CASE NO. 22278

APPLICATION OF TAP ROCK RESOURCES, LLC FOR COMPULSORY POOLING, <u>EDDY COUNTY, NEW MEXICO</u>

EXHIBITS

A. Application and Proposed Notice

(Part I)

- B. Landman's Affidavit
- C. Geologist's Affidavit
- D. Affidavit of Notice
- E. Pooling Checklist

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

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

Case No. 22278

APPLICATION

Tap Rock Resources, LLC applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a (proximity tract) horizontal spacing unit underlying the SW/4 of Section 25 and Lots 3, 4, and the N/2NW/4 (the W/2) of Section 36, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is a working interest owner in the SW/4 of Section 25 and the W/2 of Section 36, and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation:
 - (a) the Nailed It Fed. Com. Well No. 121H, with a first take point in Lot 4 of Section 36 and a last take point in the NW/4SW/4 of Section 25;
 - (b) the Nailed It Fed. Com. Well No. 122H, with a first take point in Lot 3 of Section 36 and a last take point in the NE/4SW/4 of Section 25;
 - (c) the Nailed It Fed. Com. Well No. 151H, with a first take point in Lot 4 of Section 36 and a last take point in the NW/4SW/4 of Section 25;
 - (d) the Nailed It Fed. Com. Well No. 152H, with a first take point in Lot 3 of Section 36 and a last take point in the NE/4SW/4 of Section 25; and

EXHIBIT

(e) the Nailed It Fed. Com. Well No. 155H, with a first take point in Lot 4 of Section 36 and a last take point in the NW/4SW/4 of Section 25. This is the proximity tract well.

The SW/4 of Section 25 and the W/2 of Section 36 will be dedicated to the wells

- 3. Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the SW/4 of Section 25 and the W/2 of Section 36 for the purposes set forth herein.
- 4. Although applicant attempted to obtain to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the SW/4 of Section 25 and the W/2 of Section 36 pursuant to NMSA 1978 §70-2-17.
- 5. The pooling of mineral interests in Bone Spring formation underlying the well unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

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

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

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for Tap Rock Resources, LLC

Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the SW/4 of Section 25 and Lots 3, 4, and the N/2NW/4 (the W/2) of Section 36, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the following wells:

- (a) the Nailed It Fed. Com. Well No. 121H, with a first take point in Lot 4 of Section 36 and a last take point in the NW/4SW/4 of Section 25;
- (b) the Nailed It Fed. Com. Well No. 122H, with a first take point in Lot 3 of Section 36 and a last take point in the NE/4SW/4 of Section 25;
- (c) the Nailed It Fed. Com. Well No. 151H, with a first take point in Lot 4 of Section 36 and a last take point in the NW/4SW/4 of Section 25;
- (d) the Nailed It Fed. Com. Well No. 152H, with a first take point in Lot 3 of Section 36 and a last take point in the NE/4SW/4 of Section 25; and
- (e) the Nailed It Fed. Com. Well No. 155H, with a first take point in Lot 4 of Section 36 and a last take point in the NW/4SW/4 of Section 25. This is the proximity tract well.

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

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

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

Case No. 22278

AFFIDAVIT OF MATTHEW PHILLIPS

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

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

Section 36, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. The proposed 320-acre more or less spacing unit will be dedicated to the Nailed It Fed Com #121H, #122H, #151H, #152H, #155H wells (the "Wells"), as the defining wells for the units.

- 8. A proposed C-102 for each well is attached as **Exhibit 1.** The Wells will develop the WC 015 G06 S242630A Bone Spring Pool (98319) which is an oil pool.
- 9. The proposed surface hole, bottom hole, and first take point for each Well can be found in the attached **Exhibit 1**. The proposed total vertical depth for each Well can be found in the attached **Exhibit 5**.
- 10. A tract map containing the composition of the HSU is attached hereto as **Exhibit 2** and shows that the HSU is comprised of one Federal tract and two State tracts.
- 11. The party being pooled and the nature of its interest is found in **Exhibit 4** attached hereto. **Exhibit 4** also includes information regarding working interest owners and overriding royalty interest owners.
 - 12. There are no depth severances in the Bone Spring formation in the proposed HSU.
- 13. I have conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties well proposals, including an Authorization for Expenditure ("AFE").
- 14. Tap Rock has made a good faith effort to obtain voluntary joinder of the working interest owner in the proposed Wells.
- 15. Exhibit 5 is a sample proposal letter and the AFE for each of the proposed Wells. The estimated cost of each of the Wells set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

- 16. Tap Rock requests overhead and administrative rates of \$7000/month for drilling a well and \$700/month for a producing well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Tap Rock requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 17. Tap Rock requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
 - 18. Tap Rock requests that it be designated operator of the Wells.
- 19. The Exhibits to this Affidavit were prepared by me, or compiled from Tap Rock's company business records.
- 20. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
 - 21. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Matthew Phillips

STATE OF COLORADO

)ss

COUNTY OF JEFFERSON)

Subscribed to and sworn before me this and ay of November, 2021.

Taylor J Hindes
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20114037710

MY COMMISSION EXPIRES June 10, 2024

Notary Public

My Commission expires

Jurie 10, acaq

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

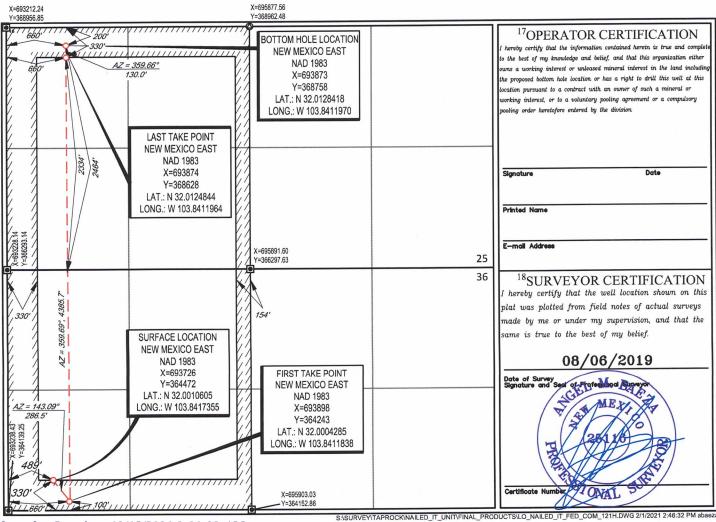
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED	REPORT
AMENDED	KEIOKI

		W	ELL LO	CATIO.	N AND ACK	EAGE DEDIC			
¹ API Number				² Pool Code			³ Pool Na	me	
4-		⁵ Property Name						⁶ Well Number	
⁴Property Code				N.	AILED IT F				121H
OGRID N	0.	⁸ Operator Name						⁹ Elevation	
37204	.3	TAP ROCK OPERATING, LLC.				3008'			
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	
4	36	26-S	30-E	-	330'	SOUTH	489'	WEST	EDDY
			11	Bottom Ho	le Location If D	ifferent From Sur			- Combi
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	
L	25	26-S	30-E	_	2464'	SOUTH	660'	WEST	EDDY
¹² Dedicated Acres	¹³ Joint or 1	nfill 14Cc	onsolidation Co	de ¹⁵ Ord	er No.				

