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

APPLICATION OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 22934** 

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| Exhibit B         | Geology Testimony                              |  |  |  |  |  |  |  |  |
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| Exhibit C         | Legal Testimony                                |  |  |  |  |  |  |  |  |
| Exhibit C-1       | Sample Notice of Hearing Letter & Tracking Log |  |  |  |  |  |  |  |  |
| Exhibit C-2       | Affidavit of Publication                       |  |  |  |  |  |  |  |  |

| COMPULSORY POOLING APPLICATION CHECKLIST        |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| ALL INFORMATION IN THE APPLICATI                | ON MUST BE SUPPORTED BY SIGNED AFFIDAVITS  |  |  |  |  |  |
| Case No.:                                       | 22934  |  |  |  |  |  |
| Hearing Date:                                   | 12/15/2022   |  |  |  |  |  |
| Applicant                                       | Tap Rock Operating, LLC  |  |  |  |  |  |
| Designated Operator & OGRID                     | 372043   |  |  |  |  |  |
| Applicant's Counsel                             | Michael Rodriguez  |  |  |  |  |  |
| Case Title                                      | APPLICATION OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, LEA   |  |  |  |  |  |
|   | COUNTY, NEW MEXICO   |  |  |  |  |  |
| Entries of Appearance/Intervenors               | EOG Resources, Inc.  |  |  |  |  |  |
| Well Family                                     | Double Stamp   |  |  |  |  |  |
| Formation/Pool                                  |  |  |  |  |  |  |
| Formation Name(s) or Vertical Extent            | Bone Spring  |  |  |  |  |  |
| Primary Product (Oil or Gas)                    | Oil  |  |  |  |  |  |
| Pooling this vertical extent                    | Bone Spring  |  |  |  |  |  |
| Pool Name and Pool Code                         | SALT LAKE;BONE SPRING [53560]  |  |  |  |  |  |
| Well Location Setback Rules                     | Statewide rules  |  |  |  |  |  |
| Spacing Unit Size (acres)                       | 640  |  |  |  |  |  |
| Spacing Unit                                    |  |  |  |  |  |  |
| Type (Horizontal/Vertical)                      | Horizontal   |  |  |  |  |  |
| Size (Acres)                                    | 640  |  |  |  |  |  |
| Building Blocks                                 | quarter-quarter  |  |  |  |  |  |
| Orientation                                     | Standup  |  |  |  |  |  |
| Description: TRS/County                         | W/2 of Sections 11 and 14, Township 20 South, Range 32 East, NMPM, Lea County,   |  |  |  |  |  |
| Description may equity                          | New Mexico   |  |  |  |  |  |
| Standard Horizontal Well Spacing Unit (Y/N), If | Yes  |  |  |  |  |  |
| No, describe                                    |  |  |  |  |  |  |
| Other Situations                                |  |  |  |  |  |  |
| Depth Severance: Y/N. If yes, description       | No   |  |  |  |  |  |
| Proximity Tracts: If yes, description           | Yes  |  |  |  |  |  |
| Proximity Defining Well: if yes, description    | The completed interval for the Double Stamp Fed Com #115H will be within 330' of the quarter-quarter line separating the W/2W/2 from the E/2W/2 of Sections 11 |  |  |  |  |  |
|   | and 14 to allow the inclusion of this acreage into a standard horizontal spacing unit  |  |  |  |  |  |
| Well Name (API No)                              | Surface Hole Location  |  |  |  |  |  |
|   | Bottom Hole Location   |  |  |  |  |  |
|   | Completion Target (Approx. TVD)  |  |  |  |  |  |
| Double Stamp Fed Com #111H (Pending)            | Completion status (Standard / Non-standard) 240 FNL and 1707 FWL of Section 23   |  |  |  |  |  |
| bouble Stamp red Com #111m (rending)            | 5 FNL and 331 FWL of Section 11  |  |  |  |  |  |
|   | Bone Spring (9000')  |  |  |  |  |  |
|   | Standard   |  |  |  |  |  |
| Double Stamp Fed Com #112H (Pending)            | 241 FNL and 1837 FWL of Section 23   |  |  |  |  |  |
|   | 5 FNL and 2178 FWL of Section 11   |  |  |  |  |  |
|   | Bone Spring (9000')  |  |  |  |  |  |
| Double Stamp Fed Com #115H (Pending)            | Standard 241 FNL and 1732 FWL of Section 23  |  |  |  |  |  |
|   | 5 FNL and 1254 FWL of Section 11   |  |  |  |  |  |
|   | Bone Spring (9000')  |  |  |  |  |  |
|   | Standard   |  |  |  |  |  |
| Double Stamp Fed Com #121H (Pending)            | 265 FNL and 1707 FWL of Section 23   |  |  |  |  |  |
|   | 5 FNL and 331 FWL of Section 11  |  |  |  |  |  |
|   | Bone Spring (9700')  |  |  |  |  |  |
|   | Standard   |  |  |  |  |  |

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|---|--|------|
| Double Stamp Fed Com #122H (Pending)          | 266 FNL and 1812 FWL of Section 23             |      |
|   | 5 FNL and 1650 FWL of Section 11               |      |
|   | Bone Spring (9700')                            |      |
| Double Stamp Fed Com #125H (Pending)          | Standard 266 FNL and 1732 FWL of Section 23    |      |
| bouble stamp rea com #12511 (1 chaing)        | 5 FNL and 990 FWL of Section 11                |      |
|   | Bone Spring (9700')                            |      |
|   | Standard                                       |      |
| Double Stamp Fed Com #127H (Pending)          | 266 FNL and 1837 FWL of Section 23             |      |
|   | 5 FNL and 2304 FWL of Section 11               |      |
|   | Bone Spring (9700')                            |      |
|   | Standard                                       |      |
| Double Stamp Fed Com #131H (Pending)          | 407 FNL and 2041 FWL of Section 23             |      |
|   | 5 FNL and 331 FWL of Section 11                |      |
|   | Bone Spring (10350')                           |      |
| Double Stamp Fed Com #132H (Pending)          | Standard<br>407 FNL and 2091 FWL of Section 23 |      |
| bouble stamp red com #13211 (rending)         | 5 FNL and 2178 FWL of Section 11               |      |
|   | Bone Spring (10350')                           |      |
|   | Standard                                       |      |
| Double Stamp Fed Com #135H (Pending)          | 382 FNL and 2066 FWL of Section 23             |      |
|   | 5 FNL and 1254 FWL of Section 11               |      |
|   | Bone Spring (10350')                           |      |
|   | Standard                                       |      |
| Double Stamp Fed Com #151H (Pending)          | 382 FNL and 2041 FWL of Section 23             |      |
|   | 5 FNL and 908 FWL of Section 11                |      |
|   | Bone Spring (10350')                           |      |
| Double Stamp Fed Com #152H (Pending)          | Standard 382 FNL and 2091 FWL of Section 23    |      |
| Double Staffip Fed Cofff #15211 (Feliding)    | 5 FNL and 2064 FWL of Section 11               |      |
|   | Bone Spring (10350')                           |      |
|   | Standard                                       |      |
| Double Stamp Fed Com #171H (Pending)          | 241 FNL and 1917 FWL of Section 23             |      |
|   | 5 FNL and 660 FWL of Section 11                |      |
|   | Bone Spring (8300')                            |      |
|   | Standard                                       |      |
| Double Stamp Fed Com #172H (Pending)          | 266 FNL and 1917 FWL of Section 23             |      |
|   | 5 FNL and 1980 FWL of Section 11               |      |
|   | Bone Spring (8300')                            |      |
| Horizontal Well First and Last Take Points    | Standard Exhibit A-2                           |      |
| Completion Target (Formation, TVD and MD)     | Exhibit A-4                                    |      |
| AFE Capex and Operating Costs                 | EXHIBIT A-4                                    |      |
|   | ¢2,000,00                                      |      |
| Drilling Supervision/Month \$                 | \$8,000.00                                     |      |
| Production Supervision/Month \$               | \$800.00                                       |      |
| Justification for Supervision Costs           | Exhibit A                                      |      |
| Requested Risk Charge                         | 200%   |      |
| Notice of Hearing                             |  |      |
| Proposed Notice of Hearing                    | Exhibit A-1                                    |      |
| Proof of Mailed Notice of Hearing (20 days    | Exhibit C-1                                    |      |
| before hearing)                               |  |      |
| Proof of Published Notice of Hearing (10 days | Exhibit C-2                                    |      |
| before hearing)                               |  |      |
| Ownership Determination                       |  |      |
| Land Ownership Schematic of Spacing Unit      | Exhibit A-3                                    |      |
| Tract List (including lease numbers & owners) | Exhibit A-3                                    |      |
| Pooled Parties (including ownership type)     | Exhibit A-3                                    |      |

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|---|-----------------------|
| Unlocatable Parties to be Pooled              | Exhibit A             |
| Ownership Depth Severance (including          | N/A                   |
| percentage above & below)                     | 19/4                  |
| Joinder                                       |                       |
| Sample Copy of Proposal Letter                | Exhibit A-4           |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-3           |
| Chronology of Contact with Non-Joined WI      | Exhibit A-5           |
| Overhead Rates In Proposal Letter             | -                     |
| Cost Estimate to Drill and Complete           | Exhibit A-4           |
| Cost Estimate to Equip Well                   | Exhibit A-4           |
| Cost Estimate for Production Facilities       | Exhibit A-4           |
| Geology                                       |                       |
| Summary (including special considerations)    | Exhibit B             |
| Spacing Unit Schematic                        | Exhibit B-1           |
| Gunbarrel/Lateral Trajectory Schematic        | Exhibit B-2           |
| Well Orientation (with rationale)             | Exhibit B             |
| Target Formation                              | Exhibit B             |
| HSU Cross Section                             | Exhibit B-4           |
| Depth Severance Discussion                    | -                     |
| Forms, Figures and Tables                     |                       |
| C-102   | Exhibit A-2           |
| Tracts  | Exhibit A-3           |
| Summary of Interests, Unit Recapitulation     | Exhibit A-3           |
| General Location Map (including basin)        | Exhibit B-1           |
| Well Bore Location Map                        | Exhibit B-1           |
| Structure Contour Map - Subsea Depth          | Exhibit B-3           |
| Cross Section Location Map (including wells)  | Exhibit B-3           |
| Cross Section (including Landing Zone)        | Exhibit B-4           |
| Additional Information                        |                       |
| CERTIFICATION: I hereby certify that the      |                       |
| information                                   |                       |
| provided in this checklist is complete and    |                       |
| accurate.                                     |                       |
| Printed Name (Attorney or Party               | Michael Rodriguez     |
| Representative):                              |                       |
| Signed Name (Attorney or Party                | /s/ Michael Rodriguez |
| Representative):                              |                       |
| Date:   | 12/6/2022             |

Tap Rock Operating, LLC
Case No. 22934
Exhibit A

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

APPLICATIONS OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 22933, 22934

## SELF-AFFIRMED STATEMENT OF ERICA SHEWMAKER

- 1. My name is Erica Shewmaker, and I am a landman at Tap Rock Operating, LLC ("TRO"). I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as a petroleum landman have been accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced cases. Copies of TRO's applications and proposed hearing notices are attached as **Exhibit A-1**.

## 3. In Case No. 22933:

- a) TRO seeks an order pooling all uncommitted interests in the SALT LAKE; BONE SPRING [53560] pool within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 of Sections 11 and 14, Township 20 South, Range 32 East, Lea County, New Mexico.
- b) The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: Double Stamp Fed Com #113H, #123H, #126H, #133H, #153H and #173H to be horizontally drilled from a surface hole location in the SW/4SE/4 of Section 14 to a bottom hole location in the NW/4NE/4 of Section 11, and Double Stamp Fed Com #114H, #116H, #124H, #128H, #134H, #136H, #154H and #174H to be horizontally drilled from a surface hole location in the SW/4SE/4 of Section 14 to a bottom hole location in the NE/4NE/4 of Section 11.

c) The completed interval for the Double Stamp Fed Com #116H will be within 330' of the quarter-quarter line separating the W/2E/2 from the E/2E/2 of Sections 11 and 14 to allow the inclusion of this acreage into a standard horizontal spacing unit.

## 4. In Case No. 22934:

- a) TRO seeks an order pooling all uncommitted interests in the SALT LAKE;BONE SPRING [53560] pool within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 11 and 14, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously: Double Stamp Fed Com #111H, #115H, D #121H, #125H, #131H, #135H, #151H, and #171H to be horizontally drilled from a surface hole location in the SE/4SW/4 of Section 14 to a bottom hole location in the NW/4NW/4 of Section 11, and double Stamp Fed Com #112H, #122H, #127H, #132H, #152H, and #172H to be horizontally drilled from a surface hole location in the SE/4SW/4 of Section 14 to a bottom hole location in the NE/4NW/4 of Section 11.
- b) The completed interval for the Double Stamp Fed Com #115H will be within 330' of the quarter-quarter line separating the W/2W/2 from the E/2W/2 of Sections 11 and 14 to allow the inclusion of this acreage into a standard horizontal spacing unit.
- 5. **Exhibit A-2** contains Form C-102s for the Wells which demonstrate the completed intervals of the Wells will be orthodox.
- 6. **Exhibit A-3** contains a plat of the tracts included in the Units and includes any applicable lease numbers, a recapitulation of the ownership interests within the Units, and the interests TRO seeks to pool.

- 7. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 8. TRO conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.
- 9. In my opinion, TRO made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
- 10. TRO requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by TRO and other operators in the vicinity.
- 11. In my opinion, granting TRO's applications will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 12. The attached exhibits were either prepared by me or compiled under my direction and supervision.
- 13. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony in paragraphs 1 through 12 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Erica Shewmaker

Dec 7 2022

Date

Tap Rock Operating, LLC
Case No. 22934
Exhibit A-1

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

APPLICATION OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22934

## **APPLICATION**

Pursuant to NMSA § 70-2-17, Tap Rock Operating, LLC ("TRO") (OGRID No. 372043) applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 11 and 14, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, TRO states:

- 1. TRO is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously:
  - Double Stamp Fed Com #111H, Double Stamp Fed Com #115H, Double Stamp Fed Com #121H, Double Stamp Fed Com #125H, Double Stamp Fed Com #131H, Double Stamp Fed Com #135H, Double Stamp Fed Com #151H, and Double Stamp Fed Com #171H to be horizontally drilled from a surface hole location in the SE/4SW/4 of Section 14 to a bottom hole location in the NW/4NW/4 of Section 11, and
  - Double Stamp Fed Com #112H, Double Stamp Fed Com #122H, Double Stamp Fed Com #127H, Double Stamp Fed Com #132H, Double Stamp Fed Com #152H, and Double Stamp Fed Com #172H to be horizontally drilled from a surface hole location in the SE/4SW/4 of Section 14 to a bottom hole location in the NE/4NW/4 of Section 11.

- 3. The completed interval for the **Double Stamp Fed Com #115H** will be within 330' of the quarter-quarter line separating the W/2W/2 from the E/2W/2 of Sections 11 and 14 to allow the inclusion of this acreage into a standard horizontal spacing unit.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. To allow TRO to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and TRO should be designated the operator of the Wells and Unit.

WHEREFORE, TRO requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial Wells in the Unit;
- C. Designating TRO as operator of this Unit and the Wells to be drilled thereon;
- D. Authorizing TRO to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by TRO in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

TAP ROCK OPERATING, LLC

/s/ Michael Rodriguez

Michael Rodriguez
523 Park Point Drive
Golden, CO 80401
(720) 245-2606
mdrodriguez@taprk.com
Attorney for Tap Rock Operating, LLC

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

Tap Rock Operating, LLC
Case No. 22934
Exhibit A-2

Submit one copy to appropriate

District Office

Fast/West line

AMENDED REPORT

County

WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |     | <sup>2</sup> Pool Code <sup>3</sup> Pool Name |              |                          |  |  |  |  |  |
|----------------------------|-----|---|--------------|--------------------------|--|--|--|--|--|
|                            |     |   |              |                          |  |  |  |  |  |
| <sup>4</sup> Property Code |     | 5Pr   | operty Name  | <sup>6</sup> Well Number |  |  |  |  |  |
|                            |     | DOUBLE STAMP FED COM                          |              |                          |  |  |  |  |  |
| <sup>7</sup> OGRID No.     |     | <sup>8</sup> O <sub>l</sub>                   | perator Name | <sup>9</sup> Elevation   |  |  |  |  |  |
| #372043                    |     | TAP ROCK OPERATING, LLC.                      |              |                          |  |  |  |  |  |
|                            | 100 |   |              |                          |  |  |  |  |  |

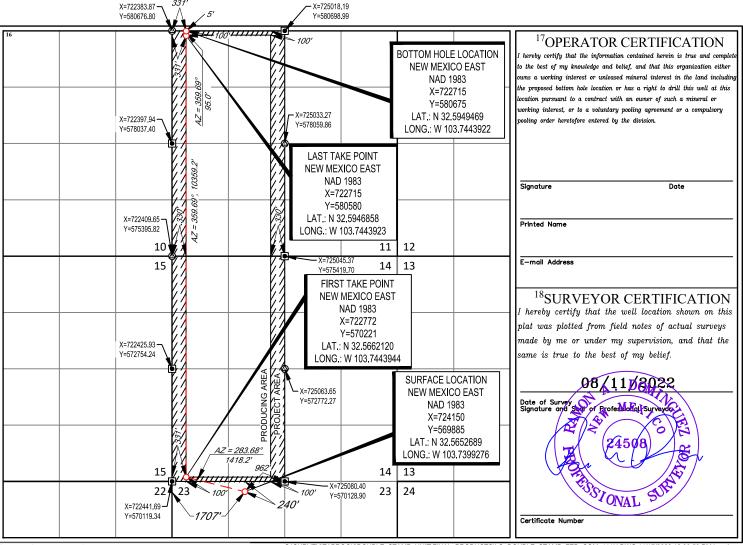
<sup>10</sup>Surface Location

North/South line

Lot Idn

| C                             | 23   | 20-S        | 32-E           |                      | 240'          | NORTH            | 1707'         | WEST           | LEA    |  |  |
|-------------------------------|--|-------------|----------------|----------------------|---------------|------------------|---------------|----------------|--------|--|--|
|                               | <sup>11</sup> Bottom Hole Location If Different From Surface |             |                |                      |               |                  |               |                |        |  |  |
| UL or lot no.                 | Section  | Township    | Range          | Lot Idn              | Feet from the | North/South line | Feet from the | East/West line | County |  |  |
| D                             | 11   | 20-S        | 32-E           | _                    | 5'            | NORTH            | 331'          | WEST           | LEA    |  |  |
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or l                                     | Infill 14Co | nsolidation Co | de <sup>15</sup> 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.



