONS

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

Signature and Seal of Professional Surveyor

Certificate Number

Date of Survey

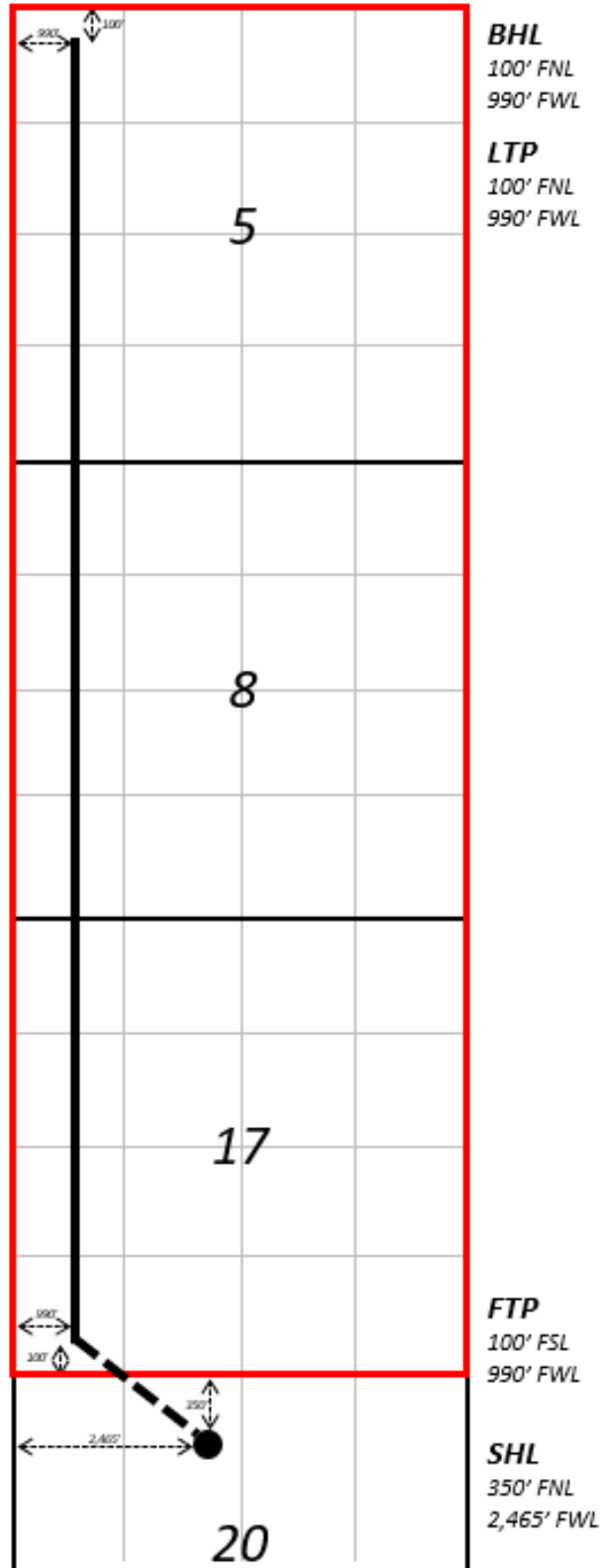
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**121H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY. Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.**

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                       |                                         |                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------|-----------------------------------------|-------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br><b>OIL CONSERVATION DIVISION</b><br><br><div style="border: 2px solid red; padding: 5px; display: inline-block; font-weight: bold; font-size: 1.2em;">DRAFT</div> | <div style="text-align: right;"> <b>C-102</b><br/>           Revised July 9, 2024<br/>           Submit Electronically<br/>           via OCD Permitting         </div> <table border="1" style="width: 100%;"> <tr> <td rowspan="3" style="width: 20%;">Submittal Type:</td> <td><input checked="" type="checkbox"/> Initial Submittal</td> </tr> <tr> <td><input type="checkbox"/> Amended Report</td> </tr> <tr> <td><input type="checkbox"/> As Drilled</td> </tr> </table> | Submittal Type: | <input checked="" type="checkbox"/> Initial Submittal | <input type="checkbox"/> Amended Report | <input type="checkbox"/> As Drilled |
| Submittal Type:                                                                                                                                                                                                                       | <input checked="" type="checkbox"/> Initial Submittal                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                       |                                         |                                     |
|                                                                                                                                                                                                                                       | <input type="checkbox"/> Amended Report                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                       |                                         |                                     |
|                                                                                                                                                                                                                                       | <input type="checkbox"/> As Drilled                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                                                       |                                         |                                     |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>122H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,515' FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.582982</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FWL</b> | Latitude<br><b>32.783751</b> | Longitude<br><b>-103.583807</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

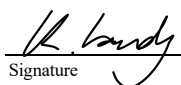
## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>N</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>2,310' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.583653</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FWL</b> | Latitude<br><b>32.783751</b> | Longitude<br><b>-103.583807</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><div style="display: flex; justify-content: space-between;"> <div> <br/>           Signature         </div> <div> <b>09/06/2026</b><br/>           Date         </div> </div> <div style="border-top: 1px solid black; padding-top: 5px;"> <b>Kayleigh Landry</b><br/>           Printed Name<br/><br/> <b>kayleigh@fedoperating.com</b><br/>           Email Address         </div> | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br><div style="border-top: 1px solid black; padding-top: 5px;">           Signature and Seal of Professional Surveyor         </div> <div style="display: flex; justify-content: space-between; border-top: 1px solid black; padding-top: 5px;"> <div>Certificate Number</div> <div>Date of Survey</div> </div> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

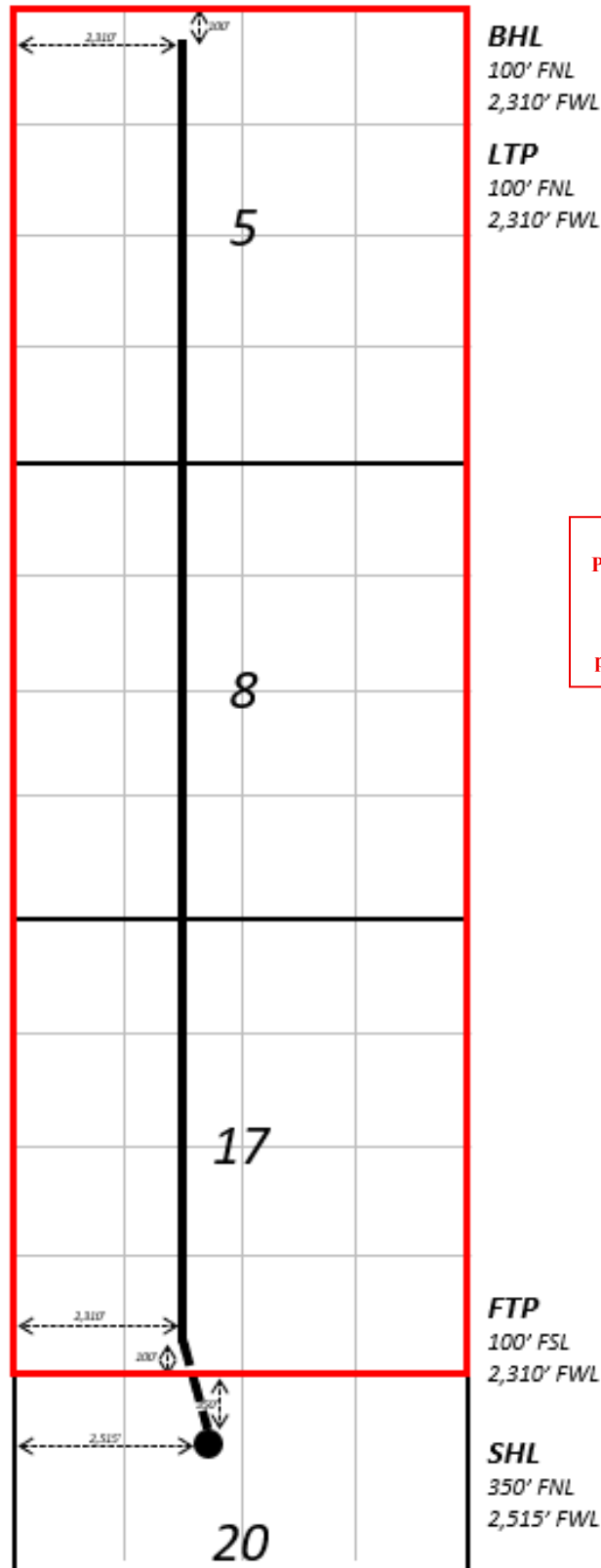
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**122H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**



|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                            |
|                                                                                                                                                                                                                                       | Submittal Type:                                                                                                            | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>123H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,565' FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.582819</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FEL</b> | Latitude<br><b>32.783759</b> | Longitude<br><b>-103.579526</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>O</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>1,650' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.579334</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FEL</b> | Latitude<br><b>32.783759</b> | Longitude<br><b>-103.579526</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

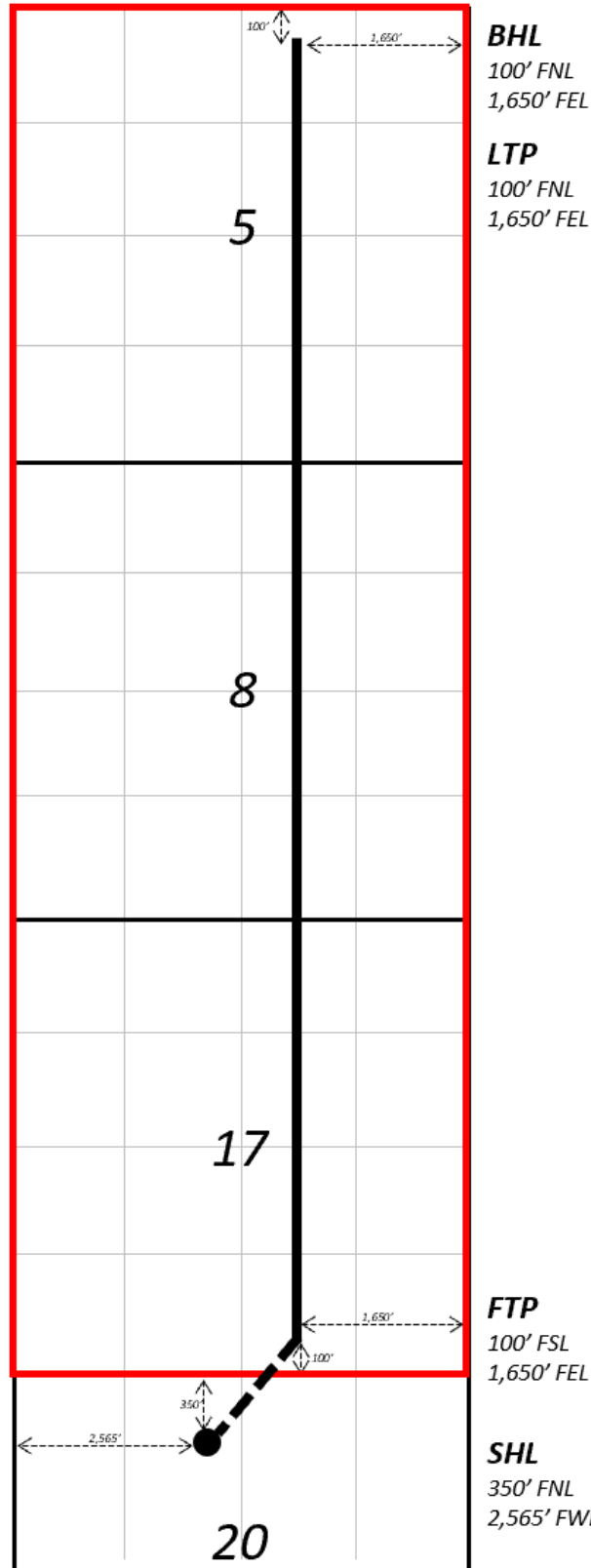
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                                               |
|                                                                                                                                                                                                                                       |                                                                                                                            | Submittal Type:<br><input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>124H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                  |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,615 FWL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.582657</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FEL</b> | Latitude<br><b>32.783767</b> | Longitude<br><b>-103.575231</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>P</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>330' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.575042</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FEL</b> | Latitude<br><b>32.783767</b> | Longitude<br><b>-103.575231</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

**DRAFT – NOT SURVEYED**

**Proposed 1,920-acre non-standard HSU.**

**124H**

**BHL**  
100' FNL  
330' FEL

**LTP**  
100' FNL  
330' FEL

**PRELIMINARY – FOR HEARING PURPOSES ONLY.** Preliminary coordinates are NAD83 and derived from publicly available GIS data and have not been field-surveyed. Final locations are subject to professional survey and regulatory approval.

**FTP**  
100' FSL  
330' FEL

**SHL**  
350' FNL  
2,615' FWL

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                            |
|                                                                                                                                                                                                                                       | Submittal Type:                                                                                                            | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>131H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,365' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.581656</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.783740</b> | Longitude<br><b>-103.590249</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>M</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.590093</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.783740</b> | Longitude<br><b>-103.590249</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

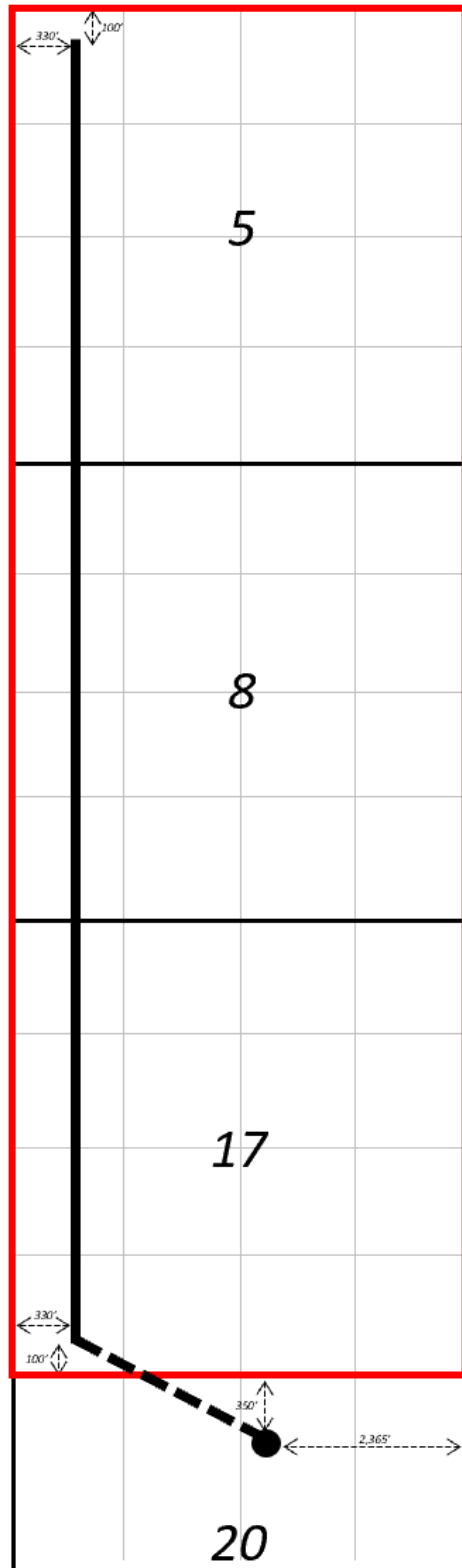
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**BHL**  
100' FNL  
330' FWL

**131H**

**LTP**  
100' FNL  
330' FWL

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY. Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.**

**FTP**  
100' FSL  
330' FWL

**SHL**  
350' FNL  
2,365' FEL

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                            |
|                                                                                                                                                                                                                                       | Submittal Type:                                                                                                            | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>132H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,315' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.581494</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.783748</b> | Longitude<br><b>-103.585954</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>N</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.585800</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.783748</b> | Longitude<br><b>-103.585954</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

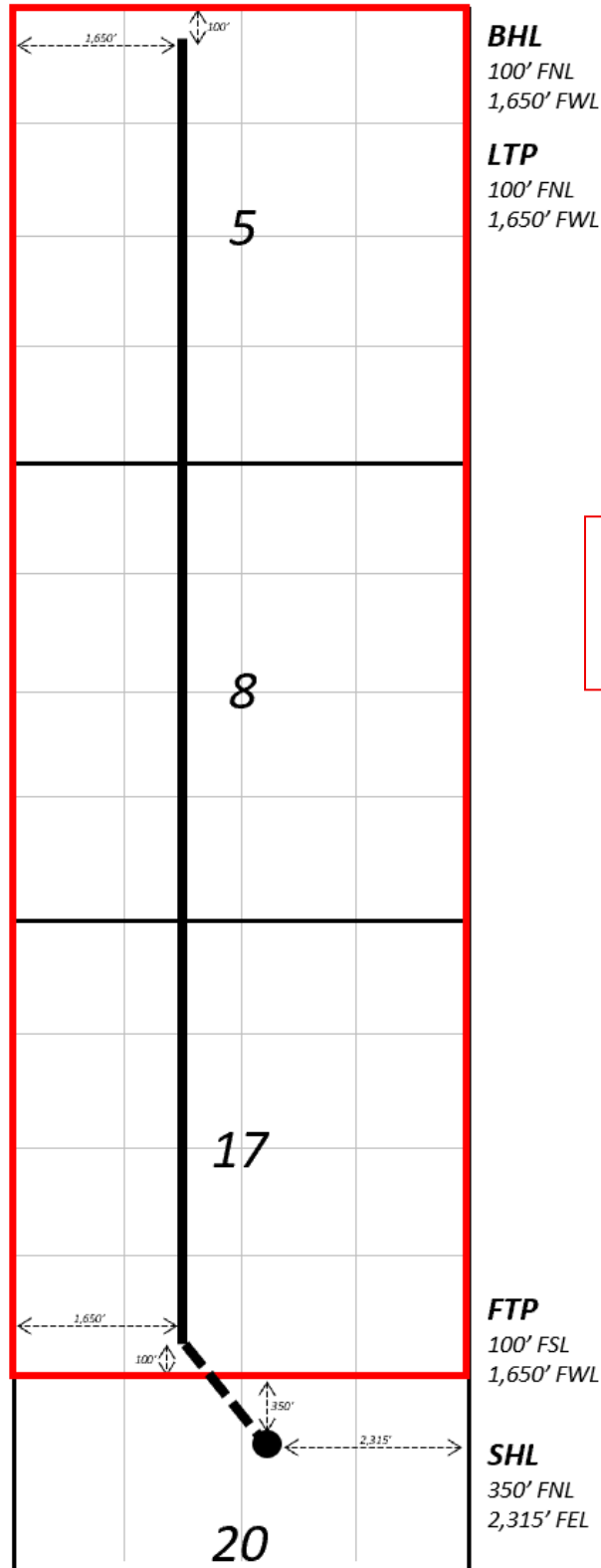
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**132H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY. Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.**

**Off-unit SHL –  
Section 20 not  
included in HSU**



|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                            |
|                                                                                                                                                                                                                                       | Submittal Type:                                                                                                            | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>133H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,265' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.581331</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.783755</b> | Longitude<br><b>-103.581673</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

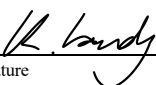
## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>O</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.581481</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.783755</b> | Longitude<br><b>-103.581673</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

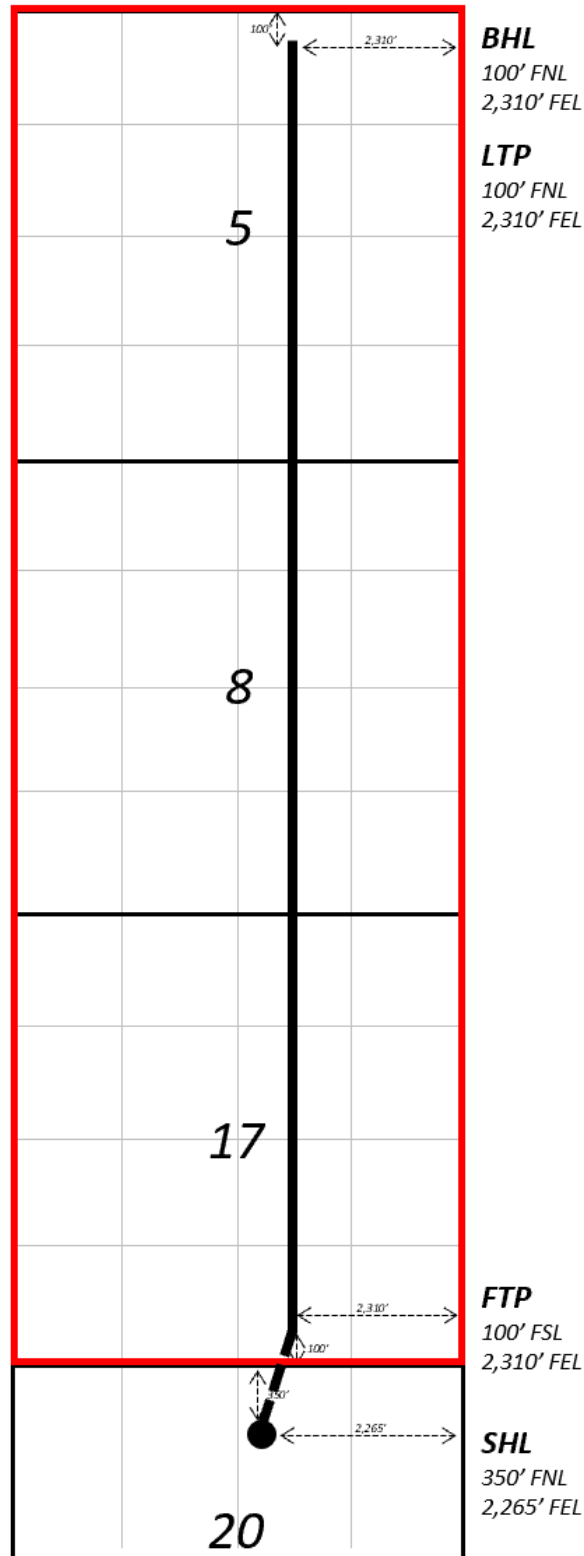
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**133H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                            |
|                                                                                                                                                                                                                                       | Submittal Type:                                                                                                            | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>45793</b>                  | Pool Name<br><b>MESCALERO ESCARPE; BONE SPRING</b>                                                                                                     |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>134H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,115' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.580843</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.783763</b> | Longitude<br><b>-103.577378</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

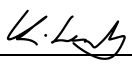
## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>P</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.577188</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.783763</b> | Longitude<br><b>-103.577378</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

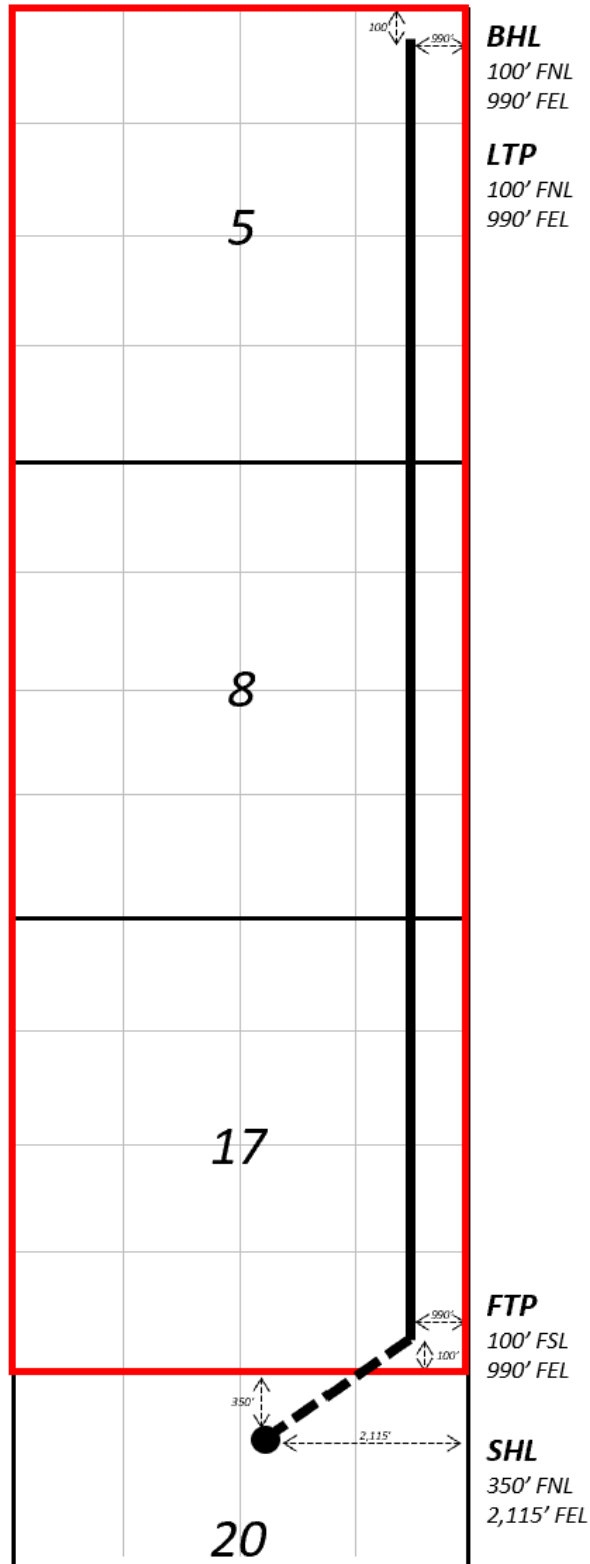
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**134H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br><b>OIL CONSERVATION DIVISION</b><br><br><div style="border: 2px solid red; padding: 5px; display: inline-block; color: red; font-weight: bold; font-size: 1.2em;">DRAFT</div> | <div style="text-align: right;"> <b>C-102</b><br/>           Revised July 9, 2024<br/>           Submit Electronically<br/>           via OCD Permitting         </div> <div style="border: 1px solid black; padding: 2px;">           Submittal Type:           <div style="float: right;"> <input checked="" type="checkbox"/> Initial Submittal<br/> <input type="checkbox"/> Amended Report<br/> <input type="checkbox"/> As Drilled           </div> </div> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>21670</b>                  | Pool Name<br><b>E-K; WOLFCAMP</b>                                                                                                                      |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>211H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,065' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.580681</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.783740</b> | Longitude<br><b>-103.590249</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                            |                                 |                                                                                                               |                                |
|---------------------------------|--------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>DEFINING</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                            |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

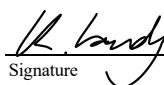
## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>M</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.590093</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>D</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>330' FWL</b> | Latitude<br><b>32.783740</b> | Longitude<br><b>-103.590249</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><div style="display: flex; justify-content: space-between;"> <div> <br/>           Signature         </div> <div> <b>09/06/2026</b><br/>           Date         </div> </div> <div style="border-top: 1px solid black; padding-top: 5px;"> <b>Kayleigh Landry</b><br/>           Printed Name<br/><br/> <b>kayleigh@fedoperating.com</b><br/>           Email Address         </div> | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br><div style="border-top: 1px solid black; padding-top: 5px;">           Signature and Seal of Professional Surveyor         </div> <div style="display: flex; justify-content: space-between; border-top: 1px solid black; padding-top: 5px;"> <div>Certificate Number</div> <div>Date of Survey</div> </div> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

**DRAFT – NOT SURVEYED**

**211H**

**PRELIMINARY – FOR HEARING PURPOSES ONLY.** Preliminary coordinates are NAD83 and derived from publicly available GIS data and have not been field-surveyed. Final locations are subject to professional survey and regulatory approval.

Off-unit SHL –  
Section 20 not  
included in HSU

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                                               |
|                                                                                                                                                                                                                                       |                                                                                                                            | Submittal Type:<br><input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>21670</b>                  | Pool Name<br><b>E-K; WOLFCAMP</b>                                                                                                                      |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>212H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>2,015' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.580518</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.783748</b> | Longitude<br><b>-103.585954</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>N</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.585800</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>C</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>1,650' FWL</b> | Latitude<br><b>32.783748</b> | Longitude<br><b>-103.585954</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

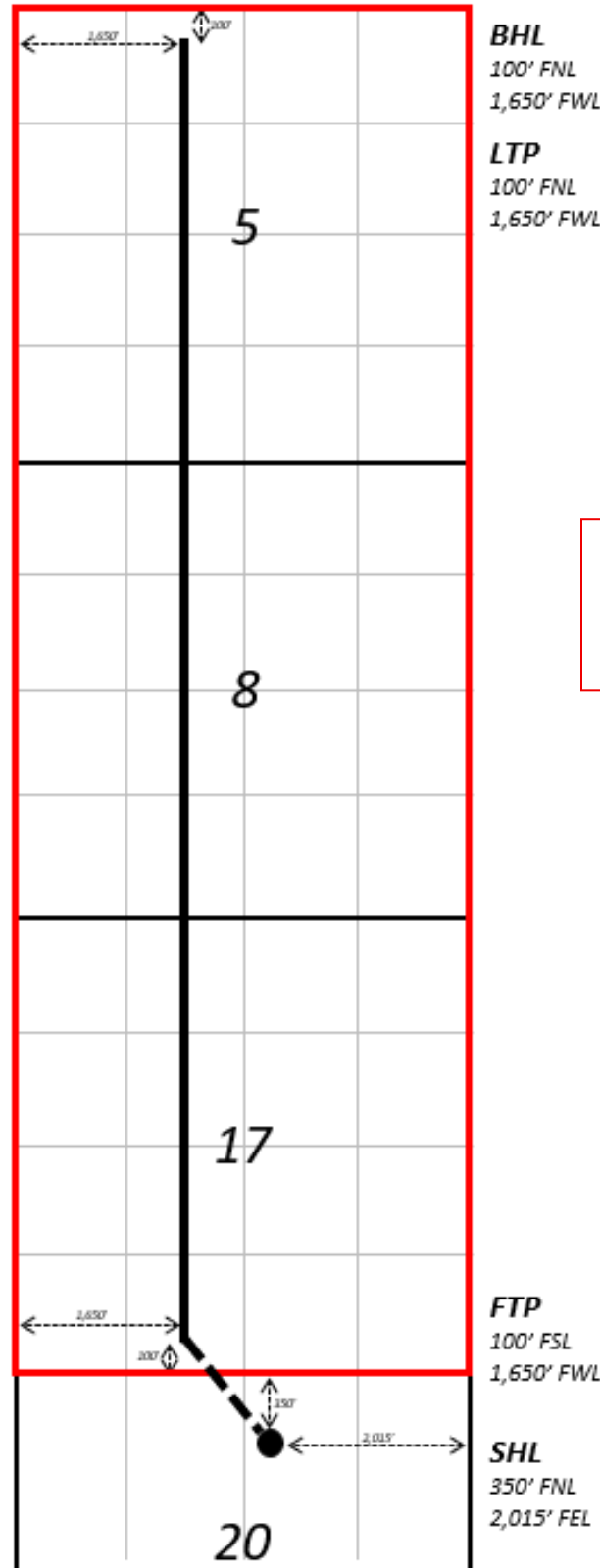
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**212H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**



|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                            |
|                                                                                                                                                                                                                                       | Submittal Type:                                                                                                            | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>21670</b>                  | Pool Name<br><b>E-K; WOLFCAMP</b>                                                                                                                      |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>213H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>1,965' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.580355</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.783755</b> | Longitude<br><b>-103.581673</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

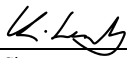
## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>O</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.581481</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>2,310' FEL</b> | Latitude<br><b>32.783755</b> | Longitude<br><b>-103.581673</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

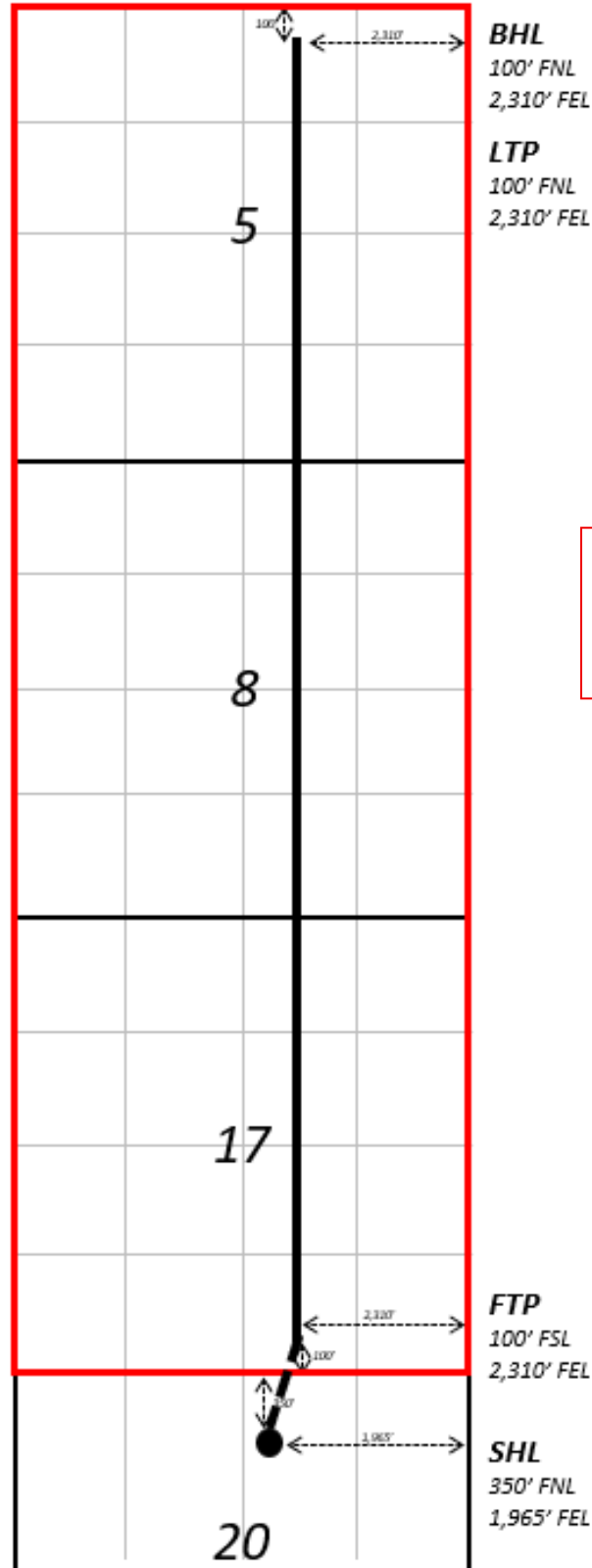
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**213H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

**Off-unit SHL –  
Section 20 not  
included in HSU**

|                                                                                                                                                                                                                                       |                                                                                                                            |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Santa Fe Main Office<br>Phone: (505) 476-3441<br>General Information<br>Phone: (505) 629-6116<br><br>Online Phone Directory Visit:<br><a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a> | State of New Mexico<br>Energy, Minerals & Natural Resources<br>Department<br>OIL CONSERVATION DIVISION<br><br><b>DRAFT</b> | C-102<br>Revised July 9, 2024<br>Submit Electronically<br>via OCD Permitting                                                            |
|                                                                                                                                                                                                                                       | Submittal Type:                                                                                                            | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |

## WELL LOCATION INFORMATION

|                                                                                                                                                        |                                            |                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| API Number<br><b>TBD</b>                                                                                                                               | Pool Code<br><b>21670</b>                  | Pool Name<br><b>E-K; WOLFCAMP</b>                                                                                                                      |
| Property Code                                                                                                                                          | Property Name<br><b>CHANCER 5-17 STATE</b> | Well Number<br><b>214H</b>                                                                                                                             |
| OGRID No.<br><b>333904</b>                                                                                                                             | Operator Name<br><b>FED OPERATING, LLC</b> | Ground Level Elevation<br><b>4,059' EST</b>                                                                                                            |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                            | Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

## Surface Location

|                |                      |                         |                      |     |                                 |                                   |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>B</b> | Section<br><b>20</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>350' FNL</b> | Ft. from E/W<br><b>1,915' FEL</b> | Latitude<br><b>32.739516</b> | Longitude<br><b>-103.580193</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|-----------------------------------|------------------------------|---------------------------------|----------------------|

## Bottom Hole Location

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.783763</b> | Longitude<br><b>-103.577378</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                 |                                          |                                 |                                                                                                               |                                |
|---------------------------------|------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Dedicated Acres<br><b>1,920</b> | Infill or Defining Well<br><b>INFILL</b> | Defining Well API<br><b>TBD</b> | Overlapping Spacing Unit (Y/N)<br><b>Y</b>                                                                    | Consolidation Code<br><b>P</b> |
| Order Numbers.                  |                                          |                                 | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                |

## Kick Off Point (KOP)

|                  |                       |                         |                      |     |                            |                            |                        |                         |                      |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|
| UL<br><b>TBD</b> | Section<br><b>TBD</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>TBD</b> | Ft. from E/W<br><b>TBD</b> | Latitude<br><b>TBD</b> | Longitude<br><b>TBD</b> | County<br><b>LEA</b> |
|------------------|-----------------------|-------------------------|----------------------|-----|----------------------------|----------------------------|------------------------|-------------------------|----------------------|

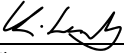
## First Take Point (FTP)

|                |                      |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>P</b> | Section<br><b>17</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FSL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.740752</b> | Longitude<br><b>-103.577188</b> | County<br><b>LEA</b> |
|----------------|----------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

## Last Take Point (LTP)

|                |                     |                         |                      |     |                                 |                                 |                              |                                 |                      |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|
| UL<br><b>A</b> | Section<br><b>5</b> | Township<br><b>18-S</b> | Range<br><b>34-E</b> | Lot | Ft. from N/S<br><b>100' FNL</b> | Ft. from E/W<br><b>990' FEL</b> | Latitude<br><b>32.783763</b> | Longitude<br><b>-103.577378</b> | County<br><b>LEA</b> |
|----------------|---------------------|-------------------------|----------------------|-----|---------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------|

|                                                         |                                                                                                    |                                       |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Unitized Area or Area of Uniform Interest<br><b>N/A</b> | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation:<br><b>TBD</b> |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i><br><br><br>Signature<br><br>09/06/2026<br>Date<br><br>Kayleigh Landry<br>Printed Name<br><br>kayleigh@fedoperating.com<br>Email Address | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br>_____<br>Signature and Seal of Professional Surveyor<br><br>_____<br>Certificate Number<br><br>_____<br>Date of Survey |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

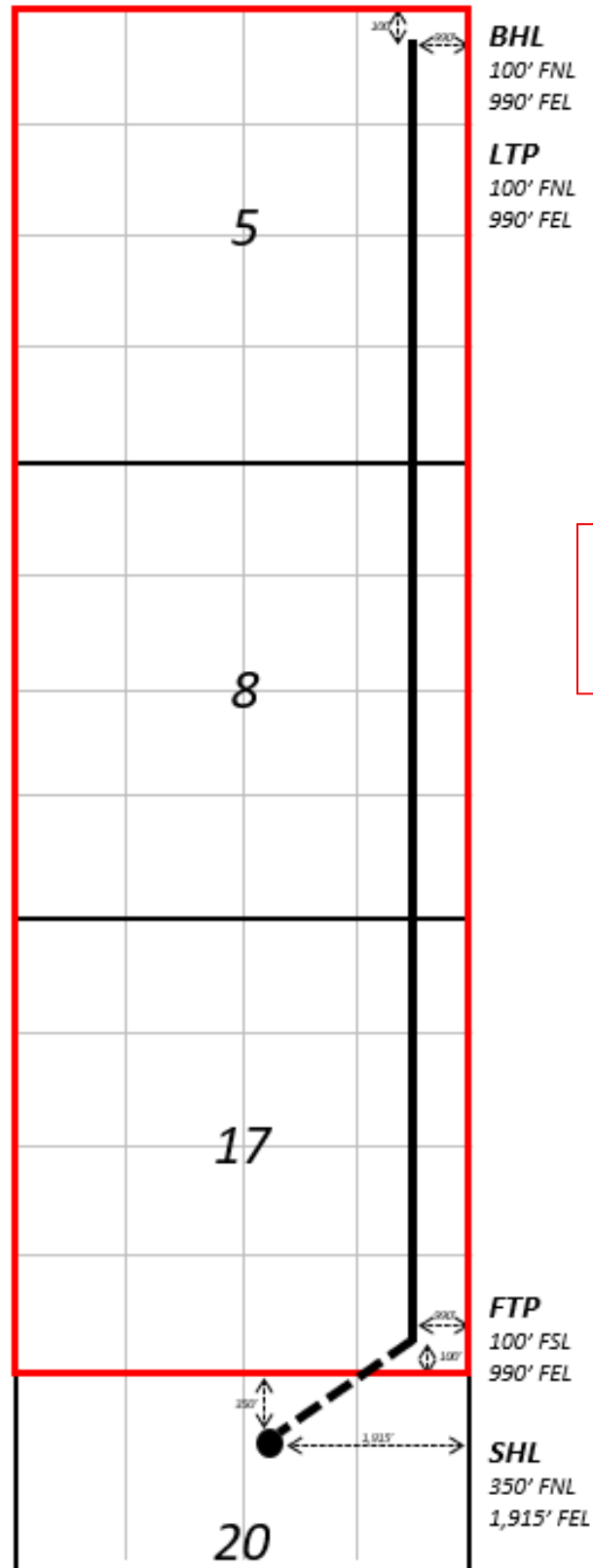
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## DRAFT – NOT SURVEYED

**Proposed 1,920-  
acre non-standard  
HSU.**



**214H**

**PRELIMINARY – FOR HEARING  
PURPOSES ONLY.** Preliminary coordinates  
are NAD83 and derived from publicly  
available GIS data and have not been field-  
surveyed. Final locations are subject to  
professional survey and regulatory approval.

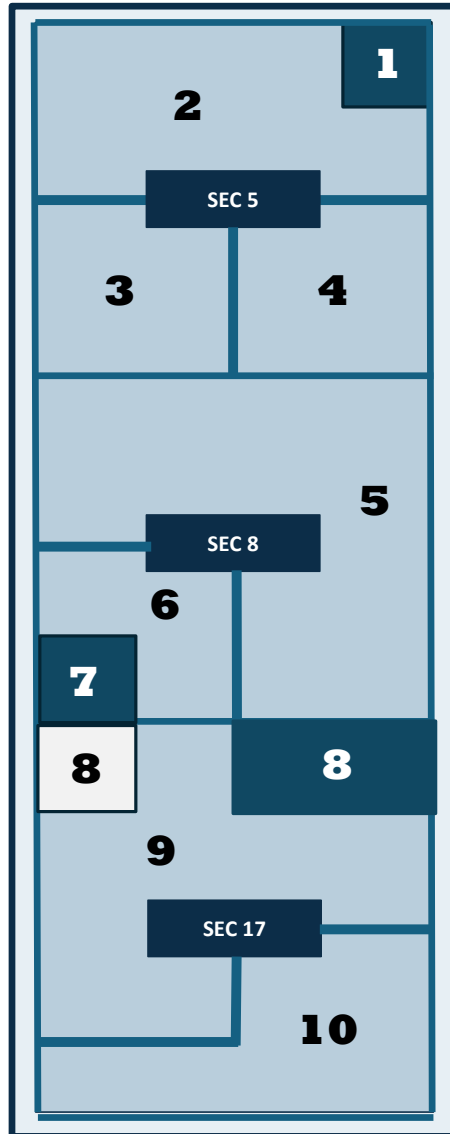
**Off-unit SHL –  
Section 20 not  
included in HSU**

**Chancer 5-17 State**#111H-114H, #121-124H, #131H-134H  
#211H-214H**Lease Tract Map**

Exhibit C-3

**FED Operating owns majority working interest in the unit**

N ↑



| Tract No. | Type  | Lease / ID | Acres   |
|-----------|-------|------------|---------|
| 1         | STATE | B0-4118-00 | 40.00   |
| 2         | STATE | B0-4118-01 | 280.00  |
| 3         | STATE | VC-0938-01 | 160.00  |
| 4         | STATE | B0-3011-03 | 160.00  |
| 5         | STATE | E0-7990-03 | 480.00  |
| 6         | STATE | E0-5014-04 | 120.00  |
| 7         | STATE | LG-1284-01 | 40.00   |
| 8         | STATE | LG-3406-01 | 120.00  |
| 9         | STATE | LG-1125-01 | 280.00  |
| 10        | STATE | LG-2868-02 | 240.00  |
| TOTAL     |       |            | 1920.00 |

**Chancer 5-17 State**

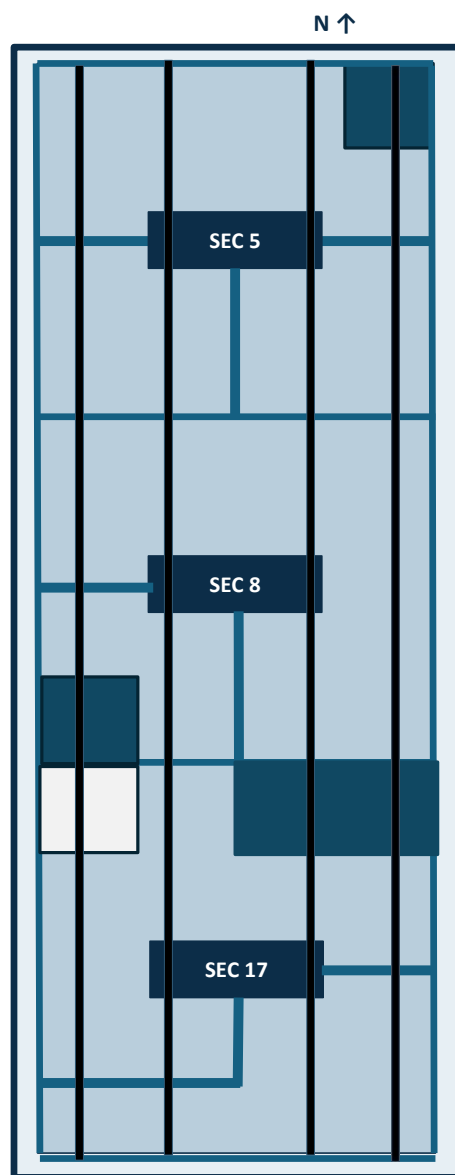
#111H-114H, #121-124H, #131H-134H

**Lease Tract Map with Locations**

Exhibit C-3



Tract map with approximate well locations



Approximate lateral paths

| Well Name                | Surface / BHL                         | Target |
|--------------------------|---------------------------------------|--------|
| Chancer 5-17 State #111H | NE4NW4 Sec 20 /<br>NW4NW4 Sec 5       | 1BS    |
| Chancer 5-17 State #112H | NW4NE4 Sec 20 /<br>NW4NW4NE4NW4 Sec 5 | 1BS    |
| Chancer 5-17 State #113H | NW4NE4 Sec 20 /<br>NW4NE4 Sec 5       | 1BS    |
| Chancer 5-17 State #114H | NW4NE4 Sec 20 /<br>NW4NW4NE4NE4 Sec 5 | 1BS    |
| Chancer 5-17 State #121H | NE4NW4 Sec 20 /<br>NW4NW4 Sec 5       | 2BS    |
| Chancer 5-17 State #122H | NE4NW4 Sec 20 /<br>NW4NW4NE4NW4 Sec 5 | 2BS    |
| Chancer 5-17 State #123H | NE4NW4 Sec 20 /<br>NW4NE4 Sec 5       | 2BS    |
| Chancer 5-17 State #124H | NW4NE4 Sec 20 /<br>NW4NW4NE4NE4 Sec 5 | 2BS    |
| Chancer 5-17 State #131H | NW4NE4 Sec 20 /<br>NW4NW4 Sec 5       | 3BS    |
| Chancer 5-17 State #132H | NW4NE4 Sec 20 /<br>NW4NW4NE4NW4 Sec 5 | 3BS    |
| Chancer 5-17 State #133H | NW4NE4 Sec 20 /<br>NW4NE4 Sec 5       | 3BS    |
| Chancer 5-17 State #134H | NW4NE4 Sec 20 /<br>NW4NW4NE4NE4 Sec 5 | 3BS    |

## Chancer 5-17 State

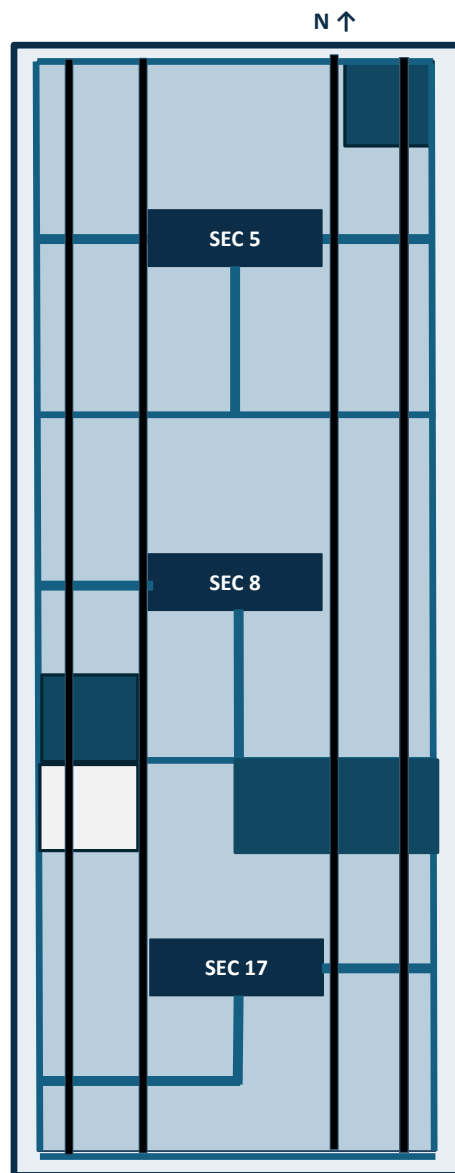
#211H-214H

## Lease Tract Map with Locations

Exhibit C-3



Tract map with approximate well locations



Approximate lateral paths

| Well Name                | Surface / BHL                         | Target |
|--------------------------|---------------------------------------|--------|
| Chancer 5-17 State #211H | NW4NE4 Sec 20 /<br>NW4NW4 Sec 5       | WC     |
| Chancer 5-17 State #211H | NW4NE4 Sec 20 /<br>NW4NW4NE4NW4 Sec 5 | WC     |
| Chancer 5-17 State #213H | NW4NE4 Sec 20 /<br>NW4NW4 Sec 5       | WC     |
| Chancer 5-17 State #214H | NW4NE4 Sec 20 /<br>NW4NW4NE4NW4 Sec 5 | WC     |

# Chancer 5-17 State Summary of Working Interest Owners

#111H-114H, #121-124H, #131H-134H  
#211H-214H

Exhibit C-3



## All of Sections 5, 8, 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico

| Owner                                 | Type  | WI      | NMA     | Tract(s)   | Status                                             |
|---------------------------------------|-------|---------|---------|------------|----------------------------------------------------|
| FED Operating, LLC and its affiliates | WI/RT | 27.78%  | 533.33  | 1, 2, 3, 5 | OPERATOR                                           |
| Occidental Permian Ltd.               | WI/RT | 25.00%  | 480.00  | 6, 7, 9    | UNCOMMITTED – COMPULSARY POOL                      |
| Colt Energy, LLC                      | WI    | 8.33%   | 160.00  | 5          | UNCOMMITTED – COMPULSARY POOL                      |
| Armstrong Energy Corporation          | WI/RT | 8.33%   | 160.00  | 4          | UNCOMMITTED – COMPULSARY POOL                      |
| Hilcorp Permian CT TXNM, LLC          | WI    | 7.81%   | 150.00  | 10         | UNCOMMITTED – COMPULSARY POOL                      |
| Mewbourne Oil Company                 | WI    | 6.96%   | 133.65  | 8, 10      | UNCOMMITTED – COMPULSARY POOL                      |
| Stumhoffer Family Partnership, LP     | WI    | 3.91%   | 75.00   | 8, 10      | UNCOMMITTED – COMPULSARY POOL                      |
| C. W. Seely                           | WI    | 3.13%   | 60.00   | 6          | UNCOMMITTED – COMPULSARY POOL                      |
| Cavalry Resources, LLC                | WI    | 2.78%   | 53.33   | 5          | COMMITTED – FED SUPPORT                            |
| DSD Energy II, LLC                    | WI    | 2.78%   | 53.33   | 5          | COMMITTED – FED SUPPORT                            |
| EOG Resources Inc.                    | WI    | 2.34%   | 45.00   | 8          | UNCOMMITTED – COMPULSARY POOL                      |
| Estate of Patsy Carr, Deceased        | WI    | 0.39%   | 7.50    | 8          | UNCOMMITTED – COMPULSARY POOL                      |
| Seely Oil Company                     | WI/RT | 0.39%   | 7.50    | 8          | UNCOMMITTED – COMPULSARY POOL                      |
| Rockwood Energy, LP                   | WI    | 0.07%   | 1.35    | 8, 10      | UNCOMMITTED – COMPULSARY POOL                      |
| TOTAL                                 |       | 100.00% | 1920.00 |            | Highlighted = action required / party to be pooled |





PO BOX 4695, MIDLAND, TX 79704-4695

Cases 26131-26132  
EXHIBIT C-4

November 18, 2025

INSERT ADDRESS

XXX LLC

16400 Dallas Parkway Ste: 305

Dallas, Texas 75248

Attn: XXX XXX

Re: **Well Proposals**

Chancer 5-17 State #111H, #112H, #113H, #114H, #121H, #122H, #123H, #124H, #131H, #132H, #133H, #134H, #211H, #212H, #213H, #214H

All of Sections 5, 8, & 17, Township 18 South, Range 34 East

Lea County, New Mexico

Ladies and Gentlemen:

FED Operating, LLC ("FED"), hereby proposes to drill and complete the Chancer 5-17 State #111H, #112H, #113H, #114H, #121H, #122H, #123H, #124H, #131H, #132H, #133H, #134H, #211H, #212H, #213H, and #214H wells in Sections 5, 8 and 17, Township 18 South, Range 34 East, Lea County, New Mexico. FED is finalizing reports and title shows that you have an interest in the referenced lands.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the sixteen (16) enclosed Authority for Expenditures ("AFE") dated November 18, 2025.
- **Chancer 5-17 State #111H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,265' FWL and a BHL of S5-T18S-R34E 100' FNL, 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850' TVD and will be drilled horizontally to a Measured Depth of approximately 24,490'.
- **Chancer 5-17 State #112H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,315' FWL and a BHL of S5-T18S-R34E 100' FNL, 1,650' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850' TVD and will be drilled horizontally to a Measured Depth of approximately 24,490'.