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



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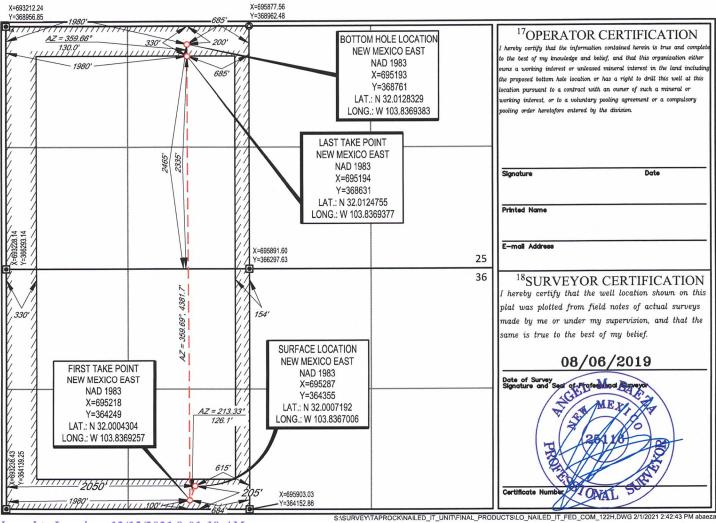
District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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District III
10100 Rill Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

		V	VELL LO	CATIO	N AND ACE	REAGE DEDIC	ATION PLA	T	
	API Number			² Pool Code			³ Pool Na	ime	
⁴ Property C	ode			N	⁵ Property				Vell Number 122H
70GRID N 37204				TAP	*Operator ROCK OPE	Name RATING, LLC.			Elevation 3018'
					¹⁰ Surface L	Location			
UL or lot no.	Section 36	Township 26-S	30-E	Lot Idn	Feet from the 205'	North/South line	Feet from the 2050'	East/West line WEST	EDDY
	11Bottom Hole Location If Different From Surface								
UL or lot no.	Section 25	Township 26-S	30-E	Lot Idn —	Feet from the 2465'	North/South line	Feet from the 1980'	East/West line WEST	EDDY
¹² Dedicated Acres	¹³ Joint or	Infill 140	Consolidation Co	de ¹⁵ Ord	ler No.				



1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

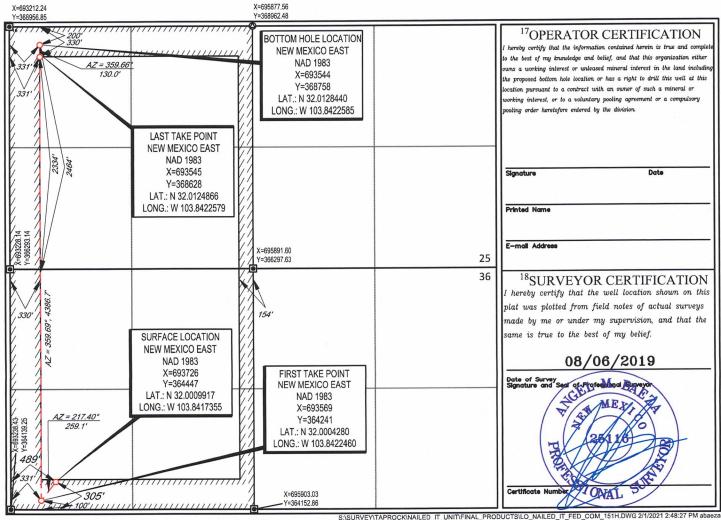
District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
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AMENDED REPORT

		W	ELL LO	CATIO	N AND ACR	EAGE DEDIC			
¹ API Number ² Pool Code							³ Pool Na	me	
⁴ Property C	perty code					roperty Name IT FED COM 151H			
70GRID N 37204			*Operator Name TAP ROCK OPERATING, LLC.					⁹ Elevation 3008'	
¹⁰ Surface Location									
UL or lot no.	Section 36	Township 26-S	Range 30-E	Lot Idn	Feet from the 305'	North/South line SOUTH	Feet from the 489'	East/West line	EDDY
			11	Bottom Ho	ole Location If D	ifferent From Sui	rface		
UL or lot no.	Section 25	Township 26-S	Range 30-E	Lot Idn	Feet from the 2464'	North/South line SOUTH	Feet from the 331'	East/West line	EDDY County
¹² Dedicated Acres	¹³ Joint or 1	Infill 14Co	nsolidation Co	de ¹⁵ Ord	er No.				



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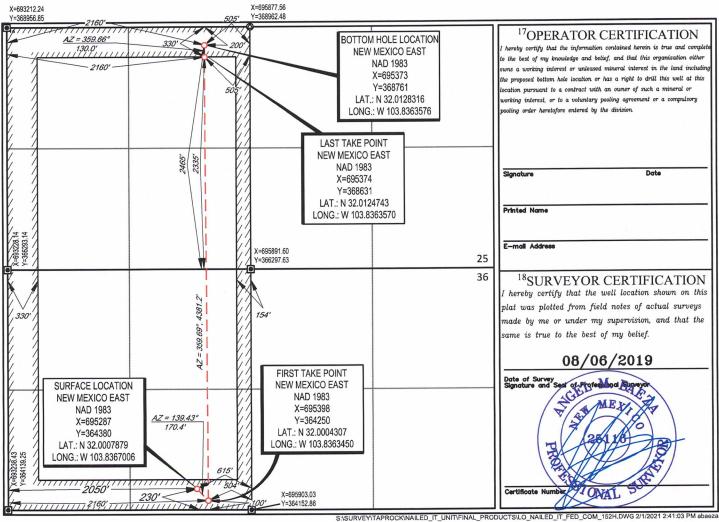
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		W	ELL LO	CATIO	N AND ACR	EAGE DEDIC	ATION PLA	Τ		
¹ API Number				² Pool Code			³ Pool Na	me		
1 Toperty Code						roperty Name IT FED COM 152H				
70GRID N 37204	0.000			TAP	ROCK OPER	Name RATING, LLC.			Elevation 3018'	
					¹⁰ Surface Lo	ocation				
UL or lot no.	Section 36	Township 26-S	30-E	Lot Idn	Feet from the 230'	North/South line	Feet from the 2050'	East/West line WEST	EDDY EDDY	
			11-	Bottom Ho	ole Location If I	Different From Sur	rface			
UL or lot no.	Section 25	Township 26-S	30-E	Lot Idn —	Feet from the 2465'	North/South line SOUTH	Feet from the 2160'	East/West line WEST	EDDY EDDY	
¹² Dedicated Acres	¹³ Joint or	Infill 14Cc	onsolidation Co	de ¹⁵ Ord	ler No.					



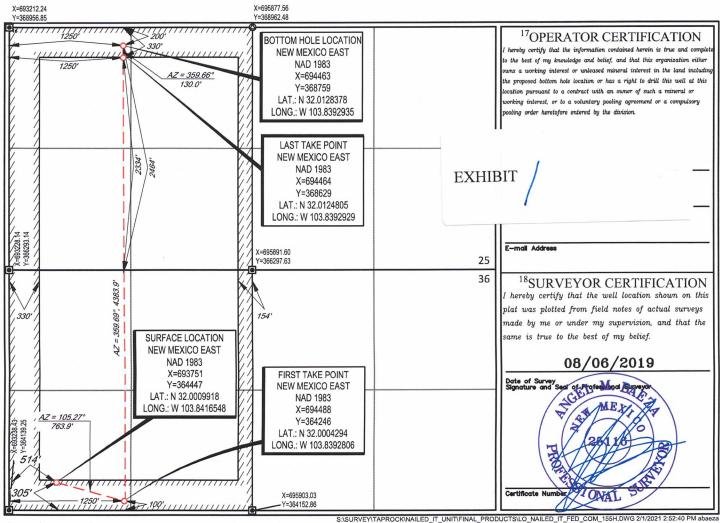
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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Well Number Property Name ⁴Property Code NAILED IT FED COM 155H ⁹Elevation Operator Name OGRID No. 3008 TAP ROCK OPERATING, LLC. 372043 ¹⁰Surface Location North/South line Feet from the East/West line County Feet from the Township Range Lot Idn UL or lot no. Section 305' 514' **EDDY** SOUTH WEST 36 26-S 30-E 4 ¹¹Bottom Hole Location If Different From Surface County North/South line Feet from the East/West line UL or lot no. Section Township Range Lot Idn Feet from the **EDDY** 2464' 1250 WEST SOUTH L 25 26-S 30-E 12Dedicated Acres ³Joint or Infill ⁴Consolidation Code ⁵Order No.