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

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

AMENDED REPORT

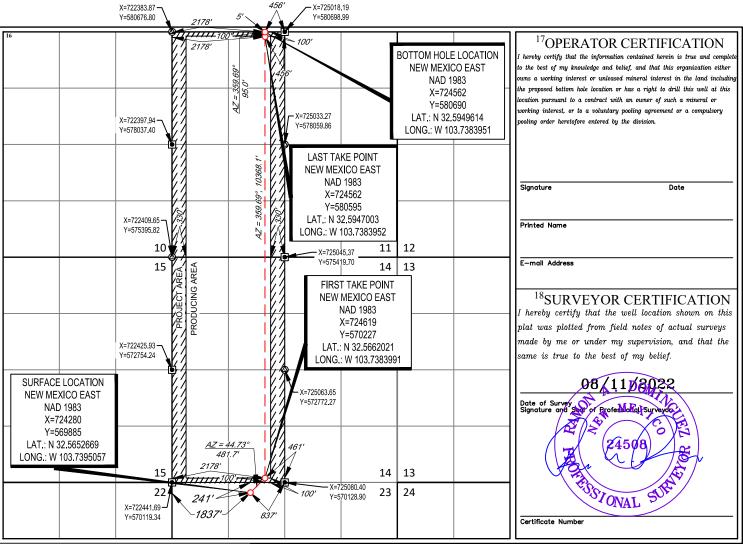
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code <sup>3</sup> Pool N |               | Name                     |  |  |  |  |
|----------------------------|--|--|---------------|--------------------------|--|--|--|--|
|                            |  |  |               |                          |  |  |  |  |
| <sup>4</sup> Property Code |  | <sup>5</sup> Pr                            | roperty Name  | <sup>6</sup> Well Number |  |  |  |  |
|                            |  | DOUBLE STAMP FED COM                       |               |                          |  |  |  |  |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name                 |               |                          |  |  |  |  |
| #372043                    |  | TAP ROCK OPERATING, LLC. 3535'             |               |                          |  |  |  |  |
|                            |  | 100  | face Leastion |                          |  |  |  |  |

<sup>10</sup>Surface Location

| UL or lot no.                 | Section<br>23  | 20-S        | 32-E           | Lot Idn<br>—         | Feet from the 241' | NORTH            | 1837'         | WEST           | LEA    |  |  |
|-------------------------------|--|-------------|----------------|----------------------|--------------------|------------------|---------------|----------------|--------|--|--|
|                               | <sup>11</sup> Bottom Hole Location If Different From Surface |             |                |                      |                    |                  |               |                |        |  |  |
| UL or lot no.                 | Section  | Township    | Range          | Lot Idn              | Feet from the      | North/South line | Feet from the | East/West line | County |  |  |
| C                             | 11   | 20-S        | 32-E           | _                    | 5'                 | NORTH            | 2178'         | WEST           | LEA    |  |  |
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or l                                     | Infill 14Co | nsolidation Co | de <sup>15</sup> 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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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

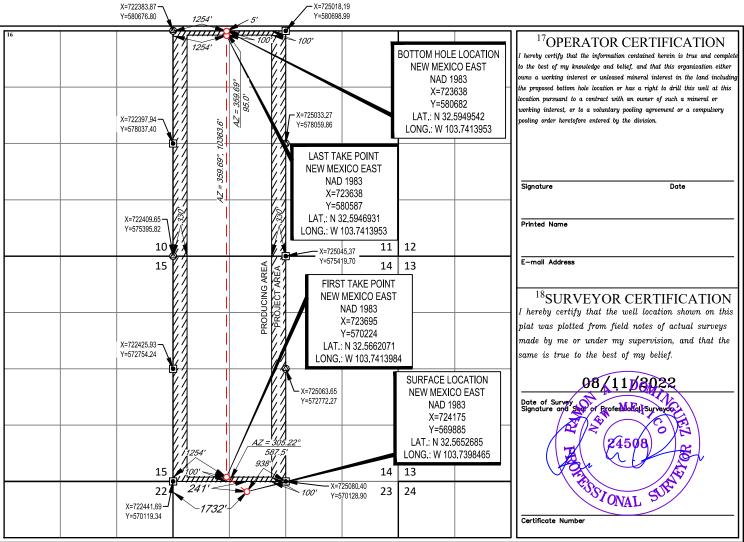
AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Numbe     | er | <sup>2</sup> Pool Code     | <sup>3</sup> Pool Name   |   |  |  |
|----------------------------|----|----------------------------|--------------------------|---|--|--|
| <sup>4</sup> Property Code |    | 5 <sub>Pr</sub>            | <sup>6</sup> Well Number |   |  |  |
|                            |    | DOUBLE STAMP FED COM 115H  |                          |   |  |  |
| <sup>7</sup> OGRID No.     |    | <sup>8</sup> Operator Name |                          |   |  |  |
| #372043                    |    | TAP ROCK                   | 3535'                    |   |  |  |
|                            |    | 10 Surf                    | face Location            | • |  |  |

| C C                           | 23   | 20-S        | 32-E           |                      | 241'          | NORTH            | 1732'         | WEST           | LEA    |  |  |
|-------------------------------|--|-------------|----------------|----------------------|---------------|------------------|---------------|----------------|--------|--|--|
|                               | <sup>11</sup> Bottom Hole Location If Different From Surface |             |                |                      |               |                  |               |                |        |  |  |
| UL or lot no.                 | Section  | Township    | Range          | Lot Idn              | Feet from the | North/South line | Feet from the | East/West line | County |  |  |
| D                             | 11   | 20-S        | 32-E           | _                    | 5'            | NORTH            | 1254'         | WEST           | LEA    |  |  |
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or l                                     | Infill 14Co | nsolidation Co | de <sup>15</sup> 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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S:\SURVEY\TAPROCK\DOUBLE\_STAMP\_UNIT\FINAL\_PRODUCTS\LO\_DOUBLE\_STAMP\_FED\_COM\_115H.DWG 11/17/2022 12:33:18 PM kmat

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

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

AMENDED REPORT

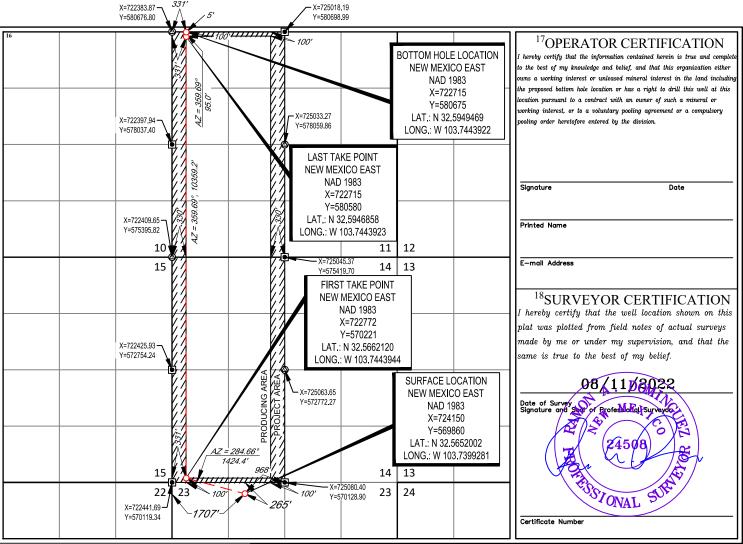
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code         | <sup>3</sup> Pool Name | <sup>3</sup> Pool Name   |  |  |  |  |
|----------------------------|--|--------------------------------|------------------------|--------------------------|--|--|--|--|
|                            |  |                                |                        |                          |  |  |  |  |
| <sup>4</sup> Property Code |  | <sup>5</sup> Pr                | roperty Name           | <sup>6</sup> Well Number |  |  |  |  |
|                            |  | DOUBLE STAMP FED COM           |                        |                          |  |  |  |  |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name     |                        |                          |  |  |  |  |
| #372043                    |  | TAP ROCK OPERATING, LLC. 3535' |                        |                          |  |  |  |  |
|                            |  | 100                            | face Leastion          |                          |  |  |  |  |

<sup>10</sup>Surface Location

| UL or              | r lot no.<br>C   | Section 23               | Township 20-S | Range 32-E      | Lot Idn<br>—         | Feet from the 265' | North/South line NORTH | Feet from the 1707' | East/West line WEST | County LEA |  |
|--------------------|--|--------------------------|---------------|-----------------|----------------------|--------------------|------------------------|---------------------|---------------------|------------|--|
|                    | <sup>11</sup> Bottom Hole Location If Different From Surface |                          |               |                 |                      |                    |                        |                     |                     |            |  |
| UL or              | r lot no.  | Section                  | Township      | Range           | Lot Idn              | Feet from the      | North/South line       | Feet from the       | East/West line      | County     |  |
|                    | D  | 11                       | 20-S          | 32-E            | _                    | 5'                 | NORTH                  | 331'                | WEST                | LEA        |  |
| <sup>12</sup> Dedi | icated Acres   | <sup>13</sup> Joint or I | nfill 14Co    | onsolidation Co | de <sup>15</sup> 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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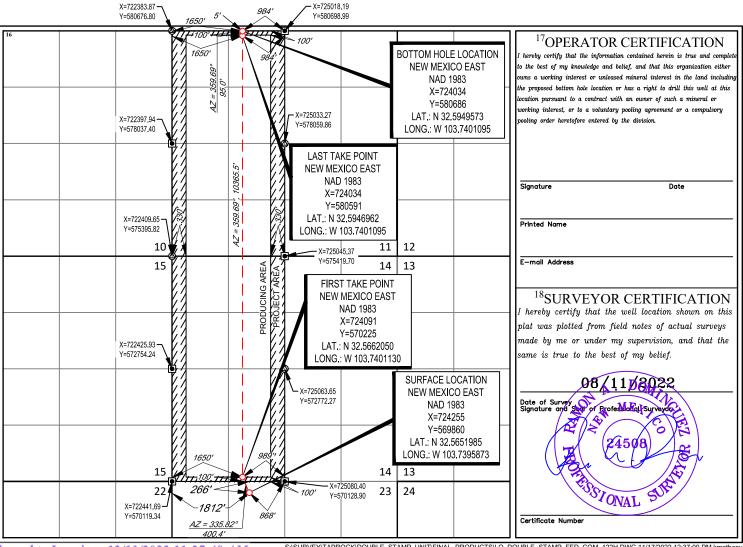
## WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code     |              |                          |  |  |  |  |  |
|----------------------------|--|----------------------------|--------------|--------------------------|--|--|--|--|--|
| <sup>4</sup> Property Code |  | 5Pr                        | Coperty Name | <sup>6</sup> Well Number |  |  |  |  |  |
|                            |  | DOUBLE STAMP FED COM       |              |                          |  |  |  |  |  |
| <sup>7</sup> OGRID N₀.     |  | <sup>8</sup> Operator Name |              |                          |  |  |  |  |  |
| #372043                    |  | 3535'                      |              |                          |  |  |  |  |  |
| 10 Sunface Leastion        |  |                            |              |                          |  |  |  |  |  |

<sup>O</sup>Surface Location

| UL or lot no.                 | Section 23  | Township 20-S | 32-E           |           | Feet from the 266' | North/South line NORTH | Feet from the 1812' | East/West line WEST | County LEA |  |  |
|-------------------------------|---|---------------|----------------|-----------|--------------------|------------------------|---------------------|---------------------|------------|--|--|
|                               | 11 Bottom Hole Location If Different From Surface |               |                |           |                    |                        |                     |                     |            |  |  |
| UL or lot no.                 | Section   | Township      | Range          | Lot Idn   | Feet from the      | North/South line       | Feet from the       | East/West line      | County     |  |  |
| C                             | 11  | 20-S          | 32-E           | _         | 5'                 | NORTH                  | 1650'               | WEST                | LEA        |  |  |
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or l                          | Infill 14Co   | nsolidation Co | ode 15Ord | er No.             |                        | -                   |                     |            |  |  |
|                               |   |               |                |           |                    |                        |                     |                     |            |  |  |
| I                             |   |               |                |           |                    |                        |                     |                     |            |  |  |

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AMENDED REPORT

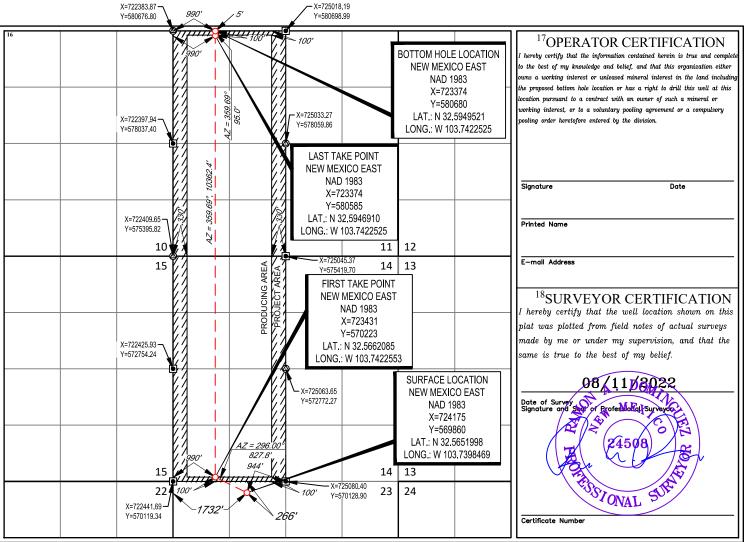
### WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code     | <sup>3</sup> Pool Name |  |  |  |  |  |
|----------------------------|--|----------------------------|------------------------|--|--|--|--|--|
|                            |  |                            |                        |  |  |  |  |  |
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name |                        |  |  |  |  |  |
|                            |  | DOUBLE STAMP FED COM       |                        |  |  |  |  |  |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name |                        |  |  |  |  |  |
| #372043                    |  | 3536'                      |                        |  |  |  |  |  |
| 10 Sumface Location        |  |                            |                        |  |  |  |  |  |

<sup>10</sup>Surface Location

| C C               | 23   | 20-S        | 32-E           |                      | 266'          | NORTH            | 1732'         | WEST           | LEA    |  |  |
|-------------------|--|-------------|----------------|----------------------|---------------|------------------|---------------|----------------|--------|--|--|
|                   | <sup>11</sup> Bottom Hole Location If Different From Surface |             |                |                      |               |                  |               |                |        |  |  |
| UL or lot no.     | Section  | Township    | Range          | Lot Idn              | Feet from the | North/South line | Feet from the | East/West line | County |  |  |
| D                 | 11   | 20-S        | 32-E           | _                    | 5'            | NORTH            | 990'          | WEST           | LEA    |  |  |
| 12Dedicated Acres | <sup>13</sup> Joint or l                                     | Infill 14Co | nsolidation Co | de <sup>15</sup> Ord | er No.        |                  |               | -              |        |  |  |
|                   |  |             |                |                      |               |                  |               |                |        |  |  |

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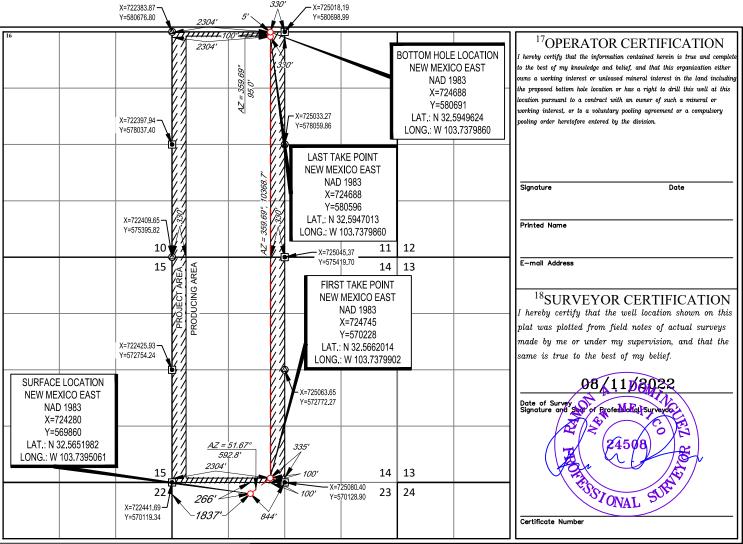
AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    | <sup>2</sup> Pool Code      | <sup>3</sup> Pool        | Name |  |  |  |  |  |
|----------------------------|-----------------------------|--------------------------|------|--|--|--|--|--|
| <sup>4</sup> Property Code |                             | <sup>6</sup> Well Number |      |  |  |  |  |  |
|                            | DOUBLE S                    | 127H                     |      |  |  |  |  |  |
| <sup>7</sup> OGRID N₀.     | <sup>8</sup> O <sub>1</sub> | <sup>9</sup> Elevation   |      |  |  |  |  |  |
| #372043                    | TAP ROCK                    | 3535'                    |      |  |  |  |  |  |
| 10 Surface Location        |                             |                          |      |  |  |  |  |  |

| C C  | 23                       | 20-S       | 32-E            |                      | 266'          | NORTH            | 1837'         | WEST           | LEA    |  |
|--|--------------------------|------------|-----------------|----------------------|---------------|------------------|---------------|----------------|--------|--|
| 11Bottom Hole Location If Different From Surface |                          |            |                 |                      |               |                  |               |                |        |  |
| UL or lot no.                                    | Section                  | Township   | Range           | Lot Idn              | Feet from the | North/South line | Feet from the | East/West line | County |  |
| C  | 11                       | 20-S       | 32-E            | _                    | 5'            | NORTH            | 2304'         | WEST           | LEA    |  |
| 12Dedicated Acres                                | <sup>13</sup> Joint or l | nfill 14Co | onsolidation Co | de <sup>15</sup> Ord | er No.        |                  | -             | -              |        |  |
|  |                          |            |                 |                      |               |                  |               |                |        |  |
|  |                          |            |                 |                      |               |                  |               |                |        |  |

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Santa Fe, NM 87505

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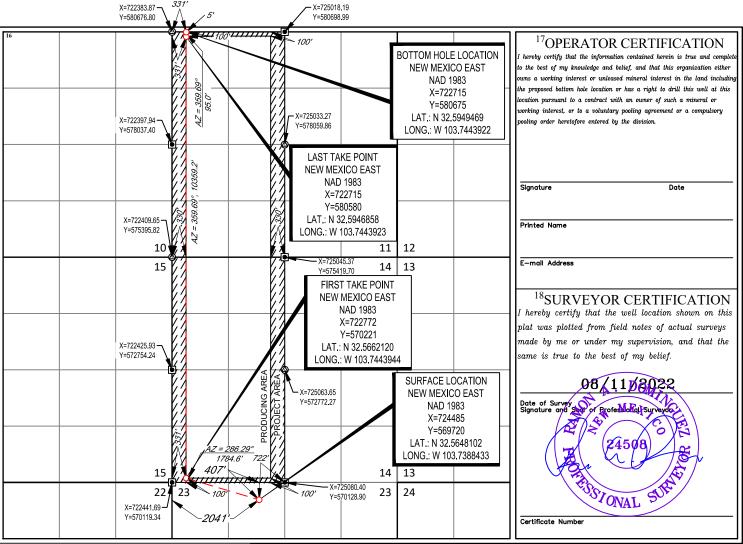
## WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code     | <sup>3</sup> Pool Name |  |  |  |  |  |
|----------------------------|--|----------------------------|------------------------|--|--|--|--|--|
|                            |  |                            |                        |  |  |  |  |  |
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name |                        |  |  |  |  |  |
|                            |  | DOUBLE STAMP FED COM       |                        |  |  |  |  |  |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name |                        |  |  |  |  |  |
| #372043                    |  | 3536'                      |                        |  |  |  |  |  |
| 10 Sumface Location        |  |                            |                        |  |  |  |  |  |

<sup>10</sup>Surface Location

|   | C C  | 23      | 20-S     | 32-E  | — Lot 1an            | 407'          | NORTH            | 2041'         | WEST           | LEA    |  |
|---|--|---------|----------|-------|----------------------|---------------|------------------|---------------|----------------|--------|--|
|   | 11Bottom Hole Location If Different From Surface |         |          |       |                      |               |                  |               |                |        |  |
| ſ | UL or lot no.                                    | Section | Township | Range | Lot Idn              | Feet from the | North/South line | Feet from the | East/West line | County |  |
|   | D  | 11      | 20-S     | 32-E  | _                    | 5'            | NORTH            | 331'          | WEST           | LEA    |  |
|   | <sup>12</sup> Dedicated Acres                    |         |          |       | de <sup>15</sup> Ord | er No.        |                  |               |                |        |  |
|   |  |         |          |       |                      |               |                  |               |                |        |  |

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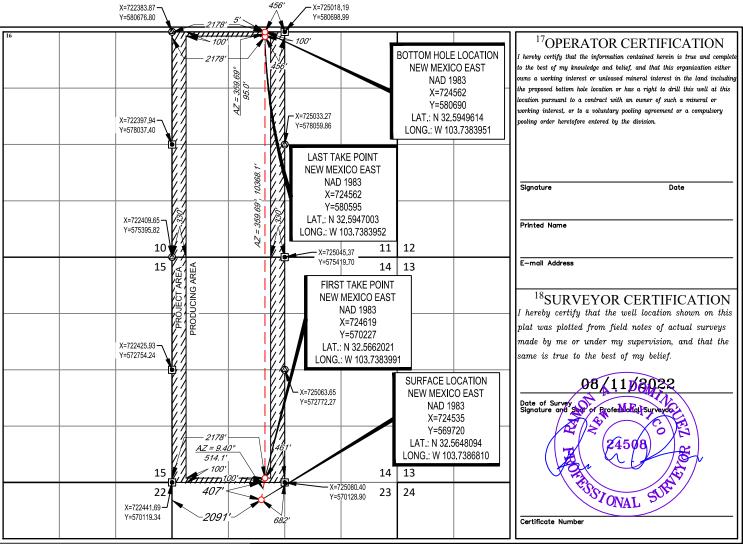
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code     | <sup>3</sup> Pool Name |  |  |  |  |  |
|----------------------------|--|----------------------------|------------------------|--|--|--|--|--|
|                            |  |                            |                        |  |  |  |  |  |
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name |                        |  |  |  |  |  |
|                            |  | DOUBLE STAMP FED COM       |                        |  |  |  |  |  |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name |                        |  |  |  |  |  |
| #372043                    |  | 3536'                      |                        |  |  |  |  |  |
| 10 Sumface Location        |  |                            |                        |  |  |  |  |  |

<sup>10</sup>Surface Location

| UL or lot no.                 | Section<br>23  | Z0-S        | 32-E           | Lot Idn<br>—         | Feet from the 407' | NORTH            | 2091'         | WEST           | LEA    |  |  |
|-------------------------------|--|-------------|----------------|----------------------|--------------------|------------------|---------------|----------------|--------|--|--|
|                               | <sup>11</sup> Bottom Hole Location If Different From Surface |             |                |                      |                    |                  |               |                |        |  |  |
| UL or lot no.                 | Section  | Township    | Range          | Lot Idn              | Feet from the      | North/South line | Feet from the | East/West line | County |  |  |
| C                             | 11   | 20-S        | 32-E           | _                    | 5'                 | NORTH            | 2178'         | WEST           | LEA    |  |  |
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or l                                     | Infill 14Co | nsolidation Co | de <sup>15</sup> Ord | er No.             |                  |               |                |        |  |  |
|                               |  |             |                |                      |                    |                  |               |                |        |  |  |

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Energy, Minerals & Natural Resources
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Santa Fe, NM 87505

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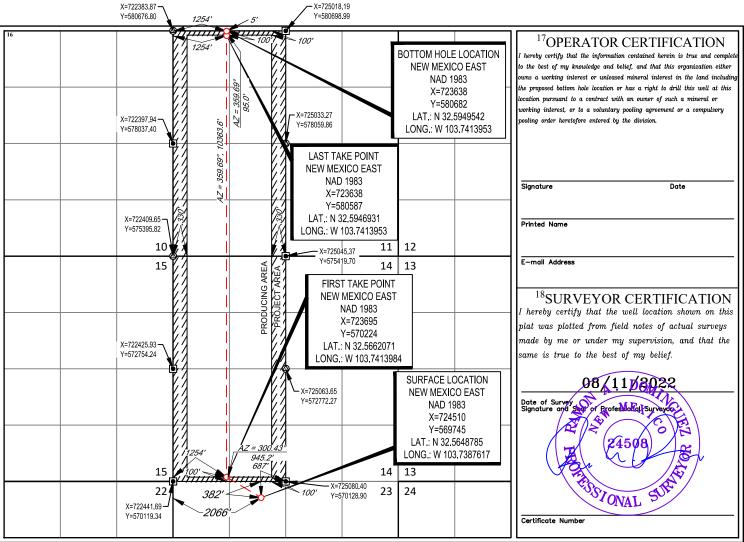
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |  | <sup>2</sup> Pool Code     | <sup>3</sup> Pool Name |  |  |  |  |  |
|----------------------------|--|----------------------------|------------------------|--|--|--|--|--|
|                            |  |                            |                        |  |  |  |  |  |
| <sup>4</sup> Property Code |  | <sup>5</sup> Property Name |                        |  |  |  |  |  |
|                            |  | DOUBLE STAMP FED COM       |                        |  |  |  |  |  |
| <sup>7</sup> OGRID No.     |  | <sup>8</sup> Operator Name |                        |  |  |  |  |  |
| #372043                    |  | 3536'                      |                        |  |  |  |  |  |
| 10 Sumface Location        |  |                            |                        |  |  |  |  |  |

<sup>10</sup>Surface Location

| UL or lot no.     | Section 23   | Township 20-S | Range 32-E      | Lot Idn<br>—         | Feet from the 382' | North/South line NORTH | Feet from the 2066' | East/West line WEST | LEA    |  |  |
|-------------------|--|---------------|-----------------|----------------------|--------------------|------------------------|---------------------|---------------------|--------|--|--|
|                   | <sup>11</sup> Bottom Hole Location If Different From Surface |               |                 |                      |                    |                        |                     |                     |        |  |  |
| UL or lot no.     | Section  | Township      | Range           | Lot Idn              | Feet from the      | North/South line       | Feet from the       | East/West line      | County |  |  |
| D                 | 11   | 20-S          | 32-E            | _                    | 5'                 | NORTH                  | 1254'               | WEST                | LEA    |  |  |
| 12Dedicated Acres | <sup>13</sup> Joint or l                                     | Infill 14Co   | onsolidation Co | de <sup>15</sup> 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.