- **Chancer 5-17 State #113H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,365' FWL and a BHL of S5-T18S-R34E 100' FNL, 2,310' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850' TVD and will be drilled horizontally to a Measured Depth of approximately 24,490'.
- **Chancer 5-17 State #114H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,415' FWL and a BHL of S5-T18S-R34E 100' FNL, 990' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,850' TVD and will be drilled horizontally to a Measured Depth of approximately 24,490'.
- **Chancer 5-17 State #121H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,465' FWL and a BHL of S5-T18S-R34E 100' FNL, 990' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,550' TVD and will be drilled horizontally to a Measured Depth of approximately 25,190'.
- **Chancer 5-17 State #122H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,515' FWL and a BHL of S5-T18S-R34E 100' FNL, 2,310' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,550' TVD and will be drilled horizontally to a Measured Depth of approximately 25,190'.
- **Chancer 5-17 State #123H:** to be drilled from a SHL of S20-T18S-R34E 350" FNL, 2,565' FWL and a BHL of S5-T18S-R34E 100' FNL, 1,650' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,550' TVD and will be drilled horizontally to a Measured Depth of approximately 25,190'.
- **Chancer 5-17 State #124H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,615' FWL and a BHL of S5-T18S-R34E 100' FNL, 330' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,550' TVD and will be drilled horizontally to a Measured Depth of approximately 25,190'.
- **Chancer 5-17 State #131H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,365' FEL and a BHL of S5-T18S-R34E 100' FNL, 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 25,790'.
- **Chancer 5-17 State #132H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,315' FEL and a BHL of S5-T18S-R34E 100' FNL, 1,650' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 25,790'.
- **Chancer 5-17 State #133H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,265' FEL and a BHL of S5-T18S-R34E 100' FNL, 2,310' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 25,790'.

- **Chancer 5-17 State #134H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,115' FEL and a BHL of S5-T18S-R34E 100' FNL, 990' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 25,790'.
- **Chancer 5-17 State #211H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,065' FEL and a BHL of S5-T18S-R34E 100' FNL, 330' FWL. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,600' TVD and will be drilled horizontally to a Measured Depth of approximately 27,240'.
- **Chancer 5-17 State #212H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 2,015' FEL and a BHL of S5-T18S-R34E 100' FNL, 1,650' FWL. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,600' TVD and will be drilled horizontally to a Measured Depth of approximately 27,240'.
- **Chancer 5-17 State #213H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 1,965' FEL and a BHL of S5-T18S-R34E 100' FNL, 2,310' FEL. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,600' TVD and will be drilled horizontally to a Measured Depth of approximately 27,240'.
- **Chancer 5-17 State #214H:** to be drilled from a SHL of S20-T18S-R34E 350' FNL, 1,915' FEL and a BHL of S5-T18S-R34E 100' FNL, 990' FEL. The Well will have a targeted interval within the Wolfcamp formation at a depth of approximately 11,600' TVD and will be drilled horizontally to a Measured Depth of approximately 27,240'.

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

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

- 100%/300%/300% non-consent penalty
- \$10,000/\$1,000 drilling and producing monthly overhead rates
- Contract Area of Section 5-T18S-R34E, Section 8-T18S-R34E and Section 17-T18S-R34E
- This proposed Operating Agreement will supersede any and all existing Operating Agreements as to all depths on all horizontal wells drilled after the effective date of the JOA.

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

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

In the event you do not wish to participate in this proposed development and would be interested in selling your interest, please let us know. Should you have any questions, please contact the undersigned at [kayleigh@fedoperating.com](mailto:kayleigh@fedoperating.com).

Sincerely,

---

Kayleigh Landry

Senior Planning Engineer



PO BOX 4695, MIDLAND, TX 79704-4695

**AUTHORIZATION FOR EXPENDITURE****AFE: NM100**

Well Name: Chancer 5-17 State #111H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 24,490'/8,850'

SHL: S20-T18S-R34E 350' FNL, 2,265' FWL

BHL: S5-T18S-R34E 100' FNL, 330' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #111H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,329,139</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,315,692</b>  |
| <b>FACILITIES:</b>              | <b>\$1,188,950</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,833,782</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM100  
Chancer 5-17 State #111H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Bone Spring Formation  
24490'/8850'

| INTANGIBLE COSTS                  |        |              |        |                   |        |                        |               |
|-----------------------------------|--------|--------------|--------|-------------------|--------|------------------------|---------------|
| Category/Description              | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total         |
| Drilling                          |        |              |        |                   |        |                        |               |
| Permits/Licenses                  | 201.01 | 21,753       | 202.01 | -                 | 203.01 | -                      | 21,753        |
| Staking/Surveying                 | 201.02 | 21,753       | 202.02 | -                 | 203.02 | -                      | 21,753        |
| Legal/Title Services              | 201.03 | 18,852       | 202.03 | -                 | 203.03 | -                      | 18,852        |
| Surface Damage/Row                | 201.04 | 50,756       | 202.04 | -                 | 203.04 | -                      | 50,756        |
| Permanent Easement                | 201.05 | 17,402       | 202.05 | -                 | 203.05 | -                      | 17,402        |
| Road/Locations/Pits               | 201.06 | 138,674      | 202.06 | -                 | 203.06 | -                      | 138,674       |
| Rig Mob/Trucking                  | 201.07 | 184,899      | 202.07 | -                 | 203.07 | -                      | 184,899       |
| Rig Mob/Standby Rate              | 201.08 | 50,901       | 202.08 | -                 | 203.08 | -                      | 50,901        |
| Daywork Contract                  | 201.09 | 838,284      | 202.09 | -                 | 203.09 | -                      | 838,284       |
| Directional Drill/Survey          | 201.10 | 370,182      | 202.10 | -                 | 203.10 | -                      | 370,182       |
| Conductor Hole/Service            | 201.11 | 61,633       | 202.11 | -                 | 203.11 | -                      | 61,633        |
| Drill Bit                         | 201.12 | 142,118      | 202.12 | -                 | 203.12 | -                      | 142,118       |
| Bits/Tools/Stabilizers            | 201.13 | 81,625       | 202.13 | -                 | 203.13 | -                      | 81,625        |
| Fuel/Power                        | 201.14 | 210,168      | 202.14 | -                 | 203.14 | -                      | 210,168       |
| Fuel/Mud                          | 201.15 | 124,716      | 202.15 | -                 | 203.15 | -                      | 124,716       |
| Rig Water                         | 201.16 | 28,097       | 202.16 | -                 | 203.16 | -                      | 28,097        |
| Mud/Chemicals/Acidizing           | 201.17 | 322,418      | 202.17 | -                 | 203.17 | -                      | 322,418       |
| Inspection/Testing & Repair       | 201.18 | 53,657       | 202.18 | -                 | 203.18 | -                      | 53,657        |
| Cement Services/Float Equip       | 201.19 | 390,100      | 202.19 | -                 | 203.19 | -                      | 390,100       |
| Casing Crew/Tools                 | 201.20 | 101,513      | 202.20 | -                 | 203.20 | -                      | 101,513       |
| Contract Labor/Roustabout         | 201.21 | 39,155       | 202.21 | -                 | 203.21 | -                      | 39,155        |
| Materials Supplies                | 201.22 | 7,251        | 202.22 | -                 | 203.22 | -                      | 7,251         |
| Trucking/Vacuum/Transp            | 201.23 | 33,717       | 202.23 | -                 | 203.23 | -                      | 33,717        |
| Solids Control/Closed Loop System | 201.24 | 88,366       | 202.24 | -                 | 203.24 | -                      | 88,366        |
| Disposal                          | 201.25 | 209,553      | 202.25 | -                 | 203.25 | -                      | 209,553       |
| Wellhead Prepare/Repair           | 201.26 | 18,127       | 202.26 | -                 | 203.26 | -                      | 18,127        |
| Rental Equipment                  | 201.27 | 123,628      | 202.27 | -                 | 203.27 | -                      | 123,628       |
| Mancamp                           | 201.28 | 58,442       | 202.28 | -                 | 203.28 | -                      | 58,442        |
| Wellsite Supervision              | 201.29 | 130,372      | 202.29 | -                 | 203.29 | -                      | 130,372       |
| Safety/Environmental              | 201.30 | 24,726       | 202.30 | -                 | 203.30 | -                      | 24,726        |
| Well Control Insurance            | 201.31 | 12,363       | 202.31 | -                 | 203.31 | -                      | 12,363        |
| Contingency                       | 201.32 | 178,884      | 202.32 | -                 | 203.32 | -                      | 178,884       |
| Completion                        |        |              |        |                   |        |                        |               |
| Road/Locations/Pits               | 201.33 | -            | 202.33 | 17,460            | 203.33 | -                      | 17,460        |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34 | 66,515            | 203.34 | -                      | 66,515        |
| Fuel/Power                        | 201.35 | -            | 202.35 | 422,240           | 203.35 | -                      | 422,240       |
| Coiled Tubing                     | 201.36 | -            | 202.36 | 303,287           | 203.36 | -                      | 303,287       |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37 | 31,254            | 203.37 | -                      | 31,254        |
| Trucking                          | 201.38 | -            | 202.38 | 23,904            | 203.38 | -                      | 23,904        |
| Electric Logging/Perforating      | 201.39 | -            | 202.39 | 609,504           | 203.39 | -                      | 609,504       |
| Completion Fluids                 | 201.40 | -            | 202.40 | 16,629            | 203.40 | -                      | 16,629        |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41 | 2,988,503         | 203.41 | -                      | 2,988,503     |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42 | 24,943            | 203.42 | -                      | 24,943        |
| Water Handling                    | 201.43 | -            | 202.43 | 291,005           | 203.43 | -                      | 291,005       |
| Source Water                      | 201.44 | -            | 202.44 | 476,833           | 203.44 | -                      | 476,833       |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45 | 66,515            | 203.45 | -                      | 66,515        |
| Rental Equipment                  | 201.46 | -            | 202.46 | 279,953           | 203.46 | -                      | 279,953       |
| Wellsite Supervision              | 201.47 | -            | 202.47 | 74,082            | 203.47 | -                      | 74,082        |
| Supervision/Engineering           | 201.48 | -            | 202.48 | 8,314             | 203.48 | -                      | 8,314         |
| Safety/Environmental              | 201.49 | -            | 202.49 | 24,943            | 203.49 | -                      | 24,943        |
| Overhead                          | 201.50 | -            | 202.50 | 16,629            | 203.50 | -                      | 16,629        |
| Artificial Lift                   |        |              |        |                   |        |                        |               |
| Workover Rig                      | 201.51 | -            | 202.51 | 15,141            | 203.51 | -                      | 15,141        |
| Spooling Services                 | 201.52 | -            | 202.52 | 6,056             | 203.52 | -                      | 6,056         |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53 | 5,047             | 203.53 | -                      | 5,047         |
| Inspection & Testing              | 201.54 | -            | 202.54 | 3,028             | 203.54 | -                      | 3,028         |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55 | 7,066             | 203.55 | -                      | 7,066         |
| Kill Truck                        | 201.56 | -            | 202.56 | 5,047             | 203.56 | -                      | 5,047         |
| Completion Fluids                 | 201.57 | -            | 202.57 | 5,047             | 203.57 | -                      | 5,047         |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58 | 10,094            | 203.58 | -                      | 10,094        |
| Rental Equipment                  | 201.59 | -            | 202.59 | 10,094            | 203.59 | -                      | 10,094        |
| Laydown Machine                   | 201.60 | -            | 202.60 | 5,047             | 203.60 | -                      | 5,047         |
| Reverse Unit Rental               | 201.61 | -            | 202.61 | 5,047             | 203.61 | -                      | 5,047         |
| Wellsite Supervision              | 201.62 | -            | 202.62 | 9,085             | 203.62 | -                      | 9,085         |
| Acid                              | 201.63 | -            | 202.63 | 25,235            | 203.63 | -                      | 25,235        |
| Facilities                        |        |              |        |                   |        |                        |               |
| Surface Damage                    | 201.64 | -            | 202.64 | -                 | 201.64 | 1,262                  | 1,262         |
| Permanent Easement/Row            | 201.65 | -            | 202.65 | -                 | 201.65 | 5,047                  | 5,047         |
| Road Locations Pits               | 201.66 | -            | 202.66 | -                 | 201.66 | 37,853                 | 37,853        |
| Materials & Supplies              | 201.67 | -            | 202.67 | -                 | 201.67 | 10,094                 | 10,094        |
| Transportation rucking            | 201.68 | -            | 202.68 | -                 | 201.68 | 7,571                  | 7,571         |
| Rental Equipment                  | 201.69 | -            | 202.69 | -                 | 201.69 | 20,188                 | 20,188        |
| Water Disposal/SWD                | 201.70 | -            | 202.70 | -                 | 201.70 | 1,262                  | 1,262         |
| Inspection & Testing              | 201.71 | -            | 202.71 | -                 | 201.71 | 631                    | 631           |
| Contract Labor/Roustab            | 201.72 | -            | 202.72 | -                 | 201.72 | 75,705                 | 75,705        |
| Supervision                       | 201.73 | -            | 202.73 | -                 | 201.73 | 25,235                 | 25,235        |
| Consulting Services               | 201.74 | -            | 202.74 | -                 | 201.74 | 1,262                  | 1,262         |
| Safety/Environmental              | 201.75 | -            | 202.75 | -                 | 201.75 | 3,785                  | 3,785         |
| Company Labor                     | 201.76 | -            | 202.76 | -                 | 201.76 | 1,262                  | 1,262         |
| Contingency                       | 201.77 | -            | 202.77 | -                 | 201.77 | 24,037                 | 24,037        |
| Flowback                          |        |              |        |                   |        |                        |               |
| Frac Water Recovery               | 201.78 | -            | 202.78 | -                 | 201.78 | 167,878                | 167,878       |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79 | -                 | 201.79 | 20,188                 | 20,188        |
| Well Testing/Flowback             | 201.80 | -            | 202.80 | -                 | 201.80 | 110,025                | 110,025       |
| Tank Rental                       | 201.81 | -            | 202.81 | -                 | 201.81 | 20,188                 | 20,188        |
| Surface Pump Rental               | 201.82 | -            | 202.82 | -                 | 201.82 | 20,188                 | 20,188        |
| Wellsite Supervision              | 201.83 | -            | 202.83 | -                 | 201.83 | 10,094                 | 10,094        |
| Chemicals                         | 201.84 | -            | 202.84 | -                 | 201.84 | 15,141                 | 15,141        |
| TOTAL INTANGIBLE COSTS            |        | \$ 4,154,087 |        | \$ 5,853,549      |        | \$ 578,894             | \$ 10,586,530 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |               |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total         |
| Drilling                             |        |              |        |                   |        |              |               |
| Casing - Surface                     | 301.01 | 123,631      | 302.01 | -                 | 303.01 | -            | 123,631       |
| Casing - Intermediate                | 301.02 | 265,013      | 302.02 | -                 | 303.02 | -            | 265,013       |
| Casing Production                    | 301.03 | 632,327      | 302.03 | -                 | 303.03 | -            | 632,327       |
| Wellhead Equipment                   | 301.04 | 77,041       | 302.04 | -                 | 303.04 | -            | 77,041        |
| Packer/Downhole Tools                | 301.05 | 77,041       | 302.05 | -                 | 303.05 | -            | 77,041        |
| Completion                           |        |              |        |                   |        |              |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 78,571            | 303.06 | -            | 78,571        |
| Artificial Lift                      |        |              |        |                   |        |              |               |
| Tubing                               | 301.07 | -            | 302.07 | 65,611            | 303.07 | -            | 65,611        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,141            | 303.08 | -            | 15,141        |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 100,940           | 303.09 | -            | 100,940       |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 50,470            | 303.10 | -            | 50,470        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 75,705            | 303.11 | -            | 75,705        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 50,470            | 303.12 | -            | 50,470        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,141            | 303.13 | -            | 15,141        |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,047             | 303.14 | -            | 5,047         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15 | 5,047             | 303.15 | -            | 5,047         |
| Facilities                           |        |              |        |                   |        |              |               |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 101,697      | 101,697       |
| Heater Treater/Seperator             | 301.17 | -            | 302.17 | -                 | 303.17 | 122,390      | 122,390       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 113,558      | 113,558       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 21,828       | 21,828        |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 95,388       | 95,388        |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,571        | 7,571         |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 88,323       | 88,323        |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 31,544       | 31,544        |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 27,759       | 27,759        |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,175,053 |        | \$ 462,143        |        | \$ 610,056   | \$ 2,247,252  |
| Cost Category Summary                |        |              |        |                   |        |              |               |
|                                      |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE | Total         |
| TOTAL INTANGIBLE COSTS               | \$     | 4,154,087    | \$     | 5,853,549         | \$     | 578,894      | \$ 10,586,530 |
| TOTAL TANGIBLE COSTS                 | \$     | 1,175,053    | \$     | 462,143           | \$     | 610,056      | \$ 2,247,252  |
| TOTAL CONTINGENCIES                  | \$     |              | \$     |                   | \$     |              | \$            |
| TOTAL DEVELOPMENT COSTS              | \$     | 5,329,139    | \$     | 6,315,692         | \$     | 1,188,950    | \$ 12,833,782 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_

Working Interest: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

**AUTHORIZATION FOR EXPENDITURE****AFE: NM101**

Well Name: Chancer 5-17 State #112H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 24,490'/8,850'

SHL: S20-T18S-R34E 350' FNL, 2,315' FWL

BHL: S5-T18S-R34E 100' FNL, 1,650' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #112H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b><u>TOTAL</u></b> |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,329,139</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,315,692</b>  |
| <b>FACILITIES:</b>              | <b>\$1,188,950</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,833,782</b> |

**OPERATOR APPROVAL:**





Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM101  
Chancer 5-17 State #112H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Bone Spring Formation  
24490'/8850'

| INTANGIBLE COSTS                  |        |              |        |                   |        |                        |               |           |
|-----------------------------------|--------|--------------|--------|-------------------|--------|------------------------|---------------|-----------|
| Category/Description              | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total         |           |
| Drilling                          |        |              |        |                   |        |                        |               |           |
| Permits/Licenses                  | 201.01 | 21,753       | 202.01 | -                 | 203.01 | -                      | -             | 21,753    |
| Staking/Surveying                 | 201.02 | 21,753       | 202.02 | -                 | 203.02 | -                      | -             | 21,753    |
| Legal/Title Services              | 201.03 | 18,852       | 202.03 | -                 | 203.03 | -                      | -             | 18,852    |
| Surface Damage/Row                | 201.04 | 50,756       | 202.04 | -                 | 203.04 | -                      | -             | 50,756    |
| Permanent Easement                | 201.05 | 17,402       | 202.05 | -                 | 203.05 | -                      | -             | 17,402    |
| Road/Locations/Pits               | 201.06 | 138,674      | 202.06 | -                 | 203.06 | -                      | -             | 138,674   |
| Rig Mob/Trucking                  | 201.07 | 184,899      | 202.07 | -                 | 203.07 | -                      | -             | 184,899   |
| Rig Mob/Standby Rate              | 201.08 | 50,901       | 202.08 | -                 | 203.08 | -                      | -             | 50,901    |
| Daywork Contract                  | 201.09 | 838,284      | 202.09 | -                 | 203.09 | -                      | -             | 838,284   |
| Directional Drill/Survey          | 201.10 | 370,182      | 202.10 | -                 | 203.10 | -                      | -             | 370,182   |
| Conductor Hole/Service            | 201.11 | 61,633       | 202.11 | -                 | 203.11 | -                      | -             | 61,633    |
| Drill Bit                         | 201.12 | 142,118      | 202.12 | -                 | 203.12 | -                      | -             | 142,118   |
| Bits/Tools/Stabilizers            | 201.13 | 81,625       | 202.13 | -                 | 203.13 | -                      | -             | 81,625    |
| Fuel/Power                        | 201.14 | 210,168      | 202.14 | -                 | 203.14 | -                      | -             | 210,168   |
| Fuel/Mud                          | 201.15 | 124,716      | 202.15 | -                 | 203.15 | -                      | -             | 124,716   |
| Rig Water                         | 201.16 | 28,097       | 202.16 | -                 | 203.16 | -                      | -             | 28,097    |
| Mud/Chemicals/Acidizing           | 201.17 | 322,418      | 202.17 | -                 | 203.17 | -                      | -             | 322,418   |
| Inspection/Testing & Repair       | 201.18 | 53,657       | 202.18 | -                 | 203.18 | -                      | -             | 53,657    |
| Cement Services/Float Equip       | 201.19 | 390,100      | 202.19 | -                 | 203.19 | -                      | -             | 390,100   |
| Casing Crew/Tools                 | 201.20 | 101,513      | 202.20 | -                 | 203.20 | -                      | -             | 101,513   |
| Contract Labor/Roustabout         | 201.21 | 39,155       | 202.21 | -                 | 203.21 | -                      | -             | 39,155    |
| Materials Supplies                | 201.22 | 7,251        | 202.22 | -                 | 203.22 | -                      | -             | 7,251     |
| Trucking/Vacuum/Transp            | 201.23 | 33,717       | 202.23 | -                 | 203.23 | -                      | -             | 33,717    |
| Solids Control/Closed Loop System | 201.24 | 88,366       | 202.24 | -                 | 203.24 | -                      | -             | 88,366    |
| Disposal                          | 201.25 | 209,553      | 202.25 | -                 | 203.25 | -                      | -             | 209,553   |
| Wellhead Prepare/Repair           | 201.26 | 18,127       | 202.26 | -                 | 203.26 | -                      | -             | 18,127    |
| Rental Equipment                  | 201.27 | 123,628      | 202.27 | -                 | 203.27 | -                      | -             | 123,628   |
| Mancamp                           | 201.28 | 58,442       | 202.28 | -                 | 203.28 | -                      | -             | 58,442    |
| Wellsite Supervision              | 201.29 | 130,372      | 202.29 | -                 | 203.29 | -                      | -             | 130,372   |
| Safety/Environmental              | 201.30 | 24,726       | 202.30 | -                 | 203.30 | -                      | -             | 24,726    |
| Well Control Insurance            | 201.31 | 12,363       | 202.31 | -                 | 203.31 | -                      | -             | 12,363    |
| Contingency                       | 201.32 | 178,884      | 202.32 | -                 | 203.32 | -                      | -             | 178,884   |
| Completion                        |        |              |        |                   |        |                        |               |           |
| Road/Locations/Pits               | 201.33 | -            | 202.33 | 17,460            | 203.33 | -                      | -             | 17,460    |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34 | 66,515            | 203.34 | -                      | -             | 66,515    |
| Fuel/Power                        | 201.35 | -            | 202.35 | 422,240           | 203.35 | -                      | -             | 422,240   |
| Coiled Tubing                     | 201.36 | -            | 202.36 | 303,287           | 203.36 | -                      | -             | 303,287   |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37 | 31,254            | 203.37 | -                      | -             | 31,254    |
| Trucking                          | 201.38 | -            | 202.38 | 23,904            | 203.38 | -                      | -             | 23,904    |
| Electric Logging/Perforating      | 201.39 | -            | 202.39 | 609,504           | 203.39 | -                      | -             | 609,504   |
| Completion Fluids                 | 201.40 | -            | 202.40 | 16,629            | 203.40 | -                      | -             | 16,629    |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41 | 2,988,503         | 203.41 | -                      | -             | 2,988,503 |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42 | 24,943            | 203.42 | -                      | -             | 24,943    |
| Water Handling                    | 201.43 | -            | 202.43 | 291,005           | 203.43 | -                      | -             | 291,005   |
| Source Water                      | 201.44 | -            | 202.44 | 476,833           | 203.44 | -                      | -             | 476,833   |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45 | 66,515            | 203.45 | -                      | -             | 66,515    |
| Rental Equipment                  | 201.46 | -            | 202.46 | 279,953           | 203.46 | -                      | -             | 279,953   |
| Wellsite Supervision              | 201.47 | -            | 202.47 | 74,082            | 203.47 | -                      | -             | 74,082    |
| Supervision/Engineering           | 201.48 | -            | 202.48 | 8,314             | 203.48 | -                      | -             | 8,314     |
| Safety/Environmental              | 201.49 | -            | 202.49 | 24,943            | 203.49 | -                      | -             | 24,943    |
| Overhead                          | 201.50 | -            | 202.50 | 16,629            | 203.50 | -                      | -             | 16,629    |
| Artificial Lift                   |        |              |        |                   |        |                        |               |           |
| Workover Rig                      | 201.51 | -            | 202.51 | 15,141            | 203.51 | -                      | -             | 15,141    |
| Spooling Services                 | 201.52 | -            | 202.52 | 6,056             | 203.52 | -                      | -             | 6,056     |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53 | 5,047             | 203.53 | -                      | -             | 5,047     |
| Inspection & Testing              | 201.54 | -            | 202.54 | 3,028             | 203.54 | -                      | -             | 3,028     |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55 | 7,066             | 203.55 | -                      | -             | 7,066     |
| Kill Truck                        | 201.56 | -            | 202.56 | 5,047             | 203.56 | -                      | -             | 5,047     |
| Completion Fluids                 | 201.57 | -            | 202.57 | 5,047             | 203.57 | -                      | -             | 5,047     |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58 | 10,094            | 203.58 | -                      | -             | 10,094    |
| Rental Equipment                  | 201.59 | -            | 202.59 | 10,094            | 203.59 | -                      | -             | 10,094    |
| Laydown Machine                   | 201.60 | -            | 202.60 | 5,047             | 203.60 | -                      | -             | 5,047     |
| Reverse Unit Rental               | 201.61 | -            | 202.61 | 5,047             | 203.61 | -                      | -             | 5,047     |
| Wellsite Supervision              | 201.62 | -            | 202.62 | 9,085             | 203.62 | -                      | -             | 9,085     |
| Acid                              | 201.63 | -            | 202.63 | 25,235            | 203.63 | -                      | -             | 25,235    |
| Facilities                        |        |              |        |                   |        |                        |               |           |
| Surface Damage                    | 201.64 | -            | 202.64 | -                 | 201.64 | 1,262                  | -             | 1,262     |
| Permanent Easement/Row            | 201.65 | -            | 202.65 | -                 | 201.65 | 5,047                  | -             | 5,047     |
| Road Locations/Pits               | 201.66 | -            | 202.66 | -                 | 201.66 | 37,853                 | -             | 37,853    |
| Materials & Supplies              | 201.67 | -            | 202.67 | -                 | 201.67 | 10,094                 | -             | 10,094    |
| Transportation rucking            | 201.68 | -            | 202.68 | -                 | 201.68 | 7,571                  | -             | 7,571     |
| Rental Equipment                  | 201.69 | -            | 202.69 | -                 | 201.69 | 20,188                 | -             | 20,188    |
| Water Disposal/SWD                | 201.70 | -            | 202.70 | -                 | 201.70 | 1,262                  | -             | 1,262     |
| Inspection & Testing              | 201.71 | -            | 202.71 | -                 | 201.71 | 631                    | -             | 631       |
| Contract Labor/Roustab            | 201.72 | -            | 202.72 | -                 | 201.72 | 75,705                 | -             | 75,705    |
| Supervision                       | 201.73 | -            | 202.73 | -                 | 201.73 | 25,235                 | -             | 25,235    |
| Consulting Services               | 201.74 | -            | 202.74 | -                 | 201.74 | 1,262                  | -             | 1,262     |
| Safety/Environmental              | 201.75 | -            | 202.75 | -                 | 201.75 | 3,785                  | -             | 3,785     |
| Company Labor                     | 201.76 | -            | 202.76 | -                 | 201.76 | 1,262                  | -             | 1,262     |
| Contingency                       | 201.77 | -            | 202.77 | -                 | 201.77 | 24,037                 | -             | 24,037    |
| Flowback                          |        |              |        |                   |        |                        |               |           |
| Frac Water Recovery               | 201.78 | -            | 202.78 | -                 | 201.78 | 167,878                | -             | 167,878   |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79 | -                 | 201.79 | 20,188                 | -             | 20,188    |
| Well Testing/Flowback             | 201.80 | -            | 202.80 | -                 | 201.80 | 110,025                | -             | 110,025   |
| Tank Rental                       | 201.81 | -            | 202.81 | -                 | 201.81 | 20,188                 | -             | 20,188    |
| Surface Pump Rental               | 201.82 | -            | 202.82 | -                 | 201.82 | 20,188                 | -             | 20,188    |
| Wellsite Supervision              | 201.83 | -            | 202.83 | -                 | 201.83 | 10,094                 | -             | 10,094    |
| Chemicals                         | 201.84 | -            | 202.84 | -                 | 201.84 | 15,141                 | -             | 15,141    |
| TOTAL INTANGIBLE COSTS            |        | \$ 4,154,087 |        | \$ 5,853,549      |        | \$ 578,894             | \$ 10,586,530 |           |

| TANGIBLE COSTS                       |        |              |           |                   |           |              |           |               |
|--------------------------------------|--------|--------------|-----------|-------------------|-----------|--------------|-----------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item #    | Completion/AL AFE | Item #    | Facility AFE | Total     |               |
| Drilling                             |        |              |           |                   |           |              |           |               |
| Casing - Surface                     | 301.01 | 123,631      | 302.01    | -                 | 303.01    | -            | -         | 123,631       |
| Casing - Intermediate                | 301.02 | 265,013      | 302.02    | -                 | 303.02    | -            | -         | 265,013       |
| Casing Production                    | 301.03 | 632,327      | 302.03    | -                 | 303.03    | -            | -         | 632,327       |
| Wellhead Equipment                   | 301.04 | 77,041       | 302.04    | -                 | 303.04    | -            | -         | 77,041        |
| Packer/Downhole Tools                | 301.05 | 77,041       | 302.05    | -                 | 303.05    | -            | -         | 77,041        |
| Completion                           |        |              |           |                   |           |              |           |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06    | 78,571            | 303.06    | -            | -         | 78,571        |
| Artificial Lift                      |        |              |           |                   |           |              |           |               |
| Tubing                               | 301.07 | -            | 302.07    | 65,611            | 303.07    | -            | -         | 65,611        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08    | 15,141            | 303.08    | -            | -         | 15,141        |
| ESP Equipment/Install                | 301.09 | -            | 302.09    | 100,940           | 303.09    | -            | -         | 100,940       |
| Wellhead Equipment                   | 301.10 | -            | 302.10    | 50,470            | 303.10    | -            | -         | 50,470        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11    | 75,705            | 303.11    | -            | -         | 75,705        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12    | 50,470            | 303.12    | -            | -         | 50,470        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13    | 15,141            | 303.13    | -            | -         | 15,141        |
| Measurement Equipment                | 301.14 | -            | 302.14    | 5,047             | 303.14    | -            | -         | 5,047         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15    | 5,047             | 303.15    | -            | -         | 5,047         |
| Facilities                           |        |              |           |                   |           |              |           |               |
| Tank Battery                         | 301.16 | -            | 302.16    | -                 | 303.16    | 101,697      | -         | 101,697       |
| Heater Treater/Separator             | 301.17 | -            | 302.17    | -                 | 303.17    | 122,390      | -         | 122,390       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18    | -                 | 303.18    | 113,558      | -         | 113,558       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19    | -                 | 303.19    | 21,828       | -         | 21,828        |
| Meters                               | 301.20 | -            | 302.20    | -                 | 303.20    | 95,388       | -         | 95,388        |
| Compressors                          | 301.21 | -            | 302.21    | -                 | 303.21    | 7,571        | -         | 7,571         |
| Electrical                           | 301.22 | -            | 302.22    | -                 | 303.22    | 88,323       | -         | 88,323        |
| Automation Material                  | 301.23 | -            | 302.23    | -                 | 303.23    | 31,544       | -         | 31,544        |
| Flare/Combuster                      | 301.24 | -            | 302.24    | -                 | 303.24    | 27,759       | -         | 27,759        |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,175,053 | \$                | 462,143   | \$           | 610,056   | \$ 2,247,252  |
|                                      |        |              |           |                   |           |              |           |               |
| Cost Category Summary                |        | Drilling AFE |           | Completion/AL AFE |           | Facility AFE |           | Total         |
| TOTAL INTANGIBLE COSTS               |        | \$           | 4,154,087 | \$                | 5,853,549 | \$           | 578,894   | \$ 10,586,530 |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,175,053 | \$                | 462,143   | \$           | 610,056   | \$ 2,247,252  |
| TOTAL CONTINGENCIES                  |        | \$           | -         | \$                | -         | \$           | -         | -             |
| TOTAL DEVELOPMENT COSTS              |        | \$           | 5,329,139 | \$                | 6,315,692 | \$           | 1,188,950 | \$ 12,833,782 |



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM102**

Well Name: Chancer 5-17 State #113H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 24,490'/8,850'

SHL: S20-T18S-R34E 350' FNL, 2,365' FWL

BHL: S5-T18S-R34E 100' FNL, 2,310' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #113H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,329,139</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,315,692</b>  |
| <b>FACILITIES:</b>              | <b>\$1,188,950</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,833,782</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM102  
Chancer 5-17 State #113H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Bone Spring Formation  
24490'/8850'

| INTANGIBLE COSTS                  |        |              |        |                   |        |                        |               |           |
|-----------------------------------|--------|--------------|--------|-------------------|--------|------------------------|---------------|-----------|
| Category/Description              | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total         |           |
| Drilling                          |        |              |        |                   |        |                        |               |           |
| Permits/Licenses                  | 201.01 | 21,753       | 202.01 | -                 | 203.01 | -                      | -             | 21,753    |
| Staking/Surveying                 | 201.02 | 21,753       | 202.02 | -                 | 203.02 | -                      | -             | 21,753    |
| Legal/Title Services              | 201.03 | 18,852       | 202.03 | -                 | 203.03 | -                      | -             | 18,852    |
| Surface Damage/Row                | 201.04 | 50,756       | 202.04 | -                 | 203.04 | -                      | -             | 50,756    |
| Permanent Easement                | 201.05 | 17,402       | 202.05 | -                 | 203.05 | -                      | -             | 17,402    |
| Road/Locations/Pits               | 201.06 | 138,674      | 202.06 | -                 | 203.06 | -                      | -             | 138,674   |
| Rig Mob/Trucking                  | 201.07 | 184,899      | 202.07 | -                 | 203.07 | -                      | -             | 184,899   |
| Rig Mob/Standby Rate              | 201.08 | 50,901       | 202.08 | -                 | 203.08 | -                      | -             | 50,901    |
| Daywork Contract                  | 201.09 | 838,284      | 202.09 | -                 | 203.09 | -                      | -             | 838,284   |
| Directional Drill/Survey          | 201.10 | 370,182      | 202.10 | -                 | 203.10 | -                      | -             | 370,182   |
| Conductor Hole/Service            | 201.11 | 61,633       | 202.11 | -                 | 203.11 | -                      | -             | 61,633    |
| Drill Bit                         | 201.12 | 142,118      | 202.12 | -                 | 203.12 | -                      | -             | 142,118   |
| Bits/Tools/Stabilizers            | 201.13 | 81,625       | 202.13 | -                 | 203.13 | -                      | -             | 81,625    |
| Fuel/Power                        | 201.14 | 210,168      | 202.14 | -                 | 203.14 | -                      | -             | 210,168   |
| Fuel/Mud                          | 201.15 | 124,716      | 202.15 | -                 | 203.15 | -                      | -             | 124,716   |
| Rig Water                         | 201.16 | 28,097       | 202.16 | -                 | 203.16 | -                      | -             | 28,097    |
| Mud/Chemicals/Acidizing           | 201.17 | 322,418      | 202.17 | -                 | 203.17 | -                      | -             | 322,418   |
| Inspection/Testing & Repair       | 201.18 | 53,657       | 202.18 | -                 | 203.18 | -                      | -             | 53,657    |
| Cement Services/Float Equip       | 201.19 | 390,100      | 202.19 | -                 | 203.19 | -                      | -             | 390,100   |
| Casing Crew/Tools                 | 201.20 | 101,513      | 202.20 | -                 | 203.20 | -                      | -             | 101,513   |
| Contract Labor/Roustabout         | 201.21 | 39,155       | 202.21 | -                 | 203.21 | -                      | -             | 39,155    |
| Materials Supplies                | 201.22 | 7,251        | 202.22 | -                 | 203.22 | -                      | -             | 7,251     |
| Trucking/Vacuum/Transp            | 201.23 | 33,717       | 202.23 | -                 | 203.23 | -                      | -             | 33,717    |
| Solids Control/Closed Loop System | 201.24 | 88,366       | 202.24 | -                 | 203.24 | -                      | -             | 88,366    |
| Disposal                          | 201.25 | 209,553      | 202.25 | -                 | 203.25 | -                      | -             | 209,553   |
| Wellhead Prepare/Repair           | 201.26 | 18,127       | 202.26 | -                 | 203.26 | -                      | -             | 18,127    |
| Rental Equipment                  | 201.27 | 123,628      | 202.27 | -                 | 203.27 | -                      | -             | 123,628   |
| Mancamp                           | 201.28 | 58,442       | 202.28 | -                 | 203.28 | -                      | -             | 58,442    |
| Wellsite Supervision              | 201.29 | 130,372      | 202.29 | -                 | 203.29 | -                      | -             | 130,372   |
| Safety/Environmental              | 201.30 | 24,726       | 202.30 | -                 | 203.30 | -                      | -             | 24,726    |
| Well Control Insurance            | 201.31 | 12,363       | 202.31 | -                 | 203.31 | -                      | -             | 12,363    |
| Contingency                       | 201.32 | 178,884      | 202.32 | -                 | 203.32 | -                      | -             | 178,884   |
| Completion                        |        |              |        |                   |        |                        |               |           |
| Road/Locations/Pits               | 201.33 | -            | 202.33 | 17,460            | 203.33 | -                      | -             | 17,460    |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34 | 66,515            | 203.34 | -                      | -             | 66,515    |
| Fuel/Power                        | 201.35 | -            | 202.35 | 422,240           | 203.35 | -                      | -             | 422,240   |
| Coiled Tubing                     | 201.36 | -            | 202.36 | 303,287           | 203.36 | -                      | -             | 303,287   |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37 | 31,254            | 203.37 | -                      | -             | 31,254    |
| Trucking                          | 201.38 | -            | 202.38 | 23,904            | 203.38 | -                      | -             | 23,904    |
| Electric Logging/Perforating      | 201.39 | -            | 202.39 | 609,504           | 203.39 | -                      | -             | 609,504   |
| Completion Fluids                 | 201.40 | -            | 202.40 | 16,629            | 203.40 | -                      | -             | 16,629    |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41 | 2,988,503         | 203.41 | -                      | -             | 2,988,503 |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42 | 24,943            | 203.42 | -                      | -             | 24,943    |
| Water Handling                    | 201.43 | -            | 202.43 | 291,005           | 203.43 | -                      | -             | 291,005   |
| Source Water                      | 201.44 | -            | 202.44 | 476,833           | 203.44 | -                      | -             | 476,833   |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45 | 66,515            | 203.45 | -                      | -             | 66,515    |
| Rental Equipment                  | 201.46 | -            | 202.46 | 279,953           | 203.46 | -                      | -             | 279,953   |
| Wellsite Supervision              | 201.47 | -            | 202.47 | 74,082            | 203.47 | -                      | -             | 74,082    |
| Supervision/Engineering           | 201.48 | -            | 202.48 | 8,314             | 203.48 | -                      | -             | 8,314     |
| Safety/Environmental              | 201.49 | -            | 202.49 | 24,943            | 203.49 | -                      | -             | 24,943    |
| Overhead                          | 201.50 | -            | 202.50 | 16,629            | 203.50 | -                      | -             | 16,629    |
| Artificial Lift                   |        |              |        |                   |        |                        |               |           |
| Workover Rig                      | 201.51 | -            | 202.51 | 15,141            | 203.51 | -                      | -             | 15,141    |
| Spooling Services                 | 201.52 | -            | 202.52 | 6,056             | 203.52 | -                      | -             | 6,056     |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53 | 5,047             | 203.53 | -                      | -             | 5,047     |
| Inspection & Testing              | 201.54 | -            | 202.54 | 3,028             | 203.54 | -                      | -             | 3,028     |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55 | 7,066             | 203.55 | -                      | -             | 7,066     |
| Kill Truck                        | 201.56 | -            | 202.56 | 5,047             | 203.56 | -                      | -             | 5,047     |
| Completion Fluids                 | 201.57 | -            | 202.57 | 5,047             | 203.57 | -                      | -             | 5,047     |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58 | 10,094            | 203.58 | -                      | -             | 10,094    |
| Rental Equipment                  | 201.59 | -            | 202.59 | 10,094            | 203.59 | -                      | -             | 10,094    |
| Laydown Machine                   | 201.60 | -            | 202.60 | 5,047             | 203.60 | -                      | -             | 5,047     |
| Reverse Unit Rental               | 201.61 | -            | 202.61 | 5,047             | 203.61 | -                      | -             | 5,047     |
| Wellsite Supervision              | 201.62 | -            | 202.62 | 9,085             | 203.62 | -                      | -             | 9,085     |
| Acid                              | 201.63 | -            | 202.63 | 25,235            | 203.63 | -                      | -             | 25,235    |
| Facilities                        |        |              |        |                   |        |                        |               |           |
| Surface Damage                    | 201.64 | -            | 202.64 | -                 | 201.64 | 1,262                  | -             | 1,262     |
| Permanent Easement/Row            | 201.65 | -            | 202.65 | -                 | 201.65 | 5,047                  | -             | 5,047     |
| Road Locations/Pits               | 201.66 | -            | 202.66 | -                 | 201.66 | 37,853                 | -             | 37,853    |
| Materials & Supplies              | 201.67 | -            | 202.67 | -                 | 201.67 | 10,094                 | -             | 10,094    |
| Transportation rucking            | 201.68 | -            | 202.68 | -                 | 201.68 | 7,571                  | -             | 7,571     |
| Rental Equipment                  | 201.69 | -            | 202.69 | -                 | 201.69 | 20,188                 | -             | 20,188    |
| Water Disposal/SWD                | 201.70 | -            | 202.70 | -                 | 201.70 | 1,262                  | -             | 1,262     |
| Inspection & Testing              | 201.71 | -            | 202.71 | -                 | 201.71 | 631                    | -             | 631       |
| Contract Labor/Roustab            | 201.72 | -            | 202.72 | -                 | 201.72 | 75,705                 | -             | 75,705    |
| Supervision                       | 201.73 | -            | 202.73 | -                 | 201.73 | 25,235                 | -             | 25,235    |
| Consulting Services               | 201.74 | -            | 202.74 | -                 | 201.74 | 1,262                  | -             | 1,262     |
| Safety/Environmental              | 201.75 | -            | 202.75 | -                 | 201.75 | 3,785                  | -             | 3,785     |
| Company Labor                     | 201.76 | -            | 202.76 | -                 | 201.76 | 1,262                  | -             | 1,262     |
| Contingency                       | 201.77 | -            | 202.77 | -                 | 201.77 | 24,037                 | -             | 24,037    |
| Flowback                          |        |              |        |                   |        |                        |               |           |
| Frac Water Recovery               | 201.78 | -            | 202.78 | -                 | 201.78 | 167,878                | -             | 167,878   |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79 | -                 | 201.79 | 20,188                 | -             | 20,188    |
| Well Testing/Flowback             | 201.80 | -            | 202.80 | -                 | 201.80 | 110,025                | -             | 110,025   |
| Tank Rental                       | 201.81 | -            | 202.81 | -                 | 201.81 | 20,188                 | -             | 20,188    |
| Surface Pump Rental               | 201.82 | -            | 202.82 | -                 | 201.82 | 20,188                 | -             | 20,188    |
| Wellsite Supervision              | 201.83 | -            | 202.83 | -                 | 201.83 | 10,094                 | -             | 10,094    |
| Chemicals                         | 201.84 | -            | 202.84 | -                 | 201.84 | 15,141                 | -             | 15,141    |
| TOTAL INTANGIBLE COSTS            |        | \$ 4,154,087 |        | \$ 5,853,549      |        | \$ 578,894             | \$ 10,586,530 |           |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |       |            |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|-------|------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total |            |
| Drilling                             |        |              |        |                   |        |              |       |            |
| Casing - Surface                     | 301.01 | 123,631      | 302.01 | -                 | 303.01 | -            | -     | 123,631    |
| Casing - Intermediate                | 301.02 | 265,013      | 302.02 | -                 | 303.02 | -            | -     | 265,013    |
| Casing Production                    | 301.03 | 632,327      | 302.03 | -                 | 303.03 | -            | -     | 632,327    |
| Wellhead Equipment                   | 301.04 | 77,041       | 302.04 | -                 | 303.04 | -            | -     | 77,041     |
| Packer/Downhole Tools                | 301.05 | 77,041       | 302.05 | -                 | 303.05 | -            | -     | 77,041     |
| Completion                           |        |              |        |                   |        |              |       |            |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 78,571            | 303.06 | -            | -     | 78,571     |
| Artificial Lift                      |        |              |        |                   |        |              |       |            |
| Tubing                               | 301.07 | -            | 302.07 | 65,611            | 303.07 | -            | -     | 65,611     |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,141            | 303.08 | -            | -     | 15,141     |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 100,940           | 303.09 | -            | -     | 100,940    |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 50,470            | 303.10 | -            | -     | 50,470     |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 75,705            | 303.11 | -            | -     | 75,705     |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 50,470            | 303.12 | -            | -     | 50,470     |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,141            | 303.13 | -            | -     | 15,141     |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,047             | 303.14 | -            | -     | 5,047      |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15 | 5,047             | 303.15 | -            | -     | 5,047      |
| Facilities                           |        |              |        |                   |        |              |       |            |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 101,697      | -     | 101,697    |
| Heater Treater/Separator             | 301.17 | -            | 302.17 | -                 | 303.17 | 122,390      | -     | 122,390    |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 113,558      | -     | 113,558    |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 21,828       | -     | 21,828     |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 95,388       | -     | 95,388     |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,571        | -     | 7,571      |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 88,323       | -     | 88,323     |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 31,544       | -     | 31,544     |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 27,759       | -     | 27,759     |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,175,053 |        | \$ 462,143        |        | \$ 610,056   | \$    | 2,247,252  |
|                                      |        |              |        |                   |        |              |       |            |
| Cost Category Summary                |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE |       | Total      |
| TOTAL INTANGIBLE COSTS               | \$     | 4,154,087    | \$     | 5,853,549         | \$     | 578,894      | \$    | 10,586,530 |
| TOTAL TANGIBLE COSTS                 | \$     | 1,175,053    | \$     | 462,143           | \$     | 610,056      | \$    | 2,247,252  |
| TOTAL CONTINGENCIES                  | \$     | -            | \$     | -                 | \$     | -            | \$    | -          |
| TOTAL DEVELOPMENT COSTS              | \$     | 5,329,139    | \$     | 6,315,692         | \$     | 1,188,950    | \$    | 12,833,782 |



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM103**

Well Name: Chancer 5-17 State #114H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 24,490'/8,850'

SHL: S20-T18S-R34E 350' FNL, 2,415' FWL

BHL: S5-T18S-R34E 100' FNL, 990' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #114H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,329,139</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,315,692</b>  |
| <b>FACILITIES:</b>              | <b>\$1,188,950</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,833,782</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number: NM103  
Well Name: Chancer 5-17 State #114H  
Location: Sec. 5, 8, 17  
County/State: Lea, New Mexico