SW/4 Section 25	NW/4 Section 36	SW/4 Section 36
Tract One NMNM 138850 Tap Rock Resources, LLC - 100%	Tract Two St NM VB-2192 Tap Rock Resources, LLC - 100%	Tract Three St NM E0-0920

Chevron USA, Inc. - 100%

Exhibit 4 Case No. 22278

W S

Entity	Interest Type	Approximate Percentage
Tap Rock Resources, LLC	Working Interest	82.987552%
Chevron USA, Inc.	Uncommitted Working Interest	17.012448%

Overriding Royalty Interest

Tap Rock Minerals, LLC Patrick J. Tower Randall Cate *final interest subject to division order title verification

Nailed It Fed Com #121H, #122H, #151H, #152H, #155H

Unit Interest Breakdown*

TAP ROCK RESOURCES, LLC

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



MATTHEW C. PHILLIPS - LANDMAN MPHILLIPS@TAPRK.COM

July 27, 2021

Via Certified Mail

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

Re: Well Proposal(s) for:

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

Township 26 South, Range 30 East, Sections 25 & 36

Eddy County, New Mexico

Dear Working Interest Owner:

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

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



TAP ROCK RESOURCES, LLC

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

MATTHEW C. PHILLIPS - LANDMAN MPHILLIPS@TAPRK.COM



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

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

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

Sincerely,

TAP ROCK OPERATING, LLC

Methor C. Acidi

Matthew C. Phillips 720-459-3724

mphillips@taprk.com

TAP ROCK RESOURCES, LLC

MATTHEW C. PHILLIPS - LANDMAN MPHILLIPS@TAPRK.COM

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



CHEVRON USA INC hereby elects to:
participate in the NAILED IT FEDERAL COM #121H non-consent the NAILED IT FEDERAL COM #121H
participate in the NAILED IT FEDERAL COM #122H non-consent the NAILED IT FEDERAL COM #122H
participate in the NAILED IT FEDERAL COM #123H
participate in the NAILED IT FEDERAL COM #124H non-consent the NAILED IT FEDERAL COM #124H
participate in the NAILED IT FEDERAL COM #151H
participate in the NAILED IT FEDERAL COM #152H non-consent the NAILED IT FEDERAL COM #152H
participate in the NAILED IT FEDERAL COM #153H non-consent the NAILED IT FEDERAL COM #153H
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participate in the NAILED IT FEDERAL COM #156H non-consent the NAILED IT FEDERAL COM #156H
By:
Name:
Title:
Date:

523 Park Point Dr, Golden, Colorado 80401 Authorization For Expenditure

Name:	Nailed It Fed Com #121H	

AFE #: 0
County: Eddy
State: NM

Date: July 27, 2021 MD/TVD: 14472 / 9522 Lateral Length: 4500 Geologic Target: 2nd Bone Spring

Drill, complete, and equip a horizontal 2nd Bone Spring well with a 4500 foot lateral. Well Description: INTANGIBLE PRODUCTION COSTS INTANGIBLE DRILLING COSTS INTANGIBLE COMPLETION COSTS DESCRIPTION DESCRIPTION 3 1 Land - Legal 1 Land - Legal 1 1 Land - Legal 2 Land - Regulatory Land - Regulatory 2 Land - Regulatory 3 Land - Surface Damages 3 Land - Surface Damages Land - Surface Damages Land - Survey 3 4 Land - Survey 4 Land - Survey 3 5 Location/Pit Construction
3 6 Remedial Dirtwork Location/Pit Construction 1 5 Location/Pit Construction 5 | 1 | 7 | Reserve/Frac Pit Closing | 1 | 8 | Drilling - Contractor | 1 | 9 | Mob/Rig Un - Cort Remedial Dirtwork
Reserve/Frac Pit Closing 7 Reserve/Frac Pit Closing 3 B Drilling - Contractor 7 | 1 9 | Mob/Rig Up - Contractor | 1 10 | Cementing Services | 1 11 | Cementing Services | 1 | 11 Drilling - Contractor

Mob/Rig Up - Contractor/Trucking Mob/Rig Up - Contractor/Trucking 3 10 Cementing Services 2 10 Cementing Services 2 11 Cementing Equipment 141,00 3 11 Cementing Equipment 30,00 3 12 Bits/Drill Out Assemblies 1 12 Bits/Drill Out Assemblies
1 13 Fluid Circulation Equipment/Services 32,04 63.50 12 Bits/Drill Out Assemblies 13 Fluid Circulation Equipment/Services Fluid Circulation Equipment/Services 13 3 14 Fluids/Chemicals
3 15 WBM Cuttings/Wastewater Disposal 1 14 Fluids/Chemicals 1 15 WBM Cuttings/Wastewater Disposal 16,313 74.11 2 14 Fluids/Chemicals 15 WBM Cuttings/Wastewater Disposal 16 OBM Cuttings/Chemical Disposal 44,87 16 OBM Cuttings/Chemical Disposal 1 16 OBM Cutting 1 17 Fuel/Power OBM Cuttings/Chemical Disposal 3 17 Fuel/Power 2 17 Fuel/Power 2 18 Water 168,70 138,52 18 Water 19 Directional Drilling 18 Water 19 Directional Drilling 20 Mud Logging 1 19 Directional Drilling 85,13
 3
 20
 Mud Logging

 3
 21
 Open/Cased/Production Hole Logs
 1 20 Mud Logging 21 Open/Cased/Production Hole Logs 22 Coring 8,44 1 21 Open/Cased/Production Hole Logs 22 Coring
23 Geologic Supervision 1 22 Coring 23 Geologic Supervision 23 Geologic Supervision 24 Engineering Supervision 25 Consultant Supervision 3 24 Engineering Supervision 1 24 Engineering Supervision 3 25 Consultant Supervision 3 26 Freight/Transportation 1 25 Consultant Supervision 1 26 Freight/Transportation 50,65 26 Freight/Transportation 2,00 3 27 Labor 3 28 Supplies - Surface 28,0 27 Labor 1 27 Labor 98,50 1 28 Supplies - Surface 1 29 Supplies - Living Quarters 28 Supplies - Surface 2 29 Supplies - Living Quarters 2,00 3 29 Supplies - Living Quarters 3 30 Rentals - Surface 1 30 Rentals - Surface 1 31 Rentals - Living Quarters 26,95 30 Rentals - Surface 3 31 Rentals - Living Quarters 3 32 Rentals - Downhole 2 31 Rentals - Living Quarters 9,68 32 Rentals - Downhole 32 Rentals - Downhole 1 33 Rentals - Pipe & Handling Tools Rentals - Pipe & Handling Tools 3 33 Rentals - Pipe & Handling Tools Rentals - Frac Stack 34 Rentals - Frac Stack 34 Rentals - Frac Stack Rentals - Frac Tanks
Coil Tubing Unit/Workover Rig 3 Rentals - Frac Tanks 1 35 Rentals - Frac Tanks 28,14 3 36 Coil Tubing Unit/Workover Rig 3 37 Wireline/Slickline/Perforating 83,40 1 36 Coil Tubing Unit/Workover Rig 1 37 Wireline/Slickline/Perforating 1 37 Wireline/Slickline/Perforating 1 38 Temporary Packers/Plugs Wireline/Slickline/Perforating 3 38 Temporary Packers/Plugs 3 39 High Pressure Pump Truck 38 Temporary Packers/Plugs 1 39 High Pressure Pump Truck 1 40 Stimulation 2 39 High Pressure Pump Truck 34,98 40 Stimulation 41 Rentals - Pressure Control 40 Stimulation 3 41 Rentals - Pressure Control 3 42 Flowback Services 1 41 Rentals - Pressure Control 1 42 Flowback Services 1 43 Water Transfer Services 42 Flowback Services 43 Water Transfer Services 38,500 33,782 43 Water Transfer Services 3 44 Flowback Water Trucking & Disposal 1 44 Flowback Water Trucking & Disposal 1 45 Permanent Equipment Installation 44 Flowback Water Trucking & Disposal 8,243
 3
 45
 Permanent Equipment Installation