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

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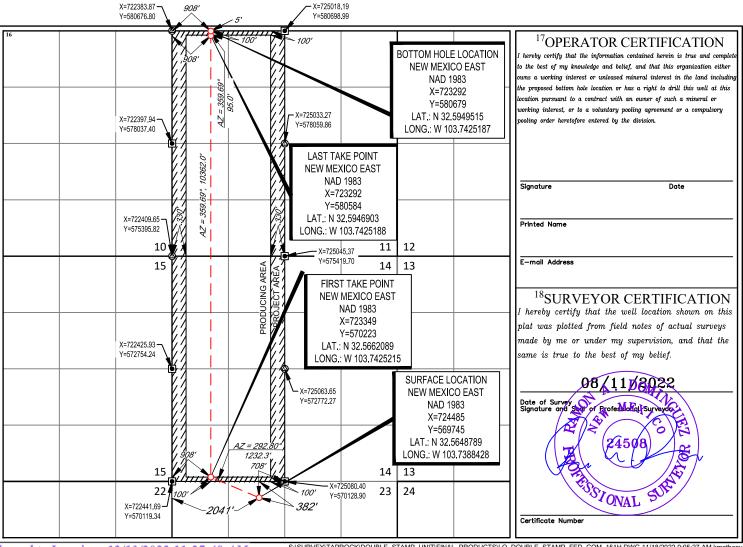
## WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |   | <sup>2</sup> Pool Code | <sup>3</sup> Pool Name |                          |  |  |
|----------------------------|---|------------------------|------------------------|--------------------------|--|--|
|                            |   |                        |                        |                          |  |  |
| <sup>4</sup> Property Code |   | <sup>5</sup> Pr        | roperty Name           | <sup>6</sup> Well Number |  |  |
|                            | DOUBLE STAMP FED COM 151H                         |                        |                        |                          |  |  |
| <sup>7</sup> OGRID N₀.     | <sup>8</sup> Operator Name <sup>9</sup> Elevation |                        |                        |                          |  |  |
| #372043                    | TAP ROCK OPERATING, LLC. 3536'                    |                        |                        |                          |  |  |
| 10 Company Logarition      |   |                        |                        |                          |  |  |

<sup>O</sup>Surface Location

| UL or lot no.     | Section  | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------|--|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C                 | 23   | 20-S     | 32-E  | -       | 382'          | NORTH            | 2041'         | WEST           | LEA    |
|                   | <sup>11</sup> Bottom Hole Location If Different From Surface             |          |       |         |               |                  |               |                |        |
| UL or lot no.     | Section  | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| D                 | 11   | 20-S     | 32-E  | -       | 5'            | NORTH            | 908'          | WEST           | LEA    |
| 12Dedicated Acres | 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. |          |       |         |               |                  |               |                |        |
|                   |  |          |       |         |               |                  |               |                |        |
| 1                 |  |          |       |         |               |                  |               |                |        |

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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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 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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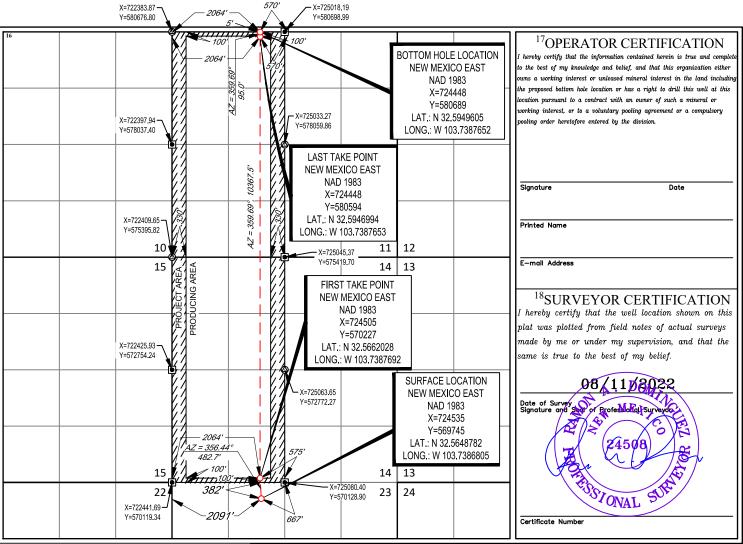
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## WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Numbe     | er                             | <sup>2</sup> Pool Code     |             | <sup>3</sup> Pool Name |                          |
|----------------------------|--------------------------------|----------------------------|-------------|------------------------|--------------------------|
| <sup>4</sup> Property Code | Code 5Pro                      |                            | operty Name |                        | <sup>6</sup> Well Number |
|                            |                                | 152H                       |             |                        |                          |
| <sup>7</sup> OGRID No.     |                                | <sup>8</sup> Operator Name |             |                        |                          |
| #372043                    | TAP ROCK OPERATING, LLC. 3536' |                            |             |                        | 3536'                    |
| 10 Surface Location        |                                |                            |             |                        |                          |

| UL or lot no.                 | Section  | Township   | Range          | Lot Idn               | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------------------|--|------------|----------------|-----------------------|---------------|------------------|---------------|----------------|--------|
| C                             | 23   | 20-S       | 32-E           | -                     | 382'          | NORTH            | 2091'         | WEST           | LEA    |
|                               | <sup>11</sup> Bottom Hole Location If Different From Surface |            |                |                       |               |                  |               |                |        |
| UL or lot no.                 | Section  | Township   | Range          | Lot Idn               | Feet from the | North/South line | Feet from the | East/West line | County |
| C                             | 11   | 20-S       | 32-E           | -                     | 5'            | NORTH            | 2064'         | WEST           | LEA    |
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or l                                     | nfill 14Co | nsolidation Co | de <sup>15</sup> Ordo | 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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County

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

Fast/West line

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |                                | <sup>2</sup> Pool Code      | <sup>3</sup> Pool Name |                          |  |
|----------------------------|--------------------------------|-----------------------------|------------------------|--------------------------|--|
|                            |                                |                             |                        |                          |  |
| <sup>4</sup> Property Code |                                | <sup>5</sup> Pr             | roperty Name           | <sup>6</sup> Well Number |  |
|                            | DOUBLE STAMP FED COM 171H      |                             |                        |                          |  |
| <sup>7</sup> OGRID No.     |                                | <sup>8</sup> O <sub>l</sub> | perator Name           | <sup>9</sup> Elevation   |  |
| #372043                    | TAP ROCK OPERATING, LLC. 3535' |                             |                        |                          |  |
| 10 Sunface Leastion        |                                |                             |                        |                          |  |

<sup>10</sup>Surface Location

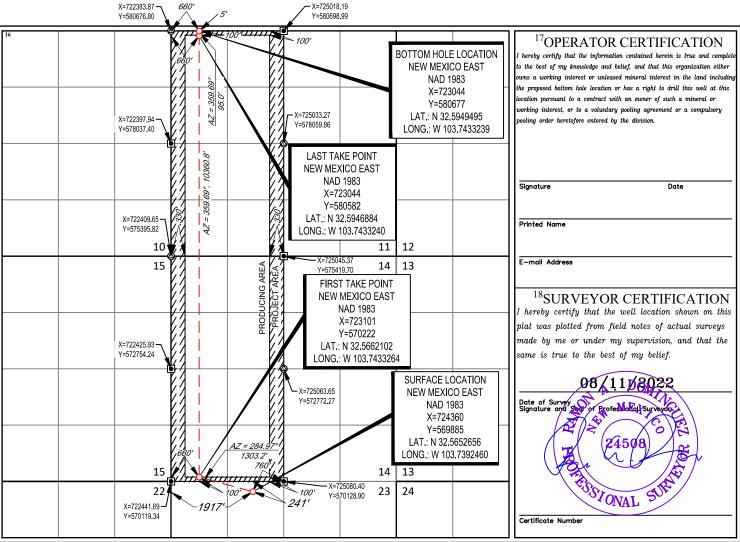
North/South line

Feet from the

Lot Idn

|     | C C  | 23                       | 20-S       | 32-E           |           | 241'          | NORTH            | 1917'         | WEST           | LEA    |
|-----|--|--------------------------|------------|----------------|-----------|---------------|------------------|---------------|----------------|--------|
| ı   | <sup>11</sup> Bottom Hole Location If Different From Surface |                          |            |                |           |               |                  |               |                |        |
| ſ   | UL or lot no.  | Section                  | Township   | Range          | Lot Idn   | Feet from the | North/South line | Feet from the | East/West line | County |
| -   | D  | 11                       | 20-S       | 32-E           | _         | 5'            | NORTH            | 660'          | WEST           | LEA    |
| Ī   | <sup>2</sup> Dedicated Acres                                 | <sup>13</sup> Joint or l | nfill 14Co | nsolidation Co | ode 15Ord | er No.        |                  |               |                |        |
| -   |  |                          |            |                |           |               |                  |               |                |        |
| - 1 |  | 1                        |            |                | I .       |               |                  |               |                |        |

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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County

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

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

AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

| <sup>1</sup> API Number    |                                | <sup>2</sup> Pool Code      | <sup>3</sup> Pool Name |                          |  |
|----------------------------|--------------------------------|-----------------------------|------------------------|--------------------------|--|
|                            |                                |                             |                        |                          |  |
| <sup>4</sup> Property Code |                                | <sup>5</sup> Pr             | roperty Name           | <sup>6</sup> Well Number |  |
|                            | DOUBLE STAMP FED COM 172H      |                             |                        |                          |  |
| <sup>7</sup> OGRID No.     |                                | <sup>8</sup> O <sub>l</sub> | perator Name           | <sup>9</sup> Elevation   |  |
| #372043                    | TAP ROCK OPERATING, LLC. 3536' |                             |                        |                          |  |
| 10 Sunface Leastion        |                                |                             |                        |                          |  |

<sup>10</sup>Surface Location

North/South line

Feet from the

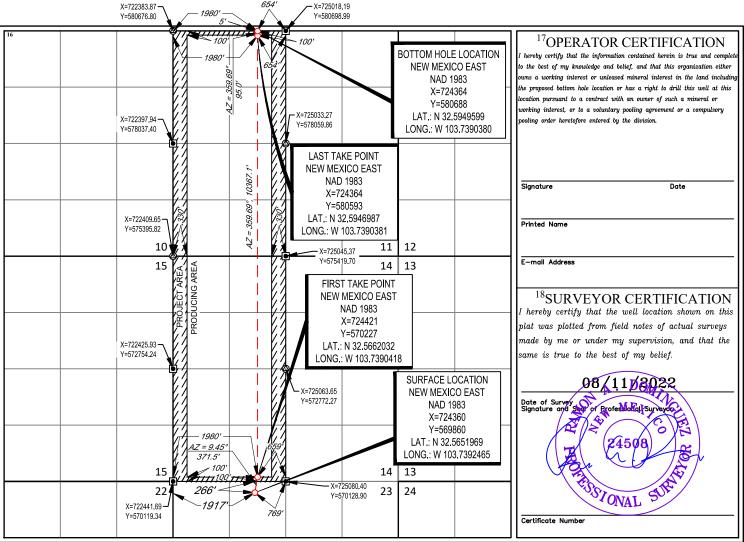
Fast/West line

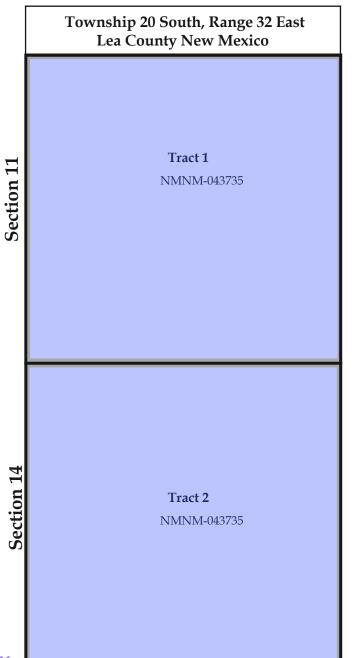
Feet from the

Lot Idn

| C  | 23      | 20-S     | 32-E  |         | 266'          | NORTH            | 1917'         | WEST           | LEA    |
|--|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| <sup>11</sup> Bottom Hole Location If Different From Surface   |         |          |       |         |               |                  |               |                |        |
| UL or lot no.  | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| C  | 11      | 20-S     | 32-E  | _       | 5'            | NORTH            | 1980'         | WEST           | LEA    |
| <sup>12</sup> Dedicated Acres   <sup>13</sup> Joint or Infill   <sup>14</sup> Consolidation Code   <sup>15</sup> Order No. |         |          |       |         |               |                  |               |                |        |
|  |         |          |       |         |               |                  |               |                |        |
|  |         |          |       |         |               |                  |               |                |        |

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





Tap Rock Operating, LLC
Case No. 22934
Exhibit A-3

Federal Acreage

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## Decirble Stamp W7:2 MSU



|                        | ith, Range 32 East<br>New Mexico |
|------------------------|----------------------------------|
| Tract 1<br>NMNM-043735 | Section 09                       |
| Tract 2<br>NMNM-063016 | Section 16                       |

Federal Acreage

Double Stamp W/2
HSU

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|       | Double Stamp W/2 HSU  |                                  |  |  |  |  |  |  |
|-------|-----------------------|----------------------------------|--|--|--|--|--|--|
| Tract | Legal                 | Party                            |  |  |  |  |  |  |
| 1     | Section 11, T20S R32E | Tap Rock Resources II, LLC       |  |  |  |  |  |  |
|       |                       |                                  |  |  |  |  |  |  |
|       |                       | * EOG Resources, Inc 35%         |  |  |  |  |  |  |
| 2     | Section 14, T20S R32E | Tap Rock Resources II, LLC - 65% |  |  |  |  |  |  |

|       | Double Stamp E/2 HSU  |                                  |  |  |  |  |  |  |  |
|-------|-----------------------|----------------------------------|--|--|--|--|--|--|--|
| Tract | Legal                 | Party                            |  |  |  |  |  |  |  |
| 1     | Section 11, T20S R32E | Tap Rock Resources II, LLC       |  |  |  |  |  |  |  |
|       |                       |                                  |  |  |  |  |  |  |  |
|       |                       | * EOG Resources, Inc 35%         |  |  |  |  |  |  |  |
| 2     | Section 14, T20S R32E | Tap Rock Resources II, LLC - 65% |  |  |  |  |  |  |  |

<sup>\*</sup> Parties Tap Rock seeks to pool.

| Party                      | Interest Type    | Working Interest | Status      |
|----------------------------|------------------|------------------|-------------|
| * EOG Resources, Inc.      | Working Interest | 35.000000%       | Uncommitted |
| Tap Rock Resources II, LLC | Working Interest | 65.000000%       | Committed   |
|                            |                  | 100.000000%      |             |

<sup>\*</sup> Parties Tap Rock seeks to pool.

#### TAP ROCK RESOURCES, LLC

ERICA SHEWMAKER - LANDMAN ESHEWMAKER@TAPRK.COM

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



Tap Rock Operating, LLC Case No. 22934 Exhibit A-4

May 10, 2022

Via Certified Mail

EOG RESOURCES INC 5509 CHAMPIONS DRIVE MIDLAND, TX 79706

## **Re: Well Proposals for:**

- Double Stamp Fed Com #111H
- Double Stamp Fed Com #112H
- Double Stamp Fed Com #115H
- Double Stamp Fed Com #121H
- Double Stamp Fed Com #122H
- Double Stamp Fed Com #125H
- Double Stamp Fed Com #127H
- Double Stamp Fed Com #131H
- Double Stamp Fed Com #132H
- Double Stamp Fed Com #135H
- Double Stamp Fed Com #151H
- Double Stamp Fed Com #152H
- Double Stamp Fed Com #171H
- Double Stamp Fed Com #172H

Township 20 South, Range 32 East, Sections 11 & 14: W/2

Lea County, New Mexico

(the "Wells")

## Dear Working Interest Owner:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the following Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed for your further handling are our AFEs for the following Wells:

| Well Name                  | Surface Hole<br>Location (SHL) | Bottom Hole<br>Location (BHL) | Formation   | True<br>Vertical<br>Depth | Measured<br>Depth |
|----------------------------|--------------------------------|-------------------------------|-------------|---------------------------|-------------------|
| DOUBLE STAMP FED COM #111H | SE/4SW/4 of<br>Section 14      | 330' FWL of<br>Section 11     | Bone Spring | 9,000'                    | 19,660'           |
| DOUBLE STAMP FED COM #112H | SE/4SW/4 of<br>Section 14      | 2,178' FWL of<br>Section 11   | Bone Spring | 9,000'                    | 19,660'           |
| DOUBLE STAMP FED COM #115H | SE/4SW/4 of<br>Section 14      | 1,254' FWL of<br>Section 11   | Bone Spring | 9,000'                    | 19,660'           |

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

#### TAP ROCK RESOURCES, LLC

ERICA SHEWMAKER - LANDMAN ESHEWMAKER@TAPRK.COM



| DOUBLE STAMP FED COM #121H | SE/4SW/4 of<br>Section 14 | 330' FWL of<br>Section 11   | Bone Spring | 9,700'  | 20,360' |
|----------------------------|---------------------------|-----------------------------|-------------|---------|---------|
| DOUBLE STAMP FED COM #122H | SE/4SW/4 of<br>Section 14 | 1,650' FWL of<br>Section 11 | Bone Spring | 9,700'  | 20,360' |
| DOUBLE STAMP FED COM #125H | SE/4SW/4 of<br>Section 14 | 990' FWL of<br>Section 11   | Bone Spring | 9,700'  | 20,360' |
| DOUBLE STAMP FED COM #127H | SE/4SW/4 of<br>Section 14 | 2,310' FWL of<br>Section 11 | Bone Spring | 9,700'  | 20,360' |
| DOUBLE STAMP FED COM #131H | SE/4SW/4 of<br>Section 14 | 330' FWL of<br>Section 11   | Bone Spring | 10,350' | 21,010' |
| DOUBLE STAMP FED COM #132H | SE/4SW/4 of<br>Section 14 | 2,178' FWL of<br>Section 11 | Bone Spring | 10,350' | 21,010' |
| DOUBLE STAMP FED COM #135H | SE/4SW/4 of<br>Section 14 | 1,254' FWL of<br>Section 11 | Bone Spring | 10,350' | 21,010' |
| DOUBLE STAMP FED COM #151H | SE/4SW/4 of<br>Section 14 | 908' FWL of<br>Section 11   | Bone Spring | 10,350' | 21,010' |
| DOUBLE STAMP FED COM #152H | SE/4SW/4 of<br>Section 14 | 2,064' FWL of<br>Section 11 | Bone Spring | 10,350' | 21,010' |
| DOUBLE STAMP FED COM #171H | SE/4SW/4 of<br>Section 14 | 660' FWL of<br>Section 11   | Bone Spring | 8,300'  | 18,960' |
| DOUBLE STAMP FED COM #172H | SE/4SW/4 of<br>Section 14 | 1,980' FWL of<br>Section 11 | Bone Spring | 8,300'  | 18,960' |

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. 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. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers ALL of Sections 11 & 14, Township 20 South, Range 32 East, Lea County, New Mexico.