Field/Prospect:  
AFE Objective: Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Formation Target: Bone Spring Formation  
Proposed Total Depth/TVD: 24490'/8850'

| INTANGIBLE COSTS                  |        |              |        |                   |        |                        |               |
|-----------------------------------|--------|--------------|--------|-------------------|--------|------------------------|---------------|
| Category/Description              | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total         |
| Drilling                          |        |              |        |                   |        |                        |               |
| Permits/Licenses                  | 201.01 | 21,753       | 202.01 | -                 | 203.01 | -                      | 21,753        |
| Staking/Surveying                 | 201.02 | 21,753       | 202.02 | -                 | 203.02 | -                      | 21,753        |
| Legal/Title Services              | 201.03 | 18,852       | 202.03 | -                 | 203.03 | -                      | 18,852        |
| Surface Damage/Row                | 201.04 | 50,756       | 202.04 | -                 | 203.04 | -                      | 50,756        |
| Permanent Easement                | 201.05 | 17,402       | 202.05 | -                 | 203.05 | -                      | 17,402        |
| Road/Locations/Pits               | 201.06 | 138,674      | 202.06 | -                 | 203.06 | -                      | 138,674       |
| Rig Mob/Trucking                  | 201.07 | 184,899      | 202.07 | -                 | 203.07 | -                      | 184,899       |
| Rig Mob/Standby Rate              | 201.08 | 50,901       | 202.08 | -                 | 203.08 | -                      | 50,901        |
| Daywork Contract                  | 201.09 | 838,284      | 202.09 | -                 | 203.09 | -                      | 838,284       |
| Directional Drill/Survey          | 201.10 | 370,182      | 202.10 | -                 | 203.10 | -                      | 370,182       |
| Conductor Hole/Service            | 201.11 | 61,633       | 202.11 | -                 | 203.11 | -                      | 61,633        |
| Drill Bit                         | 201.12 | 142,118      | 202.12 | -                 | 203.12 | -                      | 142,118       |
| Bits/Tools/Stabilizers            | 201.13 | 81,625       | 202.13 | -                 | 203.13 | -                      | 81,625        |
| Fuel/Power                        | 201.14 | 210,168      | 202.14 | -                 | 203.14 | -                      | 210,168       |
| Fuel/Mud                          | 201.15 | 124,716      | 202.15 | -                 | 203.15 | -                      | 124,716       |
| Rig Water                         | 201.16 | 28,097       | 202.16 | -                 | 203.16 | -                      | 28,097        |
| Mud/Chemicals/Acidizing           | 201.17 | 322,418      | 202.17 | -                 | 203.17 | -                      | 322,418       |
| Inspection/Testing & Repair       | 201.18 | 53,657       | 202.18 | -                 | 203.18 | -                      | 53,657        |
| Cement Services/Float Equip       | 201.19 | 390,100      | 202.19 | -                 | 203.19 | -                      | 390,100       |
| Casing Crew/Tools                 | 201.20 | 101,513      | 202.20 | -                 | 203.20 | -                      | 101,513       |
| Contract Labor/Roustabout         | 201.21 | 39,155       | 202.21 | -                 | 203.21 | -                      | 39,155        |
| Materials Supplies                | 201.22 | 7,251        | 202.22 | -                 | 203.22 | -                      | 7,251         |
| Trucking/Vacuum/Transp            | 201.23 | 33,717       | 202.23 | -                 | 203.23 | -                      | 33,717        |
| Solids Control/Closed Loop System | 201.24 | 88,366       | 202.24 | -                 | 203.24 | -                      | 88,366        |
| Disposal                          | 201.25 | 209,553      | 202.25 | -                 | 203.25 | -                      | 209,553       |
| Wellhead Prepare/Repair           | 201.26 | 18,127       | 202.26 | -                 | 203.26 | -                      | 18,127        |
| Rental Equipment                  | 201.27 | 123,628      | 202.27 | -                 | 203.27 | -                      | 123,628       |
| Mancamp                           | 201.28 | 58,442       | 202.28 | -                 | 203.28 | -                      | 58,442        |
| Wellsite Supervision              | 201.29 | 130,372      | 202.29 | -                 | 203.29 | -                      | 130,372       |
| Safety/Environmental              | 201.30 | 24,726       | 202.30 | -                 | 203.30 | -                      | 24,726        |
| Well Control Insurance            | 201.31 | 12,363       | 202.31 | -                 | 203.31 | -                      | 12,363        |
| Contingency                       | 201.32 | 178,884      | 202.32 | -                 | 203.32 | -                      | 178,884       |
| Completion                        |        |              |        |                   |        |                        |               |
| Road/Locations/Pits               | 201.33 | -            | 202.33 | 17,460            | 203.33 | -                      | 17,460        |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34 | 66,515            | 203.34 | -                      | 66,515        |
| Fuel/Power                        | 201.35 | -            | 202.35 | 422,240           | 203.35 | -                      | 422,240       |
| Coiled Tubing                     | 201.36 | -            | 202.36 | 303,287           | 203.36 | -                      | 303,287       |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37 | 31,254            | 203.37 | -                      | 31,254        |
| Trucking                          | 201.38 | -            | 202.38 | 23,904            | 203.38 | -                      | 23,904        |
| Electric Logging/Perforating      | 201.39 | -            | 202.39 | 609,504           | 203.39 | -                      | 609,504       |
| Completion Fluids                 | 201.40 | -            | 202.40 | 16,629            | 203.40 | -                      | 16,629        |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41 | 2,988,503         | 203.41 | -                      | 2,988,503     |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42 | 24,943            | 203.42 | -                      | 24,943        |
| Water Handling                    | 201.43 | -            | 202.43 | 291,005           | 203.43 | -                      | 291,005       |
| Source Water                      | 201.44 | -            | 202.44 | 476,833           | 203.44 | -                      | 476,833       |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45 | 66,515            | 203.45 | -                      | 66,515        |
| Rental Equipment                  | 201.46 | -            | 202.46 | 279,953           | 203.46 | -                      | 279,953       |
| Wellsite Supervision              | 201.47 | -            | 202.47 | 74,082            | 203.47 | -                      | 74,082        |
| Supervision/Engineering           | 201.48 | -            | 202.48 | 8,314             | 203.48 | -                      | 8,314         |
| Safety/Environmental              | 201.49 | -            | 202.49 | 24,943            | 203.49 | -                      | 24,943        |
| Overhead                          | 201.50 | -            | 202.50 | 16,629            | 203.50 | -                      | 16,629        |
| Artificial Lift                   |        |              |        |                   |        |                        |               |
| Workover Rig                      | 201.51 | -            | 202.51 | 15,141            | 203.51 | -                      | 15,141        |
| Spooling Services                 | 201.52 | -            | 202.52 | 6,056             | 203.52 | -                      | 6,056         |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53 | 5,047             | 203.53 | -                      | 5,047         |
| Inspection & Testing              | 201.54 | -            | 202.54 | 3,028             | 203.54 | -                      | 3,028         |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55 | 7,066             | 203.55 | -                      | 7,066         |
| Kill Truck                        | 201.56 | -            | 202.56 | 5,047             | 203.56 | -                      | 5,047         |
| Completion Fluids                 | 201.57 | -            | 202.57 | 5,047             | 203.57 | -                      | 5,047         |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58 | 10,094            | 203.58 | -                      | 10,094        |
| Rental Equipment                  | 201.59 | -            | 202.59 | 10,094            | 203.59 | -                      | 10,094        |
| Laydown Machine                   | 201.60 | -            | 202.60 | 5,047             | 203.60 | -                      | 5,047         |
| Reverse Unit Rental               | 201.61 | -            | 202.61 | 5,047             | 203.61 | -                      | 5,047         |
| Wellsite Supervision              | 201.62 | -            | 202.62 | 9,085             | 203.62 | -                      | 9,085         |
| Acid                              | 201.63 | -            | 202.63 | 25,235            | 203.63 | -                      | 25,235        |
| Facilities                        |        |              |        |                   |        |                        |               |
| Surface Damage                    | 201.64 | -            | 202.64 | -                 | 201.64 | 1,262                  | 1,262         |
| Permanent Easement/Row            | 201.65 | -            | 202.65 | -                 | 201.65 | 5,047                  | 5,047         |
| Road Locations Pits               | 201.66 | -            | 202.66 | -                 | 201.66 | 37,853                 | 37,853        |
| Materials & Supplies              | 201.67 | -            | 202.67 | -                 | 201.67 | 10,094                 | 10,094        |
| Transportation rucking            | 201.68 | -            | 202.68 | -                 | 201.68 | 7,571                  | 7,571         |
| Rental Equipment                  | 201.69 | -            | 202.69 | -                 | 201.69 | 20,188                 | 20,188        |
| Water Disposal/SWD                | 201.70 | -            | 202.70 | -                 | 201.70 | 1,262                  | 1,262         |
| Inspection & Testing              | 201.71 | -            | 202.71 | -                 | 201.71 | 631                    | 631           |
| Contract Labor/Roustab            | 201.72 | -            | 202.72 | -                 | 201.72 | 75,705                 | 75,705        |
| Supervision                       | 201.73 | -            | 202.73 | -                 | 201.73 | 25,235                 | 25,235        |
| Consulting Services               | 201.74 | -            | 202.74 | -                 | 201.74 | 1,262                  | 1,262         |
| Safety/Environmental              | 201.75 | -            | 202.75 | -                 | 201.75 | 3,785                  | 3,785         |
| Company Labor                     | 201.76 | -            | 202.76 | -                 | 201.76 | 1,262                  | 1,262         |
| Contingency                       | 201.77 | -            | 202.77 | -                 | 201.77 | 24,037                 | 24,037        |
| Flowback                          |        |              |        |                   |        |                        |               |
| Frac Water Recovery               | 201.78 | -            | 202.78 | -                 | 201.78 | 167,878                | 167,878       |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79 | -                 | 201.79 | 20,188                 | 20,188        |
| Well Testing/Flowback             | 201.80 | -            | 202.80 | -                 | 201.80 | 110,025                | 110,025       |
| Tank Rental                       | 201.81 | -            | 202.81 | -                 | 201.81 | 20,188                 | 20,188        |
| Surface Pump Rental               | 201.82 | -            | 202.82 | -                 | 201.82 | 20,188                 | 20,188        |
| Wellsite Supervision              | 201.83 | -            | 202.83 | -                 | 201.83 | 10,094                 | 10,094        |
| Chemicals                         | 201.84 | -            | 202.84 | -                 | 201.84 | 15,141                 | 15,141        |
| TOTAL INTANGIBLE COSTS            |        | \$ 4,154,087 |        | \$ 5,853,549      |        | \$ 578,894             | \$ 10,586,530 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |               |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total         |
| Drilling                             |        |              |        |                   |        |              |               |
| Casing - Surface                     | 301.01 | 123,631      | 302.01 | -                 | 303.01 | -            | 123,631       |
| Casing - Intermediate                | 301.02 | 265,013      | 302.02 | -                 | 303.02 | -            | 265,013       |
| Casing Production                    | 301.03 | 632,327      | 302.03 | -                 | 303.03 | -            | 632,327       |
| Wellhead Equipment                   | 301.04 | 77,041       | 302.04 | -                 | 303.04 | -            | 77,041        |
| Packer/Downhole Tools                | 301.05 | 77,041       | 302.05 | -                 | 303.05 | -            | 77,041        |
| Completion                           |        |              |        |                   |        |              |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 78,571            | 303.06 | -            | 78,571        |
| Artificial Lift                      |        |              |        |                   |        |              |               |
| Tubing                               | 301.07 | -            | 302.07 | 65,611            | 303.07 | -            | 65,611        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,141            | 303.08 | -            | 15,141        |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 100,940           | 303.09 | -            | 100,940       |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 50,470            | 303.10 | -            | 50,470        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 75,705            | 303.11 | -            | 75,705        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 50,470            | 303.12 | -            | 50,470        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,141            | 303.13 | -            | 15,141        |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,047             | 303.14 | -            | 5,047         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15 | 5,047             | 303.15 | -            | 5,047         |
| Facilities                           |        |              |        |                   |        |              |               |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 101,697      | 101,697       |
| Heater Treater/Separator             | 301.17 | -            | 302.17 | -                 | 303.17 | 122,390      | 122,390       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 113,558      | 113,558       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 21,828       | 21,828        |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 95,388       | 95,388        |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,571        | 7,571         |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 88,323       | 88,323        |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 31,544       | 31,544        |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 27,759       | 27,759        |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,175,053 |        | \$ 462,143        |        | \$ 610,056   | \$ 2,247,252  |
| Cost Category Summary                |        |              |        |                   |        |              |               |
|                                      |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE | Total         |
| TOTAL INTANGIBLE COSTS               | \$     | 4,154,087    | \$     | 5,853,549         | \$     | 578,894      | \$ 10,586,530 |
| TOTAL TANGIBLE COSTS                 | \$     | 1,175,053    | \$     | 462,143           | \$     | 610,056      | \$ 2,247,252  |
| TOTAL CONTINGENCIES                  | \$     |              | \$     |                   | \$     |              | \$            |
| TOTAL DEVELOPMENT COSTS              | \$     | 5,329,139    | \$     | 6,315,692         | \$     | 1,188,950    | \$ 12,833,782 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_



**AUTHORIZATION FOR EXPENDITURE****AFE: NM105**

Well Name: Chancer 5-17 State #121H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,190'/9,550'

SHL: S20-T18S-R34E 350' FNL, 2,465' FWL

BHL: S5-T18S-R34E 100' FNL, 990' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #121H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$4,844,672</b>  |
| <b>COMPLETIONS:</b>             | <b>\$5,944,214</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,026,365</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM105  
Chancer 5-17 State #121H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Bone Spring Formation  
25190'/9550'

| INTANGIBLE COSTS                  |        |              |        |                   |        |                        |              |
|-----------------------------------|--------|--------------|--------|-------------------|--------|------------------------|--------------|
| Category/Description              | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total        |
| <b>Drilling</b>                   |        |              |        |                   |        |                        |              |
| Permits/Licenses                  | 201.01 | 19,775       | 202.01 | -                 | 203.01 | -                      | 19,775       |
| Staking/Surveying                 | 201.02 | 19,775       | 202.02 | -                 | 203.02 | -                      | 19,775       |
| Legal/Title Services              | 201.03 | 17,139       | 202.03 | -                 | 203.03 | -                      | 17,139       |
| Surface Damage/Row                | 201.04 | 46,142       | 202.04 | -                 | 203.04 | -                      | 46,142       |
| Permanent Easement                | 201.05 | 15,820       | 202.05 | -                 | 203.05 | -                      | 15,820       |
| Road/Locations/Pits               | 201.06 | 126,067      | 202.06 | -                 | 203.06 | -                      | 126,067      |
| Rig Mob/Trucking                  | 201.07 | 168,090      | 202.07 | -                 | 203.07 | -                      | 168,090      |
| Rig Mob/Standby Rate              | 201.08 | 46,274       | 202.08 | -                 | 203.08 | -                      | 46,274       |
| Daywork Contract                  | 201.09 | 762,076      | 202.09 | -                 | 203.09 | -                      | 762,076      |
| Directional Drill/Survey          | 201.10 | 336,529      | 202.10 | -                 | 203.10 | -                      | 336,529      |
| Conductor Hole/Service            | 201.11 | 56,030       | 202.11 | -                 | 203.11 | -                      | 56,030       |
| Drill Bit                         | 201.12 | 129,198      | 202.12 | -                 | 203.12 | -                      | 129,198      |
| Bits/Tools/Stabilizers            | 201.13 | 74,205       | 202.13 | -                 | 203.13 | -                      | 74,205       |
| Fuel/Power                        | 201.14 | 191,062      | 202.14 | -                 | 203.14 | -                      | 191,062      |
| Fuel/Mud                          | 201.15 | 113,378      | 202.15 | -                 | 203.15 | -                      | 113,378      |
| Rig Water                         | 201.16 | 25,543       | 202.16 | -                 | 203.16 | -                      | 25,543       |
| Mud/Chemicals/Acidizing           | 201.17 | 293,108      | 202.17 | -                 | 203.17 | -                      | 293,108      |
| Inspection/Testing & Repair       | 201.18 | 48,779       | 202.18 | -                 | 203.18 | -                      | 48,779       |
| Cement Services/Float Equip       | 201.19 | 354,636      | 202.19 | -                 | 203.19 | -                      | 354,636      |
| Casing Crew/Tools                 | 201.20 | 92,285       | 202.20 | -                 | 203.20 | -                      | 92,285       |
| Contract Labor/Roustabout         | 201.21 | 35,595       | 202.21 | -                 | 203.21 | -                      | 35,595       |
| Materials, Supplies               | 201.22 | 6,592        | 202.22 | -                 | 203.22 | -                      | 6,592        |
| Trucking/Vacuum/Transp            | 201.23 | 30,652       | 202.23 | -                 | 203.23 | -                      | 30,652       |
| Solids Control/Closed Loop System | 201.24 | 80,333       | 202.24 | -                 | 203.24 | -                      | 80,333       |
| Disposal                          | 201.25 | 190,503      | 202.25 | -                 | 203.25 | -                      | 190,503      |
| Wellhead Prepare/Repair           | 201.26 | 16,479       | 202.26 | -                 | 203.26 | -                      | 16,479       |
| Rental Equipment                  | 201.27 | 112,389      | 202.27 | -                 | 203.27 | -                      | 112,389      |
| Mancamp                           | 201.28 | 53,130       | 202.28 | -                 | 203.28 | -                      | 53,130       |
| Wellsite Supervision              | 201.29 | 118,520      | 202.29 | -                 | 203.29 | -                      | 118,520      |
| Safety/Environmental              | 201.30 | 22,478       | 202.30 | -                 | 203.30 | -                      | 22,478       |
| Well Control Insurance            | 201.31 | 11,239       | 202.31 | -                 | 203.31 | -                      | 11,239       |
| Contingency                       | 201.32 | 162,622      | 202.32 | -                 | 203.32 | -                      | 162,622      |
| <b>Completion</b>                 |        |              |        |                   |        |                        |              |
| Road/Locations/Pits               | 201.33 | -            | 202.33 | 16,286            | 203.33 | -                      | 16,286       |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34 | 62,040            | 203.34 | -                      | 62,040       |
| Fuel/Power                        | 201.35 | -            | 202.35 | 393,830           | 203.35 | -                      | 393,830      |
| Coiled Tubing                     | 201.36 | -            | 202.36 | 282,881           | 203.36 | -                      | 282,881      |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37 | 29,151            | 203.37 | -                      | 29,151       |
| Trucking                          | 201.38 | -            | 202.38 | 22,296            | 203.38 | -                      | 22,296       |
| Electric Logging/Perforating      | 201.39 | -            | 202.39 | 568,494           | 203.39 | -                      | 568,494      |
| Completion Fluids                 | 201.40 | -            | 202.40 | 15,510            | 203.40 | -                      | 15,510       |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41 | 2,787,425         | 203.41 | -                      | 2,787,425    |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42 | 23,265            | 203.42 | -                      | 23,265       |
| Water Handling                    | 201.43 | -            | 202.43 | 271,425           | 203.43 | -                      | 271,425      |
| Source Water                      | 201.44 | -            | 202.44 | 444,749           | 203.44 | -                      | 444,749      |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45 | 62,040            | 203.45 | -                      | 62,040       |
| Rental Equipment                  | 201.46 | -            | 202.46 | 261,117           | 203.46 | -                      | 261,117      |
| Wellsite Supervision              | 201.47 | -            | 202.47 | 69,097            | 203.47 | -                      | 69,097       |
| Supervision/Engineering           | 201.48 | -            | 202.48 | 7,755             | 203.48 | -                      | 7,755        |
| Safety/Environmental              | 201.49 | -            | 202.49 | 23,265            | 203.49 | -                      | 23,265       |
| Overhead                          | 201.50 | -            | 202.50 | 15,510            | 203.50 | -                      | 15,510       |
| <b>Artificial Lift</b>            |        |              |        |                   |        |                        |              |
| Workover Rig                      | 201.51 | -            | 202.51 | 15,759            | 203.51 | -                      | 15,759       |
| Spooling Services                 | 201.52 | -            | 202.52 | 6,304             | 203.52 | -                      | 6,304        |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53 | 5,253             | 203.53 | -                      | 5,253        |
| Inspection & Testing              | 201.54 | -            | 202.54 | 3,152             | 203.54 | -                      | 3,152        |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55 | 7,354             | 203.55 | -                      | 7,354        |
| Kill Truck                        | 201.56 | -            | 202.56 | 5,253             | 203.56 | -                      | 5,253        |
| Completion Fluids                 | 201.57 | -            | 202.57 | 5,253             | 203.57 | -                      | 5,253        |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58 | 10,506            | 203.58 | -                      | 10,506       |
| Rental Equipment                  | 201.59 | -            | 202.59 | 10,506            | 203.59 | -                      | 10,506       |
| Laydown Machine                   | 201.60 | -            | 202.60 | 5,253             | 203.60 | -                      | 5,253        |
| Reverse Unit Rental               | 201.61 | -            | 202.61 | 5,253             | 203.61 | -                      | 5,253        |
| Wellsite Supervision              | 201.62 | -            | 202.62 | 9,455             | 203.62 | -                      | 9,455        |
| Acid                              | 201.63 | -            | 202.63 | 26,265            | 203.63 | -                      | 26,265       |
| <b>Facilities</b>                 |        |              |        |                   |        |                        |              |
| Surface Damage                    | 201.64 | -            | 202.64 | -                 | 201.64 | 1,313                  | 1,313        |
| Permanent Easement/Row            | 201.65 | -            | 202.65 | -                 | 201.65 | 5,253                  | 5,253        |
| Road Locations Pits               | 201.66 | -            | 202.66 | -                 | 201.66 | 39,398                 | 39,398       |
| Materials & Supplies              | 201.67 | -            | 202.67 | -                 | 201.67 | 10,506                 | 10,506       |
| Transportation rucking            | 201.68 | -            | 202.68 | -                 | 201.68 | 7,880                  | 7,880        |
| Rental Equipment                  | 201.69 | -            | 202.69 | -                 | 201.69 | 21,012                 | 21,012       |
| Water Disposal/SWD                | 201.70 | -            | 202.70 | -                 | 201.70 | 1,313                  | 1,313        |
| Inspection & Testing              | 201.71 | -            | 202.71 | -                 | 201.71 | 657                    | 657          |
| Contract Labor/Roustab            | 201.72 | -            | 202.72 | -                 | 201.72 | 78,795                 | 78,795       |
| Supervision                       | 201.73 | -            | 202.73 | -                 | 201.73 | 26,265                 | 26,265       |
| Consulting Services               | 201.74 | -            | 202.74 | -                 | 201.74 | 1,313                  | 1,313        |
| Safety/Environmental              | 201.75 | -            | 202.75 | -                 | 201.75 | 3,940                  | 3,940        |
| Company Labor                     | 201.76 | -            | 202.76 | -                 | 201.76 | 1,313                  | 1,313        |
| Contingency                       | 201.77 | -            | 202.77 | -                 | 201.77 | 25,018                 | 25,018       |
| <b>Flowback</b>                   |        |              |        |                   |        |                        |              |
| Frac Water Recovery               | 201.78 | -            | 202.78 | -                 | 201.78 | 174,731                | 174,731      |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79 | -                 | 201.79 | 21,012                 | 21,012       |
| Well Testing/Flowback             | 201.80 | -            | 202.80 | -                 | 201.80 | 114,515                | 114,515      |
| Tank Rental                       | 201.81 | -            | 202.81 | -                 | 201.81 | 21,012                 | 21,012       |
| Surface Pump Rental               | 201.82 | -            | 202.82 | -                 | 201.82 | 21,012                 | 21,012       |
| Wellsite Supervision              | 201.83 | -            | 202.83 | -                 | 201.83 | 10,506                 | 10,506       |
| Chemicals                         | 201.84 | -            | 202.84 | -                 | 201.84 | 15,759                 | 15,759       |
| TOTAL INTANGIBLE COSTS            |        | \$ 3,776,443 |        | \$ 5,471,701      |        | \$ 602,522             | \$ 9,850,666 |

| TANGIBLE COSTS                       |        |              |                   |                   |              |              |               |
|--------------------------------------|--------|--------------|-------------------|-------------------|--------------|--------------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item #            | Completion/AL AFE | Item #       | Facility AFE | Total         |
| <b>Drilling</b>                      |        |              |                   |                   |              |              |               |
| Casing - Surface                     | 301.01 | 112,392      | 302.01            | -                 | 303.01       | -            | 112,392       |
| Casing - Intermediate                | 301.02 | 240,921      | 302.02            | -                 | 303.02       | -            | 240,921       |
| Casing Production                    | 301.03 | 574,842      | 302.03            | -                 | 303.03       | -            | 574,842       |
| Wellhead Equipment                   | 301.04 | 70,037       | 302.04            | -                 | 303.04       | -            | 70,037        |
| Packer/Downhole Tools                | 301.05 | 70,037       | 302.05            | -                 | 303.05       | -            | 70,037        |
| <b>Completion</b>                    |        |              |                   |                   |              |              |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06            | 73,285            | 303.06       | -            | 73,285        |
| <b>Artificial Lift</b>               |        |              |                   |                   |              |              |               |
| Tubing                               | 301.07 | -            | 302.07            | 68,289            | 303.07       | -            | 68,289        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08            | 15,759            | 303.08       | -            | 15,759        |
| ESP Equipment/Install                | 301.09 | -            | 302.09            | 105,060           | 303.09       | -            | 105,060       |
| Wellhead Equipment                   | 301.10 | -            | 302.10            | 52,530            | 303.10       | -            | 52,530        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11            | 78,795            | 303.11       | -            | 78,795        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12            | 52,530            | 303.12       | -            | 52,530        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13            | 15,759            | 303.13       | -            | 15,759        |
| Measurement Equipment                | 301.14 | -            | 302.14            | 5,253             | 303.14       | -            | 5,253         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15            | 5,253             | 303.15       | -            | 5,253         |
| <b>Facilities</b>                    |        |              |                   |                   |              |              |               |
| Tank Battery                         | 301.16 | -            | 302.16            | -                 | 303.16       | 105,848      | 105,848       |
| Heater Treater/Separator             | 301.17 | -            | 302.17            | -                 | 303.17       | 127,385      | 127,385       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18            | -                 | 303.18       | 118,193      | 118,193       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19            | -                 | 303.19       | 22,719       | 22,719        |
| Meters                               | 301.20 | -            | 302.20            | -                 | 303.20       | 99,282       | 99,282        |
| Compressors                          | 301.21 | -            | 302.21            | -                 | 303.21       | 7,880        | 7,880         |
| Electrical                           | 301.22 | -            | 302.22            | -                 | 303.22       | 91,928       | 91,928        |
| Automation Material                  | 301.23 | -            | 302.23            | -                 | 303.23       | 32,831       | 32,831        |
| Flare/Combuster                      | 301.24 | -            | 302.24            | -                 | 303.24       | 28,892       | 28,892        |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,068,230 |                   | \$ 472,513        |              | \$ 634,956   | \$ 2,175,699  |
|                                      |        |              |                   |                   |              |              |               |
| Cost Category Summary                |        | Drilling AFE | Completion/AL AFE |                   | Facility AFE |              | Total         |
| TOTAL INTANGIBLE COSTS               |        | \$ 3,776,443 | \$ 5,471,701      |                   | \$ 602,522   |              | \$ 9,850,666  |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,068,230 | \$ 472,513        |                   | \$ 634,956   |              | \$ 2,175,699  |
| TOTAL CONTINGENCIES                  |        | \$ -         | \$ -              |                   | \$ -         |              | \$ -          |
| TOTAL DEVELOPMENT COSTS              |        | \$ 4,844,672 | \$ 5,944,214      |                   | \$ 1,237,479 |              | \$ 12,026,365 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_

Working Interest: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

**AUTHORIZATION FOR EXPENDITURE****AFE: NM106**

Well Name: Chancer 5-17 State #122H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,190'/9,550'

SHL: S20-T18S-R34E 350' FNL, 2,515' FWL

BHL: S5-T18S-R34E 100' FNL, 2,310' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #122H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$4,844,672</b>  |
| <b>COMPLETIONS:</b>             | <b>\$5,944,214</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,026,365</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number: NM106  
Well Name: Chancer 5-17 State #122H  
Location: Sec. 5, 8, 17  
County/State: Lea, New Mexico

Field/Prospect:  
AFE Objective: Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Formation Target: Bone Spring Formation  
Proposed Total Depth/TVD: 25190'/9550'

| INTANGIBLE COSTS                  |        |              |           |                   |           |                        |         |              |
|-----------------------------------|--------|--------------|-----------|-------------------|-----------|------------------------|---------|--------------|
| Category/Description              | Item # | Drilling AFE | Item #    | Completion/AL AFE | Item #    | Facility/ Flowback AFE | Total   |              |
| Drilling                          |        |              |           |                   |           |                        |         |              |
| Permits/Licenses                  | 201.01 | 19,775       | 202.01    | -                 | 203.01    | -                      | -       | 19,775       |
| Staking/Surveying                 | 201.02 | 19,775       | 202.02    | -                 | 203.02    | -                      | -       | 19,775       |
| Legal/Title Services              | 201.03 | 17,139       | 202.03    | -                 | 203.03    | -                      | -       | 17,139       |
| Surface Damage/Row                | 201.04 | 46,142       | 202.04    | -                 | 203.04    | -                      | -       | 46,142       |
| Permanent Easement                | 201.05 | 15,820       | 202.05    | -                 | 203.05    | -                      | -       | 15,820       |
| Road/Locations/Pits               | 201.06 | 126,067      | 202.06    | -                 | 203.06    | -                      | -       | 126,067      |
| Rig Mob/Trucking                  | 201.07 | 168,090      | 202.07    | -                 | 203.07    | -                      | -       | 168,090      |
| Rig Mob/Standby Rate              | 201.08 | 46,274       | 202.08    | -                 | 203.08    | -                      | -       | 46,274       |
| Daywork Contract                  | 201.09 | 762,076      | 202.09    | -                 | 203.09    | -                      | -       | 762,076      |
| Directional Drill/Survey          | 201.10 | 336,529      | 202.10    | -                 | 203.10    | -                      | -       | 336,529      |
| Conductor Hole/Service            | 201.11 | 56,030       | 202.11    | -                 | 203.11    | -                      | -       | 56,030       |
| Drill Bit                         | 201.12 | 129,198      | 202.12    | -                 | 203.12    | -                      | -       | 129,198      |
| Bits/Tools/Stabilizers            | 201.13 | 74,205       | 202.13    | -                 | 203.13    | -                      | -       | 74,205       |
| Fuel/Power                        | 201.14 | 191,062      | 202.14    | -                 | 203.14    | -                      | -       | 191,062      |
| Fuel/Mud                          | 201.15 | 113,378      | 202.15    | -                 | 203.15    | -                      | -       | 113,378      |
| Rig Water                         | 201.16 | 25,543       | 202.16    | -                 | 203.16    | -                      | -       | 25,543       |
| Mud/Chemicals/Acidizing           | 201.17 | 293,108      | 202.17    | -                 | 203.17    | -                      | -       | 293,108      |
| Inspection/Testing & Repair       | 201.18 | 48,779       | 202.18    | -                 | 203.18    | -                      | -       | 48,779       |
| Cement Services/Float Equip       | 201.19 | 354,636      | 202.19    | -                 | 203.19    | -                      | -       | 354,636      |
| Casing Crew/Tools                 | 201.20 | 92,285       | 202.20    | -                 | 203.20    | -                      | -       | 92,285       |
| Contract Labor/Roustabout         | 201.21 | 35,595       | 202.21    | -                 | 203.21    | -                      | -       | 35,595       |
| Materials Supplies                | 201.22 | 6,592        | 202.22    | -                 | 203.22    | -                      | -       | 6,592        |
| Trucking/Vacuum/Transp            | 201.23 | 30,652       | 202.23    | -                 | 203.23    | -                      | -       | 30,652       |
| Solids Control/Closed Loop System | 201.24 | 80,333       | 202.24    | -                 | 203.24    | -                      | -       | 80,333       |
| Disposal                          | 201.25 | 190,503      | 202.25    | -                 | 203.25    | -                      | -       | 190,503      |
| Wellhead Prepare/Repair           | 201.26 | 16,479       | 202.26    | -                 | 203.26    | -                      | -       | 16,479       |
| Rental Equipment                  | 201.27 | 112,389      | 202.27    | -                 | 203.27    | -                      | -       | 112,389      |
| Mancamp                           | 201.28 | 53,130       | 202.28    | -                 | 203.28    | -                      | -       | 53,130       |
| Wellsite Supervision              | 201.29 | 118,520      | 202.29    | -                 | 203.29    | -                      | -       | 118,520      |
| Safety/Environmental              | 201.30 | 22,478       | 202.30    | -                 | 203.30    | -                      | -       | 22,478       |
| Well Control Insurance            | 201.31 | 11,239       | 202.31    | -                 | 203.31    | -                      | -       | 11,239       |
| Contingency                       | 201.32 | 162,622      | 202.32    | -                 | 203.32    | -                      | -       | 162,622      |
| Completion                        |        |              |           |                   |           |                        |         |              |
| Road/Locations/Pits               | 201.33 | -            | 202.33    | 16,286            | 203.33    | -                      | -       | 16,286       |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34    | 62,040            | 203.34    | -                      | -       | 62,040       |
| Fuel/Power                        | 201.35 | -            | 202.35    | 393,830           | 203.35    | -                      | -       | 393,830      |
| Coiled Tubing                     | 201.36 | -            | 202.36    | 282,881           | 203.36    | -                      | -       | 282,881      |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37    | 29,151            | 203.37    | -                      | -       | 29,151       |
| Trucking                          | 201.38 | -            | 202.38    | 22,296            | 203.38    | -                      | -       | 22,296       |
| Electric Logging/Perforating      | 201.39 | -            | 202.39    | 568,494           | 203.39    | -                      | -       | 568,494      |
| Completion Fluids                 | 201.40 | -            | 202.40    | 15,510            | 203.40    | -                      | -       | 15,510       |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41    | 2,787,425         | 203.41    | -                      | -       | 2,787,425    |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42    | 23,265            | 203.42    | -                      | -       | 23,265       |
| Water Handling                    | 201.43 | -            | 202.43    | 271,425           | 203.43    | -                      | -       | 271,425      |
| Source Water                      | 201.44 | -            | 202.44    | 444,749           | 203.44    | -                      | -       | 444,749      |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45    | 62,040            | 203.45    | -                      | -       | 62,040       |
| Rental Equipment                  | 201.46 | -            | 202.46    | 261,117           | 203.46    | -                      | -       | 261,117      |
| Wellsite Supervision              | 201.47 | -            | 202.47    | 69,097            | 203.47    | -                      | -       | 69,097       |
| Supervision/Engineering           | 201.48 | -            | 202.48    | 7,755             | 203.48    | -                      | -       | 7,755        |
| Safety/Environmental              | 201.49 | -            | 202.49    | 23,265            | 203.49    | -                      | -       | 23,265       |
| Overhead                          | 201.50 | -            | 202.50    | 15,510            | 203.50    | -                      | -       | 15,510       |
| Artificial Lift                   |        |              |           |                   |           |                        |         |              |
| Workover Rig                      | 201.51 | -            | 202.51    | 15,759            | 203.51    | -                      | -       | 15,759       |
| Spooling Services                 | 201.52 | -            | 202.52    | 6,304             | 203.52    | -                      | -       | 6,304        |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53    | 5,253             | 203.53    | -                      | -       | 5,253        |
| Inspection & Testing              | 201.54 | -            | 202.54    | 3,152             | 203.54    | -                      | -       | 3,152        |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55    | 7,354             | 203.55    | -                      | -       | 7,354        |
| Kill Truck                        | 201.56 | -            | 202.56    | 5,253             | 203.56    | -                      | -       | 5,253        |
| Completion Fluids                 | 201.57 | -            | 202.57    | 5,253             | 203.57    | -                      | -       | 5,253        |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58    | 10,506            | 203.58    | -                      | -       | 10,506       |
| Rental Equipment                  | 201.59 | -            | 202.59    | 10,506            | 203.59    | -                      | -       | 10,506       |
| Laydown Machine                   | 201.60 | -            | 202.60    | 5,253             | 203.60    | -                      | -       | 5,253        |
| Reverse Unit Rental               | 201.61 | -            | 202.61    | 5,253             | 203.61    | -                      | -       | 5,253        |
| Wellsite Supervision              | 201.62 | -            | 202.62    | 9,455             | 203.62    | -                      | -       | 9,455        |
| Acid                              | 201.63 | -            | 202.63    | 26,265            | 203.63    | -                      | -       | 26,265       |
| Facilities                        |        |              |           |                   |           |                        |         |              |
| Surface Damage                    | 201.64 | -            | 202.64    | -                 | 201.64    | 1,313                  | -       | 1,313        |
| Permanent Easement/Row            | 201.65 | -            | 202.65    | -                 | 201.65    | 5,253                  | -       | 5,253        |
| Road Locations Pits               | 201.66 | -            | 202.66    | -                 | 201.66    | 39,398                 | -       | 39,398       |
| Materials & Supplies              | 201.67 | -            | 202.67    | -                 | 201.67    | 10,506                 | -       | 10,506       |
| Transportation rucking            | 201.68 | -            | 202.68    | -                 | 201.68    | 7,880                  | -       | 7,880        |
| Rental Equipment                  | 201.69 | -            | 202.69    | -                 | 201.69    | 21,012                 | -       | 21,012       |
| Water Disposal/SWD                | 201.70 | -            | 202.70    | -                 | 201.70    | 1,313                  | -       | 1,313        |
| Inspection & Testing              | 201.71 | -            | 202.71    | -                 | 201.71    | 657                    | -       | 657          |
| Contract Labor/Roustab            | 201.72 | -            | 202.72    | -                 | 201.72    | 78,795                 | -       | 78,795       |
| Supervision                       | 201.73 | -            | 202.73    | -                 | 201.73    | 26,265                 | -       | 26,265       |
| Consulting Services               | 201.74 | -            | 202.74    | -                 | 201.74    | 1,313                  | -       | 1,313        |
| Safety/Environmental              | 201.75 | -            | 202.75    | -                 | 201.75    | 3,940                  | -       | 3,940        |
| Company Labor                     | 201.76 | -            | 202.76    | -                 | 201.76    | 1,313                  | -       | 1,313        |
| Contingency                       | 201.77 | -            | 202.77    | -                 | 201.77    | 25,018                 | -       | 25,018       |
| Flowback                          |        |              |           |                   |           |                        |         |              |
| Frac Water Recovery               | 201.78 | -            | 202.78    | -                 | 201.78    | 174,731                | -       | 174,731      |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79    | -                 | 201.79    | 21,012                 | -       | 21,012       |
| Well Testing/Flowback             | 201.80 | -            | 202.80    | -                 | 201.80    | 114,515                | -       | 114,515      |
| Tank Rental                       | 201.81 | -            | 202.81    | -                 | 201.81    | 21,012                 | -       | 21,012       |
| Surface Pump Rental               | 201.82 | -            | 202.82    | -                 | 201.82    | 21,012                 | -       | 21,012       |
| Wellsite Supervision              | 201.83 | -            | 202.83    | -                 | 201.83    | 10,506                 | -       | 10,506       |
| Chemicals                         | 201.84 | -            | 202.84    | -                 | 201.84    | 15,759                 | -       | 15,759       |
| TOTAL INTANGIBLE COSTS            |        | \$           | 3,776,443 | \$                | 5,471,701 | \$                     | 602,522 | \$ 9,850,666 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |       |            |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|-------|------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total |            |
| Drilling                             |        |              |        |                   |        |              |       |            |
| Casing - Surface                     | 301.01 | 112,392      | 302.01 | -                 | 303.01 | -            | -     | 112,392    |
| Casing - Intermediate                | 301.02 | 240,921      | 302.02 | -                 | 303.02 | -            | -     | 240,921    |
| Casing Production                    | 301.03 | 574,842      | 302.03 | -                 | 303.03 | -            | -     | 574,842    |
| Wellhead Equipment                   | 301.04 | 70,037       | 302.04 | -                 | 303.04 | -            | -     | 70,037     |
| Packer/Downhole Tools                | 301.05 | 70,037       | 302.05 | -                 | 303.05 | -            | -     | 70,037     |
| Completion                           |        |              |        |                   |        |              |       |            |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 73,285            | 303.06 | -            | -     | 73,285     |
| Artificial Lift                      |        |              |        |                   |        |              |       |            |
| Tubing                               | 301.07 | -            | 302.07 | 68,289            | 303.07 | -            | -     | 68,289     |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,759            | 303.08 | -            | -     | 15,759     |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 105,060           | 303.09 | -            | -     | 105,060    |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 52,530            | 303.10 | -            | -     | 52,530     |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 78,795            | 303.11 | -            | -     | 78,795     |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 52,530            | 303.12 | -            | -     | 52,530     |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,759            | 303.13 | -            | -     | 15,759     |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,253             | 303.14 | -            | -     | 5,253      |
| Comm. Telemetry & Automa             | 301.15 | -            | 302.15 | 5,253             | 303.15 | -            | -     | 5,253      |
| Facilities                           |        |              |        |                   |        |              |       |            |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 105,848      | -     | 105,848    |
| Heater Treater/Separator             | 301.17 | -            | 302.17 | -                 | 303.17 | 127,385      | -     | 127,385    |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 118,193      | -     | 118,193    |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 22,719       | -     | 22,719     |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 99,282       | -     | 99,282     |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,880        | -     | 7,880      |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 91,928       | -     | 91,928     |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 32,831       | -     | 32,831     |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 28,892       | -     | 28,892     |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,068,230 |        | \$ 472,513        |        | \$ 634,956   | \$    | 2,175,699  |
| Cost Category Summary                |        |              |        |                   |        |              |       |            |
| TOTAL INTANGIBLE COSTS               | \$     | 3,776,443    | \$     | 5,471,701         | \$     | 602,522      | \$    | 9,850,666  |
| TOTAL TANGIBLE COSTS                 | \$     | 1,068,230    | \$     | 472,513           | \$     | 634,956      | \$    | 2,175,699  |
| TOTAL CONTINGENCIES                  | \$     | -            | \$     | -                 | \$     | -            | \$    | -          |
| TOTAL DEVELOPMENT COSTS              | \$     | 4,844,672    | \$     | 5,944,214         | \$     | 1,237,479    | \$    | 12,026,365 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM107**

Well Name: Chancer 5-17 State #123H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,190'/9,550'

SHL: S20-T18S-R34E 350" FNL, 2,565' FWL

BHL: S5-T18S-R34E 100' FNL, 1,650' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #123H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$4,844,672</b>  |
| <b>COMPLETIONS:</b>             | <b>\$5,944,214</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,026,365</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/14/2025

AFE Number: NM107

Well Name: Chancer S-17 State #123H

Location: Sec. 5, 8, 17

County/State: Lea, New Mexico

Field/Prospect:

AFE Objective: Drill, Complete, Install Artificial Lift, and Build Comingled Facility

Formation Target: Bone Spring Formation

Proposed Total Depth/TVD: 25190/9550'

| INTANGIBLE COSTS                  |        |              |           |                   |           |                        |         |              |
|-----------------------------------|--------|--------------|-----------|-------------------|-----------|------------------------|---------|--------------|
| Category/Description              | Item # | Drilling AFE | Item #    | Completion/AL AFE | Item #    | Facility/ Flowback AFE | Total   |              |
| Drilling                          |        |              |           |                   |           |                        |         |              |
| Permits/Licenses                  | 201.01 | 19,775       | 202.01    | -                 | 203.01    | -                      | -       | 19,775       |
| Staking/Surveying                 | 201.02 | 19,775       | 202.02    | -                 | 203.02    | -                      | -       | 19,775       |
| Legal/Title Services              | 201.03 | 17,139       | 202.03    | -                 | 203.03    | -                      | -       | 17,139       |
| Surface Damage/Row                | 201.04 | 46,142       | 202.04    | -                 | 203.04    | -                      | -       | 46,142       |
| Permanent Easement                | 201.05 | 15,820       | 202.05    | -                 | 203.05    | -                      | -       | 15,820       |
| Road/Locations/Pits               | 201.06 | 126,067      | 202.06    | -                 | 203.06    | -                      | -       | 126,067      |
| Rig Mob/Trucking                  | 201.07 | 168,090      | 202.07    | -                 | 203.07    | -                      | -       | 168,090      |
| Rig Mob/Standby Rate              | 201.08 | 46,274       | 202.08    | -                 | 203.08    | -                      | -       | 46,274       |
| Daywork Contract                  | 201.09 | 762,076      | 202.09    | -                 | 203.09    | -                      | -       | 762,076      |
| Directional Drill/Survey          | 201.10 | 336,529      | 202.10    | -                 | 203.10    | -                      | -       | 336,529      |
| Conductor Hole/Service            | 201.11 | 56,030       | 202.11    | -                 | 203.11    | -                      | -       | 56,030       |
| Drill Bit                         | 201.12 | 129,198      | 202.12    | -                 | 203.12    | -                      | -       | 129,198      |
| Bits/Tools/Stabilizers            | 201.13 | 74,205       | 202.13    | -                 | 203.13    | -                      | -       | 74,205       |
| Fuel/Power                        | 201.14 | 191,062      | 202.14    | -                 | 203.14    | -                      | -       | 191,062      |
| Fuel/Mud                          | 201.15 | 113,378      | 202.15    | -                 | 203.15    | -                      | -       | 113,378      |
| Rig Water                         | 201.16 | 25,543       | 202.16    | -                 | 203.16    | -                      | -       | 25,543       |
| Mud/Chemicals/Acidizing           | 201.17 | 293,108      | 202.17    | -                 | 203.17    | -                      | -       | 293,108      |
| Inspection/Testing & Repair       | 201.18 | 48,779       | 202.18    | -                 | 203.18    | -                      | -       | 48,779       |
| Cement Services/Float Equip       | 201.19 | 354,636      | 202.19    | -                 | 203.19    | -                      | -       | 354,636      |
| Casing Crew/Tools                 | 201.20 | 92,285       | 202.20    | -                 | 203.20    | -                      | -       | 92,285       |
| Contract Labor/Roustabout         | 201.21 | 35,595       | 202.21    | -                 | 203.21    | -                      | -       | 35,595       |
| Materials Supplies                | 201.22 | 6,592        | 202.22    | -                 | 203.22    | -                      | -       | 6,592        |
| Trucking/Vacuum/Transp            | 201.23 | 30,652       | 202.23    | -                 | 203.23    | -                      | -       | 30,652       |
| Solids Control/Closed Loop System | 201.24 | 80,333       | 202.24    | -                 | 203.24    | -                      | -       | 80,333       |
| Disposal                          | 201.25 | 190,503      | 202.25    | -                 | 203.25    | -                      | -       | 190,503      |
| Wellhead Prepare/Repair           | 201.26 | 16,479       | 202.26    | -                 | 203.26    | -                      | -       | 16,479       |
| Rental Equipment                  | 201.27 | 112,389      | 202.27    | -                 | 203.27    | -                      | -       | 112,389      |
| Mancamp                           | 201.28 | 53,130       | 202.28    | -                 | 203.28    | -                      | -       | 53,130       |
| Wellsite Supervision              | 201.29 | 118,520      | 202.29    | -                 | 203.29    | -                      | -       | 118,520      |
| Safety/Environmental              | 201.30 | 22,478       | 202.30    | -                 | 203.30    | -                      | -       | 22,478       |
| Well Control Insurance            | 201.31 | 11,239       | 202.31    | -                 | 203.31    | -                      | -       | 11,239       |
| Contingency                       | 201.32 | 162,622      | 202.32    | -                 | 203.32    | -                      | -       | 162,622      |
| Completion                        |        |              |           |                   |           |                        |         |              |
| Road/Locations/Pits               | 201.33 | -            | 202.33    | 16,286            | 203.33    | -                      | -       | 16,286       |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34    | 62,040            | 203.34    | -                      | -       | 62,040       |
| Fuel/Power                        | 201.35 | -            | 202.35    | 393,830           | 203.35    | -                      | -       | 393,830      |
| Coiled Tubing                     | 201.36 | -            | 202.36    | 282,881           | 203.36    | -                      | -       | 282,881      |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37    | 29,151            | 203.37    | -                      | -       | 29,151       |
| Trucking                          | 201.38 | -            | 202.38    | 22,296            | 203.38    | -                      | -       | 22,296       |
| Electric Logging/Perforating      | 201.39 | -            | 202.39    | 568,494           | 203.39    | -                      | -       | 568,494      |
| Completion Fluids                 | 201.40 | -            | 202.40    | 15,510            | 203.40    | -                      | -       | 15,510       |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41    | 2,787,425         | 203.41    | -                      | -       | 2,787,425    |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42    | 23,265            | 203.42    | -                      | -       | 23,265       |
| Water Handling                    | 201.43 | -            | 202.43    | 271,425           | 203.43    | -                      | -       | 271,425      |
| Source Water                      | 201.44 | -            | 202.44    | 444,749           | 203.44    | -                      | -       | 444,749      |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45    | 62,040            | 203.45    | -                      | -       | 62,040       |
| Rental Equipment                  | 201.46 | -            | 202.46    | 261,117           | 203.46    | -                      | -       | 261,117      |
| Wellsite Supervision              | 201.47 | -            | 202.47    | 69,097            | 203.47    | -                      | -       | 69,097       |
| Supervision/Engineering           | 201.48 | -            | 202.48    | 7,755             | 203.48    | -                      | -       | 7,755        |
| Safety/Environmental              | 201.49 | -            | 202.49    | 23,265            | 203.49    | -                      | -       | 23,265       |
| Overhead                          | 201.50 | -            | 202.50    | 15,510            | 203.50    | -                      | -       | 15,510       |
| Artificial Lift                   |        |              |           |                   |           |                        |         |              |
| Workover Rig                      | 201.51 | -            | 202.51    | 15,759            | 203.51    | -                      | -       | 15,759       |
| Spooling Services                 | 201.52 | -            | 202.52    | 6,304             | 203.52    | -                      | -       | 6,304        |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53    | 5,253             | 203.53    | -                      | -       | 5,253        |
| Inspection & Testing              | 201.54 | -            | 202.54    | 3,152             | 203.54    | -                      | -       | 3,152        |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55    | 7,354             | 203.55    | -                      | -       | 7,354        |
| Kill Truck                        | 201.56 | -            | 202.56    | 5,253             | 203.56    | -                      | -       | 5,253        |
| Completion Fluids                 | 201.57 | -            | 202.57    | 5,253             | 203.57    | -                      | -       | 5,253        |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58    | 10,506            | 203.58    | -                      | -       | 10,506       |
| Rental Equipment                  | 201.59 | -            | 202.59    | 10,506            | 203.59    | -                      | -       | 10,506       |
| Laydown Machine                   | 201.60 | -            | 202.60    | 5,253             | 203.60    | -                      | -       | 5,253        |
| Reverse Unit Rental               | 201.61 | -            | 202.61    | 5,253             | 203.61    | -                      | -       | 5,253        |
| Wellsite Supervision              | 201.62 | -            | 202.62    | 9,455             | 203.62    | -                      | -       | 9,455        |
| Acid                              | 201.63 | -            | 202.63    | 26,265            | 203.63    | -                      | -       | 26,265       |
| Facilities                        |        |              |           |                   |           |                        |         |              |
| Surface Damage                    | 201.64 | -            | 202.64    | -                 | 201.64    | 1,313                  | -       | 1,313        |
| Permanent Easement/Row            | 201.65 | -            | 202.65    | -                 | 201.65    | 5,253                  | -       | 5,253        |
| Road Locations Pits               | 201.66 | -            | 202.66    | -                 | 201.66    | 39,398                 | -       | 39,398       |
| Materials & Supplies              | 201.67 | -            | 202.67    | -                 | 201.67    | 10,506                 | -       | 10,506       |
| Transportation rucking            | 201.68 | -            | 202.68    | -                 | 201.68    | 7,880                  | -       | 7,880        |
| Rental Equipment                  | 201.69 | -            | 202.69    | -                 | 201.69    | 21,012                 | -       | 21,012       |
| Water Disposal/SWD                | 201.70 | -            | 202.70    | -                 | 201.70    | 1,313                  | -       | 1,313        |
| Inspection & Testing              | 201.71 | -            | 202.71    | -                 | 201.71    | 657                    | -       | 657          |
| Contract Labor/Roustab            | 201.72 | -            | 202.72    | -                 | 201.72    | 78,795                 | -       | 78,795       |
| Supervision                       | 201.73 | -            | 202.73    | -                 | 201.73    | 26,265                 | -       | 26,265       |
| Consulting Services               | 201.74 | -            | 202.74    | -                 | 201.74    | 1,313                  | -       | 1,313        |
| Safety/Environmental              | 201.75 | -            | 202.75    | -                 | 201.75    | 3,940                  | -       | 3,940        |
| Company Labor                     | 201.76 | -            | 202.76    | -                 | 201.76    | 1,313                  | -       | 1,313        |
| Contingency                       | 201.77 | -            | 202.77    | -                 | 201.77    | 25,018                 | -       | 25,018       |
| Flowback                          |        |              |           |                   |           |                        |         |              |
| Frac Water Recovery               | 201.78 | -            | 202.78    | -                 | 201.78    | 174,731                | -       | 174,731      |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79    | -                 | 201.79    | 21,012                 | -       | 21,012       |
| Well Testing/Flowback             | 201.80 | -            | 202.80    | -                 | 201.80    | 114,515                | -       | 114,515      |
| Tank Rental                       | 201.81 | -            | 202.81    | -                 | 201.81    | 21,012                 | -       | 21,012       |
| Surface Pump Rental               | 201.82 | -            | 202.82    | -                 | 201.82    | 21,012                 | -       | 21,012       |
| Wellsite Supervision              | 201.83 | -            | 202.83    | -                 | 201.83    | 10,506                 | -       | 10,506       |
| Chemicals                         | 201.84 | -            | 202.84    | -                 | 201.84    | 15,759                 | -       | 15,759       |
| TOTAL INTANGIBLE COSTS            |        | \$           | 3,776,443 | \$                | 5,471,701 | \$                     | 602,522 | \$ 9,850,666 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |              |            |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|--------------|------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total        |            |
| Drilling                             |        |              |        |                   |        |              |              |            |
| Casing - Surface                     | 301.01 | 112,392      | 302.01 | -                 | 303.01 | -            | -            | 112,392    |
| Casing - Intermediate                | 301.02 | 240,921      | 302.02 | -                 | 303.02 | -            | -            | 240,921    |
| Casing Production                    | 301.03 | 574,842      | 302.03 | -                 | 303.03 | -            | -            | 574,842    |
| Wellhead Equipment                   | 301.04 | 70,037       | 302.04 | -                 | 303.04 | -            | -            | 70,037     |
| Packer/Downhole Tools                | 301.05 | 70,037       | 302.05 | -                 | 303.05 | -            | -            | 70,037     |
| Completion                           |        |              |        |                   |        |              |              |            |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 73,285            | 303.06 | -            | -            | 73,285     |
| Artificial Lift                      |        |              |        |                   |        |              |              |            |
| Tubing                               | 301.07 | -            | 302.07 | 68,289            | 303.07 | -            | -            | 68,289     |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,759            | 303.08 | -            | -            | 15,759     |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 105,060           | 303.09 | -            | -            | 105,060    |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 52,530            | 303.10 | -            | -            | 52,530     |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 78,795            | 303.11 | -            | -            | 78,795     |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 52,530            | 303.12 | -            | -            | 52,530     |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,759            | 303.13 | -            | -            | 15,759     |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,253             | 303.14 | -            | -            | 5,253      |
| Comm. Telemetry & Automa             | 301.15 | -            | 302.15 | 5,253             | 303.15 | -            | -            | 5,253      |
| Facilities                           |        |              |        |                   |        |              |              |            |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 105,848      | -            | 105,848    |
| Heater Treater/Separator             | 301.17 | -            | 302.17 | -                 | 303.17 | 127,385      | -            | 127,385    |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 118,193      | -            | 118,193    |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 22,719       | -            | 22,719     |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 99,282       | -            | 99,282     |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,880        | -            | 7,880      |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 91,928       | -            | 91,928     |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 32,831       | -            | 32,831     |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 28,892       | -            | 28,892     |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,068,230 |        | \$ 472,513        |        | \$ 634,956   | \$ 2,175,699 |            |
|                                      |        |              |        |                   |        |              |              |            |
| Cost Category Summary                |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE |              | Total      |
| TOTAL INTANGIBLE COSTS               | \$     | 3,776,443    | \$     | 5,471,701         | \$     | 602,522      | \$           | 9,850,666  |
| TOTAL TANGIBLE COSTS                 | \$     | 1,068,230    | \$     | 472,513           | \$     | 634,956      | \$           | 2,175,699  |
| TOTAL CONTINGENCIES                  | \$     | -            | \$     | -                 | \$     | -            | \$           | -          |
| TOTAL DEVELOPMENT COSTS              | \$     | 4,844,672    | \$     | 5,944,214         | \$     | 1,237,479    | \$           | 12,026,366 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.