 3
 46
 Pipeline Tapping Services

 3
 47
 Plugging & Abandonment

 3
 53
 Overhead
 Permanent Equipment Installation 1 46 Pipeline Tapping Services 46 Pipeline Tapping Services Plugging & Abandonmen 1 47 Plugging & Abandonment 2 53 Overhead 1 53 Overhead 54 Insurance 54 Insurance 3 55 Contingency 1 55 Contingency 55 Contingency TOTAL INTANGIBLE PRODUCTION COSTS: \$187,495 TOTAL INTANGIBLE DRILLING COSTS: \$1,180,485 TOTAL INTANGIBLE COMPLETION COSTS: TANGIBLE COMPLETION COSTS TANGIBLE PRODUCTION COSTS TANGIBLE DRILLING COSTS COST CODES DESCRIPTION DESCRIPTION COST CODES DESCRIPTION 5 60 Conductor Casing 5 61 Surface Casing 60 Conductor Casing 61 Surface Casing 4 60 Conductor Casing 4 61 Surface Casing 4 62 1st Intermediate Casing 1st Intermediate Casing 6 62 1st Intermediate Casing 6 63 2nd Intermediate Casing 91,20 4 63 2nd Intermediate Casing 63 2nd Intermediate Casing 4 64 Production Casing 4 65 Tubing 5 64 Production Casing 5 65 Tubing 6 64 Production Casing 6 65 Tubing 6 66 Wellhead 6 67 Permanent Packers/Hangers/Plugs 6 68 Tanks 4 66 Wellhead 66 Wellhead 10,00 4 67 Permanent Packers/Hangers/Plugs 5 67 Permanent Packers/Hangers/Plugs 4 68 Tanks 4 69 Production Vessels 68 Tanks 69 Production Vessels 6 69 Production Vessels 6 70 Compressors 107,00 70 Compressors 70 Compressors 4 71 Surface Flowlines Surface Flowlines 71 Surface Flowlines 50,00 6 72 Gathering Lines 72 Gathering Lines 4 72 Gathering Lines 73 Valves & Controllers Valves & Controllers 73 Valves & Controllers Artificial Lift Equipment 74 Artificial Lift Equipment 4 74 Artificial Lift Equipment 75 Instrumentation & Measurement 76 Electrical Grounding/Safety Equipment 75 Instrumentation & Measurement 6 75 Instrumentation & Measurement 6 76 Electrical Grounding/Safety Equipment 6 77 Permanent Equipment Installation Electrical Grounding/Safety Equipment 77 Permanent Equipment Installation 77 Permanent Equipment Installation 80 Other - Surface Other - Surface 80 Other - Surface 6 81 Other - Downhole 4 81 Other - Downhole 15,000 5 81 Other - Downhole TOTAL TANGIBLE COMPLETION COSTS: TOTAL TANGIBLE PRODUCTION COSTS: \$289,000 TOTAL TANGIBLE DRILLING COSTS: \$523,265 TOTAL COMPLETION COSTS: \$1,543,501 TOTAL PRODUCTION COSTS: \$476,495 TOTAL DRILLING COSTS: \$1,703,750 TOTAL WELL COST: \$3,723,746 TAP ROCK RESOURCES COMPANY APPROVAL: NON OPERATING PARTNER APPROVAL: COMPANY NAME: VP - EXPLORATION SIGNED BY: TITLE: VP - OPERATIONS WORKING INTEREST (%): ___ VP - LAND & LEGAL _ SENIOR GEOLOGIST APPROVAL: TAX ID: ____

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

523 Park Point Dr, Golden, Colorado 80401 Authorization For Expenditure

Name: Nailed It Fed Com #122H	me: Naile	d It Fed C	om #122H
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AFE #: 0 County: Eddy State: NM Date: July 27, 2021 MD/TVD: 14472 / 9522 Lateral Length: 4500 Geologic Target: 2nd Bone Spring

Drill, complete, and equip a horizontal 2nd Bone Spring well with a 4500 foot lateral. Well Description: INTANGIBLE PRODUCTION COSTS INTANGIBLE DRILLING COSTS INTANGIBLE COMPLETION COSTS DESCRIPTION COST CODES COST CODES 3 1 Land - Legal 1 1 Land - Legal Land - Legal 2 Land - Regulatory Land - Regulatory 2 Land - Regulatory 3 Land - Surface Damages Land - Surface Damages Land - Surface Damages Land - Survey 3 4 Land - Survey 4 Land - Survey 3 5 Location/Pit Construction 3 6 Remedial Dirtwork Location/Pit Construction Location/Pit Construction 1 5 Location/Pit Constr 1 6 Remedial Dirtwork 59,00 5 Remedial Dirtwork
Reserve/Frac Pit Closing 7 Reserve/Frac Pit Closing 3 8 Drilling - Contractor Reserve/Frac Pit Closing 1 8 Drilling - Contractor 1 9 Mob/Rig Up - Contra 2 8 Drilling - Contractor
2 9 Mob/Rig Up - Contractor/Trucking Mob/Rig Up - Contractor/Trucking Mob/Rig Up - Contractor/Trucking 50,00 2 10 Cementing Services 2 11 Cementing Equipment 2 12 Bits/Drill Out Assemble 10 Cementing Services 1 10 Cementing Services
1 11 Cementing Equipment 141,00 11 Cementing Equipment 30,00 12 Bits/Drill Out Assemblies 1 12 Bits/Drill Out Assemblies
1 13 Fluid Circulation Equipment/Services 32,04 Bits/Drill Out Assemblies 13 Fluid Circulation Equipment/Services Fluid Circulation Equipment/Services 14 Fluids/Chemicals 14 Fluids/Chemicals 74,11 2 14 Fluids/Chemicals 15 WBM Cuttings/Wastewater Disposal 1 15 WBM Cuttings/Wastewater Disposal WBM Cuttings/Wastewater Disposal 44,8 OBM Cuttings/Chemical Disposal 16 OBM Cuttings/Chemical Disposal 17 Fuel/Power 16 OBM Cuttings/Chemical Disposal 16 17 Fuel/Power 18 Water 1 17 Fuel/Power 138,52 3 18 Water 3 19 Directional Drilling 1 18 Water 1 19 Directional Drilling 1 20 Mud Logging 19 Directional Drilling 85,13 20 Mud Logging
 3
 20
 Mud Logging