If you do not wish to participate in the operation, TRO would like to offer the following terms:

- · 3 year Term Assignment
- · Royalty equal to the difference between existing burdens and 20%
- · \$500 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO's board and verification of title.

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed Wells. If an agreement cannot be reached within 30 days of your receipt of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed Wells to allow TRO to move forward with planning and drilling the Wells.

Should you have any questions regarding the above, please contact the undersigned.

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

TAP ROCK RESOURCES, LLC

ERICA SHEWMAKER - LANDMAN ESHEWMAKER@TAPRK.COM



| <b>EOG RESOURCES INC hereby elects to:</b>    |
|---|
| participate in the DOUBLE STAMP FED COM #111F |
| non-consent the DOUBLE STAMP FED COM #111H    |
| participate in the DOUBLE STAMP FED COM #112F |
| non-consent the DOUBLE STAMP FED COM #112H    |
| participate in the DOUBLE STAMP FED COM #115F |
| non-consent the DOUBLE STAMP FED COM #115H    |
| participate in the DOUBLE STAMP FED COM #121F |
| non-consent the DOUBLE STAMP FED COM #121H    |
| participate in the DOUBLE STAMP FED COM #122F |
| non-consent the DOUBLE STAMP FED COM #122H    |
| participate in the DOUBLE STAMP FED COM #125F |
| non-consent the DOUBLE STAMP FED COM #125H    |
| participate in the DOUBLE STAMP FED COM #127F |
| non-consent the DOUBLE STAMP FED COM #127H    |
| participate in the DOUBLE STAMP FED COM #131F |
| non-consent the DOUBLE STAMP FED COM #131H    |
| participate in the DOUBLE STAMP FED COM #132F |
| non-consent the DOUBLE STAMP FED COM #132H    |
| participate in the DOUBLE STAMP FED COM #135F |
| non-consent the DOUBLE STAMP FED COM #135H    |
| participate in the DOUBLE STAMP FED COM #151H |
| non-consent the DOUBLE STAMP FED COM #151H    |
| participate in the DOUBLE STAMP FED COM #152F |
| non-consent the DOUBLE STAMP FED COM #152H    |
| participate in the DOUBLE STAMP FED COM #171F |
| non-consent the DOUBLE STAMP FED COM #171H    |
| participate in the DOUBLE STAMP FED COM #172F |
| non-consent the DOUBLE STAMP FED COM #172H    |
| By:   |
| Name:   |
| Title:  |
| Date:   |

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

INTANGIBLE COMPLETION COSTS

Name: Double Stamp #111 AFE #: 0

AFE #: 0 County: Lea State: NM Date: May 10, 2022 MD/TVD: 19660 / 9000 Lateral Length: 10210 Geologic Target: 1st Bone Spring

Well Description:

Drill, complete, and produce a horizontal 1st Bone Spring well with a 10210 foot lateral.

| os:      | CODES | DESCRIPTION                          | AMOUNT  |
|----------|-------|--------------------------------------|---------|
| -        | 1     | Land - Legal                         | 10,000  |
| -        | 2     | Land - Regulatory                    | 10,000  |
| -        | 3     | Land - Surface Damages               | 10,000  |
| L        | 4     | Land - Survey                        | 10,000  |
|          | 5     | Location/Pit Construction            | 78,500  |
|          | 6     | Remedial Dirtwork                    | 0       |
|          | 7     | Reserve/Frac Pit Closing             | 0       |
|          | 8     | Drilling - Contractor                | 474,408 |
| L        | 9     | Mob/Rig Up - Contractor/Trucking     | 50,000  |
|          | 10    | Cementing Services                   | 190,000 |
|          | 11    | Cementing Equipment                  | 33,000  |
| L        | 12    | Bits/Drill Out Assemblies            | 77,000  |
| L        | 13    | Fluid Circulation Equipment/Services | 69,075  |
| l        | 14    | Fluids/Chemicals                     | 73,163  |
|          | 15    | WBM Cuttings/Wastewater Disposal     | 42,525  |
| L        | 16    | OBM Cuttings/Chemical Disposal       | 0       |
| L        | 17    | Fuel/Power                           | 162,750 |
| L        | 18    | Water                                | 54,200  |
| <u> </u> | 19    | Directional Drilling                 | 210,000 |
| <u> </u> | 20    | Mud Logging                          | 24,071  |
| <u> </u> | 21    | Open/Cased/Production Hole Logs      | 0       |
| <u> </u> | 22    | Coring                               | 0       |
| <u> </u> | 23    | Geologic Supervision                 | 0       |
| Ц        | 24    | Engineering Supervision              | 0       |
| L        | 25    | Consultant Supervision               | 105,600 |
| Ц        | 26    | Freight/Transportation               | 9,000   |
| Ц        | 27    | Labor                                | 129,000 |
| L        | 28    | Supplies - Surface                   | 2,500   |
| Ц        | 29    | Supplies - Living Quarters           | 1,000   |
| Ц        | 30    | Rentals - Surface                    | 82,615  |
| L        | 31    | Rentals - Living Quarters            | 49,900  |
| L        | 32    | Rentals - Downhole                   | 18,500  |
| L        | 33    | Rentals - Pipe & Handling Tools      | 97,650  |
| L        | 34    | Rentals - Frac Stack                 |         |
| L        | 35    | Rentals - Frac Tanks                 | 6,300   |
| L        | 36    | Coil Tubing Unit/Workover Rig        |         |
| L        | 37    | Wireline/Slickline/Perforating       |         |
| L        | 38    | Temporary Packers/Plugs              |         |
| L        | 39    | High Pressure Pump Truck             |         |
| L        | 40    | Stimulation                          |         |
| L        | 41    | Rentals - Pressure Control           |         |
| L        | 42    | Flowback Services                    |         |
|          | 43    | Water Transfer Services              |         |
|          | 44    | Flowback Water Trucking & Disposal   |         |
| L        | 45    | Permanent Equipment Installation     |         |
| L        | 46    | Pipeline Tapping Services            |         |
| L        | 47    | Plugging & Abandonment               | 0       |
| L        | 53    | Overhead                             | 0       |
| L        | 54    | Insurance                            | 20,000  |
|          | 55    | Contingency                          | 63,023  |

| 2         1         Land - Regulatory           2         3         Land - Surface Damages           2         4         Land - Survey           2         5         Location/Pit Construction           2         6         Remedial Dirtwork           2         7         Reserve/Frac Pit Closing           2         8         Drilling - Contractor           2         9         Mob/Rig Up - Contractor/Trucking           2         10         Cementing Services           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           3         Ily Fluids/Chemicals         35,875           4         Fluid Schemicals         35,875           4         Fluid Fluids/Chemicals         35,875           4         Fluid Fluids/Chemical Disposal           2         16         OBM Cuttings/Wastewater Disposal           2         16         OBM Cuttings/Chemical Disposal           2         17         Fuel/Power         566,000           3         18         Water         434,794           2         19         Directional Drilling         434,794           2<  | cos | T CODES | DESCRIPTION COSTS                | AMOUNT    |
|---|-----|---------|----------------------------------|-----------|
| 2         2         Land - Surface Damages           2         4         Land - Survey           2         4         Land - Survey           2         5         Location/Pit Construction           2         6         Remedial Dirtwork           2         7         Reserve/Frac Pit Closing           2         8         Drilling - Contractor           2         9         Mob/Rig Up - Contractor/Trucking           2         10         Cementing Equipment           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           2         13         Fluid Circulation Equipment/Services         35,875           2         14         Fluids/Chemicals         35,875           2         15         WBM Cuttings/Mastewater Disposal         66,000           2         16         OBM Cuttings/Chemical Disposal         66,000           2         17         Fuel/Power         566,000           2         18         Water         434,794           2         19         Directional Drilling         434,794           2         19         Directional Drilling         8,440   |     |         |                                  | AWOON     |
| 2         4         Land - Survey           2         4         Land - Survey           2         5         Location/Pit Construction           2         6         Remedial Dirtwork           2         7         Reserve/Frac Pit Closing           2         8         Drilling - Contractor           2         9         Mob/Rig Up - Contractor/Trucking           2         10         Cementing Equipment           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           2         13         Fluid Circulation Equipment/Services         2           2         14         Fluids/Chemicals         35,875           2         15         WBM Cuttings/Wastewater Disposal         2           2         16         OBM Cuttings/Chemical Disposal         2           2         16         OBM Cuttings/Chemical Disposal         2           2         17         Fuel/Power         566,000           2         18         Water         434,794           2         19         Directional Drilling         434,794           2         19         Directional Drilling <td< td=""><td>_</td><td></td><td>-</td><td></td></td<>   | _   |         | -                                |           |
| 2         4         Land - Survey           2         5         Location/Pit Construction           2         6         Remedial Dirtwork           2         7         Reserve/Frac Pit Closing           2         8         Drilling - Contractor           2         9         Mob/Rig Up - Contractor/Trucking           2         10         Cementing Services           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           2         13         Fluid Circulation Equipment/Services           2         14         Fluid Circulation Equipment/Services           2         15         WBM Cuttings/Wastewater Disposal           2         16         OBM Cuttings/Chemical Disposal           2         17         Fuel/Power         566,000           3         18         Water         434,794           4         18         Water         434,794           2         19         Directional Drilling         2           2         20         Mud Logging         2           2         21         Open/Cased/Production Hole Logs         8,440           2  |     |         |                                  |           |
| 2         5         Location/Pit Construction           2         6         Remedial Dirtwork           2         7         Reserve/Frac Pit Closing           2         8         Drilling - Contractor           2         9         Mob/Rig Up - Contractor/Trucking           2         10         Cementing Services           2         11         Cementing Services           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           2         13         Fluid Circulation Equipment/Services         35,875           2         14         Fluids/Chemicals         35,875           2         15         WBM Cuttings/Wastewater Disposal           2         16         OBM Cuttings/Chemical Disposal           2         16         OBM Cuttings/Chemical Disposal           2         17         Fuel/Power         566,000           3         18         Water         434,794           2         19         Directional Drilling         434,794           2         19         Directional Drilling         42           2         21         Open/Cased/Production Hole Logs         8,440 </td <td></td> <td></td> <td></td> <td></td>  |     |         |                                  |           |
| 2         6         Remedial Dirtwork           2         7         Reserve/Frac Pit Closing           2         8         Drilling - Contractor           2         9         Mob/Rig Up - Contractor/Trucking           2         10         Cementing Services           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           2         13         Fluid Circulation Equipment/Services           2         14         Fluids/Chemicals         35,875           2         15         WBM Cuttings/Wastewater Disposal           2         16         OBM Cuttings/Chemical Disposal           2         17         Fuel/Power         566,000           2         18         Water         434,794           2         19         Directional Drilling         434,794           2         19         Directional Drilling         8,440           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         8,440           2         22         Coring         2           2         23         Geologic Supervision         2 </td <td></td> <td></td> <td></td> <td></td>  |     |         |                                  |           |
| 2         7         Reserve/Frac Pit Closing           2         8         Drilling - Contractor           2         9         Mob/Rig Up - Contractor/Trucking           2         10         Cementing Services           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           2         13         Fluid Circulation Equipment/Services           2         14         Fluids/Chemicals         35,875           2         15         WBM Cuttings/Chemical Disposal         566,000           2         16         OBM Cuttings/Chemical Disposal         566,000           2         17         Fuel/Power         566,000           2         18         Water         434,794           2         19         Directional Drilling         434,794           2         19         Directional Drilling         8,440           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         8           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         8 <t< td=""><td></td><td></td><td></td><td></td></t<>  |     |         |                                  |           |
| 2   8   Drilling - Contractor   |     |         |                                  |           |
| 2   9   Mob/Rig Up - Contractor/Trucking   2   10   Cementing Services   2   11   Cementing Equipment   39,421   2   12   Bits/Drill Out Assemblies   39,421   2   13   Fluid Circulation Equipment/Services   2   14   Fluids/Chemicals   35,875   2   15   WBM Cuttings/Wastewater Disposal   2   16   OBM Cuttings/Chemical Disposal   2   17   Fuel/Power   566,000   34,794   2   19   Directional Drilling   434,794   2   19   Directional Drilling   2   20   Mud Logging   2   21   Open/Cased/Production Hole Logs   8,440   2   22   Coring   2   23   Geologic Supervision   2   24   Engineering Supervision   2   25   Consultant Supervision   82,000   2   26   Freight/Transportation   2,000   2   27   Labor   14,220   2   28   Supplies - Surface   2,000   2   25   Supplies - Living Quarters   2,000   2   23   Rentals - Living Quarters   2,000   3   Rentals - Pipe & Handling Tools   0   0   0   0   0   0   0   0   0   |     |         |                                  |           |
| 2         10         Cementing Services           2         11         Cementing Equipment           2         12         Bits/Drill Out Assemblies         39,421           2         13         Fluid Circulation Equipment/Services           2         14         Fluid Circulation Equipment/Services           2         15         WBM Cuttings/Wastewater Disposal           2         16         OBM Cuttings/Chemical Disposal           2         17         Fuel/Power         566,000           3         18         Water         434,794           4         19         Directional Drilling         434,794           2         19         Directonal Drilling         566,000           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         2           2         23         Geologic Supervision         2           2         24         Engineering Supervision         82,000           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         82,000           2         26         Freight/Transportation         2,000  |     |         |                                  |           |
| 11   Cementing Equipment   39,421   | 2   |         |                                  |           |
| 2   |     |         |                                  |           |
| 13  |     |         |                                  |           |
| 2   | 2   | 12      |                                  | 39,421    |
| 2   | 2   | 13      |                                  |           |
| 2         16         OBM Cuttings/Chemical Disposal           2         17         Fuel/Power         566,000           2         18         Water         434,794           2         19         Directional Drilling           2         20         Mud Logging         9           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         82,400           2         24         Engineering Supervision         82,000           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         82,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Downhole         0           2         32         Rentals - Prac Stack  | 2   | 14      | Fluids/Chemicals                 | 35,875    |
| 2         17         Fuel/Power         566,000           2         18         Water         434,794           2         19         Directional Drilling           2         20         Mud Logging         2           2         21         Open/Cased/Production Hole Logs         8,440           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Corring         2           2         23         Geologic Supervision         82,000           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         2,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         27         Labor         14,220           2         29         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Dival Quarters         14,960           3         32         Rentals - Pipe & Handling   | 2   | 15      | WBM Cuttings/Wastewater Disposal |           |
| 2         18         Water         434,794           2         19         Directional Drilling           2         20         Mud Logging         8,440           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         2           2         23         Geologic Supervision         82,000           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         82,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         28         Supplies - Surface         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Surface         20,080           2         32         Rentals - Living Quarters         14,960           2         33         Rentals - Pipe & Handling Tools         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Renta   | 2   | 16      | OBM Cuttings/Chemical Disposal   |           |
| 2         19         Directional Drilling           2         20         Mud Logging         8,440           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         2           2         23         Geologic Supervision         82,000           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         2,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         28         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Diving Quarters         14,960           3         Rentals - Prac Stack         95,787           2         33         Rentals - Frac Stack         95,787           2         34         Rentals - Frac Tanks         29,315           2         36         Coil Tub  | 2   | 17      | Fuel/Power                       | 566,000   |
| 2         20         Mud Logging           2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         2           2         23         Geologic Supervision         82,000           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         2,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         28         Supplies - Living Quarters         2,000           2         29         Supplies - Living Quarters         20,080           2         31         Rentals - Surface         20,080           2         31         Rentals - Surface         20,080           2         33         Rentals - Downhole         0           2         33         Rentals - Frac Stack         95,787           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Stack         95,787           2         35         R   | 2   | 18      | Water                            | 434,794   |
| 2         21         Open/Cased/Production Hole Logs         8,440           2         22         Coring         8,440           2         23         Geologic Supervision         2           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         82,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         29         Supplies - Living Quarters         14,960           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Pise & Handling Tools         0           2         33         Rentals - Frac Stack         95,787           2         34         Rentals - Frac Tanks         29,315           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         9,660   | 2   | 19      | Directional Drilling             |           |
| 2         22         Coring           2         23         Geologic Supervision           2         24         Engineering Supervision           2         25         Consultant Supervision         82,000           2         25         Consultant Supervision         2,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Surface         20,080           2         32         Rentals - Surface         20,080           2         33         Rentals - Downhole         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Stack         95,787           2         36         Coil Tubing Unit/Workover Rig <td< td=""><td>2</td><td>20</td><td>Mud Logging</td><td></td></td<>  | 2   | 20      | Mud Logging                      |           |
| 2         23         Geologic Supervision           2         24         Engineering Supervision         82,000           2         25         Consultant Supervision         82,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         32         Rentals - Pipe & Handling Tools         0           2         33         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           3         39         High Pressure Pump Truck         69,660 <tr< td=""><td>2</td><td>21</td><td>Open/Cased/Production Hole Logs</td><td>8,440</td></tr<> | 2   | 21      | Open/Cased/Production Hole Logs  | 8,440     |
| 2         24         Engineering Supervision           2         25         Consultant Supervision         82,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         28         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Prac Stack         95,787           2         34         Rentals - Frac Tanks         29,315           2         34         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792 <t< td=""><td>2</td><td>22</td><td>Coring</td><td></td></t<>   | 2   | 22      | Coring                           |           |
| 2         25         Consultant Supervision         82,000           2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,088           2         31         Rentals - Surface         20,088           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Prac Stack         95,787           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792   | 2   | 23      | Geologic Supervision             |           |
| 2         26         Freight/Transportation         2,000           2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681  | 2   | 24      | Engineering Supervision          |           |
| 2         27         Labor         14,220           2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Frac Stack         95,787           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500 <t< td=""><td>2</td><td>25</td><td>Consultant Supervision</td><td>82,000</td></t<>                       | 2   | 25      | Consultant Supervision           | 82,000    |
| 2         28         Supplies - Surface         2,000           2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056   | 2   | 26      | Freight/Transportation           | 2,000     |
| 2         29         Supplies - Living Quarters         2,000           2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation   | 2   | 27      | Labor                            | 14,220    |
| 2         30         Rentals - Surface         20,080           2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           3         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation  | 2   | 28      | Supplies - Surface               | 2,000     |
| 2         31         Rentals - Living Quarters         14,960           2         32         Rentals - Downhole         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control         2           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation         2           2         46         Pipeline Tapping Services         48,681           2         47         Plugging & A   | 2   | 29      | Supplies - Living Quarters       | 2,000     |
| 2         32         Rentals - Downhole         0           2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Silckline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           41         Rentals - Pressure Control           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation         2           2         46         Pilpging & Abandonment         4           2         53         Overhead         16,880           2  | 2   | 30      | Rentals - Surface                | 20,080    |
| 2         33         Rentals - Pipe & Handling Tools         0           2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency   | 2   | 31      | Rentals - Living Quarters        | 14,960    |
| 2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance         152,797   | 2   | 32      | Rentals - Downhole               | 0         |
| 2         34         Rentals - Frac Stack         95,787           2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance         152,797   | 2   | 33      | Rentals - Pipe & Handling Tools  | 0         |
| 2         35         Rentals - Frac Tanks         29,315           2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797   | 2   |         |                                  | 95.787    |
| 2         36         Coil Tubing Unit/Workover Rig         94,066           2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797  | 2   | 35      |                                  |           |
| 2         37         Wireline/Slickline/Perforating         303,200           2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797  |     |         |                                  |           |
| 2         38         Temporary Packers/Plugs         48,100           2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance         152,797   |     |         |                                  |           |
| 2         39         High Pressure Pump Truck         69,660           2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797  |     |         |                                  |           |
| 2         40         Stimulation         2,071,792           2         41         Rentals - Pressure Control           2         42         Flowback Services         48,681           2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance         152,797  |     |         |                                  |           |
| 2     41     Rentals - Pressure Control       2     42     Flowback Services     48,681       2     43     Water Transfer Services     79,500       2     44     Flowback Water Trucking & Disposal     13,056       2     45     Permanent Equipment Installation       2     46     Pipeline Tapping Services       2     47     Plugging & Abandonment       2     53     Overhead     16,880       2     54     Insurance       2     55     Contingency     152,797  |     |         |                                  |           |
| 2     42     Flowback Services     48,681       2     43     Water Transfer Services     79,500       2     44     Flowback Water Trucking & Disposal     13,056       2     45     Permanent Equipment Installation       2     46     Pipeline Tapping Services       2     47     Plugging & Abandonment       2     53     Overhead     16,880       2     54     Insurance       2     55     Contingency     152,797  |     |         |                                  | 2,0,2,732 |
| 2         43         Water Transfer Services         79,500           2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797  |     |         |                                  | AQ 601    |
| 2         44         Flowback Water Trucking & Disposal         13,056           2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797  |     |         |                                  |           |
| 2         45         Permanent Equipment Installation           2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797   |     |         |                                  |           |
| 2         46         Pipeline Tapping Services           2         47         Plugging & Abandonment           2         53         Overhead         16,880           2         54         Insurance           2         55         Contingency         152,797   |     |         |                                  | 13,030    |
| 2     47     Plugging & Abandonment       2     53     Overhead     16,880       2     54     Insurance       2     55     Contingency     152,797  |     |         |                                  |           |
| 2         53         Overhead         16,880           2         54         Insurance         152,797           2         55         Contingency         152,797  |     |         |                                  |           |
| 2         54         Insurance           2         55         Contingency         152,797   |     |         |                                  | 16 000    |
| 2 55 Contingency 152,797  |     |         |                                  | 16,880    |
|   |     |         |                                  | 452.707   |
| TOTAL INTANGIBLE COMPLETION COSTS: \$4,244,622  | 2   | 55      |                                  |           |