**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM108**

Well Name: Chancer 5-17 State #124H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,190'/9,550'

SHL: S20-T18S-R34E 350' FNL, 2,615' FWL

BHL: S5-T18S-R34E 100' FNL, 330' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #124H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$4,844,672</b>  |
| <b>COMPLETIONS:</b>             | <b>\$5,944,214</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$12,026,365</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number: NM108

Well Name: Chancer 5-17 State #124H

Location: Sec. 5, 8, 17

County/State: Lea, New Mexico

Field/Prospect:

AFE Objective: Drill, Complete, Install Artificial Lift, and Build Comingled Facility

Formation Target: Bone Spring Formation

Proposed Total Depth/TVD: 25190'/9550'

| INTANGIBLE COSTS                  |        |              |           |                   |           |                        |         |              |
|-----------------------------------|--------|--------------|-----------|-------------------|-----------|------------------------|---------|--------------|
| Category/Description              | Item # | Drilling AFE | Item #    | Completion/AL AFE | Item #    | Facility/ Flowback AFE | Total   |              |
| Drilling                          |        |              |           |                   |           |                        |         |              |
| Permits/Licenses                  | 201.01 | 19,775       | 202.01    | -                 | 203.01    | -                      | -       | 19,775       |
| Staking/Surveying                 | 201.02 | 19,775       | 202.02    | -                 | 203.02    | -                      | -       | 19,775       |
| Legal/Title Services              | 201.03 | 17,139       | 202.03    | -                 | 203.03    | -                      | -       | 17,139       |
| Surface Damage/Row                | 201.04 | 46,142       | 202.04    | -                 | 203.04    | -                      | -       | 46,142       |
| Permanent Easement                | 201.05 | 15,820       | 202.05    | -                 | 203.05    | -                      | -       | 15,820       |
| Road/Locations/Pits               | 201.06 | 126,067      | 202.06    | -                 | 203.06    | -                      | -       | 126,067      |
| Rig Mob/Trucking                  | 201.07 | 168,090      | 202.07    | -                 | 203.07    | -                      | -       | 168,090      |
| Rig Mob/Standby Rate              | 201.08 | 46,274       | 202.08    | -                 | 203.08    | -                      | -       | 46,274       |
| Daywork Contract                  | 201.09 | 762,076      | 202.09    | -                 | 203.09    | -                      | -       | 762,076      |
| Directional Drill/Survey          | 201.10 | 336,529      | 202.10    | -                 | 203.10    | -                      | -       | 336,529      |
| Conductor Hole/Service            | 201.11 | 56,030       | 202.11    | -                 | 203.11    | -                      | -       | 56,030       |
| Drill Bit                         | 201.12 | 129,198      | 202.12    | -                 | 203.12    | -                      | -       | 129,198      |
| Bits/Tools/Stabilizers            | 201.13 | 74,205       | 202.13    | -                 | 203.13    | -                      | -       | 74,205       |
| Fuel/Power                        | 201.14 | 191,062      | 202.14    | -                 | 203.14    | -                      | -       | 191,062      |
| Fuel/Mud                          | 201.15 | 113,378      | 202.15    | -                 | 203.15    | -                      | -       | 113,378      |
| Rig Water                         | 201.16 | 25,543       | 202.16    | -                 | 203.16    | -                      | -       | 25,543       |
| Mud/Chemicals/Acidizing           | 201.17 | 293,108      | 202.17    | -                 | 203.17    | -                      | -       | 293,108      |
| Inspection/Testing & Repair       | 201.18 | 48,779       | 202.18    | -                 | 203.18    | -                      | -       | 48,779       |
| Cement Services/Float Equip       | 201.19 | 354,636      | 202.19    | -                 | 203.19    | -                      | -       | 354,636      |
| Casing Crew/Tools                 | 201.20 | 92,285       | 202.20    | -                 | 203.20    | -                      | -       | 92,285       |
| Contract Labor/Roustabout         | 201.21 | 35,595       | 202.21    | -                 | 203.21    | -                      | -       | 35,595       |
| Materials Supplies                | 201.22 | 6,592        | 202.22    | -                 | 203.22    | -                      | -       | 6,592        |
| Trucking/Vacuum/Transp            | 201.23 | 30,652       | 202.23    | -                 | 203.23    | -                      | -       | 30,652       |
| Solids Control/Closed Loop System | 201.24 | 80,333       | 202.24    | -                 | 203.24    | -                      | -       | 80,333       |
| Disposal                          | 201.25 | 190,503      | 202.25    | -                 | 203.25    | -                      | -       | 190,503      |
| Wellhead Prepare/Repair           | 201.26 | 16,479       | 202.26    | -                 | 203.26    | -                      | -       | 16,479       |
| Rental Equipment                  | 201.27 | 112,389      | 202.27    | -                 | 203.27    | -                      | -       | 112,389      |
| Mancamp                           | 201.28 | 53,130       | 202.28    | -                 | 203.28    | -                      | -       | 53,130       |
| Wellsite Supervision              | 201.29 | 118,520      | 202.29    | -                 | 203.29    | -                      | -       | 118,520      |
| Safety/Environmental              | 201.30 | 22,478       | 202.30    | -                 | 203.30    | -                      | -       | 22,478       |
| Well Control Insurance            | 201.31 | 11,239       | 202.31    | -                 | 203.31    | -                      | -       | 11,239       |
| Contingency                       | 201.32 | 162,622      | 202.32    | -                 | 203.32    | -                      | -       | 162,622      |
| Completion                        |        |              |           |                   |           |                        |         |              |
| Road/Locations/Pits               | 201.33 | -            | 202.33    | 16,286            | 203.33    | -                      | -       | 16,286       |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34    | 62,040            | 203.34    | -                      | -       | 62,040       |
| Fuel/Power                        | 201.35 | -            | 202.35    | 393,830           | 203.35    | -                      | -       | 393,830      |
| Coiled Tubing                     | 201.36 | -            | 202.36    | 282,881           | 203.36    | -                      | -       | 282,881      |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37    | 29,151            | 203.37    | -                      | -       | 29,151       |
| Trucking                          | 201.38 | -            | 202.38    | 22,296            | 203.38    | -                      | -       | 22,296       |
| Electric Logging/Perforating      | 201.39 | -            | 202.39    | 568,494           | 203.39    | -                      | -       | 568,494      |
| Completion Fluids                 | 201.40 | -            | 202.40    | 15,510            | 203.40    | -                      | -       | 15,510       |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41    | 2,787,425         | 203.41    | -                      | -       | 2,787,425    |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42    | 23,265            | 203.42    | -                      | -       | 23,265       |
| Water Handling                    | 201.43 | -            | 202.43    | 271,425           | 203.43    | -                      | -       | 271,425      |
| Source Water                      | 201.44 | -            | 202.44    | 444,749           | 203.44    | -                      | -       | 444,749      |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45    | 62,040            | 203.45    | -                      | -       | 62,040       |
| Rental Equipment                  | 201.46 | -            | 202.46    | 261,117           | 203.46    | -                      | -       | 261,117      |
| Wellsite Supervision              | 201.47 | -            | 202.47    | 69,097            | 203.47    | -                      | -       | 69,097       |
| Supervision/Engineering           | 201.48 | -            | 202.48    | 7,755             | 203.48    | -                      | -       | 7,755        |
| Safety/Environmnental             | 201.49 | -            | 202.49    | 23,265            | 203.49    | -                      | -       | 23,265       |
| Overhead                          | 201.50 | -            | 202.50    | 15,510            | 203.50    | -                      | -       | 15,510       |
| Artificial Lift                   |        |              |           |                   |           |                        |         |              |
| Workover Rig                      | 201.51 | -            | 202.51    | 15,759            | 203.51    | -                      | -       | 15,759       |
| Spooling Services                 | 201.52 | -            | 202.52    | 6,304             | 203.52    | -                      | -       | 6,304        |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53    | 5,253             | 203.53    | -                      | -       | 5,253        |
| Inspection & Testing              | 201.54 | -            | 202.54    | 3,152             | 203.54    | -                      | -       | 3,152        |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55    | 7,354             | 203.55    | -                      | -       | 7,354        |
| Kill Truck                        | 201.56 | -            | 202.56    | 5,253             | 203.56    | -                      | -       | 5,253        |
| Completion Fluids                 | 201.57 | -            | 202.57    | 5,253             | 203.57    | -                      | -       | 5,253        |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58    | 10,506            | 203.58    | -                      | -       | 10,506       |
| Rental Equipment                  | 201.59 | -            | 202.59    | 10,506            | 203.59    | -                      | -       | 10,506       |
| Laydown Machine                   | 201.60 | -            | 202.60    | 5,253             | 203.60    | -                      | -       | 5,253        |
| Reverse Unit Rental               | 201.61 | -            | 202.61    | 5,253             | 203.61    | -                      | -       | 5,253        |
| Wellsite Supervision              | 201.62 | -            | 202.62    | 9,455             | 203.62    | -                      | -       | 9,455        |
| Acid                              | 201.63 | -            | 202.63    | 26,265            | 203.63    | -                      | -       | 26,265       |
| Facilities                        |        |              |           |                   |           |                        |         |              |
| Surface Damage                    | 201.64 | -            | 202.64    | -                 | 201.64    | 1,313                  | -       | 1,313        |
| Permanent Easement/Row            | 201.65 | -            | 202.65    | -                 | 201.65    | 5,253                  | -       | 5,253        |
| Road Locations/Pits               | 201.66 | -            | 202.66    | -                 | 201.66    | 39,398                 | -       | 39,398       |
| Materials & Supplies              | 201.67 | -            | 202.67    | -                 | 201.67    | 10,506                 | -       | 10,506       |
| Transportation rucking            | 201.68 | -            | 202.68    | -                 | 201.68    | 7,880                  | -       | 7,880        |
| Rental Equipment                  | 201.69 | -            | 202.69    | -                 | 201.69    | 21,012                 | -       | 21,012       |
| Water Disposal/SWD                | 201.70 | -            | 202.70    | -                 | 201.70    | 1,313                  | -       | 1,313        |
| Inspection & Testing              | 201.71 | -            | 202.71    | -                 | 201.71    | 657                    | -       | 657          |
| Contract Labor/Roustab            | 201.72 | -            | 202.72    | -                 | 201.72    | 78,795                 | -       | 78,795       |
| Supervision                       | 201.73 | -            | 202.73    | -                 | 201.73    | 26,265                 | -       | 26,265       |
| Consulting Services               | 201.74 | -            | 202.74    | -                 | 201.74    | 1,313                  | -       | 1,313        |
| Safety/Environmental              | 201.75 | -            | 202.75    | -                 | 201.75    | 3,940                  | -       | 3,940        |
| Company Labor                     | 201.76 | -            | 202.76    | -                 | 201.76    | 1,313                  | -       | 1,313        |
| Contingency                       | 201.77 | -            | 202.77    | -                 | 201.77    | 25,018                 | -       | 25,018       |
| Flowback                          |        |              |           |                   |           |                        |         |              |
| Frac Water Recovery               | 201.78 | -            | 202.78    | -                 | 201.78    | 174,731                | -       | 174,731      |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79    | -                 | 201.79    | 21,012                 | -       | 21,012       |
| Well Testing/Flowback             | 201.80 | -            | 202.80    | -                 | 201.80    | 114,515                | -       | 114,515      |
| Tank Rental                       | 201.81 | -            | 202.81    | -                 | 201.81    | 21,012                 | -       | 21,012       |
| Surface Pump Rental               | 201.82 | -            | 202.82    | -                 | 201.82    | 21,012                 | -       | 21,012       |
| Wellsite Supervision              | 201.83 | -            | 202.83    | -                 | 201.83    | 10,506                 | -       | 10,506       |
| Chemicals                         | 201.84 | -            | 202.84    | -                 | 201.84    | 15,759                 | -       | 15,759       |
| TOTAL INTANGIBLE COSTS            |        | \$           | 3,776,443 | \$                | 5,471,701 | \$                     | 602,522 | \$ 9,850,666 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |              |            |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|--------------|------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total        |            |
| Drilling                             |        |              |        |                   |        |              |              |            |
| Casing - Surface                     | 301.01 | 112,392      | 302.01 | -                 | 303.01 | -            | -            | 112,392    |
| Casing - Intermediate                | 301.02 | 240,921      | 302.02 | -                 | 303.02 | -            | -            | 240,921    |
| Casing Production                    | 301.03 | 574,842      | 302.03 | -                 | 303.03 | -            | -            | 574,842    |
| Wellhead Equipment                   | 301.04 | 70,037       | 302.04 | -                 | 303.04 | -            | -            | 70,037     |
| Packer/Downhole Tools                | 301.05 | 70,037       | 302.05 | -                 | 303.05 | -            | -            | 70,037     |
| Completion                           |        |              |        |                   |        |              |              |            |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 73,285            | 303.06 | -            | -            | 73,285     |
| Artificial Lift                      |        |              |        |                   |        |              |              |            |
| Tubing                               | 301.07 | -            | 302.07 | 68,289            | 303.07 | -            | -            | 68,289     |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,759            | 303.08 | -            | -            | 15,759     |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 105,060           | 303.09 | -            | -            | 105,060    |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 52,530            | 303.10 | -            | -            | 52,530     |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 78,795            | 303.11 | -            | -            | 78,795     |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 52,530            | 303.12 | -            | -            | 52,530     |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,759            | 303.13 | -            | -            | 15,759     |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,253             | 303.14 | -            | -            | 5,253      |
| Comm. Telemetry & Automa             | 301.15 | -            | 302.15 | 5,253             | 303.15 | -            | -            | 5,253      |
| Facilities                           |        |              |        |                   |        |              |              |            |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 105,848      | -            | 105,848    |
| Heater Treater/Seperator             | 301.17 | -            | 302.17 | -                 | 303.17 | 127,385      | -            | 127,385    |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 118,193      | -            | 118,193    |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 22,719       | -            | 22,719     |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 99,282       | -            | 99,282     |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,880        | -            | 7,880      |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 91,928       | -            | 91,928     |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 32,831       | -            | 32,831     |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 28,892       | -            | 28,892     |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,068,230 |        | \$ 472,513        |        | \$ 634,956   | \$ 2,175,699 |            |
|                                      |        |              |        |                   |        |              |              |            |
| Cost Category Summary                |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE |              | Total      |
| TOTAL INTANGIBLE COSTS               | \$     | 3,776,443    | \$     | 5,471,701         | \$     | 602,522      | \$           | 9,850,666  |
| TOTAL TANGIBLE COSTS                 | \$     | 1,068,230    | \$     | 472,513           | \$     | 634,956      | \$           | 2,175,699  |
| TOTAL CONTINGENCIES                  | \$     | -            | \$     | -                 | \$     | -            | \$           | -          |
| TOTAL DEVELOPMENT COSTS              | \$     | 4,844,672    | \$     | 5,944,214         | \$     | 1,237,479    | \$           | 12,026,366 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM109**

Well Name: Chancer 5-17 State #131H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,790'/10,150'

SHL: S20-T18S-R34E 350' FNL, 2,365' FEL

BHL: S5-T18S-R34E 100' FNL, 330' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #131H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,910,500</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,694,247</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$13,842,226</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM109  
Chancer 5-17 State #131H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Bone Spring Formation  
25790'/10150'

| INTANGIBLE COSTS                  |        |              |        |                   |        |                        |               |
|-----------------------------------|--------|--------------|--------|-------------------|--------|------------------------|---------------|
| Category/Description              | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total         |
| Drilling                          |        |              |        |                   |        |                        |               |
| Permits/Licenses                  | 201.01 | 24,126       | 202.01 | -                 | 203.01 | -                      | 24,126        |
| Staking/Surveying                 | 201.02 | 24,126       | 202.02 | -                 | 203.02 | -                      | 24,126        |
| Legal/Title Services              | 201.03 | 20,909       | 202.03 | -                 | 203.03 | -                      | 20,909        |
| Surface Damage/Row                | 201.04 | 56,294       | 202.04 | -                 | 203.04 | -                      | 56,294        |
| Permanent Easement                | 201.05 | 19,301       | 202.05 | -                 | 203.05 | -                      | 19,301        |
| Road/Locations/Pits               | 201.06 | 153,802      | 202.06 | -                 | 203.06 | -                      | 153,802       |
| Rig Mob/Trucking                  | 201.07 | 205,069      | 202.07 | -                 | 203.07 | -                      | 205,069       |
| Rig Mob/Standby Rate              | 201.08 | 56,454       | 202.08 | -                 | 203.08 | -                      | 56,454        |
| Daywork Contract                  | 201.09 | 929,733      | 202.09 | -                 | 203.09 | -                      | 929,733       |
| Directional Drill/Survey          | 201.10 | 410,566      | 202.10 | -                 | 203.10 | -                      | 410,566       |
| Conductor Hole/Service            | 201.11 | 68,356       | 202.11 | -                 | 203.11 | -                      | 68,356        |
| Drill Bit                         | 201.12 | 157,622      | 202.12 | -                 | 203.12 | -                      | 157,622       |
| Bits/Tools/Stabilizers            | 201.13 | 90,530       | 202.13 | -                 | 203.13 | -                      | 90,530        |
| Fuel/Power                        | 201.14 | 233,095      | 202.14 | -                 | 203.14 | -                      | 233,095       |
| Fuel/Mud                          | 201.15 | 138,321      | 202.15 | -                 | 203.15 | -                      | 138,321       |
| Rig Water                         | 201.16 | 31,162       | 202.16 | -                 | 203.16 | -                      | 31,162        |
| Mud/Chemicals/Acidizing           | 201.17 | 357,591      | 202.17 | -                 | 203.17 | -                      | 357,591       |
| Inspection/Testing & Repair       | 201.18 | 59,510       | 202.18 | -                 | 203.18 | -                      | 59,510        |
| Cement Services/Float Equip       | 201.19 | 432,656      | 202.19 | -                 | 203.19 | -                      | 432,656       |
| Casing Crew/Tools                 | 201.20 | 112,587      | 202.20 | -                 | 203.20 | -                      | 112,587       |
| Contract Labor/Roustabout         | 201.21 | 43,426       | 202.21 | -                 | 203.21 | -                      | 43,426        |
| Materials Supplies                | 201.22 | 8,042        | 202.22 | -                 | 203.22 | -                      | 8,042         |
| Trucking/Vacuum/Transp            | 201.23 | 37,395       | 202.23 | -                 | 203.23 | -                      | 37,395        |
| Solids Control/Closed Loop System | 201.24 | 98,006       | 202.24 | -                 | 203.24 | -                      | 98,006        |
| Disposal                          | 201.25 | 232,414      | 202.25 | -                 | 203.25 | -                      | 232,414       |
| Wellhead Prepare/Repair           | 201.26 | 20,105       | 202.26 | -                 | 203.26 | -                      | 20,105        |
| Rental Equipment                  | 201.27 | 137,115      | 202.27 | -                 | 203.27 | -                      | 137,115       |
| Mancamp                           | 201.28 | 64,818       | 202.28 | -                 | 203.28 | -                      | 64,818        |
| Wellsite Supervision              | 201.29 | 144,594      | 202.29 | -                 | 203.29 | -                      | 144,594       |
| Safety/Environmental              | 201.30 | 27,423       | 202.30 | -                 | 203.30 | -                      | 27,423        |
| Well Control Insurance            | 201.31 | 13,711       | 202.31 | -                 | 203.31 | -                      | 13,711        |
| Contingency                       | 201.32 | 198,399      | 202.32 | -                 | 203.32 | -                      | 198,399       |
| Completion                        |        |              |        |                   |        |                        |               |
| Road/Locations/Pits               | 201.33 | -            | 202.33 | 18,535            | 203.33 | -                      | 18,535        |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34 | 70,610            | 203.34 | -                      | 70,610        |
| Fuel/Power                        | 201.35 | -            | 202.35 | 448,235           | 203.35 | -                      | 448,235       |
| Coiled Tubing                     | 201.36 | -            | 202.36 | 321,959           | 203.36 | -                      | 321,959       |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37 | 33,178            | 203.37 | -                      | 33,178        |
| Trucking                          | 201.38 | -            | 202.38 | 25,376            | 203.38 | -                      | 25,376        |
| Electric Logging/Perforating      | 201.39 | -            | 202.39 | 647,027           | 203.39 | -                      | 647,027       |
| Completion Fluids                 | 201.40 | -            | 202.40 | 17,653            | 203.40 | -                      | 17,653        |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41 | 3,172,487         | 203.41 | -                      | 3,172,487     |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42 | 26,479            | 203.42 | -                      | 26,479        |
| Water Handling                    | 201.43 | -            | 202.43 | 308,920           | 203.43 | -                      | 308,920       |
| Source Water                      | 201.44 | -            | 202.44 | 506,188           | 203.44 | -                      | 506,188       |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45 | 70,610            | 203.45 | -                      | 70,610        |
| Rental Equipment                  | 201.46 | -            | 202.46 | 297,188           | 203.46 | -                      | 297,188       |
| Wellsite Supervision              | 201.47 | -            | 202.47 | 78,642            | 203.47 | -                      | 78,642        |
| Supervision/Engineering           | 201.48 | -            | 202.48 | 8,826             | 203.48 | -                      | 8,826         |
| Safety/Environmental              | 201.49 | -            | 202.49 | 26,479            | 203.49 | -                      | 26,479        |
| Overhead                          | 201.50 | -            | 202.50 | 17,653            | 203.50 | -                      | 17,653        |
| Artificial Lift                   |        |              |        |                   |        |                        |               |
| Workover Rig                      | 201.51 | -            | 202.51 | 15,759            | 203.51 | -                      | 15,759        |
| Spooling Services                 | 201.52 | -            | 202.52 | 6,304             | 203.52 | -                      | 6,304         |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53 | 5,253             | 203.53 | -                      | 5,253         |
| Inspection & Testing              | 201.54 | -            | 202.54 | 3,152             | 203.54 | -                      | 3,152         |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55 | 7,354             | 203.55 | -                      | 7,354         |
| Kill Truck                        | 201.56 | -            | 202.56 | 5,253             | 203.56 | -                      | 5,253         |
| Completion Fluids                 | 201.57 | -            | 202.57 | 5,253             | 203.57 | -                      | 5,253         |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58 | 10,506            | 203.58 | -                      | 10,506        |
| Rental Equipment                  | 201.59 | -            | 202.59 | 10,506            | 203.59 | -                      | 10,506        |
| Laydown Machine                   | 201.60 | -            | 202.60 | 5,253             | 203.60 | -                      | 5,253         |
| Reverse Unit Rental               | 201.61 | -            | 202.61 | 5,253             | 203.61 | -                      | 5,253         |
| Wellsite Supervision              | 201.62 | -            | 202.62 | 9,455             | 203.62 | -                      | 9,455         |
| Acid                              | 201.63 | -            | 202.63 | 26,265            | 203.63 | -                      | 26,265        |
| Facilities                        |        |              |        |                   |        |                        |               |
| Surface Damage                    | 201.64 | -            | 202.64 | -                 | 201.64 | 1,313                  | 1,313         |
| Permanent Easement/Row            | 201.65 | -            | 202.65 | -                 | 201.65 | 5,253                  | 5,253         |
| Road Locations Pits               | 201.66 | -            | 202.66 | -                 | 201.66 | 39,398                 | 39,398        |
| Materials & Supplies              | 201.67 | -            | 202.67 | -                 | 201.67 | 10,506                 | 10,506        |
| Transportation rucking            | 201.68 | -            | 202.68 | -                 | 201.68 | 7,880                  | 7,880         |
| Rental Equipment                  | 201.69 | -            | 202.69 | -                 | 201.69 | 21,012                 | 21,012        |
| Water Disposal/ESWD               | 201.70 | -            | 202.70 | -                 | 201.70 | 1,313                  | 1,313         |
| Inspection & Testing              | 201.71 | -            | 202.71 | -                 | 201.71 | 657                    | 657           |
| Contract Labor/Roustab            | 201.72 | -            | 202.72 | -                 | 201.72 | 78,795                 | 78,795        |
| Supervision                       | 201.73 | -            | 202.73 | -                 | 201.73 | 26,265                 | 26,265        |
| Consulting Services               | 201.74 | -            | 202.74 | -                 | 201.74 | 1,313                  | 1,313         |
| Safety/Environmental              | 201.75 | -            | 202.75 | -                 | 201.75 | 3,940                  | 3,940         |
| Company Labor                     | 201.76 | -            | 202.76 | -                 | 201.76 | 1,313                  | 1,313         |
| Contingency                       | 201.77 | -            | 202.77 | -                 | 201.77 | 25,018                 | 25,018        |
| Flowback                          |        |              |        |                   |        |                        |               |
| Frac Water Recovery               | 201.78 | -            | 202.78 | -                 | 201.78 | 174,731                | 174,731       |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79 | -                 | 201.79 | 21,012                 | 21,012        |
| Well Testing/Flowback             | 201.80 | -            | 202.80 | -                 | 201.80 | 114,515                | 114,515       |
| Tank Rental                       | 201.81 | -            | 202.81 | -                 | 201.81 | 21,012                 | 21,012        |
| Surface Pump Rental               | 201.82 | -            | 202.82 | -                 | 201.82 | 21,012                 | 21,012        |
| Wellsite Supervision              | 201.83 | -            | 202.83 | -                 | 201.83 | 10,506                 | 10,506        |
| Chemicals                         | 201.84 | -            | 202.84 | -                 | 201.84 | 15,759                 | 15,759        |
| TOTAL INTANGIBLE COSTS            |        | \$ 4,607,260 |        | \$ 6,211,611      |        | \$ 602,522             | \$ 11,421,393 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |               |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total         |
| Drilling                             |        |              |        |                   |        |              |               |
| Casing - Surface                     | 301.01 | 137,118      | 302.01 | -                 | 303.01 | -            | 137,118       |
| Casing - Intermediate                | 301.02 | 293,923      | 302.02 | -                 | 303.02 | -            | 293,923       |
| Casing Production                    | 301.03 | 701,308      | 302.03 | -                 | 303.03 | -            | 701,308       |
| Wellhead Equipment                   | 301.04 | 85,446       | 302.04 | -                 | 303.04 | -            | 85,446        |
| Packer/Downhole Tools                | 301.05 | 85,446       | 302.05 | -                 | 303.05 | -            | 85,446        |
| Completion                           |        |              |        |                   |        |              |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 83,408            | 303.06 | -            | 83,408        |
| Artificial Lift                      |        |              |        |                   |        |              |               |
| Tubing                               | 301.07 | -            | 302.07 | 68,289            | 303.07 | -            | 68,289        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,759            | 303.08 | -            | 15,759        |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 105,060           | 303.09 | -            | 105,060       |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 52,530            | 303.10 | -            | 52,530        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 78,795            | 303.11 | -            | 78,795        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 52,530            | 303.12 | -            | 52,530        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,759            | 303.13 | -            | 15,759        |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,253             | 303.14 | -            | 5,253         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15 | 5,253             | 303.15 | -            | 5,253         |
| Facilities                           |        |              |        |                   |        |              |               |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 105,848      | 105,848       |
| Heater Treater/Seperator             | 301.17 | -            | 302.17 | -                 | 303.17 | 127,385      | 127,385       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 118,193      | 118,193       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 22,719       | 22,719        |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 99,282       | 99,282        |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,880        | 7,880         |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 91,928       | 91,928        |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 32,831       | 32,831        |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 28,892       | 28,892        |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,303,240 |        | \$ 482,636        |        | \$ 634,956   | \$ 2,420,833  |
| Cost Category Summary                |        |              |        |                   |        |              |               |
|                                      |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE | Total         |
| TOTAL INTANGIBLE COSTS               | \$     | 4,607,260    | \$     | 6,211,611         | \$     | 602,522      | \$ 11,421,393 |
| TOTAL TANGIBLE COSTS                 | \$     | 1,303,240    | \$     | 482,636           | \$     | 634,956      | \$ 2,420,833  |
| TOTAL CONTINGENCIES                  | \$     |              | \$     |                   | \$     |              | \$            |
| TOTAL DEVELOPMENT COSTS              | \$     | 5,910,500    | \$     | 6,694,247         | \$     | 1,237,479    | \$ 13,842,226 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM110**

Well Name: Chancer 5-17 State #132H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,790'/10,150'

SHL: S20-T18S-R34E 350' FNL, 2,315' FEL

BHL: S5-T18S-R34E 100' FNL, 1,650' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #132H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,910,500</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,694,247</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$13,842,226</b> |

**OPERATOR APPROVAL:**





Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM110  
Chancer 5-17 State #132H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Bone Spring Formation  
25790'/10150'

| INTANGIBLE COSTS                  |        |              |           |                   |           |                        |           |               |
|-----------------------------------|--------|--------------|-----------|-------------------|-----------|------------------------|-----------|---------------|
| Category/Description              | Item # | Drilling AFE | Item #    | Completion/AL AFE | Item #    | Facility/ Flowback AFE | Total     |               |
| Drilling                          |        |              |           |                   |           |                        |           |               |
| Permits/Licenses                  | 201.01 | 24,126       | 202.01    | -                 | 203.01    | -                      | 24,126    |               |
| Staking/Surveying                 | 201.02 | 24,126       | 202.02    | -                 | 203.02    | -                      | 24,126    |               |
| Legal/Title Services              | 201.03 | 20,909       | 202.03    | -                 | 203.03    | -                      | 20,909    |               |
| Surface Damage/Row                | 201.04 | 56,294       | 202.04    | -                 | 203.04    | -                      | 56,294    |               |
| Permanent Easement                | 201.05 | 19,301       | 202.05    | -                 | 203.05    | -                      | 19,301    |               |
| Road/Locations/Pits               | 201.06 | 153,802      | 202.06    | -                 | 203.06    | -                      | 153,802   |               |
| Rig Mob/Trucking                  | 201.07 | 205,069      | 202.07    | -                 | 203.07    | -                      | 205,069   |               |
| Rig Mob/Standby Rate              | 201.08 | 56,454       | 202.08    | -                 | 203.08    | -                      | 56,454    |               |
| Daywork Contract                  | 201.09 | 929,733      | 202.09    | -                 | 203.09    | -                      | 929,733   |               |
| Directional Drill/Survey          | 201.10 | 410,566      | 202.10    | -                 | 203.10    | -                      | 410,566   |               |
| Conductor Hole/Service            | 201.11 | 68,356       | 202.11    | -                 | 203.11    | -                      | 68,356    |               |
| Drill Bit                         | 201.12 | 157,622      | 202.12    | -                 | 203.12    | -                      | 157,622   |               |
| Bits/Tools/Stabilizers            | 201.13 | 90,530       | 202.13    | -                 | 203.13    | -                      | 90,530    |               |
| Fuel/Power                        | 201.14 | 233,095      | 202.14    | -                 | 203.14    | -                      | 233,095   |               |
| Fuel/Mud                          | 201.15 | 138,321      | 202.15    | -                 | 203.15    | -                      | 138,321   |               |
| Rig Water                         | 201.16 | 31,162       | 202.16    | -                 | 203.16    | -                      | 31,162    |               |
| Mud/Chemicals/Acidizing           | 201.17 | 357,591      | 202.17    | -                 | 203.17    | -                      | 357,591   |               |
| Inspection/Testing & Repair       | 201.18 | 59,510       | 202.18    | -                 | 203.18    | -                      | 59,510    |               |
| Cement Services/Float Equip       | 201.19 | 432,656      | 202.19    | -                 | 203.19    | -                      | 432,656   |               |
| Casing Crew/Tools                 | 201.20 | 112,587      | 202.20    | -                 | 203.20    | -                      | 112,587   |               |
| Contract Labor/Roustabout         | 201.21 | 43,426       | 202.21    | -                 | 203.21    | -                      | 43,426    |               |
| Materials Supplies                | 201.22 | 8,042        | 202.22    | -                 | 203.22    | -                      | 8,042     |               |
| Trucking/Vacuum/Transp            | 201.23 | 37,395       | 202.23    | -                 | 203.23    | -                      | 37,395    |               |
| Solids Control/Closed Loop System | 201.24 | 98,006       | 202.24    | -                 | 203.24    | -                      | 98,006    |               |
| Disposal                          | 201.25 | 232,414      | 202.25    | -                 | 203.25    | -                      | 232,414   |               |
| Wellhead Prepare/Repair           | 201.26 | 20,105       | 202.26    | -                 | 203.26    | -                      | 20,105    |               |
| Rental Equipment                  | 201.27 | 137,115      | 202.27    | -                 | 203.27    | -                      | 137,115   |               |
| Mancamp                           | 201.28 | 64,818       | 202.28    | -                 | 203.28    | -                      | 64,818    |               |
| Wellsite Supervision              | 201.29 | 144,594      | 202.29    | -                 | 203.29    | -                      | 144,594   |               |
| Safety/Environmental              | 201.30 | 27,423       | 202.30    | -                 | 203.30    | -                      | 27,423    |               |
| Well Control Insurance            | 201.31 | 13,711       | 202.31    | -                 | 203.31    | -                      | 13,711    |               |
| Contingency                       | 201.32 | 198,399      | 202.32    | -                 | 203.32    | -                      | 198,399   |               |
| Completion                        |        |              |           |                   |           |                        |           |               |
| Road/Locations/Pits               | 201.33 | -            | 202.33    | 18,535            | 203.33    | -                      | 18,535    |               |
| Wireline Open/Cased Hole          | 201.34 | -            | 202.34    | 70,610            | 203.34    | -                      | 70,610    |               |
| Fuel/Power                        | 201.35 | -            | 202.35    | 448,235           | 203.35    | -                      | 448,235   |               |
| Coiled Tubing                     | 201.36 | -            | 202.36    | 321,959           | 203.36    | -                      | 321,959   |               |
| Water Disposal/Vacuum Truck       | 201.37 | -            | 202.37    | 33,178            | 203.37    | -                      | 33,178    |               |
| Trucking                          | 201.38 | -            | 202.38    | 25,376            | 203.38    | -                      | 25,376    |               |
| Electric Logging/Perforating      | 201.39 | -            | 202.39    | 647,027           | 203.39    | -                      | 647,027   |               |
| Completion Fluids                 | 201.40 | -            | 202.40    | 17,653            | 203.40    | -                      | 17,653    |               |
| Well Stimulation/Fracture         | 201.41 | -            | 202.41    | 3,172,487         | 203.41    | -                      | 3,172,487 |               |
| Contract Labor/Roustabout         | 201.42 | -            | 202.42    | 26,479            | 203.42    | -                      | 26,479    |               |
| Water Handling                    | 201.43 | -            | 202.43    | 308,920           | 203.43    | -                      | 308,920   |               |
| Source Water                      | 201.44 | -            | 202.44    | 506,188           | 203.44    | -                      | 506,188   |               |
| Wellhead/Fracture Repair          | 201.45 | -            | 202.45    | 70,610            | 203.45    | -                      | 70,610    |               |
| Rental Equipment                  | 201.46 | -            | 202.46    | 297,188           | 203.46    | -                      | 297,188   |               |
| Wellsite Supervision              | 201.47 | -            | 202.47    | 78,642            | 203.47    | -                      | 78,642    |               |
| Supervision/Engineering           | 201.48 | -            | 202.48    | 8,826             | 203.48    | -                      | 8,826     |               |
| Safety/Environmental              | 201.49 | -            | 202.49    | 26,479            | 203.49    | -                      | 26,479    |               |
| Overhead                          | 201.50 | -            | 202.50    | 17,653            | 203.50    | -                      | 17,653    |               |
| Artificial Lift                   |        |              |           |                   |           |                        |           |               |
| Workover Rig                      | 201.51 | -            | 202.51    | 15,759            | 203.51    | -                      | 15,759    |               |
| Spooling Services                 | 201.52 | -            | 202.52    | 6,304             | 203.52    | -                      | 6,304     |               |
| Wireline Open/Cased Hole          | 201.53 | -            | 202.53    | 5,253             | 203.53    | -                      | 5,253     |               |
| Inspection & Testing              | 201.54 | -            | 202.54    | 3,152             | 203.54    | -                      | 3,152     |               |
| Trucking/Vacuum/Transp            | 201.55 | -            | 202.55    | 7,354             | 203.55    | -                      | 7,354     |               |
| Kill Truck                        | 201.56 | -            | 202.56    | 5,253             | 203.56    | -                      | 5,253     |               |
| Completion Fluids                 | 201.57 | -            | 202.57    | 5,253             | 203.57    | -                      | 5,253     |               |
| Contract Labor/Roustabout         | 201.58 | -            | 202.58    | 10,506            | 203.58    | -                      | 10,506    |               |
| Rental Equipment                  | 201.59 | -            | 202.59    | 10,506            | 203.59    | -                      | 10,506    |               |
| Laydown Machine                   | 201.60 | -            | 202.60    | 5,253             | 203.60    | -                      | 5,253     |               |
| Reverse Unit Rental               | 201.61 | -            | 202.61    | 5,253             | 203.61    | -                      | 5,253     |               |
| Wellsite Supervision              | 201.62 | -            | 202.62    | 9,455             | 203.62    | -                      | 9,455     |               |
| Acid                              | 201.63 | -            | 202.63    | 26,265            | 203.63    | -                      | 26,265    |               |
| Facilities                        |        |              |           |                   |           |                        |           |               |
| Surface Damage                    | 201.64 | -            | 202.64    | -                 | 201.64    | 1,313                  | 1,313     |               |
| Permanent Easement/Row            | 201.65 | -            | 202.65    | -                 | 201.65    | 5,253                  | 5,253     |               |
| Road Locations Pits               | 201.66 | -            | 202.66    | -                 | 201.66    | 39,398                 | 39,398    |               |
| Materials & Supplies              | 201.67 | -            | 202.67    | -                 | 201.67    | 10,506                 | 10,506    |               |
| Transportation rucking            | 201.68 | -            | 202.68    | -                 | 201.68    | 7,880                  | 7,880     |               |
| Rental Equipment                  | 201.69 | -            | 202.69    | -                 | 201.69    | 21,012                 | 21,012    |               |
| Water Disposal/SWD                | 201.70 | -            | 202.70    | -                 | 201.70    | 1,313                  | 1,313     |               |
| Inspection & Testing              | 201.71 | -            | 202.71    | -                 | 201.71    | 657                    | 657       |               |
| Contract Labor/Roustab            | 201.72 | -            | 202.72    | -                 | 201.72    | 78,795                 | 78,795    |               |
| Supervision                       | 201.73 | -            | 202.73    | -                 | 201.73    | 26,265                 | 26,265    |               |
| Consulting Services               | 201.74 | -            | 202.74    | -                 | 201.74    | 1,313                  | 1,313     |               |
| Safety/Environmental              | 201.75 | -            | 202.75    | -                 | 201.75    | 3,940                  | 3,940     |               |
| Company Labor                     | 201.76 | -            | 202.76    | -                 | 201.76    | 1,313                  | 1,313     |               |
| Contingency                       | 201.77 | -            | 202.77    | -                 | 201.77    | 25,018                 | 25,018    |               |
| Flowback                          |        |              |           |                   |           |                        |           |               |
| Frac Water Recovery               | 201.78 | -            | 202.78    | -                 | 201.78    | 174,731                | 174,731   |               |
| Trucking/Vacuum/Transfer          | 201.79 | -            | 202.79    | -                 | 201.79    | 21,012                 | 21,012    |               |
| Well Testing/Flowback             | 201.80 | -            | 202.80    | -                 | 201.80    | 114,515                | 114,515   |               |
| Tank Rental                       | 201.81 | -            | 202.81    | -                 | 201.81    | 21,012                 | 21,012    |               |
| Surface Pump Rental               | 201.82 | -            | 202.82    | -                 | 201.82    | 21,012                 | 21,012    |               |
| Wellsite Supervision              | 201.83 | -            | 202.83    | -                 | 201.83    | 10,506                 | 10,506    |               |
| Chemicals                         | 201.84 | -            | 202.84    | -                 | 201.84    | 15,759                 | 15,759    |               |
| TOTAL INTANGIBLE COSTS            |        | \$           | 4,607,260 | \$                | 6,211,611 | \$                     | 602,522   | \$ 11,421,393 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |               |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total         |
| Drilling                             |        |              |        |                   |        |              |               |
| Casing - Surface                     | 301.01 | 137,118      | 302.01 | -                 | 303.01 | -            | 137,118       |
| Casing - Intermediate                | 301.02 | 293,923      | 302.02 | -                 | 303.02 | -            | 293,923       |
| Casing Production                    | 301.03 | 701,308      | 302.03 | -                 | 303.03 | -            | 701,308       |
| Wellhead Equipment                   | 301.04 | 85,446       | 302.04 | -                 | 303.04 | -            | 85,446        |
| Packer/Downhole Tools                | 301.05 | 85,446       | 302.05 | -                 | 303.05 | -            | 85,446        |
| Completion                           |        |              |        |                   |        |              |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 83,408            | 303.06 | -            | 83,408        |
| Artificial Lift                      |        |              |        |                   |        |              |               |
| Tubing                               | 301.07 | -            | 302.07 | 68,289            | 303.07 | -            | 68,289        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,759            | 303.08 | -            | 15,759        |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 105,060           | 303.09 | -            | 105,060       |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 52,530            | 303.10 | -            | 52,530        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 78,795            | 303.11 | -            | 78,795        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 52,530            | 303.12 | -            | 52,530        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,759            | 303.13 | -            | 15,759        |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,253             | 303.14 | -            | 5,253         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15 | 5,253             | 303.15 | -            | 5,253         |
| Facilities                           |        |              |        |                   |        |              |               |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 105,848      | 105,848       |
| Heater Treater/Separator             | 301.17 | -            | 302.17 | -                 | 303.17 | 127,385      | 127,385       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 118,193      | 118,193       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 22,719       | 22,719        |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 99,282       | 99,282        |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,880        | 7,880         |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 91,928       | 91,928        |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 32,831       | 32,831        |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 28,892       | 28,892        |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,303,240 |        | \$ 482,636        |        | \$ 634,956   | 2,420,833     |
|                                      |        |              |        |                   |        |              |               |
| Cost Category Summary                |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE | Total         |
| TOTAL INTANGIBLE COSTS               | \$     | 4,607,260    | \$     | 6,211,611         | \$     | 602,522      | \$ 11,421,393 |
| TOTAL TANGIBLE COSTS                 | \$     | 1,303,240    | \$     | 482,636           | \$     | 634,956      | \$ 2,420,833  |
| TOTAL CONTINGENCIES                  | \$     | -            | \$     | -                 | \$     | -            | -             |
| TOTAL DEVELOPMENT COSTS              | \$     | 5,910,500    | \$     | 6,694,247         | \$     | 1,237,479    | \$ 13,842,226 |



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM111**

Well Name: Chancer 5-17 State #133H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,790'/10,150'

SHL: S20-T18S-R34E 350' FNL, 2,265' FEL

BHL: S5-T18S-R34E 100' FNL, 2,310' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #133H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,910,500</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,694,247</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$13,842,226</b> |