 3
 21
 Open/Cased/Production Hole Logs
 21 Open/Cased/Production Hole Logs 8,44 21 Open/Cased/Production Hole Logs 3 22 Coring 3 23 Geologic Supervision 22 Coring 1 22 Coring 1 23 Geologic Supervision 1 24 Engineering Supervisio 23 Geologic Supervision 24 Engineering Supervision 25 Consultant Supervision 2 26 Freight/Transportation
2 27 Labor
2 28 Superior 3 24 Engineering Supervision 3 25 Consultant Supervision 3 26 Freight/Transportation 15,0 1 25 Consultant Supervision 50,65 1 26 Freight/Transportation 1 27 Labor 2,00 3 27 Labor 3 28 Supplies - Surface 28,0 98,50 1 28 Supplies - Surface 2,50 2 29 Supplies - Living Quarters 2 30 Rentals - Surface 3 29 Supplies - Living Quarters 3 30 Rentals - Surface 1 29 Supplies - Living Quarters 1 30 Rentals - Surface 1 31 Rentals - Living Quarters 13,040 26,956 2 31 Rentals - Living Quarters 2 32 Rentals - Downhole 3 31 Rentals - Living Quarters 3 32 Rentals - Downhole 9,680 1 32 Rentals - Downhole 3 33 Rentals - Pipe & Handling Tools 1 33 Rentals - Pipe & Handling Tools Rentals - Pipe & Handling Tools 3 34 Rentals - Frac Stack 3 35 Rentals - Frac Tanks 34 Rentals - Frac Stack 1 34 Rentals - Frac Stack 1 35 Rentals - Frac Tanks 1 36 Coil Tubing Unit/Workover Rig 35 Rentals - Frac Tanks 28,145 3 36 Coil Tubing Unit/Workover Rig 3 37 Wireline/Slickline/Perforating Coil Tubing Unit/Workover Rig 83,4 2 37 Wireline/Slickline/Perforating 37 Wireline/Slickline/Perforating 3 38 Temporary Packers/Plugs 3 39 High Pressure Pump Truck 38 Temporary Packers/Plugs Temporary Packers/Plugs 34,98 1 39 High Pressure Pump Truck 39 High Pressure Pump Truck 3 40 Stimulation 1 40 Stimulation 1 41 Rentals - Pressure Control 2 40 Stimulation 2 41 Rentals - Pressure Control 3 41 Rentals - Pressure Control 1 42 Flowback Services 1 43 Water Transfer Services 42 Flowback Services 43 Water Transfer Services 33,782 3 42 Flowback Services 38,500 43 Water Transfer Services 3 44 Flowback Water Trucking & Disposal 44 Flowback Water Trucking & Disposal 44 Flowback Water Trucking & Disposal 8,243 1 45 Permanent Equipment Installation Permanent Equipment Installation 3 45 Permanent Equipment Installation 3 46 Pipeline Tapping Services 1 46 Pipeline Tapping Services 46 Pipeline Tapping Services 2 47 Plugging & Abandonment 2 53 Overhead 2 54 Insurance 3 47 Plugging & Abandonment 3 53 Overhead Plugging & Abandonment 1 53 Overhead 54 Insurance 54 Insurance 55 Contingency 1 55 Contingency 55 Contingency TOTAL INTANGIBLE PRODUCTION COSTS: \$187,495 TOTAL INTANGIBLE DRILLING COSTS: \$1,180,485 TOTAL INTANGIBLE COMPLETION COSTS: TANGIBLE DRILLING COSTS TANGIBLE COMPLETION COSTS TANGIBLE PRODUCTION COSTS COST CODES COST CODES DESCRIPTION AMOUNT COST CODES DESCRIPTION DESCRIPTIO 5 60 Conductor Casing 5 61 Surface Casing 60 Conductor Casing 61 Surface Casing 4 60 Conductor Casing 4 61 Surface Casing 4 62 1st Intermediate Casing 1st Intermediate Casing 6 62 1st Intermediate Casing 6 63 2nd Intermediate Casing 91,20 5 62 1st Intermediate Casing 5 63 2nd Intermediate Casing 4 63 2nd Intermediate Casing 4 64 Production Casing 4 65 Tubing 64 Production Casing 65 Tubing 6 64 Production Casing 6 65 Tubing 4 66 Wellhead 4 67 Permanent Packers/Hangers/Plugs 6 66 Wellhead 6 67 Permanent Packers/Hangers/Plugs 6 68 Tanks Wellhead 5 67 Permanent Packers/Hangers/Plugs 10,00 4 68 Tanks 68 Tanks 4 69 Production Vessels 69 Production Vessels 6 69 Production Vessels 6 70 Compressors 107.00 4 70 Compressors 5 70 Compressors 4 71 Surface Flowlines Surface Flowlines 71 Surface Flowlines 50,0 72 Gathering Lines 72 Gathering Lines 4 72 Gathering Lines 4 73 Valves & Controllers 4 74 Artificial Lift Equipment Valves & Controllers 6 73 Valves & Controllers 6 74 Artificial Lift Equipment 6 75 Instrumentation & Measurement 74 Artificial Lift Equipment Instrumentation & Measurement 75 Instrumentation & Measurement 76 Electrical Grounding/Safety Equipment 77 Permanent Equipment Installation 76 Electrical Grounding/Safety Equipment Electrical Grounding/Safety Equipment 4 77 Permanent Equipment Installation 77 Permanent Equipment Installation Other - Surface 6 80 Other - Surface 6 81 Other - Downhole 15,000 81 Other - Downhole 4 81 Other - Downhole TOTAL TANGIBLE PRODUCTION COSTS: TOTAL TANGIBLE DRILLING COSTS: \$523,265 TOTAL TANGIBLE COMPLETION COSTS: \$289,000 TOTAL PRODUCTION COSTS: TOTAL DRILLING COSTS: \$1,703,750 TOTAL COMPLETION COSTS: \$1,543,501 \$476,495 TOTAL WELL COST: \$3,723,746 TAP ROCK RESOURCES COMPANY APPROVAL: NON OPERATING PARTNER APPROVAL: COMPANY NAME: CEO VP - EXPLORATION SIGNED BY: TITLE: VP - OPERATIONS DATE: _ WORKING INTEREST (%): ___ SENIOR GEOLOGIST ___ APPROVAL: __