|     |         | INTANGIBLE PRODUCTION COSTS          |           |
|-----|---------|--------------------------------------|-----------|
| cos | T CODES | DESCRIPTION                          | AMOUNT    |
| 3   | 1       | Land - Legal                         |           |
| 3   | 2       | Land - Regulatory                    |           |
| 3   | 3       | Land - Surface Damages               |           |
| 3   | 4       | Land - Survey                        |           |
| 3   | 5       | Location/Pit Construction            | 5,000     |
| 3   | 6       | Remedial Dirtwork                    |           |
| 3   | 7       | Reserve/Frac Pit Closing             |           |
| 3   | 8       | Drilling - Contractor                |           |
| 3   | 9       | Mob/Rig Up - Contractor/Trucking     |           |
| 3   | 10      | Cementing Services                   |           |
| 3   | 11      | Cementing Equipment                  |           |
| 3   | 12      | Bits/Drill Out Assemblies            |           |
| 3   | 13      | Fluid Circulation Equipment/Services |           |
| 3   | 14      | Fluids/Chemicals                     |           |
| 3   | 15      | WBM Cuttings/Wastewater Disposal     |           |
| 3   | 16      | OBM Cuttings/Chemical Disposal       |           |
| 3   | 17      | Fuel/Power                           |           |
| 3   | 18      | Water                                |           |
| 3   | 19      | Directional Drilling                 |           |
|     |         |                                      |           |
| 3   | 20      | Mud Logging                          |           |
| 3   | 21      | Open/Cased/Production Hole Logs      |           |
| 3   | 22      | Coring                               |           |
| 3   | 23      | Geologic Supervision                 |           |
| 3   | 24      | Engineering Supervision              |           |
| 3   | 25      | Consultant Supervision               | 18,500    |
| 3   | 26      | Freight/Transportation               | 15,000    |
| 3   | 27      | Labor                                | 38,000    |
| 3   | 28      | Supplies - Surface                   |           |
| 3   | 29      | Supplies - Living Quarters           |           |
| 3   | 30      | Rentals - Surface                    | 9,800     |
| 3   | 31      | Rentals - Living Quarters            |           |
| 3   | 32      | Rentals - Downhole                   |           |
| 3   | 33      | Rentals - Pipe & Handling Tools      |           |
| 3   | 34      | Rentals - Frac Stack                 | 12,950    |
| 3   | 35      | Rentals - Frac Tanks                 | 15,000    |
| 3   | 36      | Coil Tubing Unit/Workover Rig        | 34,500    |
| 3   | 37      | Wireline/Slickline/Perforating       | 5,500     |
| 3   | 38      | Temporary Packers/Plugs              |           |
| 3   | 39      | High Pressure Pump Truck             |           |
| 3   | 40      | Stimulation                          |           |
| 3   | 41      | Rentals - Pressure Control           |           |
| 3   | 42      | Flowback Services                    | 43,600    |
| 3   | 43      | Water Transfer Services              |           |
| 3   | 44      | Flowback Water Trucking & Disposal   | 65,960    |
| 3   | 45      | Permanent Equipment Installation     |           |
| 3   | 46      | Pipeline Tapping Services            |           |
| 3   | 47      | Plugging & Abandonment               |           |
| 3   | 53      | Overhead                             | 0         |
| 3   | 54      | Insurance                            |           |
| 3   | 55      | Contingency                          | 11,778    |
|     |         |                                      |           |
|     |         | TOTAL INTANGIBLE PRODUCTION COSTS:   | \$275,588 |

TOTAL INTANGIBLE DRILLING COSTS: \$2,163,779

TANGIBLE COMPLETION COSTS

| TANGIRI F | PRODUCTION  | COST |
|-----------|-------------|------|
| IANGIDEE  | I KODOCIION | COSI |

| TANGIBLE DRILLING COSTS |       |                                       |         |  |  |
|-------------------------|-------|---------------------------------------|---------|--|--|
| COST                    | CODES | DESCRIPTION                           | AMOUNT  |  |  |
| 4                       | 60    | Conductor Casing                      | 30,000  |  |  |
| 4                       | 61    | Surface Casing                        | 112,511 |  |  |
| 4                       | 62    | 1st Intermediate Casing               | 178,610 |  |  |
| 4                       | 63    | 2nd Intermediate Casing               | 194,149 |  |  |
| 4                       | 64    | Production Casing                     | 594,816 |  |  |
| 4                       | 65    | Tubing                                |         |  |  |
| 4                       | 66    | Wellhead                              | 78,000  |  |  |
| 4                       | 67    | Permanent Packers/Hangers/Plugs       |         |  |  |
| 4                       | 68    | Tanks                                 |         |  |  |
| 4                       | 69    | Production Vessels                    |         |  |  |
| 4                       | 70    | Compressors                           |         |  |  |
| 4                       | 71    | Surface Flowlines                     |         |  |  |
| 4                       | 72    | Gathering Lines                       |         |  |  |
| 4                       | 73    | Valves & Controllers                  |         |  |  |
| 4                       | 74    | Artificial Lift Equipment             |         |  |  |
| 4                       | 75    | Instrumentation & Measurement         |         |  |  |
| 4                       | 76    | Electrical Grounding/Safety Equipment |         |  |  |
| 4                       | 77    | Permanent Equipment Installation      |         |  |  |
| 4                       | 80    | Other - Surface                       |         |  |  |
| 4                       | 81    | Other - Downhole                      | 15,000  |  |  |

|   |         | TANGIBLE COM LETTON COSTS             |        |
|---|---------|---------------------------------------|--------|
|   | T CODES | DESCRIPTION                           | AMOUNT |
| 5 | 60      | Conductor Casing                      |        |
| 5 | 61      | Surface Casing                        |        |
| 5 | 62      | 1st Intermediate Casing               |        |
| 5 | 63      | 2nd Intermediate Casing               |        |
| 5 | 64      | Production Casing                     | C      |
| 5 | 65      | Tubing                                |        |
| 5 | 66      | Wellhead                              | (      |
| 5 | 67      | Permanent Packers/Hangers/Plugs       |        |
| 5 | 68      | Tanks                                 |        |
| 5 | 69      | Production Vessels                    |        |
| 5 | 70      | Compressors                           |        |
| 5 | 71      | Surface Flowlines                     |        |
| 5 | 72      | Gathering Lines                       |        |
| 5 | 73      | Valves & Controllers                  |        |
| 5 | 74      | Artificial Lift Equipment             |        |
| 5 | 75      | Instrumentation & Measurement         |        |
| 5 | 76      | Electrical Grounding/Safety Equipment |        |
| 5 | 77      | Permanent Equipment Installation      |        |
| 5 | 80      | Other - Surface                       |        |
| 5 | 81      | Other - Downhole                      |        |
|   |         | TOTAL TANGIBLE COMPLETION COSTS:      | \$0    |

| 60   |                                       |         |
|------|---------------------------------------|---------|
|      | Conductor Casing                      |         |
| 61   | Surface Casing                        |         |
| 62   | 1st Intermediate Casing               |         |
| 63   | 2nd Intermediate Casing               |         |
| 64   | Production Casing                     |         |
| 65   | Tubing                                | 95,400  |
| 66   | Wellhead                              | 62,100  |
| 67   | Permanent Packers/Hangers/Plugs       | 0       |
| 68   | Tanks                                 |         |
| 69   | Production Vessels                    | 160,000 |
| 5 70 | Compressors                           |         |
| 5 71 | Surface Flowlines                     | 50,000  |
| 5 72 | Gathering Lines                       | 0       |
| 5 73 | Valves & Controllers                  | 0       |
| 5 74 | Artificial Lift Equipment             | 28,500  |
| 5 75 | Instrumentation & Measurement         |         |
| 5 76 | Electrical Grounding/Safety Equipment |         |
| 5 77 | Permanent Equipment Installation      | 5,000   |
| 5 80 | Other - Surface                       |         |
| 5 81 | Other - Downhole                      |         |

TOTAL TANGIBLE DRILLING COSTS: \$1,203,085

TOTAL DRILLING COSTS: \$3,366,864

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,288,075

## TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | <br>VP - EXPLORATION _ |  |
|-------------------|------------------------|--|
| CFO               | <br>VP - OPERATIONS _  |  |
| VP - LAND & LEGAL | <br>SENIOR GEOLOGIST _ |  |
|                   |                        |  |

## NON OPERATING PARTNER APPROVAL:

|                         | COMPANY NAME: |
|-------------------------|---------------|
| SIGNED BY:              | TITLE:        |
| WORKING INTEREST (%): _ | DATE:         |
| TAX ID: _               | APPROVAL:     |

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

Name: AFE #: County: State: Date: May 10, 2022 MD/TVD: 19660 / 9000 Lateral Length: 10210 Geologic Target: 1st Bone Spring Double Stamp #112 0 Lea NM

| Well Descri | ption:                                | Drill, complete, | and p | roduce  | a horizontal 1st Bone Spring well with a 10 | 210 foot lateral.                                |           |                                       |           |
|-------------|---------------------------------------|------------------|-------|---------|---|--|-----------|---------------------------------------|-----------|
|             | INTANGIBLE DRILLING COSTS             |                  |       |         | INTANGIBLE COMPLETION COSTS                 |  |           | INTANGIBLE PRODUCTION COSTS           |           |
| COST CODES  | DESCRIPTION                           | AMOUNT           |       | T CODES | DESCRIPTION                                 | AMOUNT   | COST CODE |                                       | AMOUNT    |
|             | Land - Legal                          | 10,000           | 2     | 1       | Land - Legal                                |  | 3 1       | Land - Legal                          |           |
| 1 2         | Land - Regulatory                     | 10,000           | 2     | 2       | Land - Regulatory                           |  | 3 2       | Land - Regulatory                     |           |
| 1 3         | Land - Surface Damages                | 10,000           | 2     | 3       | Land - Surface Damages                      |  | 3 3       | Land - Surface Damages                |           |
| 1 4         | Land - Survey                         | 10,000           | 2     | 4       | Land - Survey                               |  | 3 4       | Land - Survey                         | 5.00      |
| 1 5         | Location/Pit Construction             | 78,500           | 2     | 5<br>6  | Location/Pit Construction                   | +  |           | Location/Pit Construction             | 5,00      |
| 1 6         | Remedial Dirtwork                     | 0                | 2     | 7       | Remedial Dirtwork                           |  | 3 6       | Remedial Dirtwork                     |           |
|             | Reserve/Frac Pit Closing              |                  | _     |         | Reserve/Frac Pit Closing                    |  |           | Reserve/Frac Pit Closing              |           |
| 1 8         | Drilling - Contractor                 | 474,408          | 2     | 8       | Drilling - Contractor                       |  | 3 8       | Drilling - Contractor                 |           |
| 1 9         | Mob/Rig Up - Contractor/Trucking      | 50,000           | 2     | 9       | Mob/Rig Up - Contractor/Trucking            |  | 3 9       | Mob/Rig Up - Contractor/Trucking      |           |
| 1 10        | Cementing Services                    | 190,000          | 2     | 10      | Cementing Services                          |  | 3 10      | Cementing Services                    |           |
| 1 11        | Cementing Equipment                   | 33,000           | 2     | 11      | Cementing Equipment                         |  | 3 11      | Cementing Equipment                   |           |
| 1 12        | Bits/Drill Out Assemblies             | 77,000           | 2     | 12      | Bits/Drill Out Assemblies                   | 39,421   | 3 12      | Bits/Drill Out Assemblies             |           |
| 1 13        | Fluid Circulation Equipment/Services  | 69,075           | 2     | 13      | Fluid Circulation Equipment/Services        |  | 3 13      | Fluid Circulation Equipment/Services  |           |
| 1 14        | Fluids/Chemicals                      | 73,163           | 2     | 14      | Fluids/Chemicals                            | 35,875   | 3 14      | Fluids/Chemicals                      |           |
| 1 15        | WBM Cuttings/Wastewater Disposal      | 42,525           | 2     | 15      | WBM Cuttings/Wastewater Disposal            |  | 3 15      | WBM Cuttings/Wastewater Disposal      |           |
| 1 16        | OBM Cuttings/Chemical Disposal        | 0                | 2     | 16      | OBM Cuttings/Chemical Disposal              |  | 3 16      | OBM Cuttings/Chemical Disposal        |           |
| 1 17        | Fuel/Power                            | 162,750          | 2     | 17      | Fuel/Power                                  | 566,000  | 3 17      | Fuel/Power                            |           |
| 1 18        | Water                                 | 54,200           | 2     | 18      | Water                                       | 434,794  | 3 18      | Water                                 |           |
| 1 19        | Directional Drilling                  | 210,000          | 2     | 19      | Directional Drilling                        | <b></b>  | 3 19      | Directional Drilling                  |           |
| 1 20        | Mud Logging                           | 24,071           | 2     | 20      | Mud Logging                                 |  | 3 20      | Mud Logging                           |           |
| 1 21        | Open/Cased/Production Hole Logs       | 0                | 2     | 21      | Open/Cased/Production Hole Logs             | 8,440  | 3 21      | Open/Cased/Production Hole Logs       |           |
| 1 22        | Coring                                | 0                | 2     | 22      | Coring                                      |  | 3 22      | Coring                                |           |
| 1 23        | Geologic Supervision                  | 0                | 2     | 23      | Geologic Supervision                        |  | 3 23      | Geologic Supervision                  |           |
| 1 24        | Engineering Supervision               | 0                | 2     | 24      | Engineering Supervision                     |  | 3 24      | Engineering Supervision               |           |
| 1 25        | Consultant Supervision                | 105,600          | 2     | 25      | Consultant Supervision                      | 82,000   | 3 25      | Consultant Supervision                | 18,50     |
| 1 26        | Freight/Transportation                | 9,000            | 2     | 26      | Freight/Transportation                      | 2,000  | 3 26      | Freight/Transportation                | 15,00     |
| 1 27        | Labor                                 | 129,000          | 2     | 27      | Labor                                       | 14,220   | 3 27      | Labor                                 | 38,00     |
| 1 28        | Supplies - Surface                    | 2,500            | 2     | 28      | Supplies - Surface                          | 2,000  | 3 28      | Supplies - Surface                    |           |
| 1 29        | Supplies - Living Quarters            | 1,000            | 2     | 29      | Supplies - Living Quarters                  | 2,000  | 3 29      | Supplies - Living Quarters            |           |
| 1 30        | Rentals - Surface                     | 82,615           | 2     | 30      | Rentals - Surface                           | 20,080   | 3 30      | Rentals - Surface                     | 9,80      |
| 1 31        | Rentals - Living Quarters             | 49,900           | 2     | 31      | Rentals - Living Quarters                   | 14,960   | 3 31      | Rentals - Living Quarters             | 3,00      |
| 1 32        | Rentals - Downhole                    | 18,500           | 2     | 32      | Rentals - Downhole                          | 0  | 3 32      | Rentals - Downhole                    |           |
| 1 33        | Rentals - Pipe & Handling Tools       | 97,650           | 2     | 33      | Rentals - Pipe & Handling Tools             | 0  | 3 33      | Rentals - Pipe & Handling Tools       |           |
| 1 34        |                                       | 97,030           | 2     | 34      |   |  | 3 34      | 1                                     | 12.05/    |
|             | Rentals - Frac Stack                  | 5 200            |       |         | Rentals - Frac Stack                        | 95,787   |           | Rentals - Frac Stack                  | 12,950    |
| 1 35        | Rentals - Frac Tanks                  | 6,300            | 2     | 35      | Rentals - Frac Tanks                        | 29,315   | 3 35      | Rentals - Frac Tanks                  | 15,000    |
| 1 36        | Coil Tubing Unit/Workover Rig         |                  | 2     | 36      | Coil Tubing Unit/Workover Rig               | 94,066   | 3 36      | Coil Tubing Unit/Workover Rig         | 34,500    |
| 1 37        | Wireline/Slickline/Perforating        |                  | 2     | 37      | Wireline/Slickline/Perforating              | 303,200  | 3 37      | Wireline/Slickline/Perforating        | 5,500     |
| 1 38        | Temporary Packers/Plugs               |                  | 2     | 38      | Temporary Packers/Plugs                     | 48,100   | 3 38      | Temporary Packers/Plugs               |           |
| 1 39        | High Pressure Pump Truck              |                  | 2     | 39      | High Pressure Pump Truck                    | 69,660   | 3 39      | High Pressure Pump Truck              |           |
| 1 40        | Stimulation                           |                  | 2     | 40      | Stimulation                                 | 2,071,792  | 3 40      | Stimulation                           |           |
| 1 41        | Rentals - Pressure Control            |                  | 2     | 41      | Rentals - Pressure Control                  |  | 3 41      | Rentals - Pressure Control            |           |
| 1 42        | Flowback Services                     |                  | 2     | 42      | Flowback Services                           | 48,681   | 3 42      | Flowback Services                     | 43,60     |
| 1 43        | Water Transfer Services               |                  | 2     | 43      | Water Transfer Services                     | 79,500   | 3 43      | Water Transfer Services               |           |
| 1 44        | Flowback Water Trucking & Disposal    |                  | 2     | 44      | Flowback Water Trucking & Disposal          | 13,056   | 3 44      | Flowback Water Trucking & Disposal    | 65,96     |
| 1 45        | Permanent Equipment Installation      |                  | 2     | 45      | Permanent Equipment Installation            |  | 3 45      | Permanent Equipment Installation      |           |
| 1 46        | Pipeline Tapping Services             |                  | 2     | 46      | Pipeline Tapping Services                   |  | 3 46      | Pipeline Tapping Services             |           |
| 1 47        | Plugging & Abandonment                | 0                | 2     | 47      | Plugging & Abandonment                      |  | 3 47      | Plugging & Abandonment                |           |
| 1 53        | Overhead                              | 0                | 2     | 53      | Overhead                                    | 16,880   | 3 53      | Overhead                              |           |
| 1 54        | Insurance                             | 20,000           | 2     | 54      | Insurance                                   |  |           | Insurance                             |           |
|             | Contingency                           | 63,023           | 2     | 55      | Contingency                                 | 152,797  | 3 55      | Contingency                           | 11,77     |
|             |                                       | _                |       |         |   |  |           |                                       |           |
| -           | TOTAL INTANGIBLE DRILLING COST        | 5: \$2,163,779   |       |         | TOTAL INTANGIBLE COMPLETION COSTS           | : \$4,244,622                                    |           | TOTAL INTANGIBLE PRODUCTION COSTS:    | \$275,588 |
|             |                                       |                  |       |         |   |  |           |                                       |           |
|             | TANGIBLE DRILLING COSTS               |                  |       |         | TANGIBLE COMPLETION COSTS                   |  |           | TANGIBLE PRODUCTION COSTS             |           |
| COST CODES  | DESCRIPTION                           | AMOUNT           | co    | T CODES | DESCRIPTION                                 | AMOUNT   | COST CODE | S DESCRIPTION                         | AMOUNT    |
| 4 60        | Conductor Casing                      | 30,000           | 5     | 60      | Conductor Casing                            |  | 6 60      | Conductor Casing                      | ·         |
| 4 61        | Surface Casing                        | 112,511          | 5     | 61      | Surface Casing                              |  | 6 61      | Surface Casing                        |           |
|             | 1st Intermediate Casing               | 178,610          | 5     | 62      | 1st Intermediate Casing                     |  | 6 62      | 1st Intermediate Casing               |           |
|             | 2nd Intermediate Casing               | 194,149          | 5     | 63      | 2nd Intermediate Casing                     |  | 6 63      | 2nd Intermediate Casing               |           |
| 4 64        | Production Casing                     | 594,816          | 5     | 64      | Production Casing                           | n  | 6 64      | Production Casing                     |           |
| 4 65        | Tubing                                | 22.,020          | 5     | 65      | Tubing                                      | <del>                                     </del> | 6 65      | Tubing                                | 95,40     |
| 4 66        | Wellhead                              | 78,000           | 5     | 66      | Wellhead                                    | 0  | 6 66      | Wellhead                              | 62,10     |
| 4 66        | Permanent Packers/Hangers/Plugs       | 76,000           | 5     | 67      | Permanent Packers/Hangers/Plugs             | 0  | 6 67      | Permanent Packers/Hangers/Plugs       | 62,10     |
|             |                                       |                  |       |         |   | <del>                                     </del> |           |                                       |           |
| 4 68        | Tanks                                 | +                | 5     | 68      | Tanks                                       | +  |           | Tanks                                 | 400.00    |
| 4 69        | Production Vessels                    |                  | 5     | 69      | Production Vessels                          | +  |           | Production Vessels                    | 160,00    |
| 4 70        | Compressors                           | +                | 5     | 70      | Compressors                                 | +  | 6 70      |                                       |           |
| 4 71        | Surface Flowlines                     | +                | 5     | 71      | Surface Flowlines                           | 1  | 6 71      |                                       | 50,00     |
| 4 72        | Gathering Lines                       |                  | 5     | 72      | Gathering Lines                             |  | 6 72      | Gathering Lines                       |           |
| 4 73        | Valves & Controllers                  |                  | 5     | 73      | Valves & Controllers                        | 1  | 6 73      | Valves & Controllers                  |           |
| 4 74        | Artificial Lift Equipment             |                  | 5     | 74      | Artificial Lift Equipment                   | 1  | 6 74      | Artificial Lift Equipment             | 28,50     |
| 4 75        | Instrumentation & Measurement         |                  | 5     | 75      | Instrumentation & Measurement               |  | 6 75      | Instrumentation & Measurement         |           |
| 4 76        | Electrical Grounding/Safety Equipment |                  | 5     | 76      | Electrical Grounding/Safety Equipment       |  | 6 76      | Electrical Grounding/Safety Equipment |           |
| 4 77        | Permanent Equipment Installation      |                  | 5     | 77      | Permanent Equipment Installation            |  | 6 77      | Permanent Equipment Installation      | 5,00      |
| 4 80        | Other - Surface                       |                  | 5     | 80      | Other - Surface                             |  | 6 80      | Other - Surface                       |           |
| 4 81        | Other - Downhole                      | 15,000           | 5     | 81      | Other - Downhole                            |  | 6 81      | Other - Downhole                      |           |
|             | TOTAL TANGIBLE DRILLING COST          | S: \$1,203.085   |       |         | TOTAL TANGIBLE COMPLETION COSTS             | : \$0  |           | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |
|             |                                       | 7-,-00,000       |       |         |   | . , , , ,  |           |                                       | y .02,000 |