**OPERATOR APPROVAL:**



| Authority for Expenditure         |                          |                           |                                                                        |                   |        |                        |               |
|-----------------------------------|--------------------------|---------------------------|------------------------------------------------------------------------|-------------------|--------|------------------------|---------------|
| FED Operating, LLC                |                          |                           |                                                                        |                   |        |                        |               |
| AFE Date: 11/18/2025              |                          |                           |                                                                        |                   |        |                        |               |
| AFE Number:                       | NM111                    | Field/Prospect:           |                                                                        |                   |        |                        |               |
| Well Name:                        | Chancer 5-17 State #133H | AFE Objective:            | Drill, Complete, Install Artificial Lift, and Build Comingled Facility |                   |        |                        |               |
| Location:                         | Sec. 5, 8, 17            | Formation Target:         | Bone Spring Formation                                                  |                   |        |                        |               |
| County/State:                     | Lea, New Mexico          | Proposed Total Depth/TVD: | 25790'/10150'                                                          |                   |        |                        |               |
| INTANGIBLE COSTS                  |                          |                           |                                                                        |                   |        |                        |               |
| Category/Description              | Item #                   | Drilling AFE              | Item #                                                                 | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total         |
| Drilling                          |                          |                           |                                                                        |                   |        |                        |               |
| Permits/Licenses                  | 201.01                   | 24,126                    | 202.01                                                                 | -                 | 203.01 | -                      | 24,126        |
| Staking/Surveying                 | 201.02                   | 24,126                    | 202.02                                                                 | -                 | 203.02 | -                      | 24,126        |
| Legal/Title Services              | 201.03                   | 20,909                    | 202.03                                                                 | -                 | 203.03 | -                      | 20,909        |
| Surface Damage/Row                | 201.04                   | 56,294                    | 202.04                                                                 | -                 | 203.04 | -                      | 56,294        |
| Permanent Easement                | 201.05                   | 19,301                    | 202.05                                                                 | -                 | 203.05 | -                      | 19,301        |
| Road/Locations/Pits               | 201.06                   | 153,802                   | 202.06                                                                 | -                 | 203.06 | -                      | 153,802       |
| Rig Mob/Trucking                  | 201.07                   | 205,069                   | 202.07                                                                 | -                 | 203.07 | -                      | 205,069       |
| Rig Mob/Standby Rate              | 201.08                   | 56,454                    | 202.08                                                                 | -                 | 203.08 | -                      | 56,454        |
| Daywork Contract                  | 201.09                   | 929,733                   | 202.09                                                                 | -                 | 203.09 | -                      | 929,733       |
| Directional Drill/Survey          | 201.10                   | 410,566                   | 202.10                                                                 | -                 | 203.10 | -                      | 410,566       |
| Conductor Hole/Service            | 201.11                   | 68,356                    | 202.11                                                                 | -                 | 203.11 | -                      | 68,356        |
| Drill Bit                         | 201.12                   | 157,622                   | 202.12                                                                 | -                 | 203.12 | -                      | 157,622       |
| Bits/Tools/Stabilizers            | 201.13                   | 90,530                    | 202.13                                                                 | -                 | 203.13 | -                      | 90,530        |
| Fuel/Power                        | 201.14                   | 233,095                   | 202.14                                                                 | -                 | 203.14 | -                      | 233,095       |
| Fuel/Mud                          | 201.15                   | 138,321                   | 202.15                                                                 | -                 | 203.15 | -                      | 138,321       |
| Rig Water                         | 201.16                   | 31,162                    | 202.16                                                                 | -                 | 203.16 | -                      | 31,162        |
| Mud/Chemicals/Acidizing           | 201.17                   | 357,591                   | 202.17                                                                 | -                 | 203.17 | -                      | 357,591       |
| Inspection/Testing & Repair       | 201.18                   | 59,510                    | 202.18                                                                 | -                 | 203.18 | -                      | 59,510        |
| Cement Services/Float Equip       | 201.19                   | 432,656                   | 202.19                                                                 | -                 | 203.19 | -                      | 432,656       |
| Casing Crew/Tools                 | 201.20                   | 112,587                   | 202.20                                                                 | -                 | 203.20 | -                      | 112,587       |
| Contract Labor/Roustabout         | 201.21                   | 43,426                    | 202.21                                                                 | -                 | 203.21 | -                      | 43,426        |
| Materials Supplies                | 201.22                   | 8,042                     | 202.22                                                                 | -                 | 203.22 | -                      | 8,042         |
| Trucking/Vacuum/Transp            | 201.23                   | 37,395                    | 202.23                                                                 | -                 | 203.23 | -                      | 37,395        |
| Solids Control/Closed Loop System | 201.24                   | 98,006                    | 202.24                                                                 | -                 | 203.24 | -                      | 98,006        |
| Disposal                          | 201.25                   | 232,414                   | 202.25                                                                 | -                 | 203.25 | -                      | 232,414       |
| Wellhead Prepare/Repair           | 201.26                   | 20,105                    | 202.26                                                                 | -                 | 203.26 | -                      | 20,105        |
| Rental Equipment                  | 201.27                   | 137,115                   | 202.27                                                                 | -                 | 203.27 | -                      | 137,115       |
| Mancamp                           | 201.28                   | 64,818                    | 202.28                                                                 | -                 | 203.28 | -                      | 64,818        |
| Wellsite Supervision              | 201.29                   | 144,594                   | 202.29                                                                 | -                 | 203.29 | -                      | 144,594       |
| Safety/Environmental              | 201.30                   | 27,423                    | 202.30                                                                 | -                 | 203.30 | -                      | 27,423        |
| Well Control Insurance            | 201.31                   | 13,711                    | 202.31                                                                 | -                 | 203.31 | -                      | 13,711        |
| Contingency                       | 201.32                   | 198,399                   | 202.32                                                                 | -                 | 203.32 | -                      | 198,399       |
| Completion                        |                          |                           |                                                                        |                   |        |                        |               |
| Road/Locations/Pits               | 201.33                   | -                         | 202.33                                                                 | 18,535            | 203.33 | -                      | 18,535        |
| Wireline Open/Cased Hole          | 201.34                   | -                         | 202.34                                                                 | 70,610            | 203.34 | -                      | 70,610        |
| Fuel/Power                        | 201.35                   | -                         | 202.35                                                                 | 448,235           | 203.35 | -                      | 448,235       |
| Coiled Tubing                     | 201.36                   | -                         | 202.36                                                                 | 321,959           | 203.36 | -                      | 321,959       |
| Water Disposal/Vacuum Truck       | 201.37                   | -                         | 202.37                                                                 | 33,178            | 203.37 | -                      | 33,178        |
| Trucking                          | 201.38                   | -                         | 202.38                                                                 | 25,376            | 203.38 | -                      | 25,376        |
| Electric Logging/Perforating      | 201.39                   | -                         | 202.39                                                                 | 647,027           | 203.39 | -                      | 647,027       |
| Completion Fluids                 | 201.40                   | -                         | 202.40                                                                 | 17,653            | 203.40 | -                      | 17,653        |
| Well Stimulation/Fracture         | 201.41                   | -                         | 202.41                                                                 | 3,172,487         | 203.41 | -                      | 3,172,487     |
| Contract Labor/Roustabout         | 201.42                   | -                         | 202.42                                                                 | 26,479            | 203.42 | -                      | 26,479        |
| Water Handling                    | 201.43                   | -                         | 202.43                                                                 | 308,920           | 203.43 | -                      | 308,920       |
| Source Water                      | 201.44                   | -                         | 202.44                                                                 | 506,188           | 203.44 | -                      | 506,188       |
| Wellhead/Fractree Repair          | 201.45                   | -                         | 202.45                                                                 | 70,610            | 203.45 | -                      | 70,610        |
| Rental Equipment                  | 201.46                   | -                         | 202.46                                                                 | 297,188           | 203.46 | -                      | 297,188       |
| Wellsite Supervision              | 201.47                   | -                         | 202.47                                                                 | 78,642            | 203.47 | -                      | 78,642        |
| Supervision/Engineering           | 201.48                   | -                         | 202.48                                                                 | 8,826             | 203.48 | -                      | 8,826         |
| Safety/Environmental              | 201.49                   | -                         | 202.49                                                                 | 26,479            | 203.49 | -                      | 26,479        |
| Overhead                          | 201.50                   | -                         | 202.50                                                                 | 17,653            | 203.50 | -                      | 17,653        |
| Artificial Lift                   |                          |                           |                                                                        |                   |        |                        |               |
| Workover Rig                      | 201.51                   | -                         | 202.51                                                                 | 15,759            | 203.51 | -                      | 15,759        |
| Spooling Services                 | 201.52                   | -                         | 202.52                                                                 | 6,304             | 203.52 | -                      | 6,304         |
| Wireline Open/Cased Hole          | 201.53                   | -                         | 202.53                                                                 | 5,253             | 203.53 | -                      | 5,253         |
| Inspection & Testing              | 201.54                   | -                         | 202.54                                                                 | 3,152             | 203.54 | -                      | 3,152         |
| Trucking/Vacuum/Transp            | 201.55                   | -                         | 202.55                                                                 | 7,354             | 203.55 | -                      | 7,354         |
| Kill Truck                        | 201.56                   | -                         | 202.56                                                                 | 5,253             | 203.56 | -                      | 5,253         |
| Completion Fluids                 | 201.57                   | -                         | 202.57                                                                 | 5,253             | 203.57 | -                      | 5,253         |
| Contract Labor/Roustabout         | 201.58                   | -                         | 202.58                                                                 | 10,506            | 203.58 | -                      | 10,506        |
| Rental Equipment                  | 201.59                   | -                         | 202.59                                                                 | 10,506            | 203.59 | -                      | 10,506        |
| Laydown Machine                   | 201.60                   | -                         | 202.60                                                                 | 5,253             | 203.60 | -                      | 5,253         |
| Reverse Unit Rental               | 201.61                   | -                         | 202.61                                                                 | 5,253             | 203.61 | -                      | 5,253         |
| Wellsite Supervision              | 201.62                   | -                         | 202.62                                                                 | 9,455             | 203.62 | -                      | 9,455         |
| Acid                              | 201.63                   | -                         | 202.63                                                                 | 26,265            | 203.63 | -                      | 26,265        |
| Facilities                        |                          |                           |                                                                        |                   |        |                        |               |
| Surface Damage                    | 201.64                   | -                         | 202.64                                                                 | -                 | 201.64 | 1,313                  | 1,313         |
| Permanent Easement/Row            | 201.65                   | -                         | 202.65                                                                 | -                 | 201.65 | 5,253                  | 5,253         |
| Road Locations Pits               | 201.66                   | -                         | 202.66                                                                 | -                 | 201.66 | 39,398                 | 39,398        |
| Materials & Supplies              | 201.67                   | -                         | 202.67                                                                 | -                 | 201.67 | 10,506                 | 10,506        |
| Transportation rucking            | 201.68                   | -                         | 202.68                                                                 | -                 | 201.68 | 7,880                  | 7,880         |
| Rental Equipment                  | 201.69                   | -                         | 202.69                                                                 | -                 | 201.69 | 21,012                 | 21,012        |
| Water Disposal/ISWD               | 201.70                   | -                         | 202.70                                                                 | -                 | 201.70 | 1,313                  | 1,313         |
| Inspection & Testing              | 201.71                   | -                         | 202.71                                                                 | -                 | 201.71 | 657                    | 657           |
| Contract Labor/Roustab            | 201.72                   | -                         | 202.72                                                                 | -                 | 201.72 | 78,795                 | 78,795        |
| Supervision                       | 201.73                   | -                         | 202.73                                                                 | -                 | 201.73 | 26,265                 | 26,265        |
| Consulting Services               | 201.74                   | -                         | 202.74                                                                 | -                 | 201.74 | 1,313                  | 1,313         |
| Safety/Environmental              | 201.75                   | -                         | 202.75                                                                 | -                 | 201.75 | 3,940                  | 3,940         |
| Company Labor                     | 201.76                   | -                         | 202.76                                                                 | -                 | 201.76 | 1,313                  | 1,313         |
| Contingency                       | 201.77                   | -                         | 202.77                                                                 | -                 | 201.77 | 25,018                 | 25,018        |
| Flowback                          |                          |                           |                                                                        |                   |        |                        |               |
| Frac Water Recovery               | 201.78                   | -                         | 202.78                                                                 | -                 | 201.78 | 174,731                | 174,731       |
| Trucking/Vacuum/Transfer          | 201.79                   | -                         | 202.79                                                                 | -                 | 201.79 | 21,012                 | 21,012        |
| Well Testing/Flowback             | 201.80                   | -                         | 202.80                                                                 | -                 | 201.80 | 114,515                | 114,515       |
| Tank Rental                       | 201.81                   | -                         | 202.81                                                                 | -                 | 201.81 | 21,012                 | 21,012        |
| Surface Pump Rental               | 201.82                   | -                         | 202.82                                                                 | -                 | 201.82 | 21,012                 | 21,012        |
| Wellsite Supervision              | 201.83                   | -                         | 202.83                                                                 | -                 | 201.83 | 10,506                 | 10,506        |
| Chemicals                         | 201.84                   | -                         | 202.84                                                                 | -                 | 201.84 | 15,759                 | 15,759        |
| TOTAL INTANGIBLE COSTS            |                          | \$ 4,607,260              |                                                                        | \$ 6,211,611      |        | \$ 602,522             | \$ 11,421,393 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |               |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total         |
| Drilling                             |        |              |        |                   |        |              |               |
| Casing - Surface                     | 301.01 | 137,118      | 302.01 | -                 | 303.01 | -            | 137,118       |
| Casing - Intermediate                | 301.02 | 293,923      | 302.02 | -                 | 303.02 | -            | 293,923       |
| Casing Production                    | 301.03 | 701,308      | 302.03 | -                 | 303.03 | -            | 701,308       |
| Wellhead Equipment                   | 301.04 | 85,446       | 302.04 | -                 | 303.04 | -            | 85,446        |
| Packer/Downhole Tools                | 301.05 | 85,446       | 302.05 | -                 | 303.05 | -            | 85,446        |
| Completion                           |        |              |        |                   |        |              |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 83,408            | 303.06 | -            | 83,408        |
| Artificial Lift                      |        |              |        |                   |        |              |               |
| Tubing                               | 301.07 | -            | 302.07 | 68,289            | 303.07 | -            | 68,289        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,759            | 303.08 | -            | 15,759        |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 105,060           | 303.09 | -            | 105,060       |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 52,530            | 303.10 | -            | 52,530        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 78,795            | 303.11 | -            | 78,795        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 52,530            | 303.12 | -            | 52,530        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,759            | 303.13 | -            | 15,759        |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,253             | 303.14 | -            | 5,253         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15 | 5,253             | 303.15 | -            | 5,253         |
| Facilities                           |        |              |        |                   |        |              |               |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 105,848      | 105,848       |
| Heater Treater/Seperator             | 301.17 | -            | 302.17 | -                 | 303.17 | 127,385      | 127,385       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 118,193      | 118,193       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 22,719       | 22,719        |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 99,282       | 99,282        |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,880        | 7,880         |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 91,928       | 91,928        |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 32,831       | 32,831        |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 28,892       | 28,892        |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,303,240 |        | \$ 482,636        |        | \$ 634,956   | \$ 2,420,833  |
| Cost Category Summary                |        |              |        |                   |        |              |               |
|                                      |        | Drilling AFE |        | Completion/AL AFE |        | Facility AFE | Total         |
| TOTAL INTANGIBLE COSTS               | \$     | 4,607,260    | \$     | 6,211,611         | \$     | 602,522      | \$ 11,421,393 |
| TOTAL TANGIBLE COSTS                 | \$     | 1,303,240    | \$     | 482,636           | \$     | 634,956      | \$ 2,420,833  |
| TOTAL CONTINGENCIES                  | \$     |              | \$     | -                 | \$     |              | \$ -          |
| TOTAL DEVELOPMENT COSTS              | \$     | 5,910,500    | \$     | 6,694,247         | \$     | 1,237,479    | \$ 13,842,226 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM112**

Well Name: Chancer 5-17 State #134H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 25,790'/10,150'

SHL: S20-T18S-R34E 350' FNL, 2,115' FEL

BHL: S5-T18S-R34E 100' FNL, 990' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #134H, a three-mile Bone Spring horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$5,910,500</b>  |
| <b>COMPLETIONS:</b>             | <b>\$6,694,247</b>  |
| <b>FACILITIES:</b>              | <b>\$1,237,479</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$13,842,226</b> |

**OPERATOR APPROVAL:**



| Authority for Expenditure         |                          |                           |                                                                        |                   |        |                        |               |
|-----------------------------------|--------------------------|---------------------------|------------------------------------------------------------------------|-------------------|--------|------------------------|---------------|
| FED Operating, LLC                |                          |                           |                                                                        |                   |        |                        |               |
| AFE Date: 11/18/2025              |                          |                           |                                                                        |                   |        |                        |               |
| AFE Number:                       | NM112                    | Field/Prospect:           |                                                                        |                   |        |                        |               |
| Well Name:                        | Chancer 5-17 State #134H | AFE Objective:            | Drill, Complete, Install Artificial Lift, and Build Comingled Facility |                   |        |                        |               |
| Location:                         | Sec. 5, 8, 17            | Formation Target:         | Bone Spring Formation                                                  |                   |        |                        |               |
| County/State:                     | Lea, New Mexico          | Proposed Total Depth/TVD: | 25790'/10150'                                                          |                   |        |                        |               |
| INTANGIBLE COSTS                  |                          |                           |                                                                        |                   |        |                        |               |
| Category/Description              | Item #                   | Drilling AFE              | Item #                                                                 | Completion/AL AFE | Item # | Facility/ Flowback AFE | Total         |
| Drilling                          |                          |                           |                                                                        |                   |        |                        |               |
| Permits/Licenses                  | 201.01                   | 24,126                    | 202.01                                                                 | -                 | 203.01 | -                      | 24,126        |
| Staking/Surveying                 | 201.02                   | 24,126                    | 202.02                                                                 | -                 | 203.02 | -                      | 24,126        |
| Legal/Title Services              | 201.03                   | 20,909                    | 202.03                                                                 | -                 | 203.03 | -                      | 20,909        |
| Surface Damage/Row                | 201.04                   | 56,294                    | 202.04                                                                 | -                 | 203.04 | -                      | 56,294        |
| Permanent Easement                | 201.05                   | 19,301                    | 202.05                                                                 | -                 | 203.05 | -                      | 19,301        |
| Road/Locations/Pits               | 201.06                   | 153,802                   | 202.06                                                                 | -                 | 203.06 | -                      | 153,802       |
| Rig Mob/Trucking                  | 201.07                   | 205,069                   | 202.07                                                                 | -                 | 203.07 | -                      | 205,069       |
| Rig Mob/Standby Rate              | 201.08                   | 56,454                    | 202.08                                                                 | -                 | 203.08 | -                      | 56,454        |
| Daywork Contract                  | 201.09                   | 929,733                   | 202.09                                                                 | -                 | 203.09 | -                      | 929,733       |
| Directional Drill/Survey          | 201.10                   | 410,566                   | 202.10                                                                 | -                 | 203.10 | -                      | 410,566       |
| Conductor Hole/Service            | 201.11                   | 68,356                    | 202.11                                                                 | -                 | 203.11 | -                      | 68,356        |
| Drill Bit                         | 201.12                   | 157,622                   | 202.12                                                                 | -                 | 203.12 | -                      | 157,622       |
| Bits/Tools/Stabilizers            | 201.13                   | 90,530                    | 202.13                                                                 | -                 | 203.13 | -                      | 90,530        |
| Fuel/Power                        | 201.14                   | 233,095                   | 202.14                                                                 | -                 | 203.14 | -                      | 233,095       |
| Fuel/Mud                          | 201.15                   | 138,321                   | 202.15                                                                 | -                 | 203.15 | -                      | 138,321       |
| Rig Water                         | 201.16                   | 31,162                    | 202.16                                                                 | -                 | 203.16 | -                      | 31,162        |
| Mud/Chemicals/Acidizing           | 201.17                   | 357,591                   | 202.17                                                                 | -                 | 203.17 | -                      | 357,591       |
| Inspection/Testing & Repair       | 201.18                   | 59,510                    | 202.18                                                                 | -                 | 203.18 | -                      | 59,510        |
| Cement Services/Float Equip       | 201.19                   | 432,656                   | 202.19                                                                 | -                 | 203.19 | -                      | 432,656       |
| Casing Crew/Tools                 | 201.20                   | 112,587                   | 202.20                                                                 | -                 | 203.20 | -                      | 112,587       |
| Contract Labor/Roustabout         | 201.21                   | 43,426                    | 202.21                                                                 | -                 | 203.21 | -                      | 43,426        |
| Materials Supplies                | 201.22                   | 8,042                     | 202.22                                                                 | -                 | 203.22 | -                      | 8,042         |
| Trucking/Vacuum/Transp            | 201.23                   | 37,395                    | 202.23                                                                 | -                 | 203.23 | -                      | 37,395        |
| Solids Control/Closed Loop System | 201.24                   | 98,006                    | 202.24                                                                 | -                 | 203.24 | -                      | 98,006        |
| Disposal                          | 201.25                   | 232,414                   | 202.25                                                                 | -                 | 203.25 | -                      | 232,414       |
| Wellhead Prepare/Repair           | 201.26                   | 20,105                    | 202.26                                                                 | -                 | 203.26 | -                      | 20,105        |
| Rental Equipment                  | 201.27                   | 137,115                   | 202.27                                                                 | -                 | 203.27 | -                      | 137,115       |
| Mancamp                           | 201.28                   | 64,818                    | 202.28                                                                 | -                 | 203.28 | -                      | 64,818        |
| Wellsite Supervision              | 201.29                   | 144,594                   | 202.29                                                                 | -                 | 203.29 | -                      | 144,594       |
| Safety/Environmental              | 201.30                   | 27,423                    | 202.30                                                                 | -                 | 203.30 | -                      | 27,423        |
| Well Control Insurance            | 201.31                   | 13,711                    | 202.31                                                                 | -                 | 203.31 | -                      | 13,711        |
| Contingency                       | 201.32                   | 198,399                   | 202.32                                                                 | -                 | 203.32 | -                      | 198,399       |
| Completion                        |                          |                           |                                                                        |                   |        |                        |               |
| Road/Locations/Pits               | 201.33                   | -                         | 202.33                                                                 | 18,535            | 203.33 | -                      | 18,535        |
| Wireline Open/Cased Hole          | 201.34                   | -                         | 202.34                                                                 | 70,610            | 203.34 | -                      | 70,610        |
| Fuel/Power                        | 201.35                   | -                         | 202.35                                                                 | 448,235           | 203.35 | -                      | 448,235       |
| Coiled Tubing                     | 201.36                   | -                         | 202.36                                                                 | 321,959           | 203.36 | -                      | 321,959       |
| Water Disposal/Vacuum Truck       | 201.37                   | -                         | 202.37                                                                 | 33,178            | 203.37 | -                      | 33,178        |
| Trucking                          | 201.38                   | -                         | 202.38                                                                 | 25,376            | 203.38 | -                      | 25,376        |
| Electric Logging/Perforating      | 201.39                   | -                         | 202.39                                                                 | 647,027           | 203.39 | -                      | 647,027       |
| Completion Fluids                 | 201.40                   | -                         | 202.40                                                                 | 17,653            | 203.40 | -                      | 17,653        |
| Well Stimulation/Fracture         | 201.41                   | -                         | 202.41                                                                 | 3,172,487         | 203.41 | -                      | 3,172,487     |
| Contract Labor/Roustabout         | 201.42                   | -                         | 202.42                                                                 | 26,479            | 203.42 | -                      | 26,479        |
| Water Handling                    | 201.43                   | -                         | 202.43                                                                 | 308,920           | 203.43 | -                      | 308,920       |
| Source Water                      | 201.44                   | -                         | 202.44                                                                 | 506,188           | 203.44 | -                      | 506,188       |
| Wellhead/Fractree Repair          | 201.45                   | -                         | 202.45                                                                 | 70,610            | 203.45 | -                      | 70,610        |
| Rental Equipment                  | 201.46                   | -                         | 202.46                                                                 | 297,188           | 203.46 | -                      | 297,188       |
| Wellsite Supervision              | 201.47                   | -                         | 202.47                                                                 | 78,642            | 203.47 | -                      | 78,642        |
| Supervision/Engineering           | 201.48                   | -                         | 202.48                                                                 | 8,826             | 203.48 | -                      | 8,826         |
| Safety/Environmetal               | 201.49                   | -                         | 202.49                                                                 | 26,479            | 203.49 | -                      | 26,479        |
| Overhead                          | 201.50                   | -                         | 202.50                                                                 | 17,653            | 203.50 | -                      | 17,653        |
| Artificial Lift                   |                          |                           |                                                                        |                   |        |                        |               |
| Workover Rig                      | 201.51                   | -                         | 202.51                                                                 | 15,759            | 203.51 | -                      | 15,759        |
| Spooling Services                 | 201.52                   | -                         | 202.52                                                                 | 6,304             | 203.52 | -                      | 6,304         |
| Wireline Open/Cased Hole          | 201.53                   | -                         | 202.53                                                                 | 5,253             | 203.53 | -                      | 5,253         |
| Inspection & Testing              | 201.54                   | -                         | 202.54                                                                 | 3,152             | 203.54 | -                      | 3,152         |
| Trucking/Vacuum/Transp            | 201.55                   | -                         | 202.55                                                                 | 7,354             | 203.55 | -                      | 7,354         |
| Kill Truck                        | 201.56                   | -                         | 202.56                                                                 | 5,253             | 203.56 | -                      | 5,253         |
| Completion Fluids                 | 201.57                   | -                         | 202.57                                                                 | 5,253             | 203.57 | -                      | 5,253         |
| Contract Labor/Roustabout         | 201.58                   | -                         | 202.58                                                                 | 10,506            | 203.58 | -                      | 10,506        |
| Rental Equipment                  | 201.59                   | -                         | 202.59                                                                 | 10,506            | 203.59 | -                      | 10,506        |
| Laydown Machine                   | 201.60                   | -                         | 202.60                                                                 | 5,253             | 203.60 | -                      | 5,253         |
| Reverse Unit Rental               | 201.61                   | -                         | 202.61                                                                 | 5,253             | 203.61 | -                      | 5,253         |
| Wellsite Supervision              | 201.62                   | -                         | 202.62                                                                 | 9,455             | 203.62 | -                      | 9,455         |
| Acid                              | 201.63                   | -                         | 202.63                                                                 | 26,265            | 203.63 | -                      | 26,265        |
| Facilities                        |                          |                           |                                                                        |                   |        |                        |               |
| Surface Damage                    | 201.64                   | -                         | 202.64                                                                 | -                 | 201.64 | 1,313                  | 1,313         |
| Permanent Easement/Row            | 201.65                   | -                         | 202.65                                                                 | -                 | 201.65 | 5,253                  | 5,253         |
| Road Locations Pits               | 201.66                   | -                         | 202.66                                                                 | -                 | 201.66 | 39,398                 | 39,398        |
| Materials & Supplies              | 201.67                   | -                         | 202.67                                                                 | -                 | 201.67 | 10,506                 | 10,506        |
| Transportation rucking            | 201.68                   | -                         | 202.68                                                                 | -                 | 201.68 | 7,880                  | 7,880         |
| Rental Equipment                  | 201.69                   | -                         | 202.69                                                                 | -                 | 201.69 | 21,012                 | 21,012        |
| Water Disposal/SWD                | 201.70                   | -                         | 202.70                                                                 | -                 | 201.70 | 1,313                  | 1,313         |
| Inspection & Testing              | 201.71                   | -                         | 202.71                                                                 | -                 | 201.71 | 657                    | 657           |
| Contract Labor/Roustab            | 201.72                   | -                         | 202.72                                                                 | -                 | 201.72 | 78,795                 | 78,795        |
| Supervision                       | 201.73                   | -                         | 202.73                                                                 | -                 | 201.73 | 26,265                 | 26,265        |
| Consulting Services               | 201.74                   | -                         | 202.74                                                                 | -                 | 201.74 | 1,313                  | 1,313         |
| Safety/Environmental              | 201.75                   | -                         | 202.75                                                                 | -                 | 201.75 | 3,940                  | 3,940         |
| Company Labor                     | 201.76                   | -                         | 202.76                                                                 | -                 | 201.76 | 1,313                  | 1,313         |
| Contingency                       | 201.77                   | -                         | 202.77                                                                 | -                 | 201.77 | 25,018                 | 25,018        |
| Flowback                          |                          |                           |                                                                        |                   |        |                        |               |
| Frac Water Recovery               | 201.78                   | -                         | 202.78                                                                 | -                 | 201.78 | 174,731                | 174,731       |
| Trucking/Vacuum/Transfer          | 201.79                   | -                         | 202.79                                                                 | -                 | 201.79 | 21,012                 | 21,012        |
| Well Testing/Flowback             | 201.80                   | -                         | 202.80                                                                 | -                 | 201.80 | 114,515                | 114,515       |
| Tank Rental                       | 201.81                   | -                         | 202.81                                                                 | -                 | 201.81 | 21,012                 | 21,012        |
| Surface Pump Rental               | 201.82                   | -                         | 202.82                                                                 | -                 | 201.82 | 21,012                 | 21,012        |
| Wellsite Supervision              | 201.83                   | -                         | 202.83                                                                 | -                 | 201.83 | 10,506                 | 10,506        |
| Chemicals                         | 201.84                   | -                         | 202.84                                                                 | -                 | 201.84 | 15,759                 | 15,759        |
| TOTAL INTANGIBLE COSTS            |                          | \$ 4,607,260              |                                                                        | \$ 6,211,611      |        | \$ 602,522             | \$ 11,421,393 |

| TANGIBLE COSTS                       |        |              |        |                   |        |              |               |
|--------------------------------------|--------|--------------|--------|-------------------|--------|--------------|---------------|
| Category/Description                 | Item # | Drilling AFE | Item # | Completion/AL AFE | Item # | Facility AFE | Total         |
| Drilling                             |        |              |        |                   |        |              |               |
| Casing - Surface                     | 301.01 | 137,118      | 302.01 | -                 | 303.01 | -            | 137,118       |
| Casing - Intermediate                | 301.02 | 293,923      | 302.02 | -                 | 303.02 | -            | 293,923       |
| Casing Production                    | 301.03 | 701,308      | 302.03 | -                 | 303.03 | -            | 701,308       |
| Wellhead Equipment                   | 301.04 | 85,446       | 302.04 | -                 | 303.04 | -            | 85,446        |
| Packer/Downhole Tools                | 301.05 | 85,446       | 302.05 | -                 | 303.05 | -            | 85,446        |
| Completion                           |        |              |        |                   |        |              |               |
| Wellhead Equipment                   | 301.06 | -            | 302.06 | 83,408            | 303.06 | -            | 83,408        |
| Artificial Lift                      |        |              |        |                   |        |              |               |
| Tubing                               | 301.07 | -            | 302.07 | 68,289            | 303.07 | -            | 68,289        |
| Downhole Artificial Lift Equip       | 301.08 | -            | 302.08 | 15,759            | 303.08 | -            | 15,759        |
| ESP Equipment/Install                | 301.09 | -            | 302.09 | 105,060           | 303.09 | -            | 105,060       |
| Wellhead Equipment                   | 301.10 | -            | 302.10 | 52,530            | 303.10 | -            | 52,530        |
| Well Site Power Equipment/Install    | 301.11 | -            | 302.11 | 78,795            | 303.11 | -            | 78,795        |
| OHP Infrastructure Equipment/Install | 301.12 | -            | 302.12 | 52,530            | 303.12 | -            | 52,530        |
| Valves/Connections/FTGS              | 301.13 | -            | 302.13 | 15,759            | 303.13 | -            | 15,759        |
| Measurement Equipment                | 301.14 | -            | 302.14 | 5,253             | 303.14 | -            | 5,253         |
| Comm, Telemetry & Automa             | 301.15 | -            | 302.15 | 5,253             | 303.15 | -            | 5,253         |
| Facilities                           |        |              |        |                   |        |              |               |
| Tank Battery                         | 301.16 | -            | 302.16 | -                 | 303.16 | 105,848      | 105,848       |
| Heater Treater/Separator             | 301.17 | -            | 302.17 | -                 | 303.17 | 127,385      | 127,385       |
| Valves Fittings/Pipe                 | 301.18 | -            | 302.18 | -                 | 303.18 | 118,193      | 118,193       |
| Circulating Transfer Pump            | 301.19 | -            | 302.19 | -                 | 303.19 | 22,719       | 22,719        |
| Meters                               | 301.20 | -            | 302.20 | -                 | 303.20 | 99,282       | 99,282        |
| Compressors                          | 301.21 | -            | 302.21 | -                 | 303.21 | 7,880        | 7,880         |
| Electrical                           | 301.22 | -            | 302.22 | -                 | 303.22 | 91,928       | 91,928        |
| Automation Material                  | 301.23 | -            | 302.23 | -                 | 303.23 | 32,831       | 32,831        |
| Flare/Combuster                      | 301.24 | -            | 302.24 | -                 | 303.24 | 28,892       | 28,892        |
| TOTAL TANGIBLE COSTS                 |        | \$ 1,303,240 |        | \$ 482,636        |        | \$ 634,956   | \$ 2,420,833  |
| Cost Category Summary                |        |              |        |                   |        |              |               |
| TOTAL INTANGIBLE COSTS               | \$     | 4,607,260    | \$     | 6,211,611         | \$     | 602,522      | \$ 11,421,393 |
| TOTAL TANGIBLE COSTS                 | \$     | 1,303,240    | \$     | 482,636           | \$     | 634,956      | \$ 2,420,833  |
| TOTAL CONTINGENCIES                  | \$     | -            | \$     | -                 | \$     | -            | \$ -          |
| TOTAL DEVELOPMENT COSTS              | \$     | 5,910,500    | \$     | 6,694,247         | \$     | 1,237,479    | \$ 13,842,226 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_



**AUTHORIZATION FOR EXPENDITURE****AFE: NM113**

Well Name: Chancer 5-17 State #211H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 27,240'/11,600'

SHL: S20-T18S-R34E 350' FNL, 2,065' FEL

BHL: S5-T18S-R34E 100' FNL, 330' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #211H, a three-mile Wolfcamp horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$7,267,008</b>  |
| <b>COMPLETIONS:</b>             | <b>\$7,060,380</b>  |
| <b>FACILITIES:</b>              | <b>\$1,310,271</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$15,637,659</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM113  
Chancer 5-17 State #211H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Wolfcamp Formation  
27240' /11600'

| INTANGIBLE COSTS                  |        |              |           |        |                   |           |         |                        |            |
|-----------------------------------|--------|--------------|-----------|--------|-------------------|-----------|---------|------------------------|------------|
| Category/Description              | Item # | Drilling AFE |           | Item # | Completion/AL AFE |           | Item #  | Facility/ Flowback AFE | Total      |
| Drilling                          |        |              |           |        |                   |           |         |                        |            |
| Permits/Licenses                  | 201.01 |              | 29,663    | 202.01 | -                 | 203.01    | -       | -                      | 29,663     |
| Staking/Surveying                 | 201.02 |              | 29,668    | 202.02 | -                 | 203.02    | -       | -                      | 29,663     |
| Legal/Title Services              | 201.03 |              | 25,708    | 202.03 | -                 | 203.03    | -       | -                      | 25,708     |
| Surface Damage/Row                | 201.04 |              | 69,213    | 202.04 | -                 | 203.04    | -       | -                      | 69,213     |
| Permanent Easement                | 201.05 |              | 23,730    | 202.05 | -                 | 203.05    | -       | -                      | 23,730     |
| Road/Locations/Pits               | 201.06 |              | 189,101   | 202.06 | -                 | 203.06    | -       | -                      | 189,101    |
| Rig Mob/Trucking                  | 201.07 |              | 252,134   | 202.07 | -                 | 203.07    | -       | -                      | 252,134    |
| Rig Mob/Standby Rate              | 201.08 |              | 69,411    | 202.08 | -                 | 203.08    | -       | -                      | 69,411     |
| Daywork Contract                  | 201.09 |              | 1,143,115 | 202.09 | -                 | 203.09    | -       | -                      | 1,143,115  |
| Directional Drill/Survey          | 201.10 |              | 504,794   | 202.10 | -                 | 203.10    | -       | -                      | 504,794    |
| Conductor Hole/Service            | 201.11 |              | 84,045    | 202.11 | -                 | 203.11    | -       | -                      | 84,045     |
| Drill Bit                         | 201.12 |              | 193,797   | 202.12 | -                 | 203.12    | -       | -                      | 193,797    |
| Bits/Tools/Stabilizers            | 201.13 |              | 111,307   | 202.13 | -                 | 203.13    | -       | -                      | 111,307    |
| Fuel/Power                        | 201.14 |              | 286,593   | 202.14 | -                 | 203.14    | -       | -                      | 286,593    |
| Fuel/Mud                          | 201.15 |              | 170,067   | 202.15 | -                 | 203.15    | -       | -                      | 170,067    |
| Rig Water                         | 201.16 |              | 38,315    | 202.16 | -                 | 203.16    | -       | -                      | 38,315     |
| Mud/Chemicals/Acidizing           | 201.17 |              | 439,662   | 202.17 | -                 | 203.17    | -       | -                      | 439,662    |
| Inspection/Testing & Repair       | 201.18 |              | 73,168    | 202.18 | -                 | 203.18    | -       | -                      | 73,168     |
| Cement Services/Float Equip       | 201.19 |              | 531,954   | 202.19 | -                 | 203.19    | -       | -                      | 531,954    |
| Casing Crew/Tools                 | 201.20 |              | 138,427   | 202.20 | -                 | 203.20    | -       | -                      | 138,427    |
| Contract Labor/Roustabout         | 201.21 |              | 53,393    | 202.21 | -                 | 203.21    | -       | -                      | 53,393     |
| Materials Supplies                | 201.22 |              | 9,888     | 202.22 | -                 | 203.22    | -       | -                      | 9,888      |
| Trucking/Vacuum/Transp            | 201.23 |              | 45,977    | 202.23 | -                 | 203.23    | -       | -                      | 45,977     |
| Solids Control/Closed Loop System | 201.24 |              | 120,499   | 202.24 | -                 | 203.24    | -       | -                      | 120,499    |
| Disposal                          | 201.25 |              | 285,754   | 202.25 | -                 | 203.25    | -       | -                      | 285,754    |
| Wellhead Prepare/Repair           | 201.26 |              | 24,719    | 202.26 | -                 | 203.26    | -       | -                      | 24,719     |
| Rental Equipment                  | 201.27 |              | 168,584   | 202.27 | -                 | 203.27    | -       | -                      | 168,584    |
| Mancamp                           | 201.28 |              | 79,694    | 202.28 | -                 | 203.28    | -       | -                      | 79,694     |
| Wellsite Supervision              | 201.29 |              | 177,779   | 202.29 | -                 | 203.29    | -       | -                      | 177,779    |
| Safety/Environmental              | 201.30 |              | 33,717    | 202.30 | -                 | 203.30    | -       | -                      | 33,717     |
| Well Control Insurance            | 201.31 |              | 16,858    | 202.31 | -                 | 203.31    | -       | -                      | 16,858     |
| Contingency                       | 201.32 |              | 243,933   | 202.32 | -                 | 203.32    | -       | -                      | 243,933    |
| Completion                        |        |              |           |        |                   |           |         |                        |            |
| Road/Locations/Pits               | 201.33 |              | -         | 202.33 |                   | 19,543    | 203.33  | -                      | 19,543     |
| Wireline Open/Cased Hole          | 201.34 |              | -         | 202.34 |                   | 74,448    | 203.34  | -                      | 74,448     |
| Fuel/Power                        | 201.35 |              | -         | 202.35 |                   | 472,596   | 203.35  | -                      | 472,596    |
| Coiled Tubing                     | 201.36 |              | -         | 202.36 |                   | 339,457   | 203.36  | -                      | 339,457    |
| Water Disposal/Vacuum Truck       | 201.37 |              | -         | 202.37 |                   | 34,981    | 203.37  | -                      | 34,981     |
| Trucking                          | 201.38 |              | -         | 202.38 |                   | 26,755    | 203.38  | -                      | 26,755     |
| Electric Logging/Perforating      | 201.39 |              | -         | 202.39 |                   | 682,193   | 203.39  | -                      | 682,193    |
| Completion Fluids                 | 201.40 |              | -         | 202.40 |                   | 18,612    | 203.40  | -                      | 18,612     |
| Well Stimulation/Fracture         | 201.41 |              | -         | 202.41 |                   | 3,344,910 | 203.41  | -                      | 3,344,910  |
| Contract Labor/Roustabout         | 201.42 |              | -         | 202.42 |                   | 27,918    | 203.42  | -                      | 27,918     |
| Water Handling                    | 201.43 |              | -         | 202.43 |                   | 325,710   | 203.43  | -                      | 325,710    |
| Source Water                      | 201.44 |              | -         | 202.44 |                   | 533,699   | 203.44  | -                      | 533,699    |
| Wellhead/Fracture Repair          | 201.45 |              | -         | 202.45 |                   | 74,448    | 203.45  | -                      | 74,448     |
| Rental Equipment                  | 201.46 |              | -         | 202.46 |                   | 313,340   | 203.46  | -                      | 313,340    |
| Wellsite Supervision              | 201.47 |              | -         | 202.47 |                   | 82,916    | 203.47  | -                      | 82,916     |
| Supervision/Engineering           | 201.48 |              | -         | 202.48 |                   | 9,306     | 203.48  | -                      | 9,306      |
| Safety/Environmental              | 201.49 |              | -         | 202.49 |                   | 27,918    | 203.49  | -                      | 27,918     |
| Overhead                          | 201.50 |              | -         | 202.50 |                   | 18,612    | 203.50  | -                      | 18,612     |
| Artificial Lift                   |        |              |           |        |                   |           |         |                        |            |
| Workover Rig                      | 201.51 |              | -         | 202.51 |                   | 16,686    | 203.51  | -                      | 16,686     |
| Spooling Services                 | 201.52 |              | -         | 202.52 |                   | 6,674     | 203.52  | -                      | 6,674      |
| Wireline Open/Cased Hole          | 201.53 |              | -         | 202.53 |                   | 5,562     | 203.53  | -                      | 5,562      |
| Inspection & Testing              | 201.54 |              | -         | 202.54 |                   | 3,337     | 203.54  | -                      | 3,337      |
| Trucking/Vacuum/Transp            | 201.55 |              | -         | 202.55 |                   | 7,787     | 203.55  | -                      | 7,787      |
| Kill Truck                        | 201.56 |              | -         | 202.56 |                   | 5,562     | 203.56  | -                      | 5,562      |
| Completion Fluids                 | 201.57 |              | -         | 202.57 |                   | 5,562     | 203.57  | -                      | 5,562      |
| Contract Labor/Roustabout         | 201.58 |              | -         | 202.58 |                   | 11,124    | 203.58  | -                      | 11,124     |
| Rental Equipment                  | 201.59 |              | -         | 202.59 |                   | 11,124    | 203.59  | -                      | 11,124     |
| Laydown Machine                   | 201.60 |              | -         | 202.60 |                   | 5,562     | 203.60  | -                      | 5,562      |
| Reverse Unit Rental               | 201.61 |              | -         | 202.61 |                   | 5,562     | 203.61  | -                      | 5,562      |
| Wellsite Supervision              | 201.62 |              | -         | 202.62 |                   | 10,012    | 203.62  | -                      | 10,012     |
| Acid                              | 201.63 |              | -         | 202.63 |                   | 27,810    | 203.63  | -                      | 27,810     |
| Facilities                        |        |              |           |        |                   |           |         |                        |            |
| Surface Damage                    | 201.64 |              | -         | 202.64 |                   | -         | 201.64  | 1,391                  | 1,391      |
| Permanent Easement/Row            | 201.65 |              | -         | 202.65 |                   | -         | 201.65  | 5,562                  | 5,562      |
| Road Locations Pits               | 201.66 |              | -         | 202.66 |                   | -         | 201.66  | 41,715                 | 41,715     |
| Materials & Supplies              | 201.67 |              | -         | 202.67 |                   | -         | 201.67  | 11,124                 | 11,124     |
| Transportation rucking            | 201.68 |              | -         | 202.68 |                   | -         | 201.68  | 8,343                  | 8,343      |
| Rental Equipment                  | 201.69 |              | -         | 202.69 |                   | -         | 201.69  | 22,248                 | 22,248     |
| Water Disposal/SWD                | 201.70 |              | -         | 202.70 |                   | -         | 201.70  | 1,391                  | 1,391      |
| Inspection & Testing              | 201.71 |              | -         | 202.71 |                   | -         | 201.71  | 695                    | 695        |
| Contract Labor/Roustab            | 201.72 |              | -         | 202.72 |                   | -         | 201.72  | 83,430                 | 83,430     |
| Supervision                       | 201.73 |              | -         | 202.73 |                   | -         | 201.73  | 27,810                 | 27,810     |
| Consulting Services               | 201.74 |              | -         | 202.74 |                   | -         | 201.74  | 1,391                  | 1,391      |
| Safety/Environmental              | 201.75 |              | -         | 202.75 |                   | -         | 201.75  | 4,172                  | 4,172      |
| Company Labor                     | 201.76 |              | -         | 202.76 |                   | -         | 201.76  | 1,391                  | 1,391      |
| Contingency                       | 201.77 |              | -         | 202.77 |                   | -         | 201.77  | 26,490                 | 26,490     |
| Flowback                          |        |              |           |        |                   |           |         |                        |            |
| Frac Water Recovery               | 201.78 |              | -         | 202.78 |                   | -         | 201.78  | 185,009                | 185,009    |
| Trucking/Vacuum/Transfer          | 201.79 |              | -         | 202.79 |                   | -         | 201.79  | 22,248                 | 22,248     |
| Well Testing/Flowback             | 201.80 |              | -         | 202.80 |                   | -         | 201.80  | 121,252                | 121,252    |
| Tank Rental                       | 201.81 |              | -         | 202.81 |                   | -         | 201.81  | 22,248                 | 22,248     |
| Surface Pump Rental               | 201.82 |              | -         | 202.82 |                   | -         | 201.82  | 22,248                 | 22,248     |
| Wellsite Supervision              | 201.83 |              | -         | 202.83 |                   | -         | 201.83  | 11,124                 | 11,124     |
| Chemicals                         | 201.84 |              | -         | 202.84 |                   | -         | 201.84  | 16,686                 | 16,686     |
| TOTAL INTANGIBLE COSTS            |        | \$           | 5,664,664 | \$     | 6,549,726         | \$        | 637,965 | \$                     | 12,852,353 |

| TANGIBLE COSTS                       |        |              |           |                   |                   |              |        |              |           |            |
|--------------------------------------|--------|--------------|-----------|-------------------|-------------------|--------------|--------|--------------|-----------|------------|
| Category/Description                 | Item # | Drilling AFE |           | Item #            | Completion/AL AFE |              | Item # | Facility AFE | Total     |            |
| Drilling                             |        |              |           |                   |                   |              |        |              |           |            |
| Casing - Surface                     | 301.01 |              | 168,588   | 302.01            | -                 | 303.01       |        | -            | 168,588   |            |
| Casing - Intermediate                | 301.02 |              | 361,381   | 302.02            | -                 | 303.02       |        | -            | 361,381   |            |
| Casing Production                    | 301.03 |              | 862,264   | 302.03            | -                 | 303.03       |        | -            | 862,264   |            |
| Wellhead Equipment                   | 301.04 |              | 105,056   | 302.04            | -                 | 303.04       |        | -            | 105,056   |            |
| Packer/Downhole Tools                | 301.05 |              | 105,056   | 302.05            | -                 | 303.05       |        | -            | 105,056   |            |
| Completion                           |        |              |           |                   |                   |              |        |              |           |            |
| Wellhead Equipment                   | 301.06 |              | -         | 302.06            |                   | 87,942       | 303.06 | -            | 87,942    |            |
| Artificial Lift                      |        |              |           |                   |                   |              |        |              |           |            |
| Tubing                               | 301.07 |              | -         | 302.07            |                   | 72,306       | 303.07 | -            | 72,306    |            |
| Downhole Artificial Lift Equip       | 301.08 |              | -         | 302.08            |                   | 16,686       | 303.08 | -            | 16,686    |            |
| ESP Equipment/Install                | 301.09 |              | -         | 302.09            |                   | 111,240      | 303.09 | -            | 111,240   |            |
| Wellhead Equipment                   | 301.10 |              | -         | 302.10            |                   | 55,620       | 303.10 | -            | 55,620    |            |
| Well Site Power Equipment/Install    | 301.11 |              | -         | 302.11            |                   | 83,430       | 303.11 | -            | 83,430    |            |
| OHP Infrastructure Equipment/Install | 301.12 |              | -         | 302.12            |                   | 55,620       | 303.12 | -            | 55,620    |            |
| Valves/Connections/FTGS              | 301.13 |              | -         | 302.13            |                   | 16,686       | 303.13 | -            | 16,686    |            |
| Measurement Equipment                | 301.14 |              | -         | 302.14            |                   | 5,562        | 303.14 | -            | 5,562     |            |
| Comm. Telemetry & Automa             | 301.15 |              | -         | 302.15            |                   | 5,562        | 303.15 | -            | 5,562     |            |
| Facilities                           |        |              |           |                   |                   |              |        |              |           |            |
| Tank Battery                         | 301.16 |              | -         | 302.16            |                   | -            | 303.16 | 112,074      | 112,074   |            |
| Heater Treater/Seperator             | 301.17 |              | -         | 302.17            |                   | -            | 303.17 | 134,879      | 134,879   |            |
| Valves Fittings/Pipe                 | 301.18 |              | -         | 302.18            |                   | -            | 303.18 | 125,145      | 125,145   |            |
| Circulating Transfer Pump            | 301.19 |              | -         | 302.19            |                   | -            | 303.19 | 24,056       | 24,056    |            |
| Meters                               | 301.20 |              | -         | 302.20            |                   | -            | 303.20 | 105,122      | 105,122   |            |
| Compressors                          | 301.21 |              | -         | 302.21            |                   | -            | 303.21 | 8,343        | 8,343     |            |
| Electrical                           | 301.22 |              | -         | 302.22            |                   | -            | 303.22 | 97,335       | 97,335    |            |
| Automation Material                  | 301.23 |              | -         | 302.23            |                   | -            | 303.23 | 34,763       | 34,763    |            |
| Flare/Combuster                      | 301.24 |              | -         | 302.24            |                   | -            | 303.24 | 30,591       | 30,591    |            |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,602,344 |                   | \$                | 510,654      |        | \$           | 672,307   |            |
|                                      |        |              |           |                   |                   |              |        | \$           | 2,785,305 |            |
|                                      |        |              |           |                   |                   |              |        |              |           |            |
| Cost Category Summary                |        | Drilling AFE |           | Completion/AL AFE |                   | Facility AFE |        | Total        |           |            |
| TOTAL INTANGIBLE COSTS               |        | \$           | 5,664,664 | \$                |                   | 6,549,726    | \$     | 637,965      | \$        | 12,852,354 |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,602,344 | \$                |                   | 510,654      | \$     | 672,307      | \$        | 2,785,305  |
| TOTAL CONTINGENCIES                  |        | \$           | -         | \$                |                   | -            | \$     | -            | \$        | -          |
| TOTAL DEVELOPMENT COSTS              |        | \$           | 7,267,008 | \$                |                   | 7,060,380    | \$     | 1,310,271    | \$        | 15,637,659 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM114**

Well Name: Chancer 5-17 State #212H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 27,240'/11,600'

SHL: S20-T18S-R34E 350' FNL, 2,015' FEL

BHL: S5-T18S-R34E 100' FNL, 1,650' FWL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #212H, a three-mile Wolfcamp horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$7,267,008</b>  |
| <b>COMPLETIONS:</b>             | <b>\$7,060,380</b>  |
| <b>FACILITIES:</b>              | <b>\$1,310,271</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$15,637,659</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM114  
Chancer 5-17 State #212H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility

Wolfcamp Formation

27240'/11600'

| INTANGIBLE COSTS                  |        |              |           |        |                   |           |                        |            |
|-----------------------------------|--------|--------------|-----------|--------|-------------------|-----------|------------------------|------------|
| Category/Description              | Item # | Drilling AFE |           | Item # | Completion/AL AFE |           | Facility/ Flowback AFE | Total      |
| Drilling                          |        |              |           |        |                   |           |                        |            |
| Permits/Licenses                  | 201.01 |              | 29,663    | 202.01 | -                 | 203.01    | -                      | 29,663     |
| Staking/Surveying                 | 201.02 |              | 29,663    | 202.02 | -                 | 203.02    | -                      | 29,663     |
| Legal/Title Services              | 201.03 |              | 25,708    | 202.03 | -                 | 203.03    | -                      | 25,708     |
| Surface Damage/Row                | 201.04 |              | 69,213    | 202.04 | -                 | 203.04    | -                      | 69,213     |
| Permanent Easement                | 201.05 |              | 23,730    | 202.05 | -                 | 203.05    | -                      | 23,730     |
| Road/Locations/Pits               | 201.06 |              | 189,101   | 202.06 | -                 | 203.06    | -                      | 189,101    |
| Rig Mob/Trucking                  | 201.07 |              | 252,134   | 202.07 | -                 | 203.07    | -                      | 252,134    |
| Rig Mob/Standby Rate              | 201.08 |              | 69,411    | 202.08 | -                 | 203.08    | -                      | 69,411     |
| Daywork Contract                  | 201.09 |              | 1,143,115 | 202.09 | -                 | 203.09    | -                      | 1,143,115  |
| Directional Drill/Survey          | 201.10 |              | 504,794   | 202.10 | -                 | 203.10    | -                      | 504,794    |
| Conductor Hole/Service            | 201.11 |              | 84,045    | 202.11 | -                 | 203.11    | -                      | 84,045     |
| Drill Bit                         | 201.12 |              | 193,797   | 202.12 | -                 | 203.12    | -                      | 193,797    |
| Bits/Tools/Stabilizers            | 201.13 |              | 111,307   | 202.13 | -                 | 203.13    | -                      | 111,307    |
| Fuel/Power                        | 201.14 |              | 286,593   | 202.14 | -                 | 203.14    | -                      | 286,593    |
| Fuel/Mud                          | 201.15 |              | 170,067   | 202.15 | -                 | 203.15    | -                      | 170,067    |
| Rig Water                         | 201.16 |              | 38,315    | 202.16 | -                 | 203.16    | -                      | 38,315     |
| Mud/Chemicals/Acidizing           | 201.17 |              | 439,662   | 202.17 | -                 | 203.17    | -                      | 439,662    |
| Inspection/Testing & Repair       | 201.18 |              | 73,168    | 202.18 | -                 | 203.18    | -                      | 73,168     |
| Cement Services/Float Equip       | 201.19 |              | 531,954   | 202.19 | -                 | 203.19    | -                      | 531,954    |
| Casing Crew/Tools                 | 201.20 |              | 138,427   | 202.20 | -                 | 203.20    | -                      | 138,427    |
| Contract Labor/Roustabout         | 201.21 |              | 53,393    | 202.21 | -                 | 203.21    | -                      | 53,393     |
| Materials Supplies                | 201.22 |              | 9,888     | 202.22 | -                 | 203.22    | -                      | 9,888      |
| Trucking/Vacuum/Transp            | 201.23 |              | 45,977    | 202.23 | -                 | 203.23    | -                      | 45,977     |
| Solids Control/Closed Loop System | 201.24 |              | 120,499   | 202.24 | -                 | 203.24    | -                      | 120,499    |
| Disposal                          | 201.25 |              | 285,754   | 202.25 | -                 | 203.25    | -                      | 285,754    |
| Wellhead Prepare/Repair           | 201.26 |              | 24,719    | 202.26 | -                 | 203.26    | -                      | 24,719     |
| Rental Equipment                  | 201.27 |              | 168,584   | 202.27 | -                 | 203.27    | -                      | 168,584    |
| Mancamp                           | 201.28 |              | 79,694    | 202.28 | -                 | 203.28    | -                      | 79,694     |
| Wellsite Supervision              | 201.29 |              | 177,779   | 202.29 | -                 | 203.29    | -                      | 177,779    |
| Safety/Environmental              | 201.30 |              | 33,717    | 202.30 | -                 | 203.30    | -                      | 33,717     |
| Well Control Insurance            | 201.31 |              | 16,858    | 202.31 | -                 | 203.31    | -                      | 16,858     |
| Contingency                       | 201.32 |              | 243,933   | 202.32 | -                 | 203.32    | -                      | 243,933    |
| Completion                        |        |              |           |        |                   |           |                        |            |
| Road/Locations/Pits               | 201.33 |              | -         | 202.33 | 19,543            | 203.33    | -                      | 19,543     |
| Wireline Open/Cased Hole          | 201.34 |              | -         | 202.34 | 74,448            | 203.34    | -                      | 74,448     |
| Fuel/Power                        | 201.35 |              | -         | 202.35 | 472,596           | 203.35    | -                      | 472,596    |
| Coiled Tubing                     | 201.36 |              | -         | 202.36 | 339,457           | 203.36    | -                      | 339,457    |
| Water Disposal/Vacuum Truck       | 201.37 |              | -         | 202.37 | 34,981            | 203.37    | -                      | 34,981     |
| Trucking                          | 201.38 |              | -         | 202.38 | 26,755            | 203.38    | -                      | 26,755     |
| Electric Logging/Perforating      | 201.39 |              | -         | 202.39 | 682,193           | 203.39    | -                      | 682,193    |
| Completion Fluids                 | 201.40 |              | -         | 202.40 | 18,612            | 203.40    | -                      | 18,612     |
| Well Stimulation/Fracture         | 201.41 |              | -         | 202.41 | 3,344,910         | 203.41    | -                      | 3,344,910  |
| Contract Labor/Roustabout         | 201.42 |              | -         | 202.42 | 27,918            | 203.42    | -                      | 27,918     |
| Water Handling                    | 201.43 |              | -         | 202.43 | 325,710           | 203.43    | -                      | 325,710    |
| Source Water                      | 201.44 |              | -         | 202.44 | 533,699           | 203.44    | -                      | 533,699    |
| Wellhead/Fracture Repair          | 201.45 |              | -         | 202.45 | 74,448            | 203.45    | -                      | 74,448     |
| Rental Equipment                  | 201.46 |              | -         | 202.46 | 313,340           | 203.46    | -                      | 313,340    |
| Wellsite Supervision              | 201.47 |              | -         | 202.47 | 82,916            | 203.47    | -                      | 82,916     |
| Supervision/Engineering           | 201.48 |              | -         | 202.48 | 9,306             | 203.48    | -                      | 9,306      |
| Safety/Environmental              | 201.49 |              | -         | 202.49 | 27,918            | 203.49    | -                      | 27,918     |
| Overhead                          | 201.50 |              | -         | 202.50 | 18,612            | 203.50    | -                      | 18,612     |
| Artificial Lift                   |        |              |           |        |                   |           |                        |            |
| Workover Rig                      | 201.51 |              | -         | 202.51 | 16,686            | 203.51    | -                      | 16,686     |
| Spooling Services                 | 201.52 |              | -         | 202.52 | 6,674             | 203.52    | -                      | 6,674      |
| Wireline Open/Cased Hole          | 201.53 |              | -         | 202.53 | 5,562             | 203.53    | -                      | 5,562      |
| Inspection & Testing              | 201.54 |              | -         | 202.54 | 3,337             | 203.54    | -                      | 3,337      |
| Trucking/Vacuum/Transp            | 201.55 |              | -         | 202.55 | 7,787             | 203.55    | -                      | 7,787      |
| Kill Truck                        | 201.56 |              | -         | 202.56 | 5,562             | 203.56    | -                      | 5,562      |
| Completion Fluids                 | 201.57 |              | -         | 202.57 | 5,562             | 203.57    | -                      | 5,562      |
| Contract Labor/Roustabout         | 201.58 |              | -         | 202.58 | 11,124            | 203.58    | -                      | 11,124     |
| Rental Equipment                  | 201.59 |              | -         | 202.59 | 11,124            | 203.59    | -                      | 11,124     |
| Laydown Machine                   | 201.60 |              | -         | 202.60 | 5,562             | 203.60    | -                      | 5,562      |
| Reverse Unit Rental               | 201.61 |              | -         | 202.61 | 5,562             | 203.61    | -                      | 5,562      |
| Wellsite Supervision              | 201.62 |              | -         | 202.62 | 10,012            | 203.62    | -                      | 10,012     |
| Acid                              | 201.63 |              | -         | 202.63 | 27,810            | 203.63    | -                      | 27,810     |
| Facilities                        |        |              |           |        |                   |           |                        |            |
| Surface Damage                    | 201.64 |              | -         | 202.64 | -                 | 201.64    | 1,391                  | 1,391      |
| Permanent Easement/Row            | 201.65 |              | -         | 202.65 | -                 | 201.65    | 5,562                  | 5,562      |
| Road Locations Pits               | 201.66 |              | -         | 202.66 | -                 | 201.66    | 41,715                 | 41,715     |
| Materials & Supplies              | 201.67 |              | -         | 202.67 | -                 | 201.67    | 11,124                 | 11,124     |
| Transportation rucking            | 201.68 |              | -         | 202.68 | -                 | 201.68    | 8,343                  | 8,343      |
| Rental Equipment                  | 201.69 |              | -         | 202.69 | -                 | 201.69    | 22,248                 | 22,248     |
| Water Disposal/SWD                | 201.70 |              | -         | 202.70 | -                 | 201.70    | 1,391                  | 1,391      |
| Inspection & Testing              | 201.71 |              | -         | 202.71 | -                 | 201.71    | 695                    | 695        |
| Contract Labor/Roustab            | 201.72 |              | -         | 202.72 | -                 | 201.72    | 83,430                 | 83,430     |
| Supervision                       | 201.73 |              | -         | 202.73 | -                 | 201.73    | 27,810                 | 27,810     |
| Consulting Services               | 201.74 |              | -         | 202.74 | -                 | 201.74    | 1,391                  | 1,391      |
| Safety/Environmental              | 201.75 |              | -         | 202.75 | -                 | 201.75    | 4,172                  | 4,172      |
| Company Labor                     | 201.76 |              | -         | 202.76 | -                 | 201.76    | 1,391                  | 1,391      |
| Contingency                       | 201.77 |              | -         | 202.77 | -                 | 201.77    | 26,490                 | 26,490     |
| Flowback                          |        |              |           |        |                   |           |                        |            |
| Frac Water Recovery               | 201.78 |              | -         | 202.78 | -                 | 201.78    | 185,009                | 185,009    |
| Trucking/Vacuum/Transfer          | 201.79 |              | -         | 202.79 | -                 | 201.79    | 22,248                 | 22,248     |
| Well Testing/Flowback             | 201.80 |              | -         | 202.80 | -                 | 201.80    | 121,252                | 121,252    |
| Tank Rental                       | 201.81 |              | -         | 202.81 | -                 | 201.81    | 22,248                 | 22,248     |
| Surface Pump Rental               | 201.82 |              | -         | 202.82 | -                 | 201.82    | 22,248                 | 22,248     |
| Wellsite Supervision              | 201.83 |              | -         | 202.83 | -                 | 201.83    | 11,124                 | 11,124     |
| Chemicals                         | 201.84 |              | -         | 202.84 | -                 | 201.84    | 16,686                 | 16,686     |
| TOTAL INTANGIBLE COSTS            |        | \$           | 5,664,664 |        | \$                | 6,549,726 | \$                     | 637,965    |
|                                   |        |              |           |        |                   |           | \$                     | 12,852,354 |

| TANGIBLE COSTS                       |        |              |           |        |                   |         |              |            |
|--------------------------------------|--------|--------------|-----------|--------|-------------------|---------|--------------|------------|
| Category/Description                 | Item # | Drilling AFE |           | Item # | Completion/AL AFE |         | Facility AFE | Total      |
| Drilling                             |        |              |           |        |                   |         |              |            |
| Casing - Surface                     | 301.01 |              | 168,588   | 302.01 | -                 | 303.01  | -            | 168,588    |
| Casing - Intermediate                | 301.02 |              | 361,381   | 302.02 | -                 | 303.02  | -            | 361,381    |
| Casing Production                    | 301.03 |              | 862,264   | 302.03 | -                 | 303.03  | -            | 862,264    |
| Wellhead Equipment                   | 301.04 |              | 105,056   | 302.04 | -                 | 303.04  | -            | 105,056    |
| Packer/Downhole Tools                | 301.05 |              | 105,056   | 302.05 | -                 | 303.05  | -            | 105,056    |
| Completion                           |        |              |           |        |                   |         |              |            |
| Wellhead Equipment                   | 301.06 |              | -         | 302.06 | 87,942            | 303.06  | -            | 87,942     |
| Artificial Lift                      |        |              |           |        |                   |         |              |            |
| Tubing                               | 301.07 |              | -         | 302.07 | 72,306            | 303.07  | -            | 72,306     |
| Downhole Artificial Lift Equip       | 301.08 |              | -         | 302.08 | 16,686            | 303.08  | -            | 16,686     |
| ESP Equipment/Install                | 301.09 |              | -         | 302.09 | 111,240           | 303.09  | -            | 111,240    |
| Wellhead Equipment                   | 301.10 |              | -         | 302.10 | 55,620            | 303.10  | -            | 55,620     |
| Well Site Power Equipment/Install    | 301.11 |              | -         | 302.11 | 83,430            | 303.11  | -            | 83,430     |
| QHP Infrastructure Equipment/Install | 301.12 |              | -         | 302.12 | 55,620            | 303.12  | -            | 55,620     |
| Valves/Connections/FTGS              | 301.13 |              | -         | 302.13 | 16,686            | 303.13  | -            | 16,686     |
| Measurement Equipment                | 301.14 |              | -         | 302.14 | 5,562             | 303.14  | -            | 5,562      |
| Comm, Telemetry & Automa             | 301.15 |              | -         | 302.15 | 5,562             | 303.15  | -            | 5,562      |
| Facilities                           |        |              |           |        |                   |         |              |            |
| Tank Battery                         | 301.16 |              | -         | 302.16 | -                 | 303.16  | 112,074      | 112,074    |
| Heater Treater/Seperator             | 301.17 |              | -         | 302.17 | -                 | 303.17  | 134,879      | 134,879    |
| Valves Fittings/Pipe                 | 301.18 |              | -         | 302.18 | -                 | 303.18  | 125,145      | 125,145    |
| Circulating Transfer Pump            | 301.19 |              | -         | 302.19 | -                 | 303.19  | 24,056       | 24,056     |
| Meters                               | 301.20 |              | -         | 302.20 | -                 | 303.20  | 105,122      | 105,122    |
| Compressors                          | 301.21 |              | -         | 302.21 | -                 | 303.21  | 8,343        | 8,343      |
| Electrical                           | 301.22 |              | -         | 302.22 | -                 | 303.22  | 97,335       | 97,335     |
| Automation Material                  | 301.23 |              | -         | 302.23 | -                 | 303.23  | 34,763       | 34,763     |
| Flare/Combuster                      | 301.24 |              | -         | 302.24 | -                 | 303.24  | 30,591       | 30,591     |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,602,344 |        | \$                | 510,654 | \$           | 672,307    |
|                                      |        |              |           |        |                   |         | \$           | 2,785,305  |
| Cost Category Summary                |        |              |           |        |                   |         |              |            |
| TOTAL INTANGIBLE COSTS               | \$     | 5,664,664    |           | \$     | 6,549,726         |         | \$           | 637,965    |
| TOTAL TANGIBLE COSTS                 | \$     | 1,602,344    |           | \$     | 510,654           |         | \$           | 672,307    |
| TOTAL CONTINGENCIES                  | \$     | -            |           | \$     | -                 |         | \$           | -          |
| TOTAL DEVELOPMENT COSTS              | \$     | 7,267,008    |           | \$     | 7,060,380         |         | \$           | 1,310,271  |
|                                      |        |              |           |        |                   |         | \$           | 15,637,659 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.

Released to Imaging: 9/9/2026 12:15:25 PM



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM115**

Well Name: Chancer 5-17 State #213H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 27,240'/11,600'

SHL: S20-T18S-R34E 350' FNL, 1,965' FEL

BHL: S5-T18S-R34E 100' FNL, 2,310' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #213H, a three-mile Wolfcamp horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$7,267,008</b>  |
| <b>COMPLETIONS:</b>             | <b>\$7,060,380</b>  |
| <b>FACILITIES:</b>              | <b>\$1,310,271</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$15,637,659</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

AFE Number:  
Well Name:  
Location:  
County/State:

NM115  
Chancer 5-17 State #213H  
Sec. 5, 8, 17  
Lea, New Mexico

Field/Prospect:  
AFE Objective:  
Formation Target:  
Proposed Total Depth/TVD:

Drill, Complete, Install Artificial Lift, and Build Comingled Facility  
Wolfcamp Formation  
27240' /11600'

| INTANGIBLE COSTS                  |        |              |           |        |                   |           |         |                        |            |
|-----------------------------------|--------|--------------|-----------|--------|-------------------|-----------|---------|------------------------|------------|
| Category/Description              | Item # | Drilling AFE |           | Item # | Completion/AL AFE |           | Item #  | Facility/ Flowback AFE | Total      |
| Drilling                          |        |              |           |        |                   |           |         |                        |            |
| Permits/Licenses                  | 201.01 |              | 29,663    | 202.01 | -                 | 203.01    |         | -                      | 29,663     |
| Staking/Surveying                 | 201.02 |              | 29,663    | 202.02 |                   | 203.02    |         | -                      | 29,663     |
| Legal/Title Services              | 201.03 |              | 25,708    | 202.03 | -                 | 203.03    |         | -                      | 25,708     |
| Surface Damage/Row                | 201.04 |              | 69,213    | 202.04 | -                 | 203.04    |         | -                      | 69,213     |
| Permanent Easement                | 201.05 |              | 23,730    | 202.05 | -                 | 203.05    |         | -                      | 23,730     |
| Road/Locations/Pits               | 201.06 |              | 189,101   | 202.06 | -                 | 203.06    |         | -                      | 189,101    |
| Rig Mob/Trucking                  | 201.07 |              | 252,134   | 202.07 | -                 | 203.07    |         | -                      | 252,134    |
| Rig Mob/Standby Rate              | 201.08 |              | 69,411    | 202.08 | -                 | 203.08    |         | -                      | 69,411     |
| Daywork Contract                  | 201.09 |              | 1,143,115 | 202.09 | -                 | 203.09    |         | -                      | 1,143,115  |
| Directional Drill/Survey          | 201.10 |              | 504,794   | 202.10 | -                 | 203.10    |         | -                      | 504,794    |
| Conductor Hole/Service            | 201.11 |              | 84,045    | 202.11 | -                 | 203.11    |         | -                      | 84,045     |
| Drill Bit                         | 201.12 |              | 193,797   | 202.12 | -                 | 203.12    |         | -                      | 193,797    |
| Bits/Tools/Stabilizers            | 201.13 |              | 111,307   | 202.13 | -                 | 203.13    |         | -                      | 111,307    |
| Fuel/Power                        | 201.14 |              | 286,593   | 202.14 | -                 | 203.14    |         | -                      | 286,593    |
| Fuel/Mud                          | 201.15 |              | 170,067   | 202.15 | -                 | 203.15    |         | -                      | 170,067    |
| Rig Water                         | 201.16 |              | 38,315    | 202.16 | -                 | 203.16    |         | -                      | 38,315     |
| Mud/Chemicals/Acidizing           | 201.17 |              | 439,662   | 202.17 | -                 | 203.17    |         | -                      | 439,662    |
| Inspection/Testing & Repair       | 201.18 |              | 73,168    | 202.18 | -                 | 203.18    |         | -                      | 73,168     |
| Cement Services/Float Equip       | 201.19 |              | 531,954   | 202.19 | -                 | 203.19    |         | -                      | 531,954    |
| Casing Crew/Tools                 | 201.20 |              | 138,427   | 202.20 | -                 | 203.20    |         | -                      | 138,427    |
| Contract Labor/Roustabout         | 201.21 |              | 53,393    | 202.21 | -                 | 203.21    |         | -                      | 53,393     |
| Materials Supplies                | 201.22 |              | 9,888     | 202.22 | -                 | 203.22    |         | -                      | 9,888      |
| Trucking/Vacuum/Transp            | 201.23 |              | 45,977    | 202.23 | -                 | 203.23    |         | -                      | 45,977     |
| Solids Control/Closed Loop System | 201.24 |              | 120,499   | 202.24 | -                 | 203.24    |         | -                      | 120,499    |
| Disposal                          | 201.25 |              | 285,754   | 202.25 | -                 | 203.25    |         | -                      | 285,754    |
| Wellhead Prepare/Repair           | 201.26 |              | 24,719    | 202.26 | -                 | 203.26    |         | -                      | 24,719     |
| Rental Equipment                  | 201.27 |              | 168,584   | 202.27 | -                 | 203.27    |         | -                      | 168,584    |
| Mancamp                           | 201.28 |              | 79,694    | 202.28 | -                 | 203.28    |         | -                      | 79,694     |
| Wellsite Supervision              | 201.29 |              | 177,779   | 202.29 | -                 | 203.29    |         | -                      | 177,779    |
| Safety/Environmental              | 201.30 |              | 33,717    | 202.30 | -                 | 203.30    |         | -                      | 33,717     |
| Well Control Insurance            | 201.31 |              | 16,858    | 202.31 | -                 | 203.31    |         | -                      | 16,858     |
| Contingency                       | 201.32 |              | 243,933   | 202.32 | -                 | 203.32    |         | -                      | 243,933    |
| Completion                        |        |              |           |        |                   |           |         |                        |            |
| Road/Locations/Pits               | 201.33 | -            |           | 202.33 |                   | 19,543    | 203.33  | -                      | 19,543     |
| Wireline Open/Cased Hole          | 201.34 | -            |           | 202.34 |                   | 74,448    | 203.34  | -                      | 74,448     |
| Fuel/Power                        | 201.35 | -            |           | 202.35 |                   | 472,596   | 203.35  | -                      | 472,596    |
| Coiled Tubing                     | 201.36 | -            |           | 202.36 |                   | 339,457   | 203.36  | -                      | 339,457    |
| Water Disposal/Vacuum Truck       | 201.37 | -            |           | 202.37 |                   | 34,981    | 203.37  | -                      | 34,981     |
| Trucking                          | 201.38 | -            |           | 202.38 |                   | 26,755    | 203.38  | -                      | 26,755     |
| Electric Logging/Perforating      | 201.39 | -            |           | 202.39 |                   | 682,193   | 203.39  | -                      | 682,193    |
| Completion Fluids                 | 201.40 | -            |           | 202.40 |                   | 18,612    | 203.40  | -                      | 18,612     |
| Well Stimulation/Fracture         | 201.41 | -            |           | 202.41 |                   | 3,344,910 | 203.41  | -                      | 3,344,910  |
| Contract Labor/Roustabout         | 201.42 | -            |           | 202.42 |                   | 27,918    | 203.42  | -                      | 27,918     |
| Water Handling                    | 201.43 | -            |           | 202.43 |                   | 325,710   | 203.43  | -                      | 325,710    |
| Source Water                      | 201.44 | -            |           | 202.44 |                   | 533,699   | 203.44  | -                      | 533,699    |
| Wellhead/Fracture Repair          | 201.45 | -            |           | 202.45 |                   | 74,448    | 203.45  | -                      | 74,448     |
| Rental Equipment                  | 201.46 | -            |           | 202.46 |                   | 313,340   | 203.46  | -                      | 313,340    |
| Wellsite Supervision              | 201.47 | -            |           | 202.47 |                   | 82,916    | 203.47  | -                      | 82,916     |
| Supervision/Engineering           | 201.48 | -            |           | 202.48 |                   | 9,306     | 203.48  | -                      | 9,306      |
| Safety/Environmental              | 201.49 | -            |           | 202.49 |                   | 27,918    | 203.49  | -                      | 27,918     |
| Overhead                          | 201.50 | -            |           | 202.50 |                   | 18,612    | 203.50  | -                      | 18,612     |
| Artificial Lift                   |        |              |           |        |                   |           |         |                        |            |
| Workover Rig                      | 201.51 | -            |           | 202.51 |                   | 16,686    | 203.51  | -                      | 16,686     |
| Spooling Services                 | 201.52 | -            |           | 202.52 |                   | 6,674     | 203.52  | -                      | 6,674      |
| Wireline Open/Cased Hole          | 201.53 | -            |           | 202.53 |                   | 5,562     | 203.53  | -                      | 5,562      |
| Inspection & Testing              | 201.54 | -            |           | 202.54 |                   | 3,337     | 203.54  | -                      | 3,337      |
| Trucking/Vacuum/Transp            | 201.55 | -            |           | 202.55 |                   | 7,787     | 203.55  | -                      | 7,787      |
| Kill Truck                        | 201.56 | -            |           | 202.56 |                   | 5,562     | 203.56  | -                      | 5,562      |
| Completion Fluids                 | 201.57 | -            |           | 202.57 |                   | 5,562     | 203.57  | -                      | 5,562      |
| Contract Labor/Roustabout         | 201.58 | -            |           | 202.58 |                   | 11,124    | 203.58  | -                      | 11,124     |
| Rental Equipment                  | 201.59 | -            |           | 202.59 |                   | 11,124    | 203.59  | -                      | 11,124     |
| Laydown Machine                   | 201.60 | -            |           | 202.60 |                   | 5,562     | 203.60  | -                      | 5,562      |
| Reverse Unit Rental               | 201.61 | -            |           | 202.61 |                   | 5,562     | 203.61  | -                      | 5,562      |
| Wellsite Supervision              | 201.62 | -            |           | 202.62 |                   | 10,012    | 203.62  | -                      | 10,012     |
| Acid                              | 201.63 | -            |           | 202.63 |                   | 27,810    | 203.63  | -                      | 27,810     |
| Facilities                        |        |              |           |        |                   |           |         |                        |            |
| Surface Damage                    | 201.64 | -            |           | 202.64 | -                 | 201.64    |         | 1,391                  | 1,391      |
| Permanent Easement/Row            | 201.65 | -            |           | 202.65 | -                 | 201.65    |         | 5,562                  | 5,562      |
| Road Locations Pits               | 201.66 | -            |           | 202.66 | -                 | 201.66    |         | 41,715                 | 41,715     |
| Materials & Supplies              | 201.67 | -            |           | 202.67 | -                 | 201.67    |         | 11,124                 | 11,124     |
| Transportation rucking            | 201.68 | -            |           | 202.68 | -                 | 201.68    |         | 8,343                  | 8,343      |
| Rental Equipment                  | 201.69 | -            |           | 202.69 | -                 | 201.69    |         | 22,248                 | 22,248     |
| Water Disposal/SWD                | 201.70 | -            |           | 202.70 | -                 | 201.70    |         | 1,391                  | 1,391      |
| Inspection & Testing              | 201.71 | -            |           | 202.71 | -                 | 201.71    |         | 695                    | 695        |
| Contract Labor/Roustab            | 201.72 | -            |           | 202.72 | -                 | 201.72    |         | 83,430                 | 83,430     |
| Supervision                       | 201.73 | -            |           | 202.73 | -                 | 201.73    |         | 27,810                 | 27,810     |
| Consulting Services               | 201.74 | -            |           | 202.74 | -                 | 201.74    |         | 1,391                  | 1,391      |
| Safety/Environmental              | 201.75 | -            |           | 202.75 | -                 | 201.75    |         | 4,172                  | 4,172      |
| Company Labor                     | 201.76 | -            |           | 202.76 | -                 | 201.76    |         | 1,391                  | 1,391      |
| Contingency                       | 201.77 | -            |           | 202.77 | -                 | 201.77    |         | 26,490                 | 26,490     |
| Flowback                          |        |              |           |        |                   |           |         |                        |            |
| Frac Water Recovery               | 201.78 | -            |           | 202.78 | -                 | 201.78    |         | 185,009                | 185,009    |
| Trucking/Vacuum/Transfer          | 201.79 | -            |           | 202.79 | -                 | 201.79    |         | 22,248                 | 22,248     |
| Well Testing/Flowback             | 201.80 | -            |           | 202.80 | -                 | 201.80    |         | 121,252                | 121,252    |
| Tank Rental                       | 201.81 | -            |           | 202.81 | -                 | 201.81    |         | 22,248                 | 22,248     |
| Surface Pump Rental               | 201.82 | -            |           | 202.82 | -                 | 201.82    |         | 22,248                 | 22,248     |
| Wellsite Supervision              | 201.83 | -            |           | 202.83 | -                 | 201.83    |         | 11,124                 | 11,124     |
| Chemicals                         | 201.84 | -            |           | 202.84 | -                 | 201.84    |         | 16,686                 | 16,686     |
| TOTAL INTANGIBLE COSTS            |        | \$           | 5,664,664 | \$     | 6,549,726         | \$        | 637,965 | \$                     | 12,852,355 |

| TANGIBLE COSTS                       |        |              |           |        |                   |           |        |              |            |
|--------------------------------------|--------|--------------|-----------|--------|-------------------|-----------|--------|--------------|------------|
| Category/Description                 | Item # | Drilling AFE |           | Item # | Completion/AL AFE |           | Item # | Facility AFE | Total      |
| Drilling                             |        |              |           |        |                   |           |        |              |            |
| Casing - Surface                     | 301.01 |              | 168,588   | 302.01 | -                 | 303.01    |        | -            | 168,588    |
| Casing - Intermediate                | 301.02 |              | 361,381   | 302.02 | -                 | 303.02    |        | -            | 361,381    |
| Casing Production                    | 301.03 |              | 862,264   | 302.03 | -                 | 303.03    |        | -            | 862,264    |
| Wellhead Equipment                   | 301.04 |              | 105,056   | 302.04 | -                 | 303.04    |        | -            | 105,056    |
| Packer/Downhole Tools                | 301.05 |              | 105,056   | 302.05 | -                 | 303.05    |        | -            | 105,056    |
| Completion                           |        |              |           |        |                   |           |        |              |            |
| Wellhead Equipment                   | 301.06 |              | -         | 302.06 | 87,942            | 303.06    |        | -            | 87,942     |
| Artificial Lift                      |        |              |           |        |                   |           |        |              |            |
| Tubing                               | 301.07 |              | -         | 302.07 | 72,306            | 303.07    |        | -            | 72,306     |
| Downhole Artificial Lift Equip       | 301.08 |              | -         | 302.08 | 16,686            | 303.08    |        | -            | 16,686     |
| ESP Equipment/Install                | 301.09 |              | -         | 302.09 | 111,240           | 303.09    |        | -            | 111,240    |
| Wellhead Equipment                   | 301.10 |              | -         | 302.10 | 55,620            | 303.10    |        | -            | 55,620     |
| Well Site Power Equipment/Install    | 301.11 |              | -         | 302.11 | 83,430            | 303.11    |        | -            | 83,430     |
| OHF Infrastructure Equipment/Install | 301.12 |              | -         | 302.12 | 55,620            | 303.12    |        | -            | 55,620     |
| Valves/Connections/FTGS              | 301.13 |              | -         | 302.13 | 16,686            | 303.13    |        | -            | 16,686     |
| Measurement Equipment                | 301.14 |              | -         | 302.14 | 5,562             | 303.14    |        | -            | 5,562      |
| Comm, Telemetry & Automa             | 301.15 |              | -         | 302.15 | 5,562             | 303.15    |        | -            | 5,562      |
| Facilities                           |        |              |           |        |                   |           |        |              |            |
| Tank Battery                         | 301.16 |              | -         | 302.16 | -                 | 303.16    |        | 112,074      | 112,074    |
| Heater Treater/Seperator             | 301.17 |              | -         | 302.17 | -                 | 303.17    |        | 134,879      | 134,879    |
| Valves Fittings/Pipe                 | 301.18 |              | -         | 302.18 | -                 | 303.18    |        | 125,145      | 125,145    |
| Circulating Transfer Pump            | 301.19 |              | -         | 302.19 | -                 | 303.19    |        | 24,056       | 24,056     |
| Meters                               | 301.20 |              | -         | 302.20 | -                 | 303.20    |        | 105,122      | 105,122    |
| Compressors                          | 301.21 |              | -         | 302.21 | -                 | 303.21    |        | 8,343        | 8,343      |
| Electrical                           | 301.22 |              | -         | 302.22 | -                 | 303.22    |        | 97,335       | 97,335     |
| Automation Material                  | 301.23 |              | -         | 302.23 | -                 | 303.23    |        | 34,763       | 34,763     |
| Flare/Combuster                      | 301.24 |              | -         | 302.24 | -                 | 303.24    |        | 30,591       | 30,591     |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,602,344 |        | \$                | 510,654   |        | \$           | 672,307    |
|                                      |        |              |           |        |                   |           |        | \$           | 2,785,305  |
| Cost Category Summary                |        |              |           |        |                   |           |        |              |            |
| TOTAL INTANGIBLE COSTS               | \$     |              | 5,664,664 | \$     |                   | 6,549,726 | \$     |              | 637,965    |
| TOTAL TANGIBLE COSTS                 | \$     |              | 1,602,344 | \$     |                   | 510,654   | \$     |              | 672,307    |
| TOTAL CONTINGENCIES                  | \$     |              | -         | \$     |                   | -         | \$     |              | -          |
| TOTAL DEVELOPMENT COSTS              | \$     |              | 7,267,008 | \$     |                   | 7,060,380 | \$     |              | 1,310,271  |
|                                      |        |              |           |        |                   |           |        |              | 15,637,659 |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.





**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**AUTHORIZATION FOR EXPENDITURE****AFE: NM116**

Well Name: Chancer 5-17 State #214H

County: Lea

State: NM

Date: November 18, 2025

Projected MD/TVD: 27,240'/11,600'

SHL: S20-T18S-R34E 350' FNL, 1,915' FEL

BHL: S5-T18S-R34E 100' FNL, 990' FEL

**PROJECT DESCRIPTION:**

The proposed AFE is for the Chancer 5-17 State #214H, a three-mile Wolfcamp horizontal well to be drilled in Lea County, NM.

|                                 | <b>TOTAL</b>        |
|---------------------------------|---------------------|
| <b>DRILLING:</b>                | <b>\$7,267,008</b>  |
| <b>COMPLETIONS:</b>             | <b>\$7,060,380</b>  |
| <b>FACILITIES:</b>              | <b>\$1,310,271</b>  |
| <b>COMPLETED WELL<br/>COST:</b> | <b>\$15,637,659</b> |

**OPERATOR APPROVAL:**



Authority for Expenditure  
FED Operating, LLC  
AFE Date: 11/18/2025

|               |                          |                           |                                                                        |
|---------------|--------------------------|---------------------------|------------------------------------------------------------------------|
| AFE Number:   | NM116                    | Field/Prospect:           |                                                                        |
| Well Name:    | Chancer 5-17 State #214H | AFE Objective:            | Drill, Complete, Install Artificial Lift, and Build Comingled Facility |
| Location:     | Sec. 5, 8, 17            | Formation Target:         | Wolfcamp Formation                                                     |
| County/State: | Lea, New Mexico          | Proposed Total Depth/TVD: | 27240'/11600'                                                          |

| INTANGIBLE COSTS                  |        |              |           |        |                   |           |         |                        |            |
|-----------------------------------|--------|--------------|-----------|--------|-------------------|-----------|---------|------------------------|------------|
| Category/Description              | Item # | Drilling AFE |           | Item # | Completion/AL AFE |           | Item #  | Facility/ Flowback AFE | Total      |
| <b>Drilling</b>                   |        |              |           |        |                   |           |         |                        |            |
| Permits/Licenses                  | 201.01 |              | 29,663    | 202.01 | -                 | 203.01    | -       | -                      | 29,663     |
| Logging/Surveying                 | 201.02 |              | 29,663    | 202.02 | -                 | 203.02    | -       | -                      | 29,663     |
| Legal/Title Services              | 201.03 |              | 25,708    | 202.03 | -                 | 203.03    | -       | -                      | 25,708     |
| Surface Damage/Row                | 201.04 |              | 69,213    | 202.04 | -                 | 203.04    | -       | -                      | 69,213     |
| Permanent Easement                | 201.05 |              | 23,730    | 202.05 | -                 | 203.05    | -       | -                      | 23,730     |
| Road/Locations/Pits               | 201.06 |              | 189,101   | 202.06 | -                 | 203.06    | -       | -                      | 189,101    |
| Rig Mob/Trucking                  | 201.07 |              | 252,134   | 202.07 | -                 | 203.07    | -       | -                      | 252,134    |
| Rig Mob/Standby Rate              | 201.08 |              | 69,411    | 202.08 | -                 | 203.08    | -       | -                      | 69,411     |
| Daywork Contract                  | 201.09 |              | 1,143,115 | 202.09 | -                 | 203.09    | -       | -                      | 1,143,115  |
| Directional Drill/Survey          | 201.10 |              | 504,794   | 202.10 | -                 | 203.10    | -       | -                      | 504,794    |
| Conductor Hole/Service            | 201.11 |              | 84,045    | 202.11 | -                 | 203.11    | -       | -                      | 84,045     |
| Drill Bit                         | 201.12 |              | 193,797   | 202.12 | -                 | 203.12    | -       | -                      | 193,797    |
| Bits/Tools/Stabilizers            | 201.13 |              | 111,307   | 202.13 | -                 | 203.13    | -       | -                      | 111,307    |
| Fuel/Power                        | 201.14 |              | 286,593   | 202.14 | -                 | 203.14    | -       | -                      | 286,593    |
| Fuel/Mud                          | 201.15 |              | 170,067   | 202.15 | -                 | 203.15    | -       | -                      | 170,067    |
| Rig Water                         | 201.16 |              | 38,315    | 202.16 | -                 | 203.16    | -       | -                      | 38,315     |
| Mud/Chemicals/Acidizing           | 201.17 |              | 439,662   | 202.17 | -                 | 203.17    | -       | -                      | 439,662    |
| Inspection/Testing & Repair       | 201.18 |              | 73,168    | 202.18 | -                 | 203.18    | -       | -                      | 73,168     |
| Cement Services/Float Equip       | 201.19 |              | 531,954   | 202.19 | -                 | 203.19    | -       | -                      | 531,954    |
| Casing Crew/Tools                 | 201.20 |              | 138,427   | 202.20 | -                 | 203.20    | -       | -                      | 138,427    |
| Contract Labor/Roustabout         | 201.21 |              | 53,393    | 202.21 | -                 | 203.21    | -       | -                      | 53,393     |
| Materials Supplies                | 201.22 |              | 9,888     | 202.22 | -                 | 203.22    | -       | -                      | 9,888      |
| Trucking/Vacuum/Transp            | 201.23 |              | 45,977    | 202.23 | -                 | 203.23    | -       | -                      | 45,977     |
| Solids Control/Closed Loop System | 201.24 |              | 120,499   | 202.24 | -                 | 203.24    | -       | -                      | 120,499    |
| Disposal                          | 201.25 |              | 285,754   | 202.25 | -                 | 203.25    | -       | -                      | 285,754    |
| Wellhead Prepare/Repair           | 201.26 |              | 24,719    | 202.26 | -                 | 203.26    | -       | -                      | 24,719     |
| Rental Equipment                  | 201.27 |              | 168,584   | 202.27 | -                 | 203.27    | -       | -                      | 168,584    |
| Mancamp                           | 201.28 |              | 79,694    | 202.28 | -                 | 203.28    | -       | -                      | 79,694     |
| Wellsite Supervision              | 201.29 |              | 177,779   | 202.29 | -                 | 203.29    | -       | -                      | 177,779    |
| Safety/Environmental              | 201.30 |              | 33,717    | 202.30 | -                 | 203.30    | -       | -                      | 33,717     |
| Well Control Insurance            | 201.31 |              | 16,858    | 202.31 | -                 | 203.31    | -       | -                      | 16,858     |
| Contingency                       | 201.32 |              | 243,933   | 202.32 | -                 | 203.32    | -       | -                      | 243,933    |
| <b>Completion</b>                 |        |              |           |        |                   |           |         |                        |            |
| Road/Locations/Pits               | 201.33 |              | -         | 202.33 |                   | 19,543    | 203.33  | -                      | 19,543     |
| Wireline Open/Cased Hole          | 201.34 |              | -         | 202.34 |                   | 74,448    | 203.34  | -                      | 74,448     |
| Fuel/Power                        | 201.35 |              | -         | 202.35 |                   | 472,596   | 203.35  | -                      | 472,596    |
| Coiled Tubing                     | 201.36 |              | -         | 202.36 |                   | 339,457   | 203.36  | -                      | 339,457    |
| Water Disposal/Vacuum Truck       | 201.37 |              | -         | 202.37 |                   | 34,981    | 203.37  | -                      | 34,981     |
| Trucking                          | 201.38 |              | -         | 202.38 |                   | 26,755    | 203.38  | -                      | 26,755     |
| Electric Logging/Perforating      | 201.39 |              | -         | 202.39 |                   | 682,193   | 203.39  | -                      | 682,193    |
| Completion Fluids                 | 201.40 |              | -         | 202.40 |                   | 18,612    | 203.40  | -                      | 18,612     |
| Well Stimulation/Fracture         | 201.41 |              | -         | 202.41 |                   | 3,344,910 | 203.41  | -                      | 3,344,910  |
| Contract Labor/Roustabout         | 201.42 |              | -         | 202.42 |                   | 27,918    | 203.42  | -                      | 27,918     |
| Water Handling                    | 201.43 |              | -         | 202.43 |                   | 325,710   | 203.43  | -                      | 325,710    |
| Source Water                      | 201.44 |              | -         | 202.44 |                   | 533,699   | 203.44  | -                      | 533,699    |
| Wellhead/Fracture Repair          | 201.45 |              | -         | 202.45 |                   | 74,448    | 203.45  | -                      | 74,448     |
| Rental Equipment                  | 201.46 |              | -         | 202.46 |                   | 313,340   | 203.46  | -                      | 313,340    |
| Wellsite Supervision              | 201.47 |              | -         | 202.47 |                   | 82,916    | 203.47  | -                      | 82,916     |
| Supervision/Engineering           | 201.48 |              | -         | 202.48 |                   | 9,306     | 203.48  | -                      | 9,306      |
| Safety/Environmental              | 201.49 |              | -         | 202.49 |                   | 27,918    | 203.49  | -                      | 27,918     |
| Overhead                          | 201.50 |              | -         | 202.50 |                   | 18,612    | 203.50  | -                      | 18,612     |
| <b>Artificial Lift</b>            |        |              |           |        |                   |           |         |                        |            |
| Workover Rig                      | 201.51 |              | -         | 202.51 |                   | 16,686    | 203.51  | -                      | 16,686     |
| Spooling Services                 | 201.52 |              | -         | 202.52 |                   | 6,674     | 203.52  | -                      | 6,674      |
| Wireline Open/Cased Hole          | 201.53 |              | -         | 202.53 |                   | 5,562     | 203.53  | -                      | 5,562      |
| Inspection & Testing              | 201.54 |              | -         | 202.54 |                   | 3,337     | 203.54  | -                      | 3,337      |
| Trucking/Vacuum/Transp            | 201.55 |              | -         | 202.55 |                   | 7,787     | 203.55  | -                      | 7,787      |
| Kill Truck                        | 201.56 |              | -         | 202.56 |                   | 5,562     | 203.56  | -                      | 5,562      |
| Completion Fluids                 | 201.57 |              | -         | 202.57 |                   | 5,562     | 203.57  | -                      | 5,562      |
| Contract Labor/Roustabout         | 201.58 |              | -         | 202.58 |                   | 11,124    | 203.58  | -                      | 11,124     |
| Rental Equipment                  | 201.59 |              | -         | 202.59 |                   | 11,124    | 203.59  | -                      | 11,124     |
| Laydown Machine                   | 201.60 |              | -         | 202.60 |                   | 5,562     | 203.60  | -                      | 5,562      |
| Reverse Unit Rental               | 201.61 |              | -         | 202.61 |                   | 5,562     | 203.61  | -                      | 5,562      |
| Wellsite Supervision              | 201.62 |              | -         | 202.62 |                   | 10,012    | 203.62  | -                      | 10,012     |
| Acid                              | 201.63 |              | -         | 202.63 |                   | 27,810    | 203.63  | -                      | 27,810     |
| <b>Facilities</b>                 |        |              |           |        |                   |           |         |                        |            |
| Surface Damage                    | 201.64 |              | -         | 202.64 |                   | -         | 201.64  | 1,391                  | 1,391      |
| Permanent Easement/Row            | 201.65 |              | -         | 202.65 |                   | -         | 201.65  | 5,562                  | 5,562      |
| Road Locations/Pits               | 201.66 |              | -         | 202.66 |                   | -         | 201.66  | 41,715                 | 41,715     |
| Materials & Supplies              | 201.67 |              | -         | 202.67 |                   | -         | 201.67  | 11,124                 | 11,124     |
| Transportation rucking            | 201.68 |              | -         | 202.68 |                   | -         | 201.68  | 8,343                  | 8,343      |
| Rental Equipment                  | 201.69 |              | -         | 202.69 |                   | -         | 201.69  | 22,248                 | 22,248     |
| Water Disposal/SWD                | 201.70 |              | -         | 202.70 |                   | -         | 201.70  | 1,391                  | 1,391      |
| Inspection & Testing              | 201.71 |              | -         | 202.71 |                   | -         | 201.71  | 695                    | 695        |
| Contract Labor/Roustab            | 201.72 |              | -         | 202.72 |                   | -         | 201.72  | 83,430                 | 83,430     |
| Supervision                       | 201.73 |              | -         | 202.73 |                   | -         | 201.73  | 27,810                 | 27,810     |
| Consulting Services               | 201.74 |              | -         | 202.74 |                   | -         | 201.74  | 1,391                  | 1,391      |
| Safety/Environmental              | 201.75 |              | -         | 202.75 |                   | -         | 201.75  | 4,172                  | 4,172      |
| Company Labor                     | 201.76 |              | -         | 202.76 |                   | -         | 201.76  | 1,391                  | 1,391      |
| Contingency                       | 201.77 |              | -         | 202.77 |                   | -         | 201.77  | 26,490                 | 26,490     |
| <b>Flowback</b>                   |        |              |           |        |                   |           |         |                        |            |
| Frac Water Recovery               | 201.78 |              | -         | 202.78 |                   | -         | 201.78  | 185,009                | 185,009    |
| Trucking/Vacuum/Transfer          | 201.79 |              | -         | 202.79 |                   | -         | 201.79  | 22,248                 | 22,248     |
| Well Testing/Flowback             | 201.80 |              | -         | 202.80 |                   | -         | 201.80  | 121,252                | 121,252    |
| Tank Rental                       | 201.81 |              | -         | 202.81 |                   | -         | 201.81  | 22,248                 | 22,248     |
| Surface Pump Rental               | 201.82 |              | -         | 202.82 |                   | -         | 201.82  | 22,248                 | 22,248     |
| Wellsite Supervision              | 201.83 |              | -         | 202.83 |                   | -         | 201.83  | 11,124                 | 11,124     |
| Chemicals                         | 201.84 |              | -         | 202.84 |                   | -         | 201.84  | 16,686                 | 16,686     |
| TOTAL INTANGIBLE COSTS            |        | \$           | 5,664,664 | \$     | 6,549,726         | \$        | 637,965 | \$                     | 12,852,354 |

| TANGIBLE COSTS                       |        |              |           |                   |                   |              |        |              |         |            |           |
|--------------------------------------|--------|--------------|-----------|-------------------|-------------------|--------------|--------|--------------|---------|------------|-----------|
| Category/Description                 | Item # | Drilling AFE |           | Item #            | Completion/AL AFE |              | Item # | Facility AFE | Total   |            |           |
| Drilling                             |        |              |           |                   |                   |              |        |              |         |            |           |
| Casing - Surface                     | 301.01 |              | 168,588   | 302.01            |                   | -            | 303.01 | -            | 168,588 |            |           |
| Casing - Intermediate                | 301.02 |              | 361,381   | 302.02            |                   | -            | 303.02 | -            | 361,381 |            |           |
| Casing Production                    | 301.03 |              | 862,264   | 302.03            |                   | -            | 303.03 | -            | 862,264 |            |           |
| Wellhead Equipment                   | 301.04 |              | 105,056   | 302.04            |                   | -            | 303.04 | -            | 105,056 |            |           |
| Packer/Downhole Tools                | 301.05 |              | 105,056   | 302.05            |                   | -            | 303.05 | -            | 105,056 |            |           |
| Completion                           |        |              |           |                   |                   |              |        |              |         |            |           |
| Wellhead Equipment                   | 301.06 |              | -         | 302.06            |                   | 87,942       | 303.06 | -            | 87,942  |            |           |
| Artificial Lift                      |        |              |           |                   |                   |              |        |              |         |            |           |
| Tubing                               | 301.07 |              | -         | 302.07            |                   | 72,306       | 303.07 | -            | 72,306  |            |           |
| Downhole Artificial Lift Equip       | 301.08 |              | -         | 302.08            |                   | 16,686       | 303.08 | -            | 16,686  |            |           |
| ESP Equipment/Install                | 301.09 |              | -         | 302.09            |                   | 111,240      | 303.09 | -            | 111,240 |            |           |
| Wellhead Equipment                   | 301.10 |              | -         | 302.10            |                   | 55,620       | 303.10 | -            | 55,620  |            |           |
| Well Site Power Equipment/Install    | 301.11 |              | -         | 302.11            |                   | 83,430       | 303.11 | -            | 83,430  |            |           |
| OHP Infrastructure Equipment/Install | 301.12 |              | -         | 302.12            |                   | 55,620       | 303.12 | -            | 55,620  |            |           |
| Valves/Connections/FTGS              | 301.13 |              | -         | 302.13            |                   | 16,686       | 303.13 | -            | 16,686  |            |           |
| Measurement Equipment                | 301.14 |              | -         | 302.14            |                   | 5,562        | 303.14 | -            | 5,562   |            |           |
| Comm, Telemetry & Automa             | 301.15 |              | -         | 302.15            |                   | 5,562        | 303.15 | -            | 5,562   |            |           |
| Facilities                           |        |              |           |                   |                   |              |        |              |         |            |           |
| Tank Battery                         | 301.16 |              | -         | 302.16            |                   | -            | 303.16 | 112,074      | 112,074 |            |           |
| Heater Treater/Seperator             | 301.17 |              | -         | 302.17            |                   | -            | 303.17 | 134,879      | 134,879 |            |           |
| Valves Fittings/Pipe                 | 301.18 |              | -         | 302.18            |                   | -            | 303.18 | 125,145      | 125,145 |            |           |
| Circulating Transfer Pump            | 301.19 |              | -         | 302.19            |                   | -            | 303.19 | 24,056       | 24,056  |            |           |
| Meters                               | 301.20 |              | -         | 302.20            |                   | -            | 303.20 | 105,122      | 105,122 |            |           |
| Compressors                          | 301.21 |              | -         | 302.21            |                   | -            | 303.21 | 8,343        | 8,343   |            |           |
| Electrical                           | 301.22 |              | -         | 302.22            |                   | -            | 303.22 | 97,335       | 97,335  |            |           |
| Automation Material                  | 301.23 |              | -         | 302.23            |                   | -            | 303.23 | 34,763       | 34,763  |            |           |
| Flare/Combuster                      | 301.24 |              | -         | 302.24            |                   | -            | 303.24 | 30,591       | 30,591  |            |           |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,602,344 |                   | \$                | 510,654      |        | \$           | 672,307 | \$         | 2,785,305 |
|                                      |        |              |           |                   |                   |              |        |              |         |            |           |
| Cost Category Summary                |        | Drilling AFE |           | Completion/AL AFE |                   | Facility AFE |        | Total        |         |            |           |
| TOTAL INTANGIBLE COSTS               |        | \$           | 5,664,664 | \$                |                   | 6,549,726    | \$     | 637,965      | \$      | 12,852,354 |           |
| TOTAL TANGIBLE COSTS                 |        | \$           | 1,602,344 | \$                |                   | 510,654      | \$     | 672,307      | \$      | 2,785,305  |           |
| TOTAL CONTINGENCIES                  |        | \$           | -         | \$                |                   | -            | \$     | -            | \$      | -          |           |
| TOTAL DEVELOPMENT COSTS              |        | \$           | 7,267,008 | \$                |                   | 7,060,380    | \$     | 1,310,271    | \$      | 15,637,659 |           |

Note: The costs outlined in this AFE are approximations of the expected expenses. However, the actual costs may deviate from these estimates due to changes in the physical conditions of the wellbore that may occur during the proposed work.