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

523 Park Point Dr, Golden, Colorado 80401 Authorization For Expenditure

me:	Nailed It Fed Com #151H					Date: MD/TVD:	1502	7/10		
E#: unty:	0 Eddy					Lateral Length: Geologic Target:	4500 3rd F	one s	Spring	
te:	NM					Seologic Target.	3101	one.	, , , , , , , , , , , , , , , , , , ,	
ell Desc	ription:	Drill, complete, ar	nd equi	paho	orizontal 3rd Bone Spring well with a 4500	foot lateral.				
	INTANGIBLE DRILLING COSTS				INTANGIBLE COMPLETION COSTS DESCRIPTION	AMOUNT	COST	CODES	INTANGIBLE PRODUCTION COSTS DESCRIPTION	AMOU
ST CODES	Land - Legal	10,000	2	CODES 1	Land - Legal	AMOUNT	3	1	Land - Legal	
	Land - Regulatory	10,000	2	2	Land - Regulatory		3	2	Land - Regulatory	
	Land - Surface Damages	10,000	2	3	Land - Surface Damages		3	3	Land - Surface Damages	
	Land - Survey	10,000	2	4	Land - Survey		3	5	Land - Survey Location/Pit Construction	
5	Location/Pit Construction	59.000	2	5	Location/Pit Construction Remedial Dirtwork		3	6	Remedial Dirtwork	
6	Remedial Dirtwork	0	2	7	Reserve/Frac Pit Closing		3	7	Reserve/Frac Pit Closing	
7	Reserve/Frac Pit Closing Drilling - Contractor	223,348	2	8	Drilling - Contractor		3	8	Drilling - Contractor	
9	Mob/Rig Up - Contractor/Trucking	50,000	2	9	Mob/Rig Up - Contractor/Trucking		3	9	Mob/Rig Up - Contractor/Trucking	
	Cementing Services	141,000	2	10	Cementing Services		3	10		
11		30,000	2	11	Cementing Equipment	32,048	3	11		
12		63,500 35.015	2	12	Bits/Drill Out Assemblies Fluid Circulation Equipment/Services	32,040	3	13		
13		68,700	2	14	Fluids/Chemicals	16,313	3	14	Fluids/Chemicals	
14		47,372	2	15	WBM Cuttings/Wastewater Disposal		3	15		
16	OBM Cuttings/Chemical Disposal	13,500	2	16	OBM Cuttings/Chemical Disposal		3	16	OBM Cuttings/Chemical Disposal	
17	Fuel/Power	17,004	2	17	Fuel/Power	168,700	3	17	Fuel/Power	
18	Water	33,667	2	18	Water	138,525	3	18	Water Directional Drilling	
19	Directional Drilling	83,354	2	19	Directional Drilling		3	19	Mud Logging	
20	Mud Logging Open/Cased/Production Hole Logs	12,175	2	20	Mud Logging Open/Cased/Production Hole Logs	8,440	3	21	Open/Cased/Production Hole Logs	
21	Open/Cased/Production Hole Logs	0	2	21	Coring Coring	0,110	3	22	Coring	
22	Coring Geologic Supervision	0	2	23	Geologic Supervision		3	23	Geologic Supervision	
24		0	2	24	Engineering Supervision		3	24	Engineering Supervision	
25	Consultant Supervision	49,876	2	25	Consultant Supervision	50,000	3	25	Consultant Supervision	
26	Freight/Transportation	9,000	2	26	Freight/Transportation	2,000	3	26	Freight/Transportation	
27	Labor	98,500	2	27		9,220	3	27	Labor	
28	Supplies - Surface	2,500	2	28	Supplies - Surface	2,000	3	28	Supplies - Surface Supplies - Living Quarters	
29	Supplies - Living Quarters	1,000	2	29	Supplies - Living Quarters Rentals - Surface	2,000 13,040	3	30	Rentals - Surface	
30 31	Rentals - Surface Rentals - Living Quarters	26,505 19,370	2	30	Rentals - Living Quarters	9,680	3	31		
32		2,000	2	32	Rentals - Downhole	0	3	32	Rentals - Downhole	
32	Rentals - Pipe & Handling Tools	19,838	2	33	Rentals - Pipe & Handling Tools	0	3	33	Rentals - Pipe & Handling Tools	
34			2	34	Rentals - Frac Stack	71,100	3	34	Rentals - Frac Stack	
35		2,501	2	35	Rentals - Frac Tanks	28,145	3	35	Rentals - Frac Tanks	
36	Coil Tubing Unit/Workover Rig		2	36		46,142	3	36	Coil Tubing Unit/Workover Rig	
37	Wireline/Slickline/Perforating		2	37		121,532	3	37	Wireline/Slickline/Perforating Temporary Packers/Plugs	
38	Temporary Packers/Plugs	_	2	38	Temporary Packers/Plugs High Pressure Pump Truck	18,400 34,980	3	39		
39 40	High Pressure Pump Truck Stimulation		2	39 40	Stimulation	512,033	3	40		
41			2	41	Rentals - Pressure Control	011,030	3	41		
42	Flowback Services		2	42	Flowback Services	33,782	3	42	Flowback Services	
43	Water Transfer Services		2	43	Water Transfer Services	47,700	3	43	Water Transfer Services	
44			2	44	Flowback Water Trucking & Disposal	8,243	3	44	110110111111111111111111111111111111111	0
45			2	45	Permanent Equipment Installation		3	45	Permanent Equipment Installation Pipeline Tapping Services	
46		0	2	46	Pipeline Tapping Services Plugging & Abandonment		3	47	Plugging & Abandonment	
53	Overhead	0	2	53		10,550	3	53	Overhead	
54	Insurance	0	2	54	Insurance		3	54	Insurance	
55	Contingency	34,462	2	55	Contingency	58,928	3	55	Contingency	
	TOTAL INTANGIBLE DRILLING COSTS:	\$1,183,185			TOTAL INTANGIBLE COMPLETION COSTS:	\$1,543,501			TOTAL INTANGIBLE PRODUCTION COSTS:	\$18
	TANGIBLE DRILLING COSTS				TANGIBLE COMPLETION COSTS				TANGIBLE PRODUCTION COSTS	
ST CODE		AMOUNT		T CODE		AMOUNT		CODE		AM
60		18,000	5	60			6	60		
61	Surface Casing	31,625	5	61	Surface Casing		6	62	Surface Casing 1st Intermediate Casing	
62	1st Intermediate Casing 2nd Intermediate Casing	91,200	5	62	1st Intermediate Casing 2nd Intermediate Casing		6	63	2nd Intermediate Casing	
	Production Casing	311,740	5	64		0	6	64	Production Casing	
	Tubing	22.55	5		The second secon		6	65		
	Wellhead	78,000	5		Wellhead	0	6	66	Wellhead	
	Permanent Packers/Hangers/Plugs		5	67			6	67		
	Tanks		5		Tanks		6	68		
	Production Vessels	-	5		Production Vessels		6	69 70		
70 71		_	5		Compressors Surface Flowlines		6	70 71	Compressors Surface Flowlines	
71	Surface Flowlines Gathering Lines		5	71			6		Gathering Lines	0
	Valves & Controllers		5	73			6	73		
	Artificial Lift Equipment		5		Artificial Lift Equipment		6	74	Artificial Lift Equipment	
75	Instrumentation & Measurement		5	75			6	75		-
76	Electrical Grounding/Safety Equipment		5	76			6	76		
	Permanent Equipment Installation	+	5	77 80			6	77 80		
77	Other - Surface Other - Downhole	15,000	5	81			6		Other - Downhole	
77 80	Other Dominion				TOTAL TANGIBLE COMPLETION COSTS:	\$0			TOTAL TANGIBLE PRODUCTION COSTS:	\$28
77	TOTAL TANGISLE DRILLING COSTS				TOTAL COMPLETION COSTS:				TOTAL PRODUCTION COSTS:	\$47
77 80	TOTAL TANGIBLE DRILLING COSTS: TOTAL DRILLING COSTS:				TOTAL COMPLETION COSTS.					
77 80					TOTAL CONFESTION COSTS.				TOTAL WELL COST:	\$3,7
77 80	TOTAL DRILLING COSTS:	: \$1,728,750			TOTAL CONFESTION COSTS.					\$3,7
77 80		: \$1,728,750	VAL:		TOTAL CONTRACTION COSTS.		NO	N OPE	TOTAL WELL COST:	\$3,7

WORKING INTEREST (%):