TOTAL COMPLETION COSTS: \$4,244,622

\$676,588

TOTAL PRODUCTION COSTS:

| TAP ROCK RESOURCES COMPANY APPROVAL: |                  |  |  |  |  |  |
|--------------------------------------|------------------|--|--|--|--|--|
| CEO .                                | VP - EXPLORATION |  |  |  |  |  |
| CFO _                                | VP - OPERATIONS  |  |  |  |  |  |
| VP - LAND & LEGAL <sub>.</sub>       | SENIOR GEOLOGIST |  |  |  |  |  |
|                                      |                  |  |  |  |  |  |

| NON OPERATING PARTNER APPROVAL: |  |  |  |  |  |  |
|---------------------------------|--|--|--|--|--|--|
| COMPANY NAME:                   |  |  |  |  |  |  |
| SIGNED BY: TITLE:               |  |  |  |  |  |  |
| WORKING INTEREST (%): DATE:     |  |  |  |  |  |  |
| TAX ID: APPROVAL:               |  |  |  |  |  |  |

TOTAL DRILLING COSTS: \$3,366,864

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

Date: May 10, 2022 MD/TVD: 19660 / 9000 Lateral Length: 10210 Geologic Target: 1st Bone Spring Name: AFE #: County: State: 0 Lea NM

**Well Description** 

Drill, complete, and produce a horizontal 1st Bone Spring well with a 10210 foot lateral.

|         |     | INTANGIBLE DRILLING COSTS                             |         |     |                        | INTANGIBLE COMPLETION COSTS                           |                  |
|---------|-----|---|---------|-----|------------------------|---|------------------|
| COST CO | DES | DESCRIPTION AMOUNT                                    |         | cos | COST CODES DESCRIPTION |   |                  |
| 1 1     | 1   | Land - Legal  | 10,000  | 2   | 1                      | Land - Legal  |                  |
| 1 2     | 2   | Land - Regulatory                                     | 10,000  | 2   | 2                      | Land - Regulatory                                     |                  |
| 1 3     | 3   | Land - Surface Damages                                | 10,000  | 2   | 3                      | Land - Surface Damages                                |                  |
| 1 4     | 4   | Land - Survey   | 10,000  | 2   | 4                      | Land - Survey   |                  |
| 1 5     | 5   | Location/Pit Construction                             | 78,500  | 2   | 5                      | Location/Pit Construction                             |                  |
| 1 6     | 6   | Remedial Dirtwork                                     | 0       | 2   | 6                      | Remedial Dirtwork                                     |                  |
| 1 7     | 7   | Reserve/Frac Pit Closing                              | 0       | 2   | 7                      | Reserve/Frac Pit Closing                              |                  |
| 1 8     | 8   | Drilling - Contractor                                 | 474,408 | 2   | 8                      | Drilling - Contractor                                 |                  |
| 1 9     | 9   | Mob/Rig Up - Contractor/Trucking                      | 50,000  | 2   | 9                      | Mob/Rig Up - Contractor/Trucking                      |                  |
| 1 1     | 10  | Cementing Services                                    | 190,000 | 2   | 10                     | Cementing Services                                    |                  |
| 1 1     | 1   | Cementing Equipment                                   | 33,000  | 2   | 11                     | Cementing Equipment                                   |                  |
| 1 1     | 12  | Bits/Drill Out Assemblies                             | 77,000  | 2   | 12                     | Bits/Drill Out Assemblies                             | 39,421           |
| 1 1     | 13  | Fluid Circulation Equipment/Services                  | 69,075  | 2   | 13                     | Fluid Circulation Equipment/Services                  |                  |
| 1 1     | 14  | Fluids/Chemicals                                      | 73,163  | 2   | 14                     | Fluids/Chemicals                                      | 35,875           |
| 1 1     | 15  | WBM Cuttings/Wastewater Disposal                      | 42,525  | 2   | 15                     | WBM Cuttings/Wastewater Disposal                      |                  |
| 1 1     | 16  | OBM Cuttings/Chemical Disposal                        | 0       | 2   | 16                     | OBM Cuttings/Chemical Disposal                        |                  |
| 1 1     | 7   | Fuel/Power  | 162,750 | 2   | 17                     | Fuel/Power  | 566,000          |
| 1 1     | 18  | Water   | 54,200  | 2   | 18                     | Water   | 434,794          |
| _       | 19  | Directional Drilling                                  | 210,000 | 2   | 19                     | Directional Drilling                                  |                  |
|         | 20  | Mud Logging   | 24,071  | 2   | 20                     | Mud Logging   |                  |
|         | 21  | Open/Cased/Production Hole Logs                       | 0       | 2   | 21                     | Open/Cased/Production Hole Logs                       | 8,440            |
|         | 22  | Coring  | 0       | 2   | 22                     | Coring  | 0,110            |
| _       | 23  | Geologic Supervision                                  | 0       | 2   | 23                     | Geologic Supervision                                  |                  |
|         | 24  | Engineering Supervision                               | 0       | 2   | 24                     | Engineering Supervision                               |                  |
|         | 25  | Consultant Supervision                                | 105,600 | 2   | 25                     | Consultant Supervision                                | 82,000           |
| _       | 26  | Freight/Transportation                                | 9,000   | 2   | 26                     | Freight/Transportation                                | 2,000            |
|         | 27  | Labor   | 129,000 | 2   | 27                     | Labor   | 14,220           |
| _       | 28  | Supplies - Surface                                    | 2,500   | 2   | 28                     | Supplies - Surface                                    | 2,000            |
| _       | 29  | Supplies - Surface Supplies - Living Quarters         | 1,000   | 2   | 29                     | Supplies - Surface Supplies - Living Quarters         | 2,000            |
| _       | 30  | Rentals - Surface                                     | 82,615  | 2   | 30                     | Rentals - Surface                                     | 20,080           |
|         | 81  |   | 49,900  | 2   | 31                     |   | 14,960           |
| _       | 32  | Rentals - Living Quarters Rentals - Downhole          | 18,500  | 2   | 32                     | Rentals - Living Quarters  Rentals - Downhole         | 14,900           |
|         | 33  |   | 97,650  | 2   | 33                     |   | 0                |
|         | 84  | Rentals - Pipe & Handling Tools  Rentals - Frac Stack | 97,030  | 2   | 34                     | Rentals - Pipe & Handling Tools  Rentals - Frac Stack | 95.787           |
|         |     |   | 6 300   | 2   | 35                     | Rentals - Frac Stack  Rentals - Frac Tanks            |                  |
|         | 35  | Rentals - Frac Tanks                                  | 6,300   | 2   | 36                     |   | 29,315<br>94,066 |
|         | 36  | Coil Tubing Unit/Workover Rig                         |         | 2   | 36                     | Coil Tubing Unit/Workover Rig                         | -                |
|         | 37  | Wireline/Slickline/Perforating                        | +       | 2   |                        | Wireline/Slickline/Perforating                        | 303,200          |
|         | 88  | Temporary Packers/Plugs                               | +       | 2   | 38                     | Temporary Packers/Plugs                               | 48,100           |
|         | 19  | High Pressure Pump Truck                              |         | 2   | 39                     | High Pressure Pump Truck                              | 69,660           |
|         | 10  | Stimulation   | +       |     | 40                     | Stimulation   | 2,071,792        |
|         | 11  | Rentals - Pressure Control                            | +       | 2   | 41                     | Rentals - Pressure Control                            | 40.00            |
|         | 12  | Flowback Services                                     |         | 2   | 42                     | Flowback Services                                     | 48,681           |
| _       | 13  | Water Transfer Services                               |         | 2   | 43                     | Water Transfer Services                               | 79,500           |
| _       | 14  | Flowback Water Trucking & Disposal                    |         | 2   | 44                     | Flowback Water Trucking & Disposal                    | 13,056           |
|         | 15  | Permanent Equipment Installation                      |         | 2   | 45                     | Permanent Equipment Installation                      |                  |
|         | 16  | Pipeline Tapping Services                             | 1       | 2   | 46                     | Pipeline Tapping Services                             |                  |
|         | 17  | Plugging & Abandonment                                | 0       | 2   | 47                     | Plugging & Abandonment                                |                  |
|         | 3   | Overhead  | 0       | 2   | 53                     | Overhead  | 16,880           |
|         | 54  | Insurance   | 20,000  | 2   | 54                     | Insurance   |                  |
| 1 5     | 55  | Contingency   | 63,023  | 2   | 55                     | Contingency   | 152,797          |

|            | INTANGIBLE PRODUCTION COSTS          |        |
|------------|--------------------------------------|--------|
| COST CODES | DESCRIPTION                          | AMOUNT |
| 3 1        | Land - Legal                         |        |
| 3 2        | Land - Regulatory                    |        |
| 3 3        | Land - Surface Damages               |        |
| 3 4        | Land - Survey                        |        |
| 3 5        | Location/Pit Construction            | 5,000  |
| 3 6        | Remedial Dirtwork                    |        |
| 3 7        | Reserve/Frac Pit Closing             |        |
| 3 8        | Drilling - Contractor                |        |
| 3 9        | Mob/Rig Up - Contractor/Trucking     |        |
| 3 10       | Cementing Services                   |        |
| 3 11       | Cementing Equipment                  |        |
| 3 12       | Bits/Drill Out Assemblies            |        |
| 3 13       | Fluid Circulation Equipment/Services |        |
| 3 14       | Fluids/Chemicals                     |        |
| 3 15       | WBM Cuttings/Wastewater Disposal     |        |
| 3 16       | OBM Cuttings/Chemical Disposal       |        |
| 3 17       | Fuel/Power                           |        |
| 3 18       | Water                                |        |
| 3 19       | Directional Drilling                 |        |
| 3 20       | Mud Logging                          |        |
| 3 21       | Open/Cased/Production Hole Logs      |        |
| 3 22       | Coring                               |        |
| 3 23       | Geologic Supervision                 |        |
| 3 24       | Engineering Supervision              |        |
| 3 25       | Consultant Supervision               | 18,500 |
| 3 26       | Freight/Transportation               | 15,000 |
| 3 27       | Labor                                | 38,000 |
| 3 28       | Supplies - Surface                   | 55,555 |
| 3 29       | Supplies - Living Quarters           |        |
| 3 30       | Rentals - Surface                    | 9,800  |
| 3 31       | Rentals - Living Quarters            | 5,555  |
| 3 32       | Rentals - Downhole                   |        |
| 3 33       | Rentals - Pipe & Handling Tools      |        |
| 3 34       | Rentals - Frac Stack                 | 12,950 |
| 3 35       | Rentals - Frac Tanks                 | 15,000 |
| 3 36       | Coil Tubing Unit/Workover Rig        | 34,500 |
| 3 37       | Wireline/Slickline/Perforating       | 5,500  |
| 3 38       | Temporary Packers/Plugs              | 3,300  |
| 3 39       | High Pressure Pump Truck             |        |
| 3 40       | Stimulation                          |        |
|            |                                      |        |
| 3 41       | Rentals - Pressure Control           | 42.500 |
| 3 42       | Flowback Services                    | 43,600 |
| 3 43       | Water Transfer Services              |        |
| 3 44       | Flowback Water Trucking & Disposal   | 65,960 |
| 3 45       | Permanent Equipment Installation     |        |
| 3 46       | Pipeline Tapping Services            |        |
| 3 47       | Plugging & Abandonment               |        |
| 3 53       | Overhead                             | (      |
| 3 54       | Insurance                            |        |
| 3 55       | Contingency                          | 11,778 |

## TOTAL INTANGIBLE DRILLING COSTS: \$2,163,779

## TANGIBLE COMPLETION COSTS

TOTAL INTANGIBLE COMPLETION COSTS: \$4,244,622

| TANGIBLE P | RODUCTION | COSTS |
|------------|-----------|-------|

TOTAL INTANGIBLE PRODUCTION COSTS:

\$275,588

| cos | CODES | DESCRIPTION                           | AMOUNT  |
|-----|-------|---------------------------------------|---------|
| 4   | 60    | Conductor Casing                      | 30,000  |
| 4   | 61    | Surface Casing                        | 112,511 |
| 4   | 62    | 1st Intermediate Casing               | 178,610 |
| 4   | 63    | 2nd Intermediate Casing               | 194,149 |
| 4   | 64    | Production Casing                     | 594,816 |
| 4   | 65    | Tubing                                |         |
| 4   | 66    | Wellhead                              | 78,000  |
| 4   | 67    | Permanent Packers/Hangers/Plugs       |         |
| 4   | 68    | Tanks                                 |         |
| 4   | 69    | Production Vessels                    |         |
| 4   | 70    | Compressors                           |         |
| 4   | 71    | Surface Flowlines                     |         |
| 4   | 72    | Gathering Lines                       |         |
| 4   | 73    | Valves & Controllers                  |         |
| 4   | 74    | Artificial Lift Equipment             |         |
| 4   | 75    | Instrumentation & Measurement         |         |
| 4   | 76    | Electrical Grounding/Safety Equipment |         |
| 4   | 77    | Permanent Equipment Installation      |         |
| 4   | 80    | Other - Surface                       |         |
| 4   | 81    | Other - Downhole                      | 15,000  |

| cos | T CODES | DESCRIPTION                           | AMOUNT |
|-----|---------|---------------------------------------|--------|
| 5   | 60      | Conductor Casing                      |        |
| 5   | 61      | Surface Casing                        |        |
| 5   | 62      | 1st Intermediate Casing               |        |
| 5   | 63      | 2nd Intermediate Casing               |        |
| 5   | 64      | Production Casing                     | 0      |
| 5   | 65      | Tubing                                |        |
| 5   | 66      | Wellhead                              | 0      |
| 5   | 67      | Permanent Packers/Hangers/Plugs       |        |
| 5   | 68      | Tanks                                 |        |
| 5   | 69      | Production Vessels                    |        |
| 5   | 70      | Compressors                           |        |
| 5   | 71      | Surface Flowlines                     |        |
| 5   | 72      | Gathering Lines                       |        |
| 5   | 73      | Valves & Controllers                  |        |
| 5   | 74      | Artificial Lift Equipment             |        |
| 5   | 75      | Instrumentation & Measurement         |        |
| 5   | 76      | Electrical Grounding/Safety Equipment |        |
| 5   | 77      | Permanent Equipment Installation      |        |
| 5   | 80      | Other - Surface                       |        |
| 5   | 81      | Other - Downhole                      |        |
|     |         | TOTAL TANGIBLE COMPLETION COSTS       | Śn     |

| COST | CODES | DESCRIPTION                           | AMOUNT    |
|------|-------|---------------------------------------|-----------|
| 6    | 60    | Conductor Casing                      |           |
| 6    | 61    | Surface Casing                        |           |
| 6    | 62    | 1st Intermediate Casing               |           |
| 6    | 63    | 2nd Intermediate Casing               |           |
| 5    | 64    | Production Casing                     |           |
| 5    | 65    | Tubing                                | 95,400    |
| 6    | 66    | Wellhead                              | 62,100    |
| 5    | 67    | Permanent Packers/Hangers/Plugs       | (         |
| 6    | 68    | Tanks                                 |           |
| 6    | 69    | Production Vessels                    | 160,000   |
| 6    | 70    | Compressors                           |           |
| 5    | 71    | Surface Flowlines                     | 50,000    |
| 5    | 72    | Gathering Lines                       | (         |
| 6    | 73    | Valves & Controllers                  | (         |
| 5    | 74    | Artificial Lift Equipment             | 28,500    |
| 6    | 75    | Instrumentation & Measurement         |           |
| 6    | 76    | Electrical Grounding/Safety Equipment |           |
| 5    | 77    | Permanent Equipment Installation      | 5,000     |
| 6    | 80    | Other - Surface                       |           |
| 6    | 81    | Other - Downhole                      |           |
|      |       | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401.000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,203,085 TOTAL DRILLING COSTS: \$3,366,864

TOTAL TANGIBLE COMPLETION COSTS: TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS:

TOTAL WELL COST: \$8,288,075

## TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | VP - EXPLORATION |  |
|-------------------|------------------|--|
| CFO               | VP - OPERATIONS  |  |
| VP - LAND & LEGAL | SENIOR GEOLOGIST |  |
|                   |                  |  |

| NON OPERATING PARTNER APPROVAL: |           |  |  |  |  |  |  |
|---------------------------------|-----------|--|--|--|--|--|--|
| COMPANY N                       | AME:      |  |  |  |  |  |  |
| SIGNED BY:                      | TITLE:    |  |  |  |  |  |  |
| WORKING INTEREST (%):           | DATE:     |  |  |  |  |  |  |
| TAX ID:                         | APPROVAL: |  |  |  |  |  |  |

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

Date: May 10, 2022 MD/TVD: 20360 / 9700 Lateral Length: 10210 Geologic Target: 2nd Bone Spring Name: AFE #: County: 0 Lea NM

Well Description:

Drill, complete, and produce a horizontal 2nd Bone Spring well with a 10210 foot lateral.