Note: The quoted prices for both materials and services are based on current estimates. However, if the actual costs exceed the estimated costs, the Operator cannot be held liable for any such increase. Each participant will have to bear their proportional share of the actual costs and expenses. Pursuant to the COPAS attachment to the JOA, Operator is subject to paying premium prices for tubulars. Therefore, actual costs may materially vary from the AFE estimated costs above, and actual costs shall be charged by Operator.



**JOINT INTEREST APPROVAL:**

Company: \_\_\_\_\_  
Working Interest: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**Chancer 5-17 State**#111H-114H, #121-124H, #131H-134H  
#211H-214H**Summary of Notice**

Exhibit C-5



| Owner Name                                                                                    | Owner Type | Ownership Status | Commitment Type | AFE's / Proposals Sent Certified Mail | AFE's / Proposals Received Certified Mail | Hearing Notice | Publication Date |
|-----------------------------------------------------------------------------------------------|------------|------------------|-----------------|---------------------------------------|-------------------------------------------|----------------|------------------|
| Occidental Permian Ltd.                                                                       | WI/RT      | UNCOMMITTED      | POOL            | 11/19/2025                            | 12/2/2025                                 | 06/19/2026     | 06/24/2026       |
| Colt Energy, LLC                                                                              | WI         | UNCOMMITTED      | POOL            | 11/19/2025                            | 12/2/2025                                 | 06/19/2026     | 06/24/2026       |
| Armstrong Energy Corporation                                                                  | WI/RT      | UNCOMMITTED      | POOL            | 11/19/2025                            | 11/25/2025                                | 06/19/2026     | 06/24/2026       |
| Hilcorp Permian CT TXNM, LLC (previously XTO Permian CT TXNM, LLC)                            | WI         | UNCOMMITTED      | POOL            | 11/19/2025                            | 12/1/2025                                 | 06/19/2026     | 06/24/2026       |
| Hunt Cimarron Limited Partnership dba Cimarron Exploration Company (Now Mewbourne / Rockwood) | WI         | UNCOMMITTED      | POOL            | 11/19/2025                            | 11/26/2025                                | 06/19/2026     | 06/24/2026       |
| Stumhoffer Family Partnership, LP                                                             | WI         | UNCOMMITTED      | POOL            | 12/1/2025                             | 12/8/2025                                 | 06/19/2026     | 06/24/2026       |
| C. W. Seely                                                                                   | WI         | UNCOMMITTED      | POOL            | 12/1/2025                             | 12/8/2025                                 | 06/19/2026     | 06/24/2026       |
| EOG Resources Inc.                                                                            | WI         | UNCOMMITTED      | POOL            | 11/19/2025                            | 1/9/2026                                  | 06/19/2026     | 06/24/2026       |

**Chancer 5-17 State**#111H-114H, #121-124H, #131H-134H  
#211H-214H**Summary of Notice - Continued**

Exhibit C-5



| Owner Name                     | Owner Type | Ownership Status | Commitment Type | AFE's / Proposals Sent Certified Mail | AFE's / Proposals Received Certified Mail | Hearing Notice | Publication Date |
|--------------------------------|------------|------------------|-----------------|---------------------------------------|-------------------------------------------|----------------|------------------|
| Estate of Patsy Carr, Deceased | WI         | UNCOMMITTED      | POOL            | 11/19/2025                            | 11/26/2025                                | 06/19/2026     | 06/24/2026       |
| Seely Oil Company              | WI/RT      | UNCOMMITTED      | POOL            | 12/1/2025                             | 12/8/2025                                 | 06/19/2026     | 06/24/2026       |

**Chancer 5-17 State**#111H-114H, #121-124H, #131H-134H  
#211H-214H**Summary of Contacts with Sec 17**

Exhibit C-5



| Owner Name                                                         | Comments                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Occidental Permian Ltd.                                            | 11/19/2025 – Received AFE's / Proposals<br>7/22 – JOA sent for review<br>8/4 – Follow up with Oxy, let us know via phone call they will wait on the outcome of contested hearing to make a decision                                                                                                                                                           |
| Hilcorp Permian CT TXNM, LLC (Previously XTO Permian CT TXNM, LLC) | 12/1/2025 – Received AFE's / Proposals<br>7/10 – Emailed AFE's / Proposals<br>7/29 – Emailed on JOA, Purchase Offer<br>8/20 – Updated offer to purchase<br>8/24 – Sent over trade proposal                                                                                                                                                                    |
| Hunt Cimarron Limited Partnership dba Cimarron Exploration Company | 11/26/2025 – Received AFE's / Proposals<br>1/22 – Emails exchanged with Richard G., JOA form sent<br>5/13 – FED discusses acquiring parties' acreage<br>5/21-5/28 – emails exchanged regarding ownership<br>6/8 – Richard G signs Purchase Agreement with Rockwood<br>6/23 – Hunt Cimarron files objection and motion to continue per instruction of Rockwood |
| Stumhoffer Family Partnership, LP                                  | 12/8/2025 – Received AFE's / Proposals<br>6/30 – Sent AFE's / Proposals to new address Jennifer provided<br>6/24 – Phone call with Jennifer regarding FED development plans<br>6/30 – Email regarding Proposals, AFE's, potential joinder and purchase offer<br>7/9 – Email follow up                                                                         |
| C. W. Seely                                                        | 12/8/2025 – Received AFE's / Proposals<br>3/2026 –Marketed Sales Process through Red Oaks Energy Advisors                                                                                                                                                                                                                                                     |
| EOG Resources Inc.                                                 | 1/9/2026 – Received AFE's / Proposals<br>8/17 – Phone call to discuss proposals<br>8/18 – Email follow up                                                                                                                                                                                                                                                     |
| Estate of Patsy Carr, Deceased                                     | 11/26/2025 – Received AFE's / Proposals<br>Called, emailed, texted – no response from heirs.                                                                                                                                                                                                                                                                  |
| Seely Oil Company                                                  | 12/8/2025 – Received AFE's / Proposals<br>3/2026 – Marketed Sales Process through Red Oaks Energy Advisors                                                                                                                                                                                                                                                    |

**Chancer 5-17 State**#111H-114H, #121-124H, #131H-134H  
#211H-214H

# Summary of Contacts

Exhibit C-5



| Owner Name                      | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Colt Energy, LLC                | 12/2/2025 – Received AFE's / Proposals<br>5/14 – Email w/ Rex re. ownership confirmation<br>5/25 – further correspondence re. Title<br>6/9 – confirmed ownership with Rex<br>7/29 – Sent JOA to Rex to review<br>8/5 – made offer to purchase via Email<br>9/4 – updated purchase offer, plan to discuss joinder post hearing                                                                                                                                                                                                                                               |
| Armstrong Energy Corporation    | 11/25/2025 – Received AFE's / Proposals<br>5/13 – connected with Kyle regarding options to participate, term assignment<br>5/19 – counter from Kyle<br>5/26 – Emailed Kyle that we would like to get further along in pooling proceedings before discussing further<br>7/22 – Emailed with Kyle regarding hearing date, plan to circle up post pooling                                                                                                                                                                                                                      |
| Permian Resources Operating LLC | 11/24/2025 – Received AFE's / Proposals<br>8/2026 – Reached Verbal Agreement to acquire ARTI<br>9/9/2026 – FED acquires ARTI                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Rockwood Energy LP              | 6/8 – Rockwood informs FED they signed an agreement to purchase Hunt Cimarron's WI<br>6/22 – Rockwood instructs HC to object and file motion to continue<br>6/22- 7/27 – Phone calls, emails, in person meeting w/ Rockwood, discussing title discrepancies<br>7/27 – FED informs Rockwood we will need to get Title Opinion on the acreage before negotiating further<br>7/30 – Rockwood assigns to MOC subject to Letter Agreement<br>8/4 – MOC files competing applications<br>8/28 – Rockwood informs FED they will be getting their acreage back from MOC post-pooling |



Cases 26131-26132  
EXHIBIT C-6

|              |    |              |    |    |    |              |              |
|--------------|----|--------------|----|----|----|--------------|--------------|
| 31-T17S-R34E |    | 32-T17S-R34E |    |    |    | 33-T17S-R34E |              |
|              | 31 | 32           | 33 | 34 | 35 | 36           |              |
| 6-T18S-R34E  | 30 | 5-T18S-R34E  |    |    |    | 1            | 4-T18S-R34E  |
|              | 29 |              |    |    |    | 2            |              |
|              | 28 |              |    |    |    | 3            |              |
|              | 27 |              |    |    |    | 4            |              |
| 7-T18S-R34E  | 26 | 8-T18S-R34E  |    |    |    | 5            | 9-T18S-R34E  |
|              | 25 |              |    |    |    | 6            |              |
|              | 24 |              |    |    |    | 7            |              |
|              | 23 |              |    |    |    | 8            |              |
| 18-T18S-R34E | 22 | 17-T18S-R34E |    |    |    | 9            | 16-T18S-R34E |
|              | 21 |              |    |    |    | 10           |              |
|              | 20 |              |    |    |    | 11           |              |
|              | 19 |              |    |    |    | 12           |              |
|              | 18 | 17           | 16 | 15 | 14 | 13           |              |
| 19-T18S-R34E |    | 20-T18S-R34E |    |    |    | 21-T18S-R34E |              |

| Tract             | WI Owners/Operators                    |
|-------------------|----------------------------------------|
| 7, 8              | AO II Permian, LLC                     |
| 31                | Arthur Wilson                          |
| 31                | Ben D. Taylor                          |
| 16, 17            | Big Three Energy Group, LLC            |
| 25, 26            | Boswell Interests, Ltd.                |
| 1, 32, 33, 34, 35 | BP America Production Company          |
| 31                | Burgundy Oil & Gas of New Mexico, Inc. |

|            |                                                                      |
|------------|----------------------------------------------------------------------|
| 25, 26     | Burnett Oil Company                                                  |
| 25, 26     | C.E.B. Oil Company                                                   |
| 23, 25, 26 | C.W. Seely                                                           |
| 23, 25, 26 | Charles W. Seely, Jr.                                                |
| 5, 6       | Chase Oil Corporaiton                                                |
| 36         | Chevron U.S.A., Inc                                                  |
| 16, 17     | COG Operating LLC                                                    |
| 16, 17     | Coterra Energy Operating                                             |
| 25, 26     | David J. Bainter                                                     |
| 23, 25, 26 | David L. Henderson                                                   |
| 25, 26     | David L. Henderson and wife, Dawn Henderson                          |
| 13, 24     | Devon Energy Production Company, LP                                  |
| 5          | DiaKan Minerals LLC                                                  |
| 25, 26     | E.A.B. Oil Company                                                   |
| 22, 23, 24 | EOG Resources, Inc.                                                  |
| 25, 26     | Estate of Ina B. Seely                                               |
| 25, 26     | Estate of Marcia Kirkpatrick                                         |
| 25, 26     | Everett L. Andrews, Jr., Trustee of the Everett L. Andrews Jr. Trust |
| 25, 26     | Express Air Drilling, Inc.                                           |
| 16, 17     | Featherstone Development Corporation                                 |
| 29, 30     | Fortress Energy Partners IV, LLC                                     |
| 27, 28     | Franklin Mountain Energy 3, LLC                                      |
| 31         | Grover Brothers, Ltd.                                                |
| 31         | Grover Family, L.P.                                                  |
| 25, 26     | HHE II, LLC                                                          |
| 16, 17     | Imperial Minerals, LLC                                               |
| 31         | J. Chris Statton                                                     |
| 25, 26     | J. Cleo Thompson & James Cleo Thompson, Jr., a partnership           |
| 31         | Jay Pulte                                                            |
| 25, 26     | John P. Oil Company                                                  |

|                           |                                                                                                                                          |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 31                        | KNW Oil & Gas, Inc.                                                                                                                      |
| 25, 26                    | Lea Anne Seely                                                                                                                           |
| 9, 10, 11, 12, 13, 14, 15 | Matador Production Company, Inc                                                                                                          |
| 25, 26                    | Matthew Andrews, as Successor Trustee of the Matthew Andrews Trust, created under the Ruth G. Dahlin Revocable Trust, dated February 18, |
| 25, 26                    | MEG Properties, LLC                                                                                                                      |
| 18, 19                    | Mewbourne Oil Company                                                                                                                    |
| 25, 26                    | Michael J. Havel and wife, Kathleen A. Havel                                                                                             |
| 2, 3, 4                   | Morningstar Operating, LLC                                                                                                               |
| 9, 10, 11, 12, 14, 15     | MRC Permian Company                                                                                                                      |
| 19, 20, 21, 22            | Occidental Permian Limited Partnership                                                                                                   |
| 31                        | P U G Petroleum                                                                                                                          |
| 25, 26                    | P.V.B. Oil Company                                                                                                                       |
| 16, 17                    | PBEX, LLC                                                                                                                                |
| 24                        | Permian Resources Operating LLC                                                                                                          |
| 16, 17                    | Prospector, LLC                                                                                                                          |
| 31                        | R. Robert Statton                                                                                                                        |
| 5                         | RDC Minerals LLC                                                                                                                         |
| 16, 17                    | Ross Duncan Properties, LLC                                                                                                              |
| 31                        | RRS Oil, Inc.                                                                                                                            |
| 25, 26                    | Seely Oil Co                                                                                                                             |
| 25, 26                    | SSV&H Associates                                                                                                                         |
| 25, 26                    | Steven F. Bainter                                                                                                                        |
| 23                        | Stumhoffer Family Partnership                                                                                                            |
| 31                        | The Ninety-Six Corporation                                                                                                               |
| 19, 20                    | Veer Capital Partners, LLC                                                                                                               |
| 5                         | Ventana Minerals LLC                                                                                                                     |
| 25, 26                    | William E. Alexander, as Trustee of the Amy Vernae Dahlin Trust                                                                          |
| 25, 26                    | William E. Alexander, as Trustee of the Merlya Holland Wright Family Trust                                                               |

Cases 26131-26132  
EXHIBIT D

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

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

**CASE NOS. 26131-26132**

**SELF-AFFIRMED STATEMENT OF JOSEPH B. DISHRON**

Joseph B. Dishron, hereby states and declares as follows:

1. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by FED Operating, LLC in Case Nos. 26131-26132.
4. FED Exhibit D-1 is a general location map for Case No. 26131 for the area surrounding the proposed unit, and highlighting the Capitan Reef.
5. FED Exhibit D-2 shows a line of stratigraphic cross-section through the proposed horizontal spacing units from A to A’.
6. FED Exhibit D-3 is a cross-section map that I prepared for the Bone Spring formation. The contour intervals are 100 feet. The area comprising the proposing spacing unit in Case No. 26131 is outlined with the approximate location and orientation of the initial wells noted. The structure map shows the targeted formation gently dipping to the south. The structure

appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

7. Exhibit D-4 is a subsea structure and a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Exhibits D-2 and D-3.

8. Exhibit D-5 is a stratigraphic cross-section. I chose the logs from these wells to create the cross-section because they penetrate the targeted interval, are of good quality, and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the area. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells are marked on the cross-section. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

9. FED Exhibit D-6 is a general location map for Case No. 26132 for the area surrounding the proposed unit, and highlighting the Capitan Reef.

10. FED Exhibit D-7 shows a line of stratigraphic cross-section through the proposed horizontal spacing units from A to A'.

11. FED Exhibit D-8 is a cross-section map that I prepared for the Wolfcamp D formation. The contour intervals are 100 feet. The area comprising the proposing spacing unit in Case No. 26132 is outlined with the approximate location and orientation of the initial wells noted. The structure map shows the targeted formation gently dipping to the southwest. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

12. Exhibit D-9 is a subsea structure that I prepared using the logs from the representative wells shown in Exhibits D-2 and D-3.

13. Exhibit D-10 is a stratigraphic cross-section. I chose the logs from these wells to create the cross-section because they penetrate the targeted interval, are of good quality, and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the area. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells are marked on the cross-section. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

14. In my opinion, the orientation of the proposed wells is the appropriate orientation for horizontal development in this area.

15. Based on my geologic study, the Bone Spring and Wolfcamp formations underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wells.

16. I have not identified any geologic impediments to drilling horizontal wells in the area of the proposed spacing unit.

17. FED Exhibit D-11 is a Gun Barrel Diagram of the proposed Units in Case Nos. 26131-26132.

18. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving FED's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

19. FED's Exhibits D-1 to D-11 were either prepared by me or compiled under my direction and supervision.

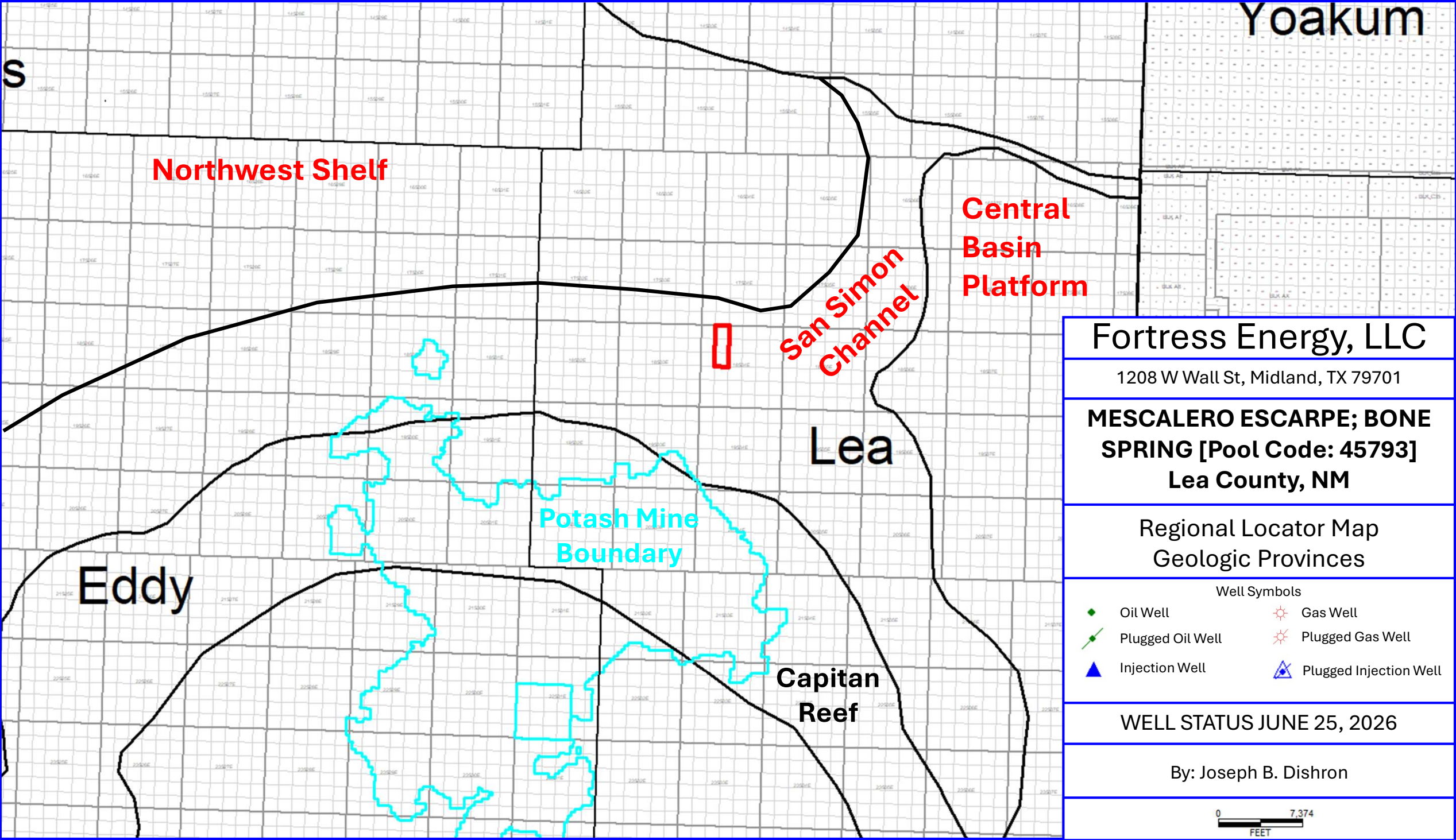
20. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct.

21. I understand that this self-affirmed statement will be used as written testimony in this case.

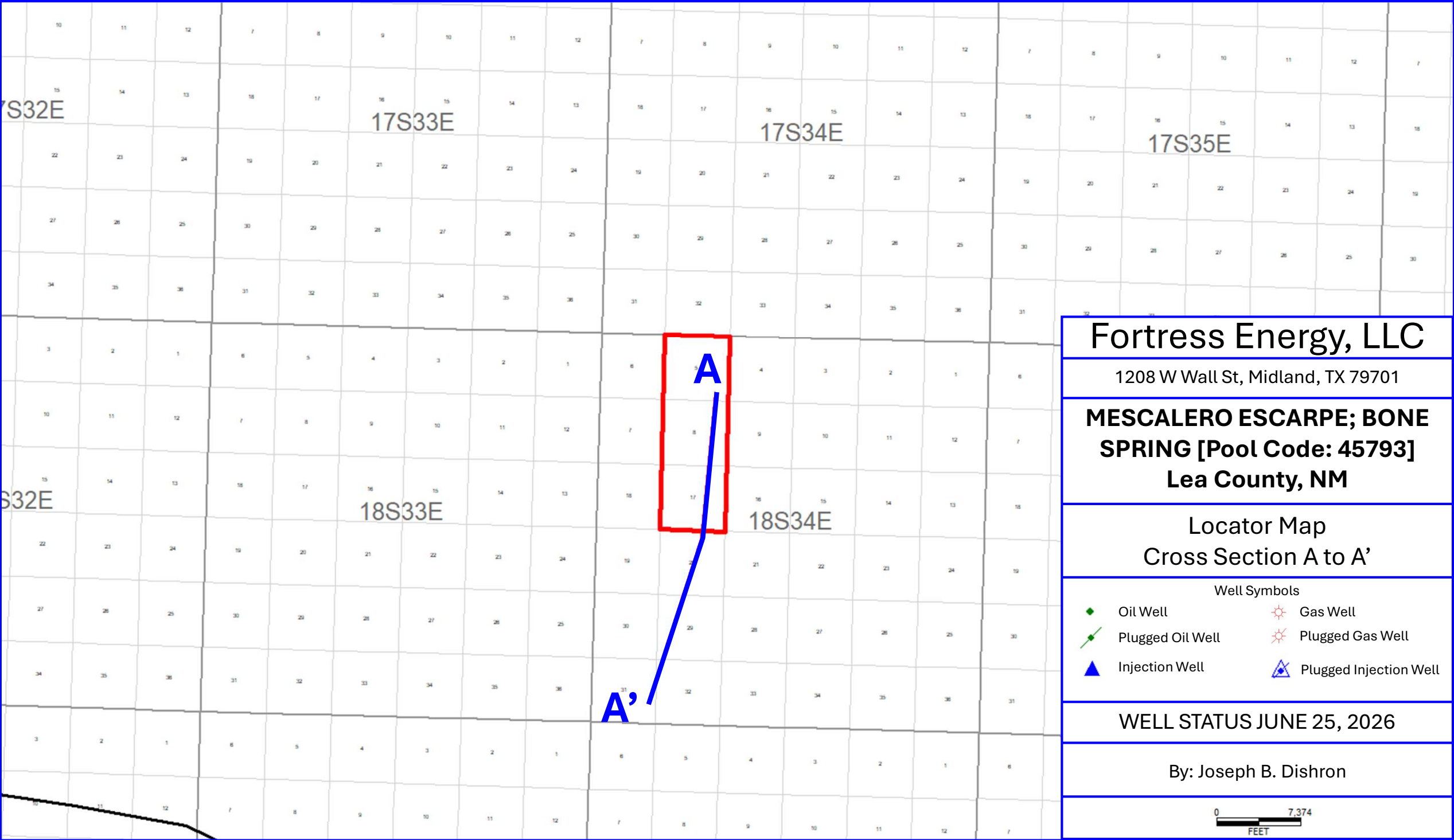
22. This statement is made on the date next to my signature below.

DocuSigned by:  
  
7A845B1D2BE346A...  
Joey Dishron, Geologist

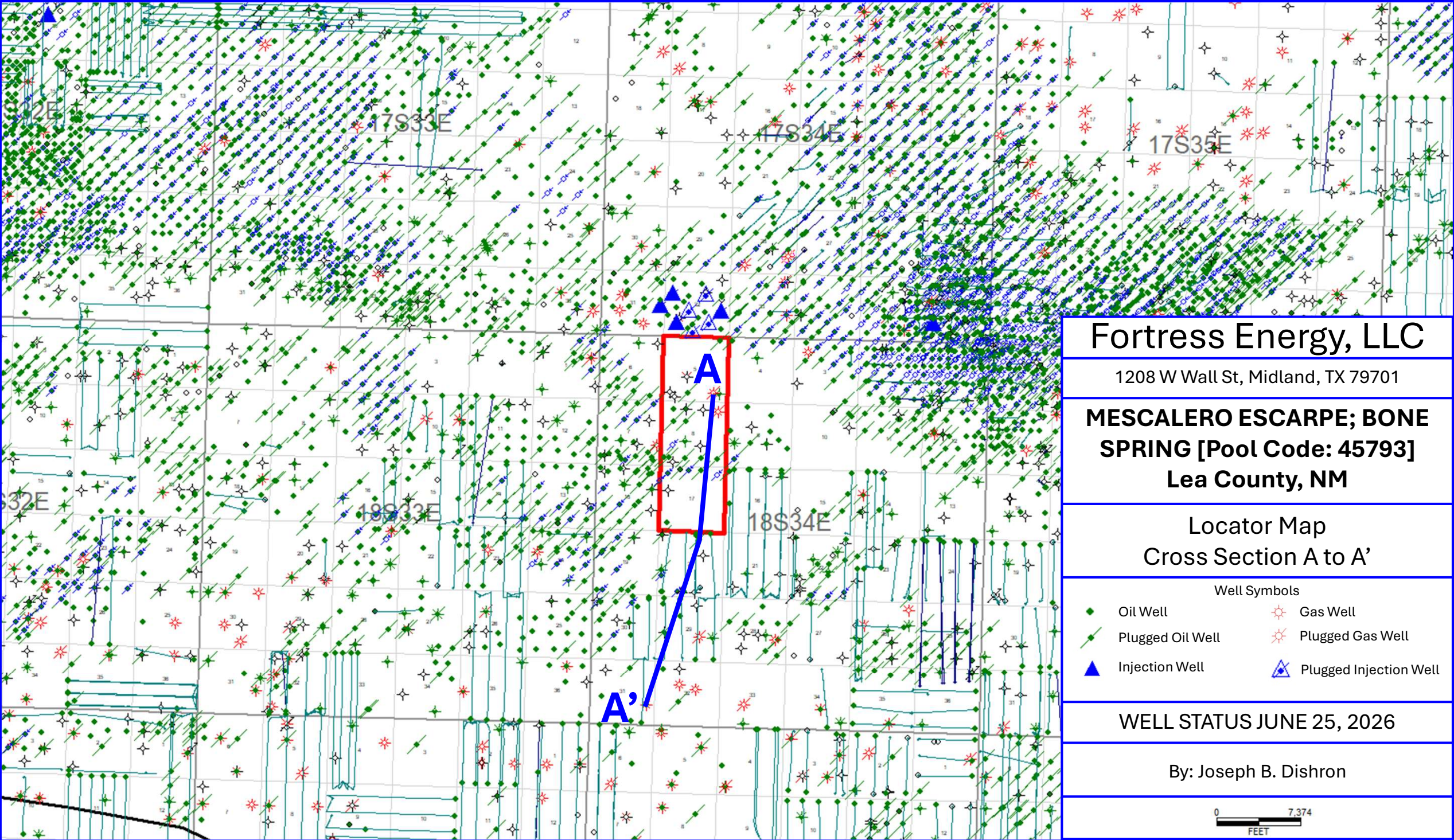
Date: September 4<sup>th</sup>, 2026



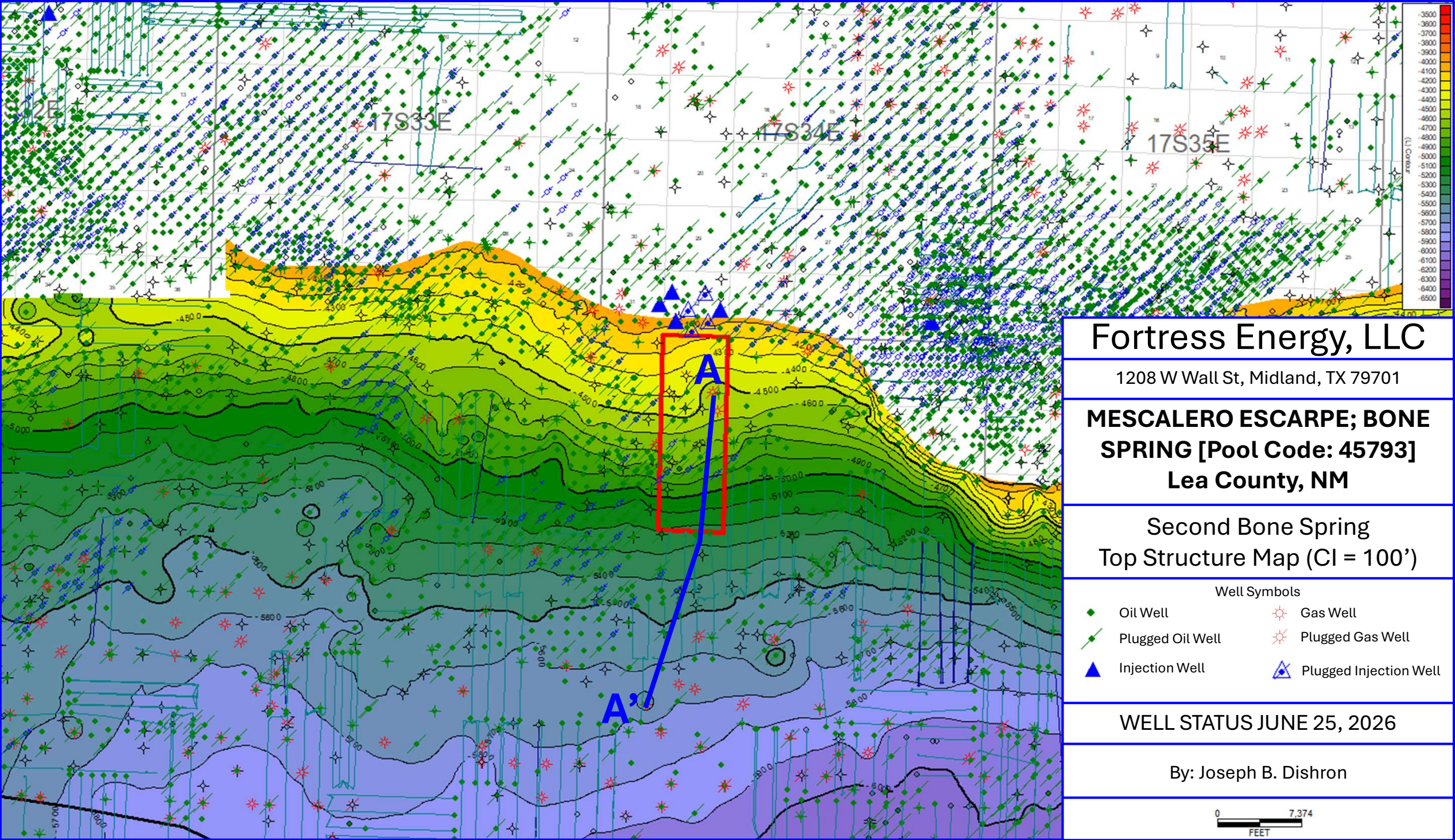










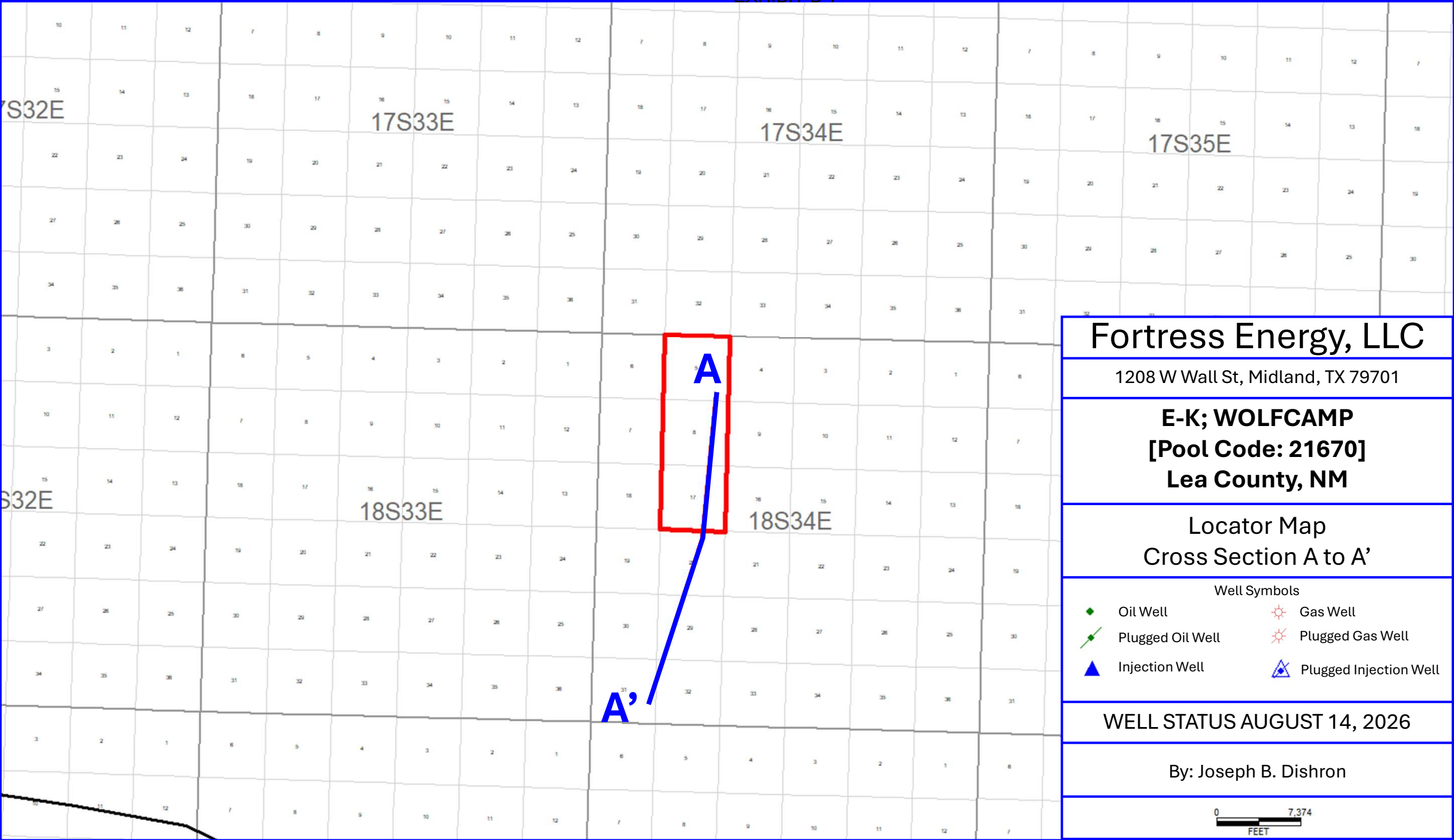




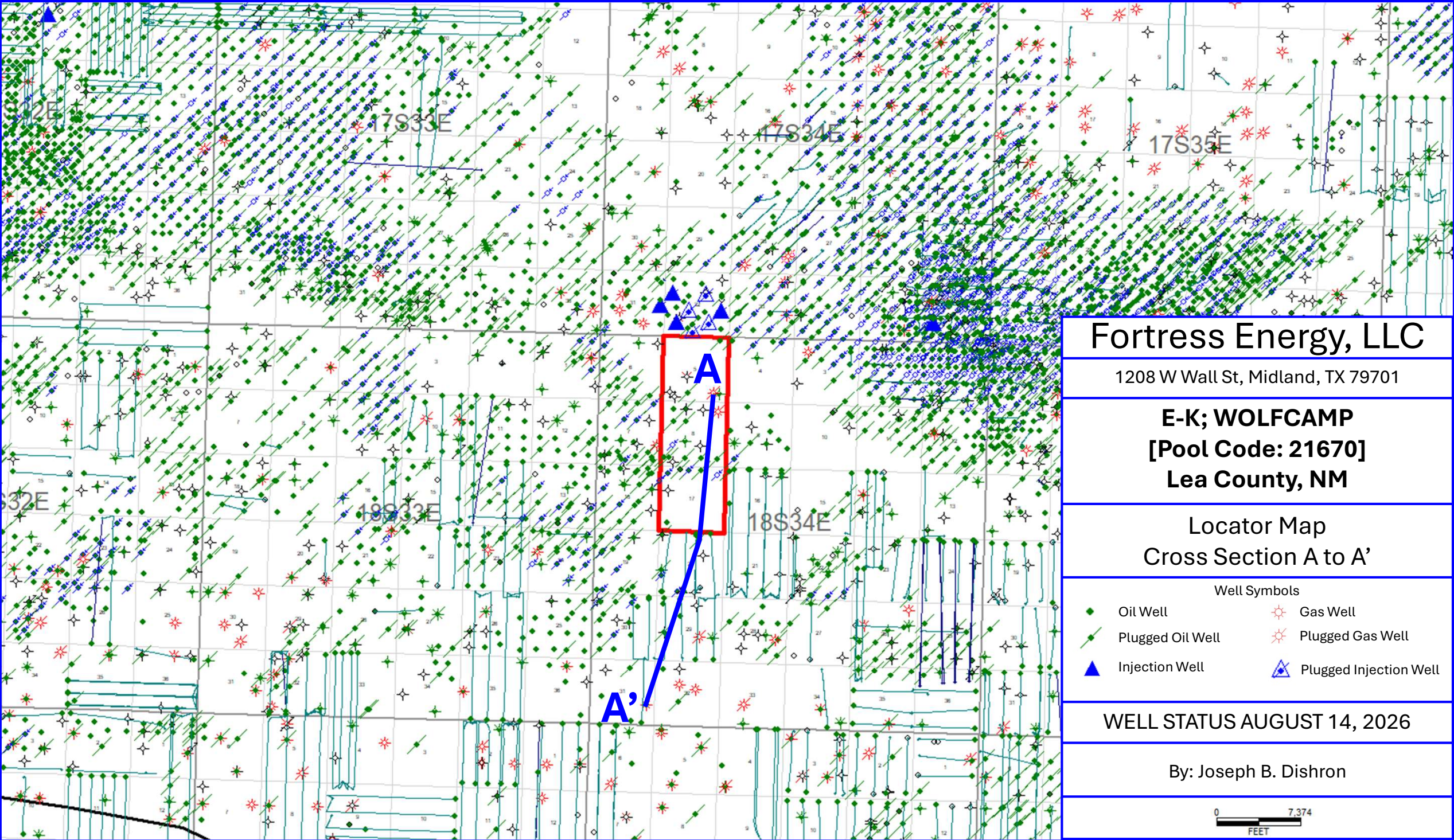




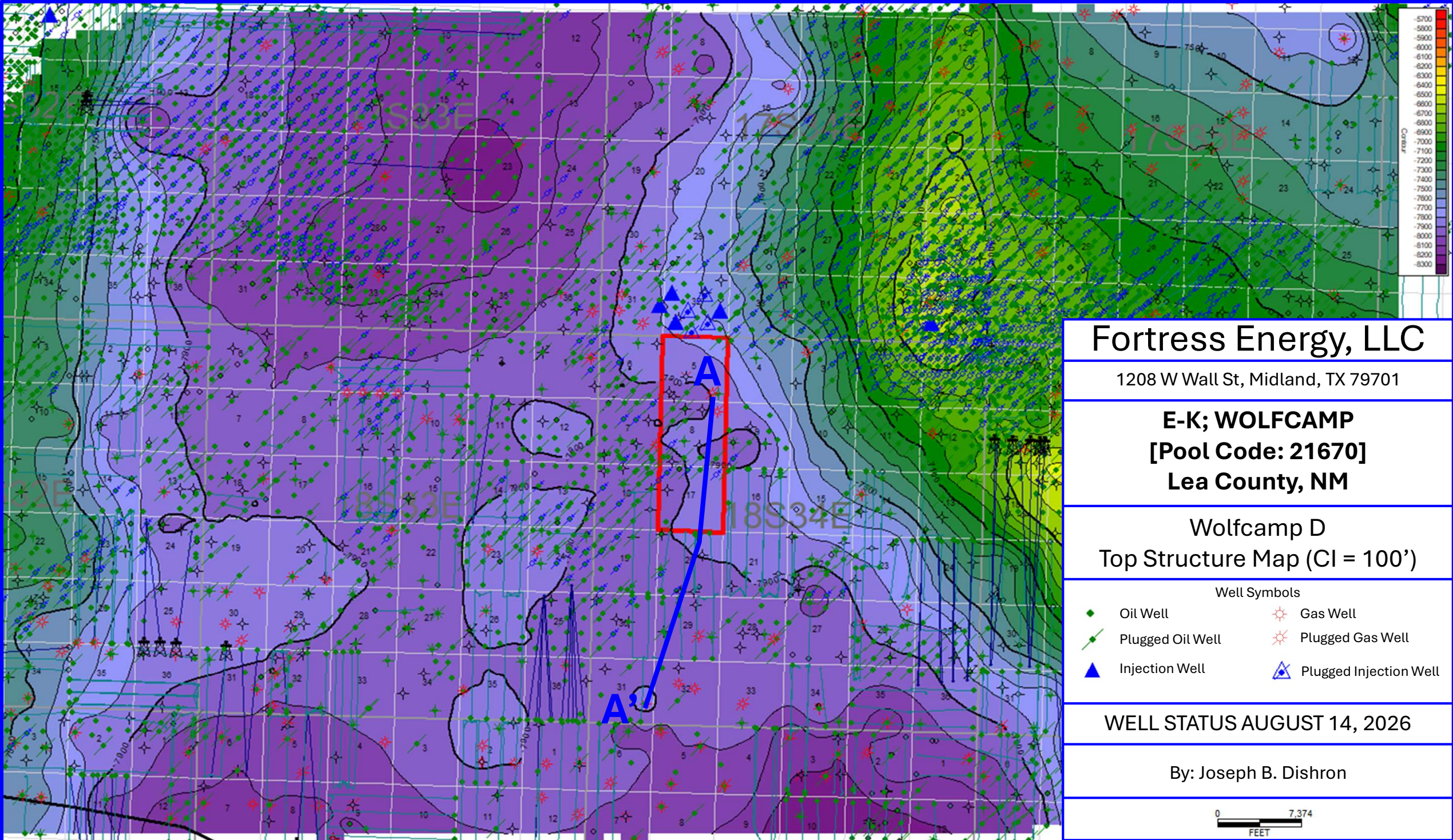








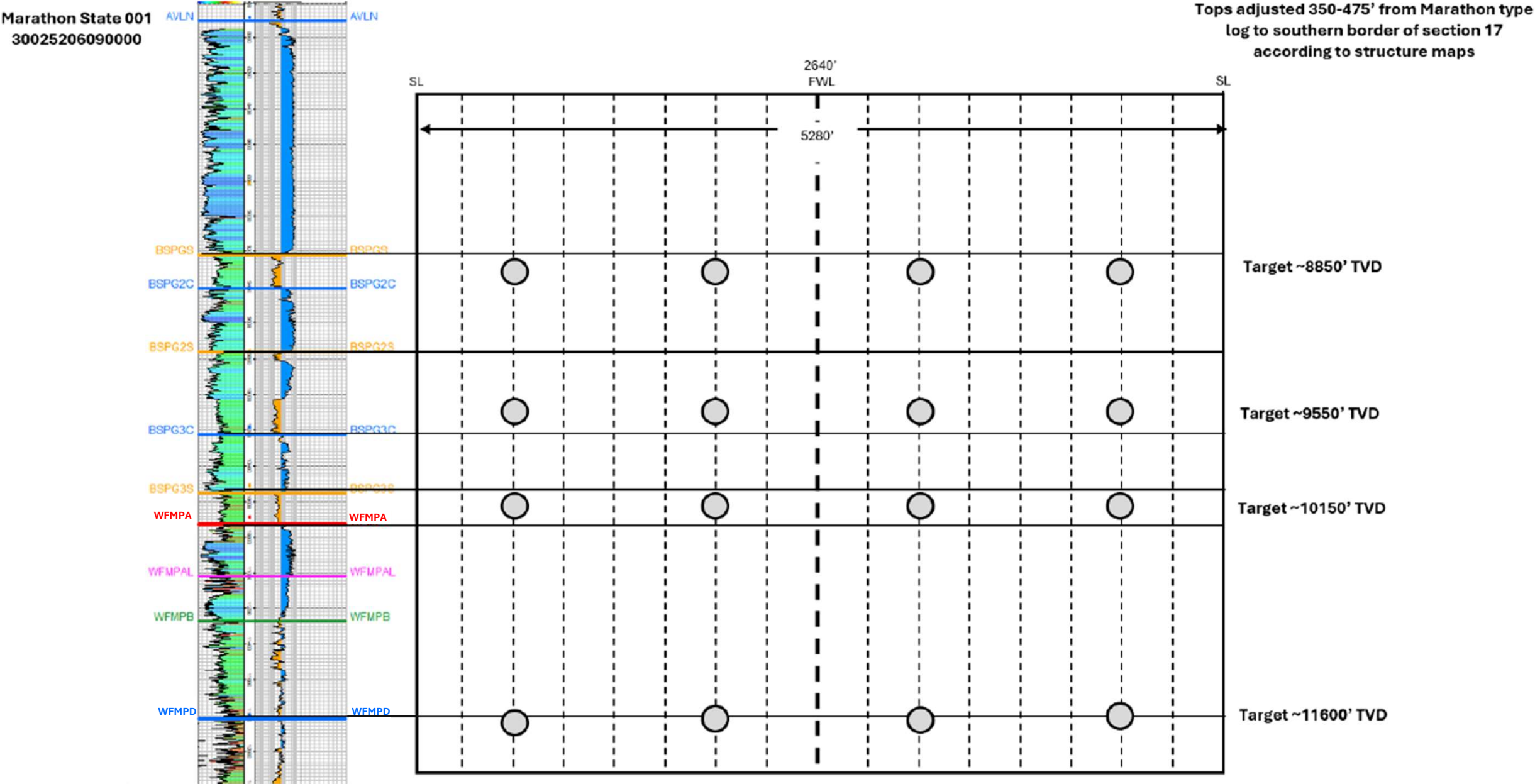








# 18S 34E Sections 5,8,17 Gunbarrel and Landings





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

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

**CASE NOS. 26131-26132**

**SELF-AFFIRMED STATEMENT OF JOSH SPERRY**

Josh Sperry, hereby states and declares as follows:

1. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
2. I have not previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum engineering matters.
3. I seek to have my credentials as a petroleum engineer accepted by the Division and made a matter of record. I am qualified as an expert witness in petroleum engineering matters by my education and experience, as reflected in the attached FED Exhibit E-1. I graduated from Texas Tech University with a Bachelor of Science in Petroleum Engineering in December 2012. Since that time, I have been an engineer throughout the Permian Basin and in New Mexico. I previously worked as a drilling supervisor at Conoco Phillips, Sierra Engineering and as a drilling engineer at Concho Resources, Drilling manager at Atlantic Resources Company, and as VP of drilling at Stronghold Energy II, prior to joining Fortress Energy, LLC, an affiliate entity to FED Operating, LLC. I was involved in the American Association of Drilling Engineers, Midland Chapter as the Vice President, the International Association of Directional Drilling, the Society of Petroleum Engineers, and I am on the Texas Tech University Petroleum Advisory Board. Based on this information, I request to be recognized as an expert in petroleum engineering matters by the Division and in this case.
4. I work for FED as an engineer.

5. I am familiar with the application filed by FED Operating, LLC ("FED") in Case No. 26131-26132.

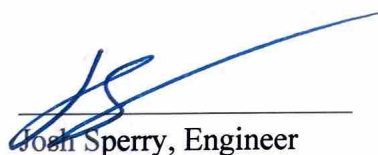
6. In my opinion, FED's plan to operate the acreage is optimal because FED has developed both a reduced surface system and has the ability to get contracts for the appropriate takeaway of oil, gas, and water from the proposed wells.

7. In my opinion, horizontal drilling is the most efficient method to develop this acreage, and developing the target intervals from a consolidated unit with shared surface facilities avoids the drilling of unnecessary, duplicative wells and reduces surface disturbance, consistent with the efficient and prudent development of the acreage and the prevention of waste.

8. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct.

9. I understand that this self-affirmed statement will be used as written testimony in this case.

10. This statement is made on the date next to my signature below.

  
Josh Sperry, Engineer

Date: September 4, 2026.

**Joshua Benjamin Sperry**  
[Joshuabsperry81@gmail.com](mailto:Joshuabsperry81@gmail.com)  
432-894-8331

## SUMMARY

Results-driven oil and gas executive with 15+ years of experience leading drilling, production, and field operations across the Permian Basin. Proven record building and scaling operating organizations, optimizing LOE, improving well performance, and managing multidisciplinary teams in both private-equity-backed and large public-company environments. Combines strong technical depth with practical field leadership, commercial judgment, and the ability to execute from strategy through daily operations.