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

_ SENIOR GEOLOGIST _

VP - LAND & LEGAL _

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

ame:	Nailed It Fed Com #152H					2	Date:				
FE #:	0						MD/TVD: Lateral Length:			0077	
ounty:	Eddy NM						Geologic Target:	3rd	Bone	Spring	
atc.	14141										
						5 1 11 11 2500	of and fatoral				
ell Des	cription:	Drill, complete, ar	d equi	pal	orizontal 3rd B	one Spring well with a 4500	toot lateral.				
	INTANGIBLE DRILLING COSTS				INTANG	IBLE COMPLETION COSTS				INTANGIBLE PRODUCTION COSTS	V
OST CODE		AMOUNT		CODE		DESCRIPTION	AMOUNT	cosi	CODES	Land - Legal	AMOUNT
1		10,000	2	2	Land - Legal Land - Regulat	ory		3	2	Land - Regulatory	
2	Land - Regulatory Land - Surface Damages	10,000	2	3	Land - Surface			3	3	Land - Surface Damages	
4	Land - Survey	10,000	2	4	Land - Survey			3	4	Land - Survey	
1 5	Location/Pit Construction	59,000	2	5	Location/Pit C			3	5	Location/Pit Construction	5,
1 6	Remedial Dirtwork	0	2	6	Remedial Dirt			3	7	Remedial Dirtwork Reserve/Frac Pit Closing	
1 7	Reserve/Frac Pit Closing	0	2	7 8	Reserve/Frac			3	8	Drilling - Contractor	
. 8	Drilling - Contractor Mob/Rig Up - Contractor/Trucking	223,348 50,000	2	9		Contractor/Trucking		3	9	Mob/Rig Up - Contractor/Trucking	
10		141,000	2	10				3		Cementing Services	
11		30,000	2	11			27.040	3	11	Cementing Equipment Bits/Drill Out Assemblies	
12		63,500	2	12		Assemblies on Equipment/Services	32,048	3	13	Fluid Circulation Equipment/Services	
13		35,015 68,700	2		Fluids/Chemic		16,313	3	14	Fluids/Chemicals	
14	Committee of the Commit	47,372	2			/Wastewater Disposal		3	15	WBM Cuttings/Wastewater Disposal	
16		13,500	2	16		/Chemical Disposal		3	16	OBM Cuttings/Chemical Disposal	
17		17,004	2		Fuel/Power		168,700	3	17	Fuel/Power	
18		33,667	2	18		illing	138,525	3	18	Water Directional Drilling	
19		83,354 12,175	2	19 20		ming		3	20	Mud Logging	
		0	2	21		Production Hole Logs	8,440	3	21	Open/Cased/Production Hole Logs	
21		0	2	22				3	22	Coring	
23	Geologic Supervision	C	2	23	Geologic Supe			3	23	Geologic Supervision	
24		0	2	24			50,000	3	24	Engineering Supervision Consultant Supervision	15
25	The state of the s	49,876	2	25			2,000	3	26	Freight/Transportation	5
26		98,500	2	26		portation	9,220	3	27		28
27		2,500	2	28	100 (400 500)	face	2,000	3	28	Supplies - Surface	
29		1,000	2	29			2,000	3	29	Supplies - Living Quarters	
30		26,505	2	30			13,040	3	30	Rentals - Surface	
31		19,370	2	31			9,680	3	31	Rentals - Living Quarters	
32		2,000	2	32		& Handling Tools	0	3	32	Rentals - Downhole Rentals - Pipe & Handling Tools	
	Rentals - Pipe & Handling Tools Rentals - Frac Stack	19,838	2	34			71,100	3	34	Rentals - Frac Stack	
35		2,501	2	35			28,145	3	35	Rentals - Frac Tanks	
	Coil Tubing Unit/Workover Rig		2	36		nit/Workover Rig	46,142	3	36	Coil Tubing Unit/Workover Rig	83
37	Wireline/Slickline/Perforating		2	37		line/Perforating	121,532	3	37		
38			2	38			38,400	3	38	Temporary Packers/Plugs	
39	-		2	39		Pump Truck	34,980	3	39 40	High Pressure Pump Truck Stimulation	
40	The formation of the contract		2	40		sure Control	612,033	3	41	Rentals - Pressure Control	
	Flowback Services		2	42			33,782	3	42	Flowback Services	38
	Water Transfer Services		2	43	Water Transfe	er Services	47,700	3	43	Water Transfer Services	
	Flowback Water Trucking & Disposal		2	44		ter Trucking & Disposal	8,243	3	44	Flowback Water Trucking & Disposal)
	Permanent Equipment Installation		2	45		uipment Installation		3	45	Permanent Equipment Installation Pipeline Tapping Services	
	Pipeline Tapping Services Plugging & Abandonment	0	2	47				3	47		
53		0	2	53			10,550	3	53		- 1
1 54		0	2	54	Insurance			3	54	Insurance	
55		34,462	2	55			58,928	3	55	Contingency	7
	TOTAL INTANGIBLE DRILLING COSTS:	\$1,183,185			TOTAL INTA	NGIBLE COMPLETION COSTS:	\$1,543,501			TOTAL INTANGIBLE PRODUCTION COSTS:	\$187,49
OST COD	TANGIBLE DRILLING COSTS ES DESCRIPTION	AMOUNT	cos	T COD		BLE COMPLETION COSTS DESCRIPTION	AMOUNT	cos	T CODE:	TANGIBLE PRODUCTION COSTS DESCRIPTION	AMOUNT
60	Conductor Casing	18,000	5	60	Conductor Ca	sing		6	60	Conductor Casing	
61		31,625	5	61				6	61	Surface Casing	
62		91,200	5	62				6	62	1st Intermediate Casing	
63	2nd Intermediate Casing Production Casing	211 740	5	63				6	63	2nd Intermediate Casing Production Casing	
	Tubing	311,740	5		Production Ca Tubing			6	65		50
	Wellhead	78,000	5				0	6		Wellhead	5
67	Permanent Packers/Hangers/Plugs		5	67	Permanent Pa	ackers/Hangers/Plugs		6	67		10
	Tanks		5		Tanks			6			12.20
	Production Vessels		5	69		essels		6	69 70		10
70	Compressors Surface Flowlines		5	70 71		ines		6	71	Surface Flowlines	5
	Gathering Lines		5		Gathering Lin			6	72		0
	Valves & Controllers		5	73	Valves & Con	rollers		6	73		
	Artificial Lift Equipment		5		Artificial Lift E			6		Artificial Lift Equipment	1
	Instrumentation & Measurement		5			on & Measurement		6	75		
	Electrical Grounding/Safety Equipment Permanent Equipment Installation		5			unding/Safety Equipment quipment Installation		6	76 77	Permanent Equipment Installation	
	Other - Surface		5		Other - Surface			6		Other - Surface	
81		15,000	5		Other - Down			6	81	Other - Downhole	
	TOTAL TANGIBLE DRILLING COSTS:	\$545,565			TOTAL TA	NGIBLE COMPLETION COSTS:	\$0			TOTAL TANGIBLE PRODUCTION COSTS:	\$289,00
	TOTAL DRILLING COSTS:	\$1,728,750				TOTAL COMPLETION COSTS:	\$1,543,501			TOTAL PRODUCTION COSTS:	\$476,49
										TOTAL WELL COST:	\$3,748,
	TAP ROCK RESOURCES	COMPANY APPROV	AL:					NOI	N OPE	RATING PARTNER APPROVAL:	
	CEO VP	- EXPLORATION			_			COM	IPANY	NAME:	
							SIGNED BY:			TITLE:	
	CFO V	P - OPERATIONS			_		SIGNED BY:			TITLE:	
	CFO v	P - OPERATIONS			_		SIGNED BY:				