| COST | CODES | INTANGIBLE DRILLING COSTS  DESCRIPTION        | AMOUNT  |
|------|-------|---|---------|
| 1    | 1     | Land - Legal                                  | 10,000  |
| 1    | 2     | Land - Regulatory                             | 10,000  |
| 1    | 3     | Land - Surface Damages                        | 10,000  |
| 1    | 4     | Land - Survey                                 | 10,000  |
| 1    | 5     | Location/Pit Construction                     | 78,500  |
| 1    | 6     | Remedial Dirtwork                             | 0       |
| 1    | 7     | Reserve/Frac Pit Closing                      | 0       |
| 1    | 8     | Drilling - Contractor                         | 474,408 |
| 1    | 9     | Mob/Rig Up - Contractor/Trucking              | 50,000  |
| 1    | 10    | Cementing Services                            | 190,000 |
| 1    | 11    | Cementing Equipment                           | 33,000  |
| 1    | 12    | Bits/Drill Out Assemblies                     | 77,000  |
| 1    | 13    | Fluid Circulation Equipment/Services          | 69,075  |
| _    | 14    | Fluids/Chemicals                              |         |
| 1    |       |   | 73,163  |
| 1    | 15    | WBM Cuttings/Wastewater Disposal              | 45,675  |
| 1    | 16    | OBM Cuttings/Chemical Disposal                | 0       |
| 1    | 17    | Fuel/Power                                    | 162,750 |
| 1    | 18    | Water   | 54,200  |
| 1    | 19    | Directional Drilling                          | 210,000 |
| 1    | 20    | Mud Logging                                   | 24,071  |
| 1    | 21    | Open/Cased/Production Hole Logs               | 0       |
| 1    | 22    | Coring  | 0       |
| 1    | 23    | Geologic Supervision                          | 0       |
| 1    | 24    | Engineering Supervision                       | 0       |
| 1    | 25    | Consultant Supervision                        | 105,600 |
| 1    | 26    | Freight/Transportation                        | 9,000   |
| 1    | 27    | Labor   | 129,000 |
| 1    | 28    | Supplies - Surface                            | 2,500   |
| 1    | 29    | Supplies - Surface Supplies - Living Quarters | 1,000   |
|      |       |   |         |
| 1    | 30    | Rentals - Surface                             | 79,465  |
| 1    | 31    | Rentals - Living Quarters                     | 49,900  |
| 1    | 32    | Rentals - Downhole                            | 18,500  |
| 1    | 33    | Rentals - Pipe & Handling Tools               | 97,650  |
| 1    | 34    | Rentals - Frac Stack                          |         |
| 1    | 35    | Rentals - Frac Tanks                          | 6,300   |
| 1    | 36    | Coil Tubing Unit/Workover Rig                 |         |
| 1    | 37    | Wireline/Slickline/Perforating                |         |
| 1    | 38    | Temporary Packers/Plugs                       |         |
| 1    | 39    | High Pressure Pump Truck                      |         |
| 1    | 40    | Stimulation                                   |         |
| 1    | 41    | Rentals - Pressure Control                    |         |
| 1    | 42    | Flowback Services                             |         |
| 1    | 43    | Water Transfer Services                       |         |
| 1    | 44    |   |         |
| -+   |       | Flowback Water Trucking & Disposal            |         |
| 1    | 45    | Permanent Equipment Installation              |         |
| 1    | 46    | Pipeline Tapping Services                     |         |
| 1    | 47    | Plugging & Abandonment                        | 0       |
| 1    | 53    | Overhead                                      | 0       |
| 1    | 54    | Insurance                                     | 20,000  |
| 1    | 55    | Contingency                                   | 63,023  |

| cos | T CODES | INTANGIBLE COMPLETION COSTS  DESCRIPTION | AMOUNT    |
|-----|---------|--|-----------|
| 2   | 1       | Land - Legal                             |           |
| 2   | 2       | Land - Regulatory                        |           |
| 2   | 3       | Land - Surface Damages                   |           |
| 2   | 4       | Land - Survey                            |           |
| 2   | 5       | Location/Pit Construction                |           |
| 2   | 6       | Remedial Dirtwork                        |           |
| 2   | 7       | Reserve/Frac Pit Closing                 |           |
| 2   | 8       | Drilling - Contractor                    |           |
| 2   | 9       | Mob/Rig Up - Contractor/Trucking         |           |
| 2   | 10      | Cementing Services                       |           |
| 2   | 11      | Cementing Equipment                      |           |
| 2   | 12      | Bits/Drill Out Assemblies                | 39,421    |
| 2   | 13      | Fluid Circulation Equipment/Services     |           |
| 2   | 14      | Fluids/Chemicals                         | 35,875    |
| 2   | 15      | WBM Cuttings/Wastewater Disposal         | 33,073    |
| 2   | 16      | OBM Cuttings/Chemical Disposal           |           |
| 2   | 17      | Fuel/Power                               | FCC 000   |
|     |         | 1  | 566,000   |
| 2   | 18      | Water                                    | 434,794   |
| 2   | 19      | Directional Drilling                     |           |
| 2   | 20      | Mud Logging                              |           |
| 2   | 21      | Open/Cased/Production Hole Logs          | 8,440     |
| 2   | 22      | Coring                                   |           |
| 2   | 23      | Geologic Supervision                     |           |
| 2   | 24      | Engineering Supervision                  |           |
| 2   | 25      | Consultant Supervision                   | 82,000    |
| 2   | 26      | Freight/Transportation                   | 2,000     |
| 2   | 27      | Labor                                    | 14,220    |
| 2   | 28      | Supplies - Surface                       | 2,000     |
| 2   | 29      | Supplies - Living Quarters               | 2,000     |
| 2   | 30      | Rentals - Surface                        | 20,080    |
| 2   | 31      | Rentals - Living Quarters                | 14,960    |
| 2   | 32      | Rentals - Downhole                       | C         |
| 2   | 33      | Rentals - Pipe & Handling Tools          | (         |
| 2   | 34      | Rentals - Frac Stack                     | 95,787    |
| 2   | 35      | Rentals - Frac Tanks                     | 29,315    |
| 2   | 36      | Coil Tubing Unit/Workover Rig            | 94,066    |
| 2   | 37      | Wireline/Slickline/Perforating           | 303,200   |
| 2   | 38      | Temporary Packers/Plugs                  | 48,100    |
| 2   | 39      | High Pressure Pump Truck                 | 69,660    |
| 2   | 40      | Stimulation                              | 2,071,792 |
| 2   | 41      | Rentals - Pressure Control               |           |
| 2   | 42      | Flowback Services                        | 48,681    |
| 2   | 43      | Water Transfer Services                  | 79,500    |
| 2   | 44      | Flowback Water Trucking & Disposal       | 13,056    |
| 2   | 45      | Permanent Equipment Installation         | 10,000    |
| 2   | 46      | Pipeline Tapping Services                |           |
| 2   | 46      | Plugging & Abandonment                   |           |
|     | 53      |  | 16 000    |
| 2   |         | Overhead                                 | 16,880    |
| 2   | 54      | Insurance                                | 452.70    |
| 2   | 55      | Contingency                              | 152,797   |

| -  | T CODES | DESCRIPTION                          | AMOUNT |
|----|---------|--------------------------------------|--------|
| 3  | 1       | Land - Legal                         |        |
| 3  | 2       | Land - Regulatory                    |        |
| 3  | 3       | Land - Surface Damages               |        |
| 3  | 4       | Land - Survey                        |        |
| 3  | 5       | Location/Pit Construction            | 5,000  |
| 3  | 6       | Remedial Dirtwork                    |        |
| 3  | 7       | Reserve/Frac Pit Closing             |        |
| 3  | 8       | Drilling - Contractor                |        |
| 3  | 9       | Mob/Rig Up - Contractor/Trucking     |        |
| 3  | 10      | Cementing Services                   |        |
| 3  | 11      | Cementing Equipment                  |        |
| 3  | 12      | Bits/Drill Out Assemblies            |        |
| 3  | 13      | Fluid Circulation Equipment/Services |        |
| 3  | 14      | Fluids/Chemicals                     |        |
| 3  | 15      | WBM Cuttings/Wastewater Disposal     |        |
| 3  | 16      | OBM Cuttings/Chemical Disposal       |        |
| 3  | 17      | Fuel/Power                           |        |
| 3  | 18      | Water                                |        |
| 3  | 19      | Directional Drilling                 |        |
| 3  | 20      | Mud Logging                          |        |
|    |         |                                      |        |
| 3  | 21      | Open/Cased/Production Hole Logs      |        |
|    | 22      | Coologie Supervision                 |        |
| 3  | 23      | Geologic Supervision                 |        |
| 3  | 24      | Engineering Supervision              | 40.500 |
| 3  | 25      | Consultant Supervision               | 18,500 |
| 3  | 26      | Freight/Transportation               | 15,000 |
| 3  | 27      | Labor                                | 38,000 |
| 3  | 28      | Supplies - Surface                   |        |
| 3  | 29      | Supplies - Living Quarters           |        |
| 3  | 30      | Rentals - Surface                    | 9,800  |
| 3  | 31      | Rentals - Living Quarters            |        |
| 3  | 32      | Rentals - Downhole                   |        |
| 3  | 33      | Rentals - Pipe & Handling Tools      |        |
| 3  | 34      | Rentals - Frac Stack                 | 12,950 |
| 3  | 35      | Rentals - Frac Tanks                 | 15,000 |
| 3  | 36      | Coil Tubing Unit/Workover Rig        | 34,500 |
| 3  | 37      | Wireline/Slickline/Perforating       | 5,500  |
| 3  | 38      | Temporary Packers/Plugs              |        |
| 3  | 39      | High Pressure Pump Truck             |        |
| 3  | 40      | Stimulation                          |        |
| 3  | 41      | Rentals - Pressure Control           |        |
| 3  | 42      | Flowback Services                    | 43,600 |
| 3  | 43      | Water Transfer Services              |        |
| 3  | 44      | Flowback Water Trucking & Disposal   | 65,960 |
| 3  | 45      | Permanent Equipment Installation     | 33,300 |
| 3  | 46      | Pipeline Tapping Services            |        |
| 3  | 46      | Plugging & Abandonment               |        |
| 3  | 53      | Overhead                             | (      |
|    |         |                                      |        |
| 3  | 54      | Insurance                            | 44 770 |
| -5 | 55      | Contingency                          | 11,778 |

INTANGIBLE PRODUCTION COSTS

TOTAL INTANGIBLE DRILLING COSTS: \$2,163,779

TANGIBLE COMPLETION COSTS

DESCRIPTION

COST CODES

|     |         | TANGIBLE PRODUCTION COSTS |
|-----|---------|---------------------------|
| cos | T CODES | DESCRIPTION               |
| 6   | 60      | Conductor Casing          |
|     |         |                           |

| COST | CODES | DESCRIPTION                           | AMOUNT  |
|------|-------|---------------------------------------|---------|
| 4    | 60    | Conductor Casing                      | 29,997  |
| 4    | 61    | Surface Casing                        | 112,511 |
| 4    | 62    | 1st Intermediate Casing               | 178,610 |
| 4    | 63    | 2nd Intermediate Casing               | 194,149 |
| 4    | 64    | Production Casing                     | 616,502 |
| 4    | 65    | Tubing                                |         |
| 4    | 66    | Wellhead                              | 78,000  |
| 4    | 67    | Permanent Packers/Hangers/Plugs       |         |
| 4    | 68    | Tanks                                 |         |
| 4    | 69    | Production Vessels                    |         |
| 4    | 70    | Compressors                           |         |
| 4    | 71    | Surface Flowlines                     |         |
| 4    | 72    | Gathering Lines                       |         |
| 4    | 73    | Valves & Controllers                  |         |
| 4    | 74    | Artificial Lift Equipment             |         |
| 4    | 75    | Instrumentation & Measurement         |         |
| 4    | 76    | Electrical Grounding/Safety Equipment |         |
| 4    | 77    | Permanent Equipment Installation      |         |
| 4    | 80    | Other - Surface                       |         |
| 4    | 81    | Other - Downhole                      | 15,000  |

| COS | CODES | DESCRIPTION                           | AIVIOOIVI |
|-----|-------|---------------------------------------|-----------|
| 5   | 60    | Conductor Casing                      |           |
| 5   | 61    | Surface Casing                        |           |
| 5   | 62    | 1st Intermediate Casing               |           |
| 5   | 63    | 2nd Intermediate Casing               |           |
| 5   | 64    | Production Casing                     | 0         |
| 5   | 65    | Tubing                                |           |
| 5   | 66    | Wellhead                              | 0         |
| 5   | 67    | Permanent Packers/Hangers/Plugs       |           |
| 5   | 68    | Tanks                                 |           |
| 5   | 69    | Production Vessels                    |           |
| 5   | 70    | Compressors                           |           |
| 5   | 71    | Surface Flowlines                     |           |
| 5   | 72    | Gathering Lines                       |           |
| 5   | 73    | Valves & Controllers                  |           |
| 5   | 74    | Artificial Lift Equipment             |           |
| 5   | 75    | Instrumentation & Measurement         |           |
| 5   | 76    | Electrical Grounding/Safety Equipment |           |
| 5   | 77    | Permanent Equipment Installation      |           |
| 5   | 80    | Other - Surface                       |           |
| 5   | 81    | Other - Downhole                      |           |
|     |       | TOTAL TANGIBLE COMPLETION COSTS:      | \$0       |
|     |       |                                       |           |

| 6 | 61 | Surface Casing                        |           |
|---|----|---------------------------------------|-----------|
| 6 | 62 | 1st Intermediate Casing               |           |
| 6 | 63 | 2nd Intermediate Casing               |           |
| 6 | 64 | Production Casing                     |           |
| 6 | 65 | Tubing                                | 95,400    |
| 6 | 66 | Wellhead                              | 62,100    |
| 6 | 67 | Permanent Packers/Hangers/Plugs       | 0         |
| 6 | 68 | Tanks                                 |           |
| 6 | 69 | Production Vessels                    | 160,000   |
| 6 | 70 | Compressors                           |           |
| 6 | 71 | Surface Flowlines                     | 50,000    |
| 6 | 72 | Gathering Lines                       | 0         |
| 6 | 73 | Valves & Controllers                  | 0         |
| 6 | 74 | Artificial Lift Equipment             | 28,500    |
| 6 | 75 | Instrumentation & Measurement         |           |
| 6 | 76 | Electrical Grounding/Safety Equipment |           |
| 6 | 77 | Permanent Equipment Installation      | 5,000     |
| 6 | 80 | Other - Surface                       |           |
| 6 | 81 | Other - Downhole                      |           |
|   |    | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,224,768 TOTAL DRILLING COSTS: \$3,388,547

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL TANGIBLE PRODUCTION COSTS: TOTAL PRODUCTION COSTS:

\$676,588

| CEO               | VP - EXPLORATION |
|-------------------|------------------|
| CFO               | VP - OPERATIONS  |
| VP - LAND & LEGAL | SENIOR GEOLOGIST |
|                   |                  |

## NON OPERATING PARTNER APPROVAL:

| COMPANY NAME          | :         |
|-----------------------|-----------|
| SIGNED BY:            | TITLE:    |
| WORKING INTEREST (%): | DATE:     |
| TAX ID:               | APPROVAL: |

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

 Name:
 Double Stamp #122
 Date: May 10, 2022

 AFE #:
 0
 MD/TVD: 20360 / 9700

 County:
 Lea
 Lateral Length: 10210

 State:
 NM
 Geologic Target: 2nd Bone Spring

Well Description:

Drill, complete, and produce a horizontal 2nd Bone Spring well with a 10210 foot lateral.

|   |         | INTANGIBLE DRILLING COSTS            |         |
|---|---------|--------------------------------------|---------|
|   | T CODES | DESCRIPTION Local                    | AMOUNT  |
| 1 | 1       | Land - Legal                         | 10,000  |
| 1 | 2       | Land - Regulatory                    | 10,000  |
| 1 | 3       | Land - Surface Damages               | 10,000  |
| 1 | 4       | Land - Survey                        | 10,000  |
| 1 | 5       | Location/Pit Construction            | 78,500  |
| 1 | 6       | Remedial Dirtwork                    | 0       |
| 1 | 7       | Reserve/Frac Pit Closing             | 0       |
| 1 | 8       | Drilling - Contractor                | 474,408 |
| 1 | 9       | Mob/Rig Up - Contractor/Trucking     | 50,000  |
| 1 | 10      | Cementing Services                   | 190,000 |
| 1 | 11      | Cementing Equipment                  | 33,000  |
| 1 | 12      | Bits/Drill Out Assemblies            | 77,000  |
| 1 | 13      | Fluid Circulation Equipment/Services | 69,075  |
| 1 | 14      | Fluids/Chemicals                     | 73,163  |
| 1 | 15      | WBM Cuttings/Wastewater Disposal     | 45,675  |
| 1 | 16      | OBM Cuttings/Chemical Disposal       | 0       |
| 1 | 17      | Fuel/Power                           | 162,750 |
| 1 | 18      | Water                                | 54,200  |
| 1 | 19      | Directional Drilling                 | 210,000 |
| 1 | 20      | Mud Logging                          | 24,071  |
| 1 | 21      | Open/Cased/Production Hole Logs      | 0       |
| 1 | 22      | Coring                               | 0       |
| 1 | 23      | Geologic Supervision                 | 0       |
| 1 | 24      | Engineering Supervision              | 0       |
| 1 | 25      | Consultant Supervision               | 105,600 |
| 1 | 26      | Freight/Transportation               | 9,000   |
| 1 | 27      | Labor                                | 129,000 |
| 1 | 28      | Supplies - Surface                   | 2,500   |
| 1 | 29      | Supplies - Living Quarters           | 1,000   |
| 1 | 30      | Rentals - Surface                    | 79,465  |
| 1 | 31      | Rentals - Living Quarters            | 49,900  |
| 1 | 32      | Rentals - Downhole                   | 18,500  |
| 1 | 33      | Rentals - Pipe & Handling Tools      | 97,650  |
| 1 | 34      | Rentals - Frac Stack                 |         |
| 1 | 35      | Rentals - Frac Tanks                 | 6,300   |
| 1 | 36      | Coil Tubing Unit/Workover Rig        | 7,7.7.  |
| 1 | 37      | Wireline/Slickline/Perforating       |         |
| 1 | 38      | Temporary Packers/Plugs              |         |
| 1 | 39      | High Pressure Pump Truck             |         |
| 1 | 40      | Stimulation                          | 1       |
| 1 | 41      | Rentals - Pressure Control           |         |
| 1 | 42      | Flowback Services                    | 1       |
| 1 | 43      | Water Transfer Services              |         |
| 1 | 44      | Flowback Water Trucking & Disposal   | +       |
| 1 | 45      | Permanent Equipment Installation     |         |
| 1 | 46      | Pipeline Tapping Services            |         |
| 1 | 47      | Plugging & Abandonment               | 0       |
| 1 | 53      | Overhead                             | 0       |
| 1 | 54      | Insurance                            | 20,000  |
| 1 | 55      |                                      | 63,023  |
| 1 | 55      | Contingency                          | 03,023  |

| cos | T CODES | INTANGIBLE COMPLETION COSTS  DESCRIPTION | AMOUNT                                  |
|-----|---------|--|---|
| 2   | 1       | Land - Legal                             |   |
| 2   | 2       | Land - Regulatory                        |   |
| 2   | 3       | Land - Surface Damages                   |   |
| 2   | 4       | Land - Survey                            |   |
| 2   | 5       | Location/Pit Construction                |   |
| 2   | 6       | Remedial Dirtwork                        |   |
| 2   | 7       | Reserve/Frac Pit Closing                 |   |
| 2   | 8       | Drilling - Contractor                    |   |
| 2   | 9       | Mob/Rig Up - Contractor/Trucking         |   |
| 2   | 10      | Cementing Services                       |   |
| 2   | 11      | Cementing Equipment                      |   |
| 2   | 12      | Bits/Drill Out Assemblies                | 39,421                                  |
| 2   | 13      | Fluid Circulation Equipment/Services     |   |
| 2   | 14      | Fluids/Chemicals                         | 35,875                                  |
| 2   | 15      | WBM Cuttings/Wastewater Disposal         | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| 2   | 16      | OBM Cuttings/Chemical Disposal           |   |
| 2   | 17      | Fuel/Power                               | 566,000                                 |
| 2   | 18      | Water                                    | 434,794                                 |
| 2   | 19      | Directional Drilling                     | 13 1,73 1                               |
| 2   | 20      | Mud Logging                              |   |
| 2   | 21      |  | 8,440                                   |
| 2   | 22      | Open/Cased/Production Hole Logs Coring   | 8,440                                   |
|     | 23      |  |   |
| 2   |         | Geologic Supervision                     |   |
| 2   | 24      | Engineering Supervision                  | 02.000                                  |
| 2   | 25      | Consultant Supervision                   | 82,000                                  |
| 2   | 26      | Freight/Transportation                   | 2,000                                   |
| 2   | 27      | Labor                                    | 14,220                                  |
| 2   | 28      | Supplies - Surface                       | 2,000                                   |
| 2   | 29      | Supplies - Living Quarters               | 2,000                                   |
| 2   | 30      | Rentals - Surface                        | 20,080                                  |
| 2   | 31      | Rentals - Living Quarters                | 14,960                                  |
| 2   | 32      | Rentals - Downhole                       | 0                                       |
| 2   | 33      | Rentals - Pipe & Handling Tools          | 0                                       |
| 2   | 34      | Rentals - Frac Stack                     | 95,787                                  |
| 2   | 35      | Rentals - Frac Tanks                     | 29,315                                  |
| 2   | 36      | Coil Tubing Unit/Workover Rig            | 94,066                                  |
| 2   | 37      | Wireline/Slickline/Perforating           | 303,200                                 |
| 2   | 38      | Temporary Packers/Plugs                  | 48,100                                  |
| 2   | 39      | High Pressure Pump Truck                 | 69,660                                  |
| 2   | 40      | Stimulation                              | 2,071,792                               |
| 2   | 41      | Rentals - Pressure Control               |   |
| 2   | 42      | Flowback Services                        | 48,681                                  |
| 2   | 43      | Water Transfer Services                  | 79,500                                  |
| 2   | 44      | Flowback Water Trucking & Disposal       | 13,056                                  |
| 2   | 45      | Permanent Equipment Installation         |   |
| 2   | 46      | Pipeline Tapping Services                |   |
| 2   | 47      | Plugging & Abandonment                   |   |
| 2   | 53      | Overhead                                 | 16,880                                  |
| 2   | 54      | Insurance                                |   |
| 2   | 55      | Contingency                              | 152,797                                 |