## PROFESSIONAL EXPERIENCE

**Fortress Energy (Fed Operating)** **November 2022- Present**  
*Managing Partner Contract Engineer / Independent Oil & Gas Operator*

- Serve as owner-operator across a 13-well operated asset base, with direct ownership alongside Fortress in six producing wells.
- Manage daily production and lease operations for 13 wells, including field supervision, vendor coordination, regulatory compliance, and cost control.
- Lead all operational, production, compliance, and financial activities for the operated assets, including production optimization, LOE management, reporting, and long-range field development planning.
- Oversee JIB review, revenue distribution, accounting coordination, and investor communications to ensure financial accuracy, discipline, and transparency.
- Develop capital plans, workover strategies, and field-development priorities focused on maximizing EUR, improving reliability, and increasing asset value.
- Supervise pumpers, contractors, and service providers while maintaining high standards for HSE performance, equipment reliability, and operating efficiency.
- Track production trends, evaluate equipment needs, and make real-time decisions on artificial lift, well intervention, and maintenance planning.

**Stronghold Energy II** **December 2018-November 2022**  
*Vice President of Production and Drilling*

- Played a key leadership role in building and scaling Stronghold Energy II from approximately 200 BOPD / 350 BOEPD to 5,974 BOPD / 9,500 BOEPD, with a predominantly stripper-well production base.
- Led the final operational takeover of the Chevron and Devon assets that formed the Stronghold position and helped build the company's operating structure from the ground up.
  - Procured electricity, negotiated oil and gas marketing arrangements, implemented production and operations software systems, contributed to development of the employee handbook, and supported insurance

structuring and negotiations. Responsible for implementing all of Stronghold's operating procedures for the production and drilling departments.

- Directed organizational structure, staffing coordination, office and field alignment, safety meetings, and operational reporting processes.
- Managed 30 of 49 employees, along with multiple consultants, across production and drilling operations.
  - Led a multidisciplinary team that included three engineers, production and regulatory leadership, a superintendent, and senior operations personnel.
- Owned LOE budgeting, cost tracking, and reporting, including monthly spend reviews and quarterly accruals for production and drilling activities.
- Prepared and presented drilling and production updates for quarterly board meetings and executive leadership reviews.
- Led drilling rig IADC contract revisions and negotiations and established Stronghold's MSA requirements and key vendor pool.
- Maintained top-tier vertical drilling performance across multiple development tranches, rig stack-outs, and redeployments.

Led 43 wells drilled under my management; 38 reached TD in under three days at depths ranging from 5,500 to 6,750 feet.

#### **Atlantic Resources Company (ARC)**

**November 2016-December 2018**

##### *Senior Drilling Engineer*

- Developed ARC's in-house drilling program and managed all drilling operations, including rig selection, contract negotiation, vendor selection, third-party relationships, and rig personnel.
- Supported the transition of Endurance acreage into ARC's drilling program following acquisition.
- Identified and applied operational trends and best practices to improve drilling performance in the western Southern Delaware Basin, including areas with low-strength formations and volcanic ash-related drilling hazards.
- Prepared updates and formal presentations for executive leadership, the board of directors, Denham Capital, and Jefferies on drilling performance, cost reductions, efficiency gains, and forward development strategy.
- Led big-hole design and execution efforts in western Reeves County, developing built-for-purpose wellbores that reduced drilling days and costs for WFMP A and B laterals.
- Created SOPs for lateral drilling operations to reduce preventable downhole issues and improve execution consistency.

**Concho Resources****January 2013–November 2016****Drilling Engineer**

- Managed multi-well pad horizontal drilling rigs across the Wolfcamp A and B, Spraberry, Bone Springs, and Avalon shale formations in Midland, Upton, Reeves, and Lea counties.
- Developed detailed AFEs while simultaneously managing vendor selection, commercial relationships, and day-to-day rig operations.
- Completed an operations rotation and led the scheduling and implementation of in-field rod-handling training through a third-party provider, training 19 pulling units in 33 days.
- Helped transform the Wolfberry SCADA program by redesigning XSPOC queries to optimize 1,700 wells with five SCADA technicians, contributing to an industry-low failure rate of 0.35 for the quarter.
- Completed a completions rotation with the Texas Wolfberry team, working on WSU operations, drilling out plugs, returning wells to production after failures, and supporting fracture stimulation on Wolfberry vertical wells.

**Sierra Engineering****March 2008 - June 2010****Drilling Consultant - Company Representative**

- Utilized as a relief well-site supervisor in the southwestern portion of New Mexico drilling high-pressure directional wells.
- Supervised projects in the southern portions of Midland and Ector County in the Spraberry Trend.
- Drilled five re-entry wells in the third Bone Springs in Ward County, TX and Hobbs, NM; changed drilling fluids tripping technique resulting in mud cost reductions.
- Managed several P&A wells in Mentone, TX.
- Drilled and cased two 5,300 foot wells in Gaines County, TX in 12 days.
- Represented following companies: Summit, Strata Productions, Meritage, Fortson Oil Company, BTA Oil Producers, Carl E. Gungoll Exploration and Parallel Petroleum.

**ConocoPhillips****October 2007 – March 2008****Drilling Consultant - Company Representative**

- Drilled seven wells ranging in depth from 6,500-7,300 feet in the western Oklahoma panhandle. Severe lost returns and stuck pipe issues are common to these wells.
- When previous issues were encountered, found solutions to mitigate the problem

**MI-SWACO****January 2006 – October 2007****Drilling Fluids Engineer**

- Responsible for mud systems on wells throughout the Permian and Delaware Basins; majority of responsibility was running oil-base mud systems in Loving County, TX.
- Managed saltwater brine systems, freshwater systems and a variety of polymers, lost circulation materials, specialty products and starches.



- Selected by management to run several well-bore completion cleanup jobs. This completion work created an additional income stream for our district and increased our third quarter 2007 profits.

### **Precision Energy Services**

**July 2005 – January 2006**

#### *MWD Engineer*

- Managed computer-based directional tools and directional drilling jobs in South Texas, Central Texas, Offshore Louisiana, Arkansas and New York State.

## **EDUCATION**

- Texas Tech University  
Bachelor of Science, Petroleum Engineering, December 2012
- Texas Tech University  
Bachelor of Science, Agricultural & Applied Economics, December 2004

## **ADDITIONAL EDUCATION & TRAINING**

Introduction to pump off controllers & dynagraph card interpretation  
Trouble free drilling 3-day class by John Mitchell  
Prentice training companies (casing design school)  
Spirit's dynagraph interpretation and rod pumping class  
Certified in Drilling Fluids Technology, MI-SWACO (2006)  
Licensed Water Well Driller, State of New Mexico (2005-2007)

## **PROFESSIONAL ORGANIZATIONS**

### **American Association of Drilling Engineers (AADE), Midland Chapter – 2009-22**

- Permian Basin Chapter Board of Directors / V.P. of Midland Chapter 19-21
- Permian Basin Chapter Board of Directors / Program Chairman
- Permian Basin Chapter Steering Committee Member
- Previous Texas Tech University Student Chapter Liaison

### **International Association of Directional Drilling (IADD/PBAD) – 2014-17**

- Board of Directors

### **Society of Petroleum Engineers (SPE) – 2009-18**

- Member

### **Texas Tech University Petroleum board – 2022-26**

- Advisory board to the dean

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
APPLICATION OF FED OPERATING,  
LLC FOR APPROVAL OF A NON-STANDARD  
HORIZONTAL WELL SPACING UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 26131-26132**

**SELF-AFFIRMED STATEMENT OF KAYLEIGH LANDRY**

Kayleigh Landry, hereby states and declares as follows:

1. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum engineering.
3. I seek to have my credentials as an expert in petroleum engineering accepted by the Division and made a matter of record. I hold a Master of Chemistry degree from Heriot-Watt University, obtained in May 2013, and a Master of Business Administration from The University of Texas at Austin, obtained in May 2025. I have more than twelve years of oil and gas engineering experience spanning field operations, well completions and interventions, reservoir evaluation, development planning, and technical and economic underwriting. At Baker Hughes, I served in field, technical, engineering-management, and operations-management roles supporting drilling, completion, and workover operations, including more than 280 days of offshore field experience. I later worked as a Reservoir Engineer at Diamondback Energy and as a Senior Completion Engineer at Endeavor Energy Resources, where I worked on the completion and development of more than 100 Midland Basin wells. In my current work for Fortress Energy Partners and FED, I evaluate operated and non-operated oil and gas opportunities and prepare

engineering analyses, development plans, well proposals, and authorizations for expenditure. Based on my education and experience, I request to be recognized as an expert in petroleum engineering matters by the Division in these cases.

4. I am employed as an engineer with FED.

5. I am familiar with the application filed by FED Operating, LLC ("FED") in Case No. 26131-26132.

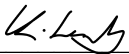
6. In my opinion, FED's plan to operate the acreage is optimal because FED has developed a better drilling development plan for the proposed wells.

7. In my opinion, horizontal drilling using the proposed longer laterals is an efficient method to develop the acreage, will reduce the need for unnecessary surface locations and duplicative wells, and is expected to improve ultimate recovery. Approval of FED's applications and proposed development plan will serve the interests of conservation, prevent waste, and protect correlative rights.

8. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct.

9. I understand that this self-affirmed statement will be used as written testimony in this case.

10. This statement is made on the date next to my signature below.

  
\_\_\_\_\_  
Kayleigh Landry, Engineer

Date: September 4, 2026.

**KAYLEIGH M LANDRY**

Kayleighmk3@gmail.com  
Midland, TX 79707 • (832) 438-7434  
www.linkedin.com/in/kayleighmlandry

Cases 26131-26132  
EXHIBIT F-1

**EDUCATION**

**THE UNIVERSITY OF TEXAS AT AUSTIN, McCombs School of Business, Austin, TX**  
**Master of Business Administration**

**May 2025**

**HERIOT-WATT UNIVERSITY, Edinburgh, UK**  
**Master of Chemistry in Chemistry**  
*Honors of the Second Class (Upper Division)*

**May 2013****EXPERIENCE**

**FORTRESS ENERGY PARTNERS/FED OPERATING, Midland, TX**

**2025 – Present**

**Contract Business Development/Planning Engineer**

- Evaluate non-operated working interest and mineral acquisition opportunities across the Midland and Delaware Basins, integrating technical, commercial, and economic analysis to support investment decisions
- Create asset development plans and well proposals, prepare AFEs, and manage communications with working interest and mineral owners to advance operated development opportunities

**DIAMONDBACK ENERGY, Midland, TX**

**2024 – 2025**

**Reservoir Engineer – Asset Development**

- Optimized full stack US, MS, JM, LS, DN, WCA, WCB, and WCD developments in the Midland Basin through extensive assessment of P/C degradation, incremental well analysis, and deep dives into offset competitor performance (2025: \$300MM CAPEX; avg 2 rigs/yr)
- High-graded legacy EER and FANG development strategies post closure and presented resulting PUDs with Ryder Scott reserves auditors

**ENDEAVOR ENERGY RESOURCES, Midland, TX**

**2023 – 2024**

**Senior Completion Engineer**

- Completed over 100 wells while managing \$400MM in capital, utilizing up to 100% recycled water to execute slickwater fracs with a combination of diesel, DGB with trucked CNG, DGB with field gas, and simul-frac fleets across the Midland Basin
- Decreased completion costs per lateral foot by 5% through the implementation of a field gas and residue gas program in lieu of trucked CNG across four Tier-IV DGB fleets
- Recaptured lost lateral footage in problem well through strategic planning and execution saving \$1.3MM in well remediation, regaining \$3.5MM NPV20 within first month of employment

**BAKER HUGHES**

**2013 – 2023**

**North America Land South Operations Manager - Well Intervention: Midland, TX (2021 – Jan 2023)**

- Generated \$56MM leading 49 field and office personnel executing drillouts, cleanouts, cased hole and open hole fishing, casing exits, and wellbore cleanup on coil, workover, snubbing units, and drilling rigs throughout the Permian Basin, Eagleford, and Haynesville
- Increased revenue quarter on quarter by 20% through strategic P&L planning, personnel distribution and asset management
- Provided technical expertise in production tubing and packer recovery, complex cleanouts through casing restrictions, acid re-stimulations and iron sulfide cleanouts

**North America Land Engineering Manager - Completions: Midland, TX (2020 – 2021)**

- Led a team of seven Completion Engineers supporting downhole tool selection and installations during the Completion and Production phases, while inspiring cross region collaboration, broadening individual skillsets, and delivering technical expertise
- Captured \$400M with existing technology to provide a profitable solution for the alternative Lithium extraction energy market

**Permian Basin Engineering Manager - Completion and Well Intervention: Midland, TX (2018 – 2020)**

- Managed Permian Engineering team of nine Field and Application Engineers, supporting over 250 field operations monthly across Wellbore Construction, Cased Hole Completion, Thru-Tubing Fishing, Conventional Fishing, and Intelligent Production Systems

**Completion and Well Intervention Technical Sales Engineer: Midland, TX (2017 – 2018)**

- Generated \$15MM by cultivating strong customer relationships and pairing technical with operational expertise; and grew 100% market share in Thru-Tubing Fishing with a top 10 Permian operator, generating \$800M/month in reoccurring revenue

**Completion Field Engineer I-III: North Sea, UK (2013 – 2017)**

- Executed 280+ rig days of offshore Sand Control System installations, specializing in Deepwater horizontal open hole and pre-drilled liner Gravel Packs, Zonal Isolation, Standalone Screens, and Inflow Control completions, generating \$40MM

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

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

**CASE NOS. 26131-26132**

**SELF AFFIRMED STATEMENT OF  
KAITLYN A. LUCK**

1. I am attorney in fact and authorized representative of FED Operating, LLC (“FED”), the Applicant herein.
2. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
3. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached for Avant.
4. Notice was provided both for compulsory pooling and approval of a nonstandard well spacing unit.
5. The spreadsheet attached hereto contains the names of the parties to whom notice was provided in Case No. 26131-26132 (“Case”) set for the August 23, 2026 Hearing of the New Mexico Oil Conservation Division.
6. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of July 28, 2026.
7. I also caused a notice to be published to all parties subject to this compulsory pooling proceeding, and for approval of the non-standard well spacing unit. An affidavit of

publication from the Lea County newspaper's publication legal clerk with a copy of the notice of publication is attached herein.

8. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct.

9. I understand that this self-affirmed statement will be used as written testimony in this case.

10. This statement is made on the date next to my signature below.

A handwritten signature in blue ink, appearing to read "Kaitlyn A. Luck", is written over a horizontal line.

Kaitlyn A. Luck

Date: September 8, 2026.



**New Mexico Office**

5700 Harper Dr NE Ste 210 Office 234A, Albuquerque, NM 87109

Office ☎ (505) 630-2003

Direct ☎ (505) 630-2027

Email: [Kaitlyn@jbakerlawgrouptx.com](mailto:Kaitlyn@jbakerlawgrouptx.com)

*\*\*Licensed in Texas, Oklahoma, and New Mexico\*\**

**Austin Office**

1106 Clayton Ln., Ste 565, Austin, TX 78723

Office ☎ (512) 882-2665

June 11, 2026

**VIA CERTIFIED MAIL,**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED INTEREST OWNERS**

**Re: Case Nos. 26131-26132: Application of Application of FED Operating, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico-Chancer 5-17 State wells.**

Ladies & Gentlemen:

This letter is to advise you that FED Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on **July 9, 2026**, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>. It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of OCD Rule 19.15.4.13.B NMAC.

If you have any questions about this matter, please contact Brayden Tidwell, at 432-400-2909, or [brayden@fortressep.com](mailto:brayden@fortressep.com). Thank you for your consideration.

Sincerely,

/s/ Kaitlyn A. Luck

Kaitlyn A. Luck

Baker Law Group, PLLC

Enclosure





Cases 26131-26132  
EXHIBIT G

**New Mexico Office**  
5700 Harper Dr NE Ste 210 Office 234A, Albuquerque, NM 87109  
Office ☎ (505) 630-2003  
Direct ☎ (505) 630-2027  
Email: [Kaitlyn@jbakerlawgroup.com](mailto:Kaitlyn@jbakerlawgroup.com)  
\*\*Licensed in Texas, Oklahoma, and New Mexico\*\*

**Austin Office**  
1106 Clayton Ln., Ste 565, Austin, TX 78723  
Office ☎ (512) 882-2665

June 19, 2026

**VIA CERTIFIED MAIL,**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED INTEREST OWNERS**

**Re: Case Nos. 26131-26132: Application of Application of FED Operating, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico-Chancer 5-17 State wells.**

Ladies & Gentlemen:

This letter is to advise you that FED Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on **July 9, 2026**, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>. It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of OCD Rule 19.15.4.13.B NMAC.

If you have any questions about this matter, please contact Brayden Tidwell, at 432-400-2909, or [brayden@fortressep.com](mailto:brayden@fortressep.com). Thank you for your consideration.

Sincerely,

/s/ Kaitlyn A. Luck

Kaitlyn A. Luck  
Baker Law Group, PLLC

Enclosure

Cases 26131-26132  
EXHIBIT G

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

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

CASE NO. 26131

**APPLICATION**

FED Operating, LLC ("FED") (OGRID No. 333904), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order: (1) approving a 1,920-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation (Pool: MESCALERO ESCARPE; BONE SPRING [Pool Code: 45793]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the "Unit"), and (2) pooling all uncommitted interests therein. In support of this application, FED states as follows:

1. FED has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FED seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.
3. To allow the proposed wells to be dedicated to a state Communitization Agreement, FED seeks approval of a corresponding non-standard horizontal well spacing unit in the Bone Spring formation.

4. FED is proposing a Joint Operating Agreement covering the subject area and seeks approval of this non-standard horizontal well spacing unit to match a corresponding Communitization Agreement for the state leases within the subject area.

5. FED seeks to dedicate the Unit to the following wells:

- the Chancer 5-17 State #111H well, the Chancer 5-17 State #121H well, and the Chancer 5-17 State #131H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
- the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5;
- the Chancer 5-17 State #113H well, the Chancer 5-17 State #123H well, and the Chancer 5-17 State #133H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
- the Chancer 5-17 State #114H well, the Chancer 5-17 State #124H well, and the Chancer 5-17 State #134H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5.

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

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

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

Cases 26131-26132  
EXHIBIT G

WHEREFORE, FED requests this application be set for a hearing before an Examiner of the Oil Conservation Division, on June 4, 2026, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed non-standard unit and pooling all uncommitted interests in Wolfcamp formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
- B. Designating FED as operator of this unit and the wells to be drilled thereon;
- C. Authorizing FED to recover its costs of drilling, equipping and completing the Wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully,

Kaitlyn A. Luck  
P.O. Box 483  
Taos, New Mexico 87571  
(361) 648-1973  
kaitlyn.luck@outlook.com

*Attorney for FED Operating, LLC*

**CASE NO. \_\_\_\_\_: Application of FED Operating, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests within a non-standard 1,920-acre, more or less, horizontal spacing unit, in the Bone Spring Formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Chancer 5-17 State #111H well, the Chancer 5-17 State #121H well, and the Chancer 5-17 State #131H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5; the Chancer 5-17 State #113H well, the Chancer 5-17 State #123H well, and the Chancer 5-17 State #133H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of FED Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 29 miles west of Eunice, New Mexico.

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

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

26132  
**CASE NO.** \_\_\_\_\_

**APPLICATION**

FED Operating, LLC ("FED") (OGRID No. 333904), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order: (1) approving a non-standard 1,920-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Pool: E-K; WOLFCAMP [Pool Code: 21670]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the "Unit"), and (2) pooling all uncommitted interests therein. In support of this application, FED states as follows:

1. FED has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FED seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.
3. To allow the proposed wells to be dedicated to a state Communitization Agreement, FED seeks approval of a corresponding non-standard horizontal well spacing unit in the Wolfcamp formation.

4. FED is proposing a Joint Operating Agreement covering the subject area and seeks approval of this non-standard horizontal well spacing unit to match a corresponding Communitization Agreement for the state leases within the subject area.

5. FED seeks to dedicate the Unit to the following wells:

- the Chancer 5-17 State #211H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 5;
- the Chancer 5-17 State #212H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 5;
- the Chancer 5-17 State #213H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 5; and
- the Chancer 5-17 State #214H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 5.

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

7. FED sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed Unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

8. Approval of this overlapping non-standard spacing unit and the pooling of interests therein will allow FED to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands, reduce surface disturbance, lower operating costs, avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.



WHEREFORE, FED requests this application be set for a hearing before an Examiner of the Oil Conservation Division, on June 4, 2026, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed non-standard unit and pooling all uncommitted interests in Wolfcamp formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
- B. Designating FED as operator of this unit and the wells to be drilled thereon;
- C. Authorizing FED to recover its costs of drilling, equipping and completing the Wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully,

Kaitlyn A. Luck  
P.O. Box 483  
Taos, New Mexico 87571  
(361) 648-1973  
kaitlyn.luck@outlook.com

***Attorney for FED Operating, LLC***

Cases 26131-26132  
EXHIBIT G

**CASE NO. \_\_\_\_\_: Application of FED Operating, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests within a non-standard 1,920-acre, more or less, horizontal spacing unit, in the Wolfcamp Formation underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Chancer 5-17 State #211H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 5; the Chancer 5-17 State #212H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 5; the Chancer 5-17 State #213H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 5; and the Chancer 5-17 State #214H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 5. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of FED Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 29 miles west of Eunice, New Mexico.

**Cases 26131-26132  
EXHIBIT G**

|                        |                                                                                                                               |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 9414711899561325905799 | PYTHON ROYALTIES, LLC, PO BOX 53657, LUBBOCK, TX 79453                                                                        |
| 9414711899561325904440 | PAUL W. THOMASON, 2800 FM 2401, GARDEN CITY, TX 79739                                                                         |
| 9414711899561325904013 | PAUL W. THOMASON, 2800 FM 2401, GARDEN CITY, TX 79739                                                                         |
| 9414711899561325904235 | ELIZABETH THOMASON ALVARADO & PAUL W. THOMSON,, Co-Trustees of the Paul W.Thomason Trust, 2800 FM 2401, GARDEN CITY, TX 79739 |
| 9414711899561325903702 | ELIZABETH THOMASON GARJANIS AKA ELIZABETH THOMASON, Alvarado, 2506 PEBBLE DR, GRANBURY, TX 76048                              |
| 9414711899561325909926 | ANDREW L. ALVARADO, PO BOX 9007, MIDLAND, TX 79708                                                                            |
| 9414711899561325980963 | MADELINE L. ALVARADO AKA MADDIE ALVARADO, 1621 E 6TH ST APT 1526, AUSTIN, TX 78702                                            |
| 9414711899561325984466 | SARA A. DAVIS, PO BOX 51908, MIDLAND, TX 79710                                                                                |
| 9414711899561325983346 | SARA A. DAVIS, PO BOX 51908, MIDLAND, TX 79710                                                                                |
| 9414711899561325961238 | ALAN L. ALVARADO, 4707 E CHERRYWOOD CT, MIDLAND, TX 79707                                                                     |
| 9414711899561325960538 | COLT ENERGY, PO BOX 53657, LUBBOCK, TX 79453                                                                                  |
| 9414711899561325951444 | ARMSTRONG ENERGY CORPORATION, PO BOX 1973, ROSWELL, NM 88202                                                                  |
| 9414711899561325956593 | HUNT CIMARRON LIMITED PARTNERSHIP DBA, Cimarron Exploration Company, PO BOX 1973, ROSWELL, NM 88202                           |
| 9414711899561325954223 | EOG RESOURCES, INC., 104 S 4TH ST, ARTESIA, NM 88210                                                                          |
| 9414711899561325959624 | ESTATE OF PATSY CARR, DECEASED, PO BOX 877, WICHITA FALLS, TX 76307                                                           |
| 9414711899561325921171 | XTO HOLDINGS, LLC, 22778 SPRINGWOODS VILLAGE PKWY, SPRING, TX 77389                                                           |
| 9414711899561325926220 | XTO HOLDINGS, LLC, 22778 SPRINGWOODS VILLAGE PKWY, SPRING, TX 77389                                                           |
| 9414711899561325920976 | PERMIAN RESOURCES OPERATING LLC., 3724 HULEN ST, FORT WORTH, TX 76107                                                         |
| 9414711899561325922758 | OCCIDENTAL PERMIAN LTD., 5 GREENWAY PLZ STE 110, HOUSTON, TX 77046                                                            |
| 9414711899561325991112 | C.W. STUMHOFFER & FRIEDA T. STUMHOFFER, 815 W 10TH ST, FORT WORTH, TX 76102                                                   |
| 9414711899561325991884 | C.W. STUMHOFFER & FRIEDA T. STUMHOFFER, 815 W 10TH ST, FORT WORTH, TX 76102                                                   |
| 9414711899561325990184 | C. W. SEELY, 815 W 10TH ST, FORT WORTH, TX 76102                                                                              |
| 9414711899561325992850 | C.W. STUMHOFFER & FRIEDA T. STUMHOFFER, 815 W 10TH ST, FORT WORTH, TX 76102                                                   |
| 9414711899561325995271 | C. W. SEELY, 815 W 10TH ST, FORT WORTH, TX 76102                                                                              |
| 9414711899561325994298 | C. W. SEELY, 815 W 10TH ST, FORT WORTH, TX 76102                                                                              |
| 9414711899561325971022 | CHEVRON USA INC., 1400 SMITH ST, HOUSTON, TX 77002                                                                            |
| 9414711899561325971848 | CHEVRON USA INC., 1400 SMITH ST, HOUSTON, TX 77002                                                                            |
| 9414711899561325944477 | EMILY M. HAMMOND, 2506 SHELL AVE, MIDLAND, TX 79705                                                                           |
| 9414711899561325608133 | MORNING STARR OPERATING, LLC, 400 W 7TH ST, FORT WORTH, TX 76102                                                              |
| 9414811899561325011350 | SOUTHWEST FOOD SERVICE EXCELLENCE, 9366 E RAINTREE DR, SCOTTSDALE, AZ 85260                                                   |
| 9415511899561933962783 | PARKWAY HOMEOWNERS ASSOCIATION, INC, c/o MSI, LLC, 11002 BENTON ST, WESTMINSTER, CO 80020                                     |
| 9407111899561933972945 | COLORADO DEPT. OF REVENUE, Attn: Collections, PO BOX 17087, DENVER, CO 80217                                                  |
| 9414811899561933935505 | KHELA BASKETT, 1150 PLATTE RIVER DR., FAIRPLAY, CO 80440                                                                      |
| 9414811899561933677962 | MEWBOURN OIL CO., PO BOX 5270, HOBBS, NM 88241                                                                                |
| 9414811899561933678556 | COERT HOLDINGS 1, LLC, 20 HORSENECK LN, GREENWICH, CT 06830                                                                   |
| 9414811899561933670642 | OXY USA INC., PO BOX 4294, HOUSTON, TX 77210                                                                                  |
| 9414811899561933672097 | BHP PETRO AMER, INC, PO BOX 977, FARMINGTON, NM 87499                                                                         |
| 9414811899561933675142 | BLM, 620 E GREENE ST, CARLSBAD, NM 88220                                                                                      |
| 9414811899561933673339 | NEW MEXICO STATE LAND OFFICE, 602 N CANAL ST STE B, CARLSBAD, NM 88220                                                        |
| 9414711899561322107714 | MAGIC DOG & GAS, LTD., PO BOX 10708, MIDLAND, TX 79702                                                                        |
| 9414711899561322108261 | BILL LANE LEE, JR. TRUSTEE OF THE BLR TRUSTU/W/O, Bill lane lee, 11363 CORSICA MIST AVE, LAS VEGAS, NV 89135                  |
| 9414711899561322100746 | RICHARD C. COE, PO BOX 261410, PLANO, TX 75026                                                                                |
| 9414711899561322102412 | COTERRA ENERGY OPERATING COMPANY, 6001 DEAUVILLE STE 300N, MIDLAND, TX 79706                                                  |
| 9414711899561322187709 | PAUL W. THOMASON, 2800 FM 2401, GARDEN CITY, TX 79739                                                                         |
| 9415511899561322185144 | 5280 PEST CONTROL LLC, 969 HONEY BERRY CT, ELIZABETH, CO 80107                                                                |
| 9407111899561322195313 | LUKE BARTOLOMEI, Optimal Home Offers, LLC, 47552 COMPTON CIR, STERLING, VA 20165                                              |
| 9414811899561322177257 | MOLLY MCLAREN, Community Neuropsychology, 275 CENTURY CIR STE 203, LOUISVILLE, CO 80027                                       |
| 9415511899561322170683 | COTERRA ENERGY OPERATING COMPANY, 6001 DEAUVILLE STE 300N, MIDLAND, TX 79706                                                  |
| 9415511899561322174896 | MARK K. NEARBURG, 710 DRAGON, LAKEWAY, TX 78734                                                                               |
| 9415511899561322179204 | HFLP E & P LLC, PO BOX 8122, MIDLAND, TX 79708                                                                                |
| 9415511899561322146916 | MARK K. NEARBURG, 710 DRAGON, LAKEWAY, TX 78734                                                                               |

**Cases 26131-26132  
EXHIBIT G**

|                            |                                                                                   |  |  |  |  |
|----------------------------|-----------------------------------------------------------------------------------|--|--|--|--|
| 9415511899561322146213     | MARK K. NEARBURG, 710 DRAGON, LAKEWAY, TX 78734                                   |  |  |  |  |
| 9407111899561322789079     | KEITH LOCKERBY & LAUREN NICOLE LEVY, 4806 PECAN SPRINGS RD, AUSTIN, TX 78723      |  |  |  |  |
| 9414711899561322769622     | GAHR ENERGY COMPANY, PO BOX 1889, MIDLAND, TX 79702                               |  |  |  |  |
| 9414711899561322769714     | GAHR ENERGY COMPANY, PO BOX 1889, MIDLAND, TX 79702                               |  |  |  |  |
| 9414711899561322756547     | FUEL PRODUCTS, INC., P.B. BOX 3098, MIDLAND, TX 79702                             |  |  |  |  |
| 9414711899561322756097     | FUEL PRODUCTS, INC., P.B. BOX 3098, MIDLAND, TX 79702                             |  |  |  |  |
| 9414711899561322757643     | FUEL PRODUCTS, INC., P.B. BOX 3098, MIDLAND, TX 79702                             |  |  |  |  |
| 9414711899561322757230     | FUEL PRODUCTS, INC., P.B. BOX 3098, MIDLAND, TX 79702                             |  |  |  |  |
| 9415511899561322791581     | V-F PETROLEUM INC., 500 W TEXAS AVE, MIDLAND, TX 79701                            |  |  |  |  |
| 9414811899561322235544     | Stumhoffer Family Partnership LP, 4400 Post Oak Pkwy Suite 2350, Houston TX 77027 |  |  |  |  |
| 9414 8111 0549 5839 072973 | EOG RESOURCES, INC., 104 S 4TH ST, ARTESIA, NM 88210                              |  |  |  |  |
|                            |                                                                                   |  |  |  |  |

**Cases 26131-26132  
EXHIBIT G**

## Shipping Transaction Listing

9 to 5 Ship & Print  
710-D Paseo Del Pueblo Sur  
TAOS, NM 87571

Page: 1  
08/04/2026 10:56 AM  
Version 14.7.8.7

| PkgID/ Tracking #                | Ship To: Name/Company       | Customer: Name/Company | Recorded  | Delivered | Received By | Service, Dest. Country                | [User Defined] |
|----------------------------------|-----------------------------|------------------------|-----------|-----------|-------------|---------------------------------------|----------------|
| 115525<br>9414711899561328379719 | ARTHUR WILSON               | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail Flat<br>To: USA |                |
| 115526<br>9414711899561328374752 | BEN TAYLOR                  | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail Flat<br>To: USA |                |
| 115527<br>9414711899561328374691 | BIG THREE ENERGY GROUP, LLC | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail<br>To: USA      |                |
| 115528<br>9414711899561328374530 | BOSWELL INTERESTS, LTD      | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail<br>To: USA      |                |
| 115529<br>9414711899561328375391 | BP AMERICA PRODUCTION COM   | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail<br>To: USA      |                |
| 115530<br>9414711899561328372215 | BURNETT OIL COMPANY         | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail<br>To: USA      |                |
| 115531<br>9414711899561328372918 | C.E.B. OIL COMPANY          | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail<br>To: USA      |                |
| 115532<br>9414711899561328372192 | C.W. SEELY                  | KAITLYN LUCK           | 7/30/2026 |           |             | USPS First Class Mail<br>To: USA      |                |
| 115598<br>9414711899561328704474 | CHARLES W SEELY JR          | KAITLYN LUCK           | 8/3/2026  |           |             | USPS First Class Mail<br>To: USA      |                |
| 115599<br>9414711899561328705495 | CHASE OIL CORPORATION       | KAITLYN LUCK           | 8/3/2026  |           |             | USPS First Class Mail<br>To: USA      |                |
| 115600<br>9414711899561328702685 | CHEVRON USA INC             | KAITLYN LUCK           | 8/3/2026  |           |             | USPS First Class Mail<br>To: USA      |                |
| 115604<br>9414711899561328707345 | COG OPERATING LLC           | KAITLYN LUCK           | 8/3/2026  |           |             | USPS First Class Mail<br>To: USA      |                |
| 115606<br>9414711899561328706836 | DAVID J. Bainter            | KAITLYN LUCK           | 8/3/2026  |           |             | USPS First Class Mail<br>To: USA      |                |
| 115611<br>9414711899561328706546 | DAVID & DAWN HENDERSON      | KAITLYN LUCK           | 8/3/2026  |           |             | USPS First Class Mail<br>To: USA      |                |
| 115612<br>9414711899561328701640 | DIAKIN MINERALS LLC         | KAITLYN LUCK           | 8/3/2026  |           |             | USPS First Class Mail<br>To: USA      |                |

**Cases 26131-26132**  
**EXHIBIT G**

## Shipping Transaction Listing

9 to 5 Ship & Print  
 710-D Paseo Del Pueblo Sur  
 TAOS, NM 87571

Page: 2  
 08/04/2026 10:56 AM  
 Version 14.7.8.7

| PkgID/ Tracking #                | Ship To: Name/Company      | Customer: Name/Company | Recorded | Delivered | Received By | Service, Dest. Country           | [User Defined] |
|----------------------------------|----------------------------|------------------------|----------|-----------|-------------|----------------------------------|----------------|
| 115613<br>9414711899561328139276 | E.A.B. OIL COMPANY         | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115614<br>9414711899561328133786 | EOG RESOURCES, INC.        | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115615<br>9414711899561328133465 | ESTATE OF MARCIA KIRKPATRI | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115616<br>9414711899561328134707 | EXPRESS AIR DRILLING       | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115617<br>9414711899561328134158 | FEATHERSTONE DEVELOPMENT   | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115618<br>9414711899561328135810 | GROVER BROTHERS, LTD.      | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115620<br>9414711899561328135384 | GROVER FAMILY, L.P.        | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115621<br>9414711899561328132383 | HHE II, LLC                | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115622<br>9414711899561328130235 | IMPERIAL MINERALS, LLC     | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115623<br>9414711899561328130167 | J. CHRIS STATTON           | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115624<br>9414711899561328138286 | JAY PULTE                  | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115625<br>9414711899561328138538 | JOHN P. OIL COMPANY        | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115626<br>9414711899561328136275 | KNW OIL & GAS INC          | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115630<br>9414711899561328131584 | LEA ANNE SEELY             | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115631<br>9414711899561328119155 | MATADOR PRODUCTION COMP,   | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |

## EXHIBIT G

## Shipping Transaction Listing

9 to 5 Ship & Print  
710-D Paseo Del Pueblo Sur  
TAOS, NM 87571

Page: 3  
08/04/2026 10:56 AM  
Version 14.7.8.7

| PkgID/ Tracking #                | Ship To: Name/Company      | Customer: Name/Company | Recorded | Delivered | Received By | Service, Dest. Country           | [User Defined] |
|----------------------------------|----------------------------|------------------------|----------|-----------|-------------|----------------------------------|----------------|
| 115632<br>9414711899561328119544 | MEG PROPERTIES LLC         | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115633<br>9414711899561328113177 | MEWBOURNE OIL COMPANY      | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115635<br>9414711899561328114839 | MORNINGSTAR OPERATING, LLC | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115636<br>9414711899561328114334 | MRC PERMIAN COMPANY        | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115639<br>9414711899561328115621 | OCCIDENTAL PERMIAN LIMITED | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115640<br>9414711899561328115089 | P U G PETROLEUM            | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115641<br>9414711899561328112835 | P.V.B. OIL COMPANY         | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115647<br>9414711899561328110121 | PBEX, LLC                  | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115648<br>9414711899561328117786 | PERMIAN RESOURCE OPERATING | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115657<br>9414711899561328145062 | PROSPECTOR, LLC            | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115658<br>9414711899561328142467 | R. ROBERT STATTON          | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115659<br>9414711899561328140913 | RDC MINERALS LLC           | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115660<br>9414711899561328140388 | ROSS DUNCAN PROPERTIES LLC | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115661<br>9414711899561328140548 | RRS OIL, INC               | KAITLYN LUCK           | 8/3/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115682<br>9414711899561328104595 | SEELY OIL CO               | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |



Cases 26131-26132  
EXHIBIT G

## Shipping Transaction Listing

9 to 5 Ship & Print  
710-D Paseo Del Pueblo Sur  
TAOS, NM 87571

Page: 4  
08/04/2026 10:56 AM  
Version 14.7.8.7

| PkgID/ Tracking #                | Ship To: Name/Company        | Customer: Name/Company | Recorded | Delivered | Received By | Service, Dest. Country           | [User Defined] |
|----------------------------------|------------------------------|------------------------|----------|-----------|-------------|----------------------------------|----------------|
| 115683<br>9414711899561328105127 | SSV&H ASSOCIATES             | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115684<br>9414711899561328105493 | STEVEN F. BANTER             | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115685<br>9414711899561328102096 | STUMHOFFER FAMILY PARTNER    | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115686<br>9414711899561328100368 | THE NINETY-SIX CORPORATION   | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115688<br>9414711899561328108272 | VEER CAPITAL PARTNERS, LLC   | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115689<br>9414711899561328108326 | VENTANA MINERALS LLC         | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115690<br>9414711899561328108524 | AO II PERMIAN LLC            | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115691<br>9414711899561328107961 | BURGANDY OIL & GAS OF NEW    | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115692<br>9414711899561328107329 | COTERRA ENERGY OPERATING     | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115693<br>9414711899561328106858 | DEVON                        | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115694<br>9414711899561328106186 | ESTATE OF INA B. SEE CHARLES | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115696<br>9414711899561328101259 | EVERETT L. ANDREWS, JR. TRU  | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115697<br>9414711899561328101969 | FORTRESS ENERGY PARTNERS,    | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115698<br>9414711899561328101372 | FRANKLIN MOUNTAIN ENERGY C   | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115699<br>9414711899561328434463 | J CLEO THOMPSON & JAME PAR   | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |

Shipping Transaction Listing

9 to 5 Ship & Print  
710-D Paseo Del Pueblo Sur  
TAOS, NM 87571

Page: 5  
08/04/2026 10:56 AM  
Version 14.7.8.7

| PkgID/ Tracking #                | Ship To: Name/Company       | Customer: Name/Company | Recorded | Delivered | Received By | Service, Dest. Country           | [User Defined] |
|----------------------------------|-----------------------------|------------------------|----------|-----------|-------------|----------------------------------|----------------|
| 115700<br>9414711899561328435743 | MATTHEW ANDRES AS SUCESSO   | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115701<br>9414711899561328435354 | KATHLEEN AND MICHAEL J. HAV | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |
| 115702<br>9414711899561328435583 | WILLIAM E. ALEXANDER, AS TR | KAITLYN LUCK           | 8/4/2026 |           |             | USPS First Class Mail<br>To: USA |                |

# Affidavit of Publication

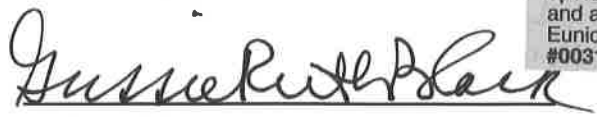
STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
June 24, 2026  
and ending with the issue dated  
June 24, 2026.

  
Publisher

Sworn and subscribed to before me this  
24th day of June 2026.

  
Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

Case No. 26131: Application of Application of FED Operating, LLC for approval of a non-standa horizontal unit and compulsory pooling, Lea County, New Mexico. Notice to all affected intere owners, including heirs, devisees, and successors of: SARA A. DAVIS; MADELINE L. ALVARAD AKA MADDIE ALVARADO; ANDREW L. ALVARADO; ELIZABETH THOMASON GATJANIS AK ELIZABETH THOMASON ALVARADO; ELIZABETH THOMASON ALVARADO AND PAUL I THOMASON, CO-TRUSTEES OF THE PAUL W. THOMASON TRUST; PAUL W. THOMASON; PYTHC ROYALTIES LLC; HUNT CIMARRON LIMITED PARTNERSHIP DBA CIMARRON EXPLORATIO COMPANY; ARMSTRONG ENERGY CORPORATION; COLT ENERGY; ALAN L. ALVARADO; AQ PERMIAN, LLC; ARTHUR WILSON; BEN D. TAYLOR; BIG THREE ENERGY GROUP, LLC; BOSWEL INTERESTS, LTD.; BP AMERICA PRODUCTION COMPANY; BURGUNDY OIL & GAS OF NE MEXICO, INC.; BURNETT OIL COMPANY; C.E.B. OIL COMPANY; C.W. SEELY; CHARLES W. SEEL JR.; CHASE OIL CORPORATION; CHEVRON U.S.A., INC.; COG OPERATING LLC; COTERRA ENER OPERATING; C.W. STUMHOFFER AND FRIEDA T. STUMHOFFER; DAVID J. BANTER; DAVID HENDERSON AND WIFE, DAWN HENDERSON; DEVON ENERGY PRODUCTION COMPANY, L DIAKAN MINERALS LLC; E.A.B. OIL COMPANY; EMILY M. HAMMOND; EOG RESOURCES, INC ESTATE OF INA B. SEELY; CHARLES WAYNE SEELY, PERSONAL REPRESENTATIVE; ESTATE O MARCIA KIRKPATRICK; ESTATE OF PATSY CARR, DECEASED; EVERETT L. ANDREWS, JR TRUSTEE OF THE EVERETT L. ANDREWS JR. TRUST; EXPRESS AIR DRILLING, INC FEATHERSTONE DEVELOPMENT CORPORATION; FORTRESS ENERGY PARTNERS IV, LLC FRANKLIN MOUNTAIN ENERGY 3, LLC; GROVER BROTHERS, LTD.; GROVER FAMILY, L.P.; HHE LLC; IMPERIAL MINERALS, LLC; J. CHRIS STATTON; J. CLEO THOMPSON & JAMES CLE THOMPSON, JR., A PARTNERSHIP; JAY PULTE; JOHN P. OIL COMPANY; KNW OIL & GAS, INC.; LE ANNE SEELY; MATADOR PRODUCTION COMPANY; MATTHEW ANDREWS, AS SUCCESSO TRUSTEE OF THE MATTHEW ANDREWS TRUST, CREATED UNDER THE RUTH G. DAHLI REVOCABLE TRUST, DATED FEBRUARY 18, 2004; MEG PROPERTIES, LLC; MEWBOURNE OI COMPANY; MICHAEL J. HAVEL AND WIFE, KATHLEEN A. HAVEL; MORNINGSTAR OPERATING LLC; MRC PERMIAN COMPANY; OCCIDENTAL PERMIAN LIMITED PARTNERSHIP; P U PETROLEUM; P.V.B. OIL COMPANY; PBEX, LLC; PERMIAN RESOURCES OPERATING LLC PROSPECTOR, LLC; R. ROBERT STATTON; RDC MINERALS LLC; ROSS DUNCAN PROPERTIES LLC; RRS OIL, INC.; SEELY OIL CO; SSV&H ASSOCIATES; STEVEN F. BANTER; STUMHOFFEL FAMILY PARTNERSHIP; THE NINETY-SIX CORPORATION; VEER CAPITAL PARTNERS, LLC VENTANA MINERALS LLC; WILLIAM E. ALEXANDER, AS TRUSTEE OF THE AMY VERNAE DAHLI TRUST; WILLIAM E. ALEXANDER, AS TRUSTEE OF THE MERLYA HOLLAND WRIGHT FAMIL TRUST; XTO HOLDINGS LLC; XTO PERMIAN CT TXNM LLC; BUREAU OF LAND MANAGEMENT NEW MEXICO STATE LAND OFFICE - The State of New Mexico, Energy Minerals and Natural Resource Department, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 9:00 a.m. on July 9, 2026, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person, at the Energy, Minerals and Natural Resources Department, Wendell Chino Building Pecos Hall, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505, and via the Teams virtual meeting platform. To participate in the hearings electronically, see instructions posted on the docket for the hearing date at: <https://www.emnrd.nm.gov/ocd/hearing-info/>, or call (505) 476-3441. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests within a non-standard 1,920-acre, more or less, horizontal spacing unit, in the Bone Spring formation (Pool Mescalero Escarpe; BONE SPRING [Pool Code: 45793]), underlying all of Sections 5, 8, and 12 Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Chancer 5-17 State #111H well, the Chancer 5-17 State #121H well, and the Chancer 5-17 State #131H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5; the Chancer 5-17 State #113H well, the Chancer 5-17 State #123H well, and the Chancer 5-17 State #133H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and the Chancer 5-17 State #114H well, the Chancer 5-17 State #124H well, and the Chancer 5-17 State #134H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of FED Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 29 miles west of Eunice, New Mexico. #00312332

67118947

00312332

KAITLYN LUCK  
BAKER LAW GROUP  
1290 BROADWAY, STE 1175  
DENVER, CO 80203



# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
June 24, 2026  
and ending with the issue dated  
June 24, 2026.



Publisher

Sworn and subscribed to before me this  
24th day of June 2026.



Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

## LEGAL NOTICE June 24, 2026

Case No. 26132: Application of Application of FED Operating, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico. Notice to all affected interest owners, including heirs, devisees, and successors of: SARA A. DAVIS; MADELINE L. ALVARADO; AKA MADDIE ALVARADO; ANDREW L. ALVARADO; ELIZABETH THOMASON GATJANIS AKA ELIZABETH THOMASON ALVARADO; ELIZABETH THOMASON ALVARADO AND PAUL W. THOMASON, CO-TRUSTEES OF THE PAUL W. THOMASON TRUST; PAUL W. THOMASON; PYTHON ROYALTIES LLC; HUNT CIMARRON LIMITED PARTNERSHIP DBA CIMARRON EXPLORATION COMPANY; ARMSTRONG ENERGY CORPORATION; COLT ENERGY; ALAN L. ALVARADO; AO I PERMIAN, LLC; ARTHUR WILSON; BEN D. TAYLOR; BIG THREE ENERGY GROUP, LLC; BOSWELL INTERESTS, LTD.; BP AMERICA PRODUCTION COMPANY; BURGUNDY OIL & GAS OF NEW MEXICO, INC.; BURNETT OIL COMPANY; C.E.B. OIL COMPANY; C.W. SEELY; CHARLES W. SEELY JR.; CHASE OIL CORPORATION; CHEVRON U.S.A., INC.; COG OPERATING LLC; COTERRA ENERGY OPERATING; C.W. STUMHOFFER AND FRIEDA T. STUMHOFFER; DAVID J. BAINTER; DAVID L. HENDERSON AND WIFE, DAWN HENDERSON; DEVON ENERGY PRODUCTION COMPANY, LP; DIAKAN MINERALS LLC; E.A.B. OIL COMPANY; EMILY M. HAMMOND; EOG RESOURCES, INC.; ESTATE OF INA B. SEELY; CHARLES WAYNE SEELY, PERSONAL REPRESENTATIVE; ESTATE OF MARCIA KIRKPATRICK; ESTATE OF PATSY CARR, DECEASED; EVERETT L. ANDREWS, JR.; TRUSTEE OF THE EVERETT L. ANDREWS JR. TRUST; EXPRESS AIR DRILLING, INC.; FEATHERSTONE DEVELOPMENT CORPORATION; FORTRESS ENERGY PARTNERS IV, LLC; FRANKLIN MOUNTAIN ENERGY 3, LLC; GROVER BROTHERS, LTD.; GROVER FAMILY, L.P.; HHE II, LLC; IMPERIAL MINERALS, LLC; J. CHRIS STATTON; J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., A PARTNERSHIP; JAY PULTE; JOHN P. OIL COMPANY; KNW OIL & GAS, INC.; LEA ANNE SEELY; MATADOR PRODUCTION COMPANY; MATTHEW ANDREWS, AS SUCCESSOR TRUSTEE OF THE MATTHEW ANDREWS TRUST, CREATED UNDER THE RUTH G. DAHLIN REVOCABLE TRUST, DATED FEBRUARY 18, 2004; MEG PROPERTIES, LLC; MEWBOURNE OIL COMPANY; MICHAEL J. HAVEL AND WIFE, KATHLEEN A. HAVEL; MORNINGSTAR OPERATING, LLC; MRC PERMIAN COMPANY; OCCIDENTAL PERMIAN LIMITED PARTNERSHIP; P U G PETROLEUM; P.V.B. OIL COMPANY; PBEX, LLC; PERMIAN RESOURCES OPERATING LLC; PROSPECTOR, LLC; R. ROBERT STATTON; RDC MINERALS LLC; ROSS DUNCAN PROPERTIES, LLC; RRS OIL, INC.; SEELY OIL CO; SSV&H ASSOCIATES; STEVEN F. BAINTER; STUMHOFFER FAMILY PARTNERSHIP; THE NINETY-SIX CORPORATION; VEER CAPITAL PARTNERS, LLC; VENTANA MINERALS LLC; WILLIAM E. ALEXANDER, AS TRUSTEE OF THE AMY VERNAE DAHLIN TRUST; WILLIAM E. ALEXANDER, AS TRUSTEE OF THE MERLYA HOLLAND WRIGHT FAMILY TRUST; XTO HOLDINGS LLC; XTO PERMIAN CT TXNM LLC; BUREAU OF LAND MANAGEMENT; NEW MEXICO STATE LAND OFFICE - The State of New Mexico, Energy Minerals and Natural Resources Department, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 9:00 a.m. on July 9, 2026, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person, at the Energy, Minerals and Natural Resources Department, Wendell Chino Building, Pecos Hall, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505, and via the Teams virtual meeting platform. To participate in the hearings electronically, see instructions posted on the docket for the hearing date at: <https://www.emnrd.nm.gov/ocd/hearing-info/>, or call (505) 476-3441. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests within a non-standard 1,920-acre, more or less, horizontal spacing unit, in the Wolfcamp formation (Pool: E-K; WOLFCAMP [Pool Code: 21670]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Chancer 5-17 State #211H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 5; the Chancer 5-17 State #212H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 5; the Chancer 5-17 State #213H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 5; and the Chancer 5-17 State #214H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 5. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of FED Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 29 miles west of Eunice, New Mexico.

#00312333

67118947

00312333

KAITLYN LUCK  
BAKER LAW GROUP  
1290 BROADWAY, STE 1175  
DENVER, CO 80203