523 Park Point Dr, Golden, Colorado 80401 Authorization For Expenditure

me:	Nailed It Fed Com #155H						July			
E#:	0					MD/TVD Lateral Length			0077	
unty: ate:	NM					Geologic Target			Spring	
ate.	14141									
ell Desc	ription:	Drill, complete, as	nd equ	ip a h	orizontal 3rd Bone Spring well with a	4500 foot lateral.		-		
	INTANGIBLE DRILLING COSTS				INTANGIBLE COMPLETION COS	TS			INTANGIBLE PRODUCTION COSTS	
ST CODES	DESCRIPTION	AMOUNT	co	T CODE	DESCRIPTION	AMOUNT		T CODE		AMOUNT
1	Land - Legal	10,000	2	1	Land - Legal		3	1	Land - Legal	
2	Land - Regulatory	10,000	2	2	Land - Regulatory		3	3	Land - Regulatory Land - Surface Damages	
3	Land - Surface Damages	10,000	2	3	Land - Surface Damages Land - Survey		3	4	Land - Survey	
4	Land - Survey	10,000 59,000	2	5	Location/Pit Construction		3	5	Location/Pit Construction	5,
5	Location/Pit Construction Remedial Dirtwork	99,000	2	6	Remedial Dirtwork		3	6	Remedial Dirtwork	
7	Reserve/Frac Pit Closing	0	2	7	Reserve/Frac Pit Closing		3	7	Reserve/Frac Pit Closing	
8	Drilling - Contractor	223,348	2	8	Drilling - Contractor		3	8	Drilling - Contractor	
9	Mob/Rig Up - Contractor/Trucking	50,000	2		Mob/Rig Up - Contractor/Trucking		3	9	Mob/Rig Up - Contractor/Trucking	
10	Cementing Services	141,000	2	10	Cementing Services		3	10	Cementing Services Cementing Equipment	
11	Cementing Equipment	30,000	2	11	Cementing Equipment Bits/Drill Out Assemblies	32,048	3	12	Bits/Drill Out Assemblies	
12	Bits/Drill Out Assemblies Fluid Circulation Equipment/Services	63,500 35,015	2		Fluid Circulation Equipment/Services		3	13	Fluid Circulation Equipment/Services	
13	Fluids/Chemicals	68,700	2		Fluids/Chemicals	16,313	3	14		
14	WBM Cuttings/Wastewater Disposal	47,372	2		WBM Cuttings/Wastewater Disposal		3	15	WBM Cuttings/Wastewater Disposal	_
16	OBM Cuttings/Chemical Disposal	13,500	2	16	OBM Cuttings/Chemical Disposal		3	16		
17	Fuel/Power	17,004	2		Fuel/Power	168,700	3	17		
18	Water	33,667	2		Water Directional Drilling	138,525	3	18 19	Directional Drilling	
19	Directional Drilling	83,354	2		Directional Drilling Mud Logging		3	20	Mud Logging	
20	Mud Logging Open/Cased/Production Hole Logs	12,175	2		Open/Cased/Production Hole Logs	8,440	3	21	Open/Cased/Production Hole Logs	
22	Coring	0	2		Coring		3	22	Coring	
23	Geologic Supervision	0	2		Geologic Supervision		3	23		
24	Engineering Supervision	0	2		Engineering Supervision		3	24		1
25	Consultant Supervision	49,876	2		Consultant Supervision	50,000	3	25 26		1
26	Freight/Transportation	9,000	2		Freight/Transportation	2,000 9,220	3			2
27	Labor	98,500 2,500	2		Supplies - Surface	2,000	3	28		
28	Supplies - Surface Supplies - Living Quarters	1,000	2		Supplies - Living Quarters	2,000	3	29		
30	Rentals - Surface	26,505	2		Rentals - Surface	13,040	3	30	Rentals - Surface	
31	Rentals - Living Quarters	19,370	2		Rentals - Living Quarters	9,680	3	31	Rentals - Living Quarters	
32	Rentals - Downhole	2,000	2		Rentals - Downhole	8	3	32		
33	Rentals - Pipe & Handling Tools	19,838	2		Rentals - Pipe & Handling Tools	0	3	33		
34	Rentals - Frac Stack		2		Rentals - Frac Stack	71,100	3	34		
35	Rentals - Frac Tanks	2,501	2		Rentals - Frac Tanks	28,145 46,142	3	36		8
36	Coil Tubing Unit/Workover Rig		2		Coil Tubing Unit/Workover Rig Wireline/Slickline/Perforating	121,532	3	37		
	Wireline/Slickline/Perforating Temporary Packers/Plugs		2		Temporary Packers/Plugs	18,400	3			
_	High Pressure Pump Truck		2		High Pressure Pump Truck	34,980	3			
39 40	Stimulation		2		Stimulation	612,033	3	40		
41	Rentals - Pressure Control		2		Rentals - Pressure Control		3	41	Rentals - Pressure Control	3
42	Flowback Services		2		Flowback Services	33,782	3	42	Flowback Services Water Transfer Services	3
43	Water Transfer Services		2		Water Transfer Services Flowback Water Trucking & Disposal	47,700 8,243	3		- International Control of the Contr	0
44	Flowback Water Trucking & Disposal		2		Permanent Equipment Installation	0,243	3			
45 46	Permanent Equipment Installation Pipeline Tapping Services		2		Pipeline Tapping Services		3		and the state of t	
	Plugging & Abandonment	0	2				3		Plugging & Abandonment	
47 53	Overhead	0	2		Overhead	10,550	3			-
54	Insurance	0	2		Insurance		3			
55	Contingency	34,462	2	55	Contingency	58,928	3	55		
	TOTAL INTANGIBLE DRILLING COS	STS: \$1,183,185			TOTAL INTANGIBLE COMPLETION CO	STS: \$1,543,501			TOTAL INTANGIBLE PRODUCTION COSTS:	\$187,4
	TANGIBLE DRILLING COSTS				TANGIBLE COMPLETION COS			ST COD	TANGIBLE PRODUCTION COSTS DESCRIPTION	AMOUN
ST CODE		18,000	5	OST COD	S DESCRIPTION Conductor Casing	AMOUNT	6		Conductor Casing	
60 61	Surface Casing	31,625	5	_			6	61		
62	1st Intermediate Casing	91,200	5		and the second of the second o		6	62	1st Intermediate Casing	
63		0	5		100 100 100 100 100 100 100 100 100		6	63	2nd Intermediate Casing	
64		311,740			Production Casing	0	6			
65			5				6	-		
66		78,000	5			0	6			
67	Permanent Packers/Hangers/Plugs		9		Permanent Packers/Hangers/Plugs Tanks		6			
68 69			5		Production Vessels		6		The state of the s	1
70			5				6		Compressors	
71	Surface Flowlines		9				6	71		
72				7:	Gathering Lines		6			0
73	Valves & Controllers						6			
74	Artificial Lift Equipment			7.			6			
75	Instrumentation & Measurement			7			6			
				7			6			
76	Permanent Equipment Installation			7						
77					Other Curface		- 6			
77 80	Other - Surface	15 000		81			6			
77	Other - Surface	15,000 STS: \$545,565		8 8		DSTS: \$0	6		Other - Surface Other - Downhole TOTAL TANGIBLE PRODUCTION COSTS:	\$289,0

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _______ VP - EXPLORATION ______

CFO ______ VP - OPERATIONS ______

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OF	PERATING PARTNER APPROVAL:	
COMPAN	IY NAME:	
SIGNED BY:	TITLE:	
WORKING INTEREST (%):	DATE:	
TAX ID:	APPROVAL:	



Summary of Communication

Party	Communication
Chevron USA, Inc. 7/28/21 - Sent well proposals 8/4/21 - Proposals delivered 8/26/21 - Chevron confirms re election period 8/27/21 - Chevron requests w 9/21/21 - Tap Rock follows up	7/28/21 - Sent well proposals 8/4/21 - Proposals delivered 8/4/21 - Proposals delivered 8/26/21 - Chevron confirms receipt of proposals and requests extension to elect until 9/25/21; Tap Rock agrees to extend election period 8/22/21 - Chevron requests well specific information; Tap Rock provides response to questions and sends form JOA 9/21/21 - Tap Rock follows up on well questions; no response from Chevron

Nailed It Fed Com #121H, #122H, #151H, #152H, #155H