| COST | CODES    | INTANGIBLE PRODUCTION COSTS  DESCRIPTION | AMOUNT    |
|------|----------|--|-----------|
| 3    | 1        | Land - Legal                             | AWOON     |
| 3    | 2        | Land - Regulatory                        |           |
| 3    | 3        | Land - Surface Damages                   |           |
| 3    | 4        | Land - Survey                            |           |
| 3    | 5        | Location/Pit Construction                | 5,000     |
| 3    | 6        | Remedial Dirtwork                        | 3,000     |
| 3    | 7        | Reserve/Frac Pit Closing                 |           |
| 3    | 8        | Drilling - Contractor                    |           |
| 3    | 9        | Mob/Rig Up - Contractor/Trucking         |           |
| 3    | 10       | Cementing Services                       |           |
| 3    | 11       | Cementing Equipment                      |           |
| 3    | 12       | Bits/Drill Out Assemblies                |           |
| 3    | 13       | Fluid Circulation Equipment/Services     |           |
| 3    | 14       | Fluids/Chemicals                         |           |
| 3    | 15       | WBM Cuttings/Wastewater Disposal         |           |
| 3    | 16       | OBM Cuttings/Wastewater Disposal         |           |
|      |          |  |           |
| 3    | 17<br>18 | Fuel/Power<br>Water                      |           |
| _    |          |  |           |
| 3    | 19       | Directional Drilling                     |           |
| 3    | 20       | Mud Logging                              |           |
| 3    | 21       | Open/Cased/Production Hole Logs          |           |
| 3    | 22       | Conlegia Supervision                     |           |
|      |          | Geologic Supervision                     |           |
| 3    | 24       | Engineering Supervision                  | 10.500    |
| 3    | 25       | Consultant Supervision                   | 18,500    |
| 3    | 26       | Freight/Transportation                   | 15,000    |
| 3    | 27       | Labor                                    | 38,000    |
| 3    | 28       | Supplies - Surface                       |           |
| 3    | 29       | Supplies - Living Quarters               | 0.000     |
| 3    | 30       | Rentals - Surface                        | 9,800     |
| 3    | 31       | Rentals - Living Quarters                |           |
| 3    | 32       | Rentals - Downhole                       |           |
| 3    | 33       | Rentals - Pipe & Handling Tools          | 12.050    |
| 3    | 34       | Rentals - Frac Stack                     | 12,950    |
| 3    | 35       | Rentals - Frac Tanks                     | 15,000    |
| 3    | 36       | Coil Tubing Unit/Workover Rig            | 34,500    |
| 3    | 37       | Wireline/Slickline/Perforating           | 5,500     |
| 3    | 38       | Temporary Packers/Plugs                  |           |
| 3    | 39       | High Pressure Pump Truck                 |           |
|      | 40       | Stimulation                              |           |
| 3    | 41       | Rentals - Pressure Control               | 42.500    |
| 3    | 42       | Flowback Services                        | 43,600    |
| 3    | 43       | Water Transfer Services                  | CF        |
| 3    | 44       | Flowback Water Trucking & Disposal       | 65,960    |
| 3    | 45       | Permanent Equipment Installation         |           |
| 3    | 46       | Pipeline Tapping Services                |           |
| 3    | 47       | Plugging & Abandonment                   |           |
| 3    | 53       | Overhead                                 | 0         |
| 3    | 54       | Insurance                                |           |
| 3    | 55       | Contingency                              | 11,778    |
|      |          | TOTAL INTANGIBLE PRODUCTION COSTS:       | \$275,588 |
|      |          |  |           |

TOTAL INTANGIBLE DRILLING COSTS: \$2,163,779

TANGIBLE COMPLETION COSTS

TOTAL INTANGIBLE COMPLETION COSTS: \$4,244,622

| TANGIBLE | PRODUCTION | COSTS |
|----------|------------|-------|

|      |       | TANGIBLE DRILLING COSTS               |         |
|------|-------|---------------------------------------|---------|
| COST | CODES | DESCRIPTION                           | AMOUNT  |
| 4    | 60    | Conductor Casing                      | 29,997  |
| 4    | 61    | Surface Casing                        | 112,511 |
| 4    | 62    | 1st Intermediate Casing               | 178,610 |
| 4    | 63    | 2nd Intermediate Casing               | 194,149 |
| 4    | 64    | Production Casing                     | 616,502 |
| 4    | 65    | Tubing                                |         |
| 4    | 66    | Wellhead                              | 78,000  |
| 4    | 67    | Permanent Packers/Hangers/Plugs       |         |
| 4    | 68    | Tanks                                 |         |
| 4    | 69    | Production Vessels                    |         |
| 4    | 70    | Compressors                           |         |
| 4    | 71    | Surface Flowlines                     |         |
| 4    | 72    | Gathering Lines                       |         |
| 4    | 73    | Valves & Controllers                  |         |
| 4    | 74    | Artificial Lift Equipment             |         |
| 4    | 75    | Instrumentation & Measurement         |         |
| 4    | 76    | Electrical Grounding/Safety Equipment |         |
| 4    | 77    | Permanent Equipment Installation      |         |
| 4    | 80    | Other - Surface                       |         |
| 4    | 81    | Other - Downhole                      | 15,000  |

| cos | T CODES | DESCRIPTION                           | AMOUNT |  |
|-----|---------|---------------------------------------|--------|--|
| 5   | 60      | Conductor Casing                      |        |  |
| 5   | 61      | Surface Casing                        |        |  |
| 5   | 62      | 1st Intermediate Casing               |        |  |
| 5   | 63      | 2nd Intermediate Casing               |        |  |
| 5   | 64      | Production Casing                     | 0      |  |
| 5   | 65      | Tubing                                |        |  |
| 5   | 66      | Wellhead                              | 0      |  |
| 5   | 67      | Permanent Packers/Hangers/Plugs       |        |  |
| 5   | 68      | Tanks                                 |        |  |
| 5   | 69      | Production Vessels                    |        |  |
| 5   | 70      | Compressors                           |        |  |
| 5   | 71      | Surface Flowlines                     |        |  |
| 5   | 72      | Gathering Lines                       |        |  |
| 5   | 73      | Valves & Controllers                  |        |  |
| 5   | 74      | Artificial Lift Equipment             |        |  |
| 5   | 75      | Instrumentation & Measurement         |        |  |
| 5   | 76      | Electrical Grounding/Safety Equipment |        |  |
| 5   | 77      | Permanent Equipment Installation      |        |  |
| 5   | 80      | Other - Surface                       |        |  |
| 5   | 81      | Other - Downhole                      |        |  |
|     |         | TOTAL TANGIBLE COMPLETION COSTS:      | \$0    |  |

| COST CODES | DESCRIPTION                           | AMOUNT    |
|------------|---------------------------------------|-----------|
| 6 60       | Conductor Casing                      |           |
| 6 61       | Surface Casing                        |           |
| 6 62       | 1st Intermediate Casing               |           |
| 6 63       | 2nd Intermediate Casing               |           |
| 6 64       | Production Casing                     |           |
| 6 65       | Tubing                                | 95,400    |
| 6 66       | Wellhead                              | 62,100    |
| 6 67       | Permanent Packers/Hangers/Plugs       | 0         |
| 6 68       | Tanks                                 |           |
| 6 69       | Production Vessels                    | 160,000   |
| 6 70       | Compressors                           |           |
| 6 71       | Surface Flowlines                     | 50,000    |
| 6 72       | Gathering Lines                       | 0         |
| 6 73       | Valves & Controllers                  | 0         |
| 6 74       | Artificial Lift Equipment             | 28,500    |
| 6 75       | Instrumentation & Measurement         |           |
| 6 76       | Electrical Grounding/Safety Equipment |           |
| 6 77       | Permanent Equipment Installation      | 5,000     |
| 6 80       | Other - Surface                       | _         |
| 6 81       | Other - Downhole                      |           |
|            | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,224,768

TOTAL DRILLING COSTS: \$3,388,547

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,309,758

## TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | <br>VP - EXPLORATION |  |
|-------------------|----------------------|--|
| CFO               | <br>VP - OPERATIONS  |  |
| VP - LAND & LEGAL | <br>SENIOR GEOLOGIST |  |
|                   |                      |  |

## NON OPERATING PARTNER APPROVAL:

|                       | COMPANY NAME: |
|-----------------------|---------------|
| SIGNED BY:            | TITLE:        |
| WORKING INTEREST (%): | DATE:         |
| TAX ID:               | APPROVAL:     |

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

 Name:
 Double Stamp #125
 Date: May 10, 2022

 AFE #:
 0
 MD/TVD: 20360 / 9700

 County:
 Lea
 Lateral Length: 10210

 State:
 NM
 Geologic Target: 2nd Bone Spring

Well Description:

Drill, complete, and produce a horizontal 2nd Bone Spring well with a 10210 foot lateral.

| COST | CODES | DESCRIPTION                          | AMOUNT  |
|------|-------|--------------------------------------|---------|
| 1    | 1     | Land - Legal                         | 10,000  |
| 1    | 2     | Land - Regulatory                    | 10,000  |
| 1    | 3     | Land - Surface Damages               | 10,000  |
| 1    | 4     | Land - Survey                        | 10,000  |
| 1    | 5     | Location/Pit Construction            | 78,500  |
| 1    | 6     | Remedial Dirtwork                    | 0       |
| 1    | 7     | Reserve/Frac Pit Closing             | 0       |
| 1    | 8     | Drilling - Contractor                | 474,408 |
| 1    | 9     | Mob/Rig Up - Contractor/Trucking     | 50,000  |
| 1    | 10    | Cementing Services                   | 190,000 |
| 1    | 11    | Cementing Equipment                  | 33,000  |
| 1    | 12    | Bits/Drill Out Assemblies            | 77,000  |
| 1    | 13    | Fluid Circulation Equipment/Services | 69,075  |
| 1    | 14    | Fluids/Chemicals                     | 73,163  |
| 1    | 15    | WBM Cuttings/Wastewater Disposal     | 45,675  |
| 1    | 16    | OBM Cuttings/Chemical Disposal       | 0       |
| 1    | 17    | Fuel/Power                           | 162,750 |
| 1    | 18    | Water                                | 54,200  |
| 1    | 19    | Directional Drilling                 | 210,000 |
| 1    | 20    | Mud Logging                          | 24,071  |
| 1    | 21    | Open/Cased/Production Hole Logs      | 21,072  |
| 1    | 22    | Coring                               | 0       |
| 1    | 23    | Geologic Supervision                 | 0       |
| 1    | 24    | Engineering Supervision              | 0       |
| 1    | 25    | Consultant Supervision               | 105,600 |
| 1    | 26    |                                      | 9,000   |
| 1    | 27    | Freight/Transportation<br>Labor      |         |
| _    |       |                                      | 129,000 |
| 1    | 28    | Supplies - Surface                   | 2,500   |
| 1    | 29    | Supplies - Living Quarters           | 1,000   |
| 1    | 30    | Rentals - Surface                    | 79,465  |
| 1    | 31    | Rentals - Living Quarters            | 49,900  |
| 1    | 32    | Rentals - Downhole                   | 18,500  |
| 1    | 33    | Rentals - Pipe & Handling Tools      | 97,650  |
| 1    | 34    | Rentals - Frac Stack                 |         |
| 1    | 35    | Rentals - Frac Tanks                 | 6,300   |
| 1    | 36    | Coil Tubing Unit/Workover Rig        |         |
| 1    | 37    | Wireline/Slickline/Perforating       |         |
| 1    | 38    | Temporary Packers/Plugs              |         |
| 1    | 39    | High Pressure Pump Truck             |         |
| 1    | 40    | Stimulation                          |         |
| 1    | 41    | Rentals - Pressure Control           |         |
| 1    | 42    | Flowback Services                    |         |
| 1    | 43    | Water Transfer Services              |         |
| 1    | 44    | Flowback Water Trucking & Disposal   |         |
| 1    | 45    | Permanent Equipment Installation     |         |
| 1    | 46    | Pipeline Tapping Services            |         |
| 1    | 47    | Plugging & Abandonment               | 0       |
| 1    | 53    | Overhead                             | 0       |
| 1    | 54    | Insurance                            | 20,000  |
| 1    | 55    | Contingency                          | 63,023  |

| cos | T CODES | INTANGIBLE COMPLETION COSTS  DESCRIPTION       | AMOUNT     |
|-----|---------|--|------------|
| 2   | 1       | Land - Legal                                   |            |
| 2   | 2       | Land - Regulatory                              |            |
| 2   | 3       | Land - Surface Damages                         |            |
| 2   | 4       | Land - Survey                                  |            |
| 2   | 5       | Location/Pit Construction                      |            |
| 2   | 6       | Remedial Dirtwork                              |            |
| 2   | 7       | Reserve/Frac Pit Closing                       |            |
| 2   | 8       | Drilling - Contractor                          |            |
| 2   | 9       | Mob/Rig Up - Contractor/Trucking               |            |
| 2   | 10      | Cementing Services                             |            |
| 2   | 11      | Cementing Equipment                            |            |
| 2   | 12      | Bits/Drill Out Assemblies                      | 39,421     |
| 2   | 13      | Fluid Circulation Equipment/Services           | ,          |
| 2   | 14      | Fluids/Chemicals                               | 35,875     |
| 2   | 15      | WBM Cuttings/Wastewater Disposal               |            |
| 2   | 16      | OBM Cuttings/Chemical Disposal                 |            |
| 2   | 17      | Fuel/Power                                     | 566,000    |
| 2   | 18      | Water  | 434,794    |
| 2   | 19      | Directional Drilling                           | 13 1,73    |
| 2   | 20      | Mud Logging                                    |            |
| 2   | 21      | Open/Cased/Production Hole Logs                | 8,440      |
| 2   | 22      | Coring   | 8,440      |
| 2   | 23      | Geologic Supervision                           |            |
| 2   | 24      |  |            |
| 2   | 25      | Engineering Supervision Consultant Supervision | 82,000     |
| 2   | 26      |  | 2,000      |
|     |         | Freight/Transportation                         |            |
| 2   | 27      | Labor  | 14,220     |
| 2   | 28      | Supplies - Surface                             | 2,000      |
| 2   | 29      | Supplies - Living Quarters                     | 2,000      |
| 2   | 30      | Rentals - Surface                              | 20,080     |
| 2   | 31      | Rentals - Living Quarters                      | 14,960     |
| 2   | 32      | Rentals - Downhole                             | (          |
| 2   | 33      | Rentals - Pipe & Handling Tools                | (          |
| 2   | 34      | Rentals - Frac Stack                           | 95,787     |
| 2   | 35      | Rentals - Frac Tanks                           | 29,315     |
| 2   | 36      | Coil Tubing Unit/Workover Rig                  | 94,066     |
| 2   | 37      | Wireline/Slickline/Perforating                 | 303,200    |
| 2   | 38      | Temporary Packers/Plugs                        | 48,100     |
| 2   | 39      | High Pressure Pump Truck                       | 69,660     |
| 2   | 40      | Stimulation                                    | 2,071,792  |
| 2   | 41      | Rentals - Pressure Control                     |            |
| 2   | 42      | Flowback Services                              | 48,681     |
| 2   | 43      | Water Transfer Services                        | 79,500     |
| 2   | 44      | Flowback Water Trucking & Disposal             | 13,056     |
| 2   | 45      | Permanent Equipment Installation               |            |
| 2   | 46      | Pipeline Tapping Services                      |            |
| 2   | 47      | Plugging & Abandonment                         |            |
| 2   | 53      | Overhead                                       | 16,880     |
| 2   | 54      | Insurance                                      |            |
| 2   | 55      | Contingency                                    | 152,797    |
|     |         | TOTAL INTANGIBLE COMPLETION COSTS:             | ¢4 244 622 |

| cos | T CODES | DESCRIPTION                          | AMOUNT |
|-----|---------|--------------------------------------|--------|
| 3   | 1       | Land - Legal                         |        |
| 3   | 2       | Land - Regulatory                    |        |
|     | 3       | Land - Surface Damages               |        |
| 3   | 4       | Land - Survey                        |        |
|     | 5       | Location/Pit Construction            | 5,000  |
|     | 6       | Remedial Dirtwork                    |        |
| 3   | 7       | Reserve/Frac Pit Closing             |        |
|     | 8       | Drilling - Contractor                |        |
|     | 9       | Mob/Rig Up - Contractor/Trucking     |        |
| 3   | 10      | Cementing Services                   |        |
|     | 11      | Cementing Equipment                  |        |
| 3   | 12      | Bits/Drill Out Assemblies            |        |
|     | 13      | Fluid Circulation Equipment/Services |        |
|     | 14      | Fluids/Chemicals                     |        |
| 3   | 15      | WBM Cuttings/Wastewater Disposal     |        |
|     | 16      | OBM Cuttings/Chemical Disposal       |        |
|     | 17      | Fuel/Power                           |        |
| _   | 18      | Water                                |        |
| }   | 19      | Directional Drilling                 |        |
|     |         | -                                    |        |
|     | 20      | Mud Logging                          |        |
|     | 21      | Open/Cased/Production Hole Logs      |        |
|     | 22      | Coring                               |        |
|     |         | Geologic Supervision                 |        |
|     | 24      | Engineering Supervision              | 10.500 |
| _   | 25      | Consultant Supervision               | 18,500 |
|     | 26      | Freight/Transportation               | 15,000 |
|     | 27      | Labor                                | 38,000 |
|     | 28      | Supplies - Surface                   |        |
|     | 29      | Supplies - Living Quarters           |        |
|     | 30      | Rentals - Surface                    | 9,800  |
|     | 31      | Rentals - Living Quarters            |        |
| 3   | 32      | Rentals - Downhole                   |        |
|     | 33      | Rentals - Pipe & Handling Tools      |        |
| 3   | 34      | Rentals - Frac Stack                 | 12,950 |
|     | 35      | Rentals - Frac Tanks                 | 15,000 |
| 3   | 36      | Coil Tubing Unit/Workover Rig        | 34,500 |
| 3   | 37      | Wireline/Slickline/Perforating       | 5,500  |
| 3   | 38      | Temporary Packers/Plugs              |        |
| 3   | 39      | High Pressure Pump Truck             |        |
| 3   | 40      | Stimulation                          |        |
| 3   | 41      | Rentals - Pressure Control           |        |
|     | 42      | Flowback Services                    | 43,600 |
|     | 43      | Water Transfer Services              |        |
|     | 44      | Flowback Water Trucking & Disposal   | 65,960 |
| 3   | 45      | Permanent Equipment Installation     |        |
|     | 46      | Pipeline Tapping Services            |        |
|     | 47      | Plugging & Abandonment               |        |
|     | 53      | Overhead                             | C      |
| 3   | 54      | Insurance                            |        |
| 3   | 55      | Contingency                          | 11,778 |
| •   |         | contingency                          | 11,770 |

TOTAL INTANGIBLE DRILLING COSTS: \$2,163,779

TANGIBLE COMPLETION COSTS

TANGIBLE PRODUCTION COSTS

| TANGIBLE DRILLING COSTS  COST CODES DESCRIPTION |    |                                       | AMOUNT  |
|---|----|---------------------------------------|---------|
| 4   | 60 | Conductor Casing                      | 29,997  |
| 4   | 61 | Surface Casing                        | 112,511 |
| 4   | 62 | 1st Intermediate Casing               | 178,610 |
| 4   | 63 | 2nd Intermediate Casing               | 194,149 |
| 4   | 64 | Production Casing                     | 616,502 |
| 4   | 65 | Tubing                                |         |
| 4   | 66 | Wellhead                              | 78,000  |
| 4   | 67 | Permanent Packers/Hangers/Plugs       |         |
| 4   | 68 | Tanks                                 |         |
| 4   | 69 | Production Vessels                    |         |
| 4   | 70 | Compressors                           |         |
| 4   | 71 | Surface Flowlines                     |         |
| 4   | 72 | Gathering Lines                       |         |
| 4   | 73 | Valves & Controllers                  |         |
| 4   | 74 | Artificial Lift Equipment             |         |
| 4   | 75 | Instrumentation & Measurement         |         |
| 4   | 76 | Electrical Grounding/Safety Equipment |         |
| 4   | 77 | Permanent Equipment Installation      |         |
| 4   | 80 | Other - Surface                       |         |
| 4   | 81 | Other - Downhole                      | 15.000  |

| cos | CODES | DESCRIPTION                           | AMOUNT |
|-----|-------|---------------------------------------|--------|
| 5   | 60    | Conductor Casing                      |        |
| 5   | 61    | Surface Casing                        |        |
| 5   | 62    | 1st Intermediate Casing               |        |
| 5   | 63    | 2nd Intermediate Casing               |        |
| 5   | 64    | Production Casing                     | 0      |
| 5   | 65    | Tubing                                |        |
| 5   | 66    | Wellhead                              | 0      |
| 5   | 67    | Permanent Packers/Hangers/Plugs       |        |
| 5   | 68    | Tanks                                 |        |
| 5   | 69    | Production Vessels                    |        |
| 5   | 70    | Compressors                           |        |
| 5   | 71    | Surface Flowlines                     |        |
| 5   | 72    | Gathering Lines                       |        |
| 5   | 73    | Valves & Controllers                  |        |
| 5   | 74    | Artificial Lift Equipment             |        |
| 5   | 75    | Instrumentation & Measurement         |        |
| 5   | 76    | Electrical Grounding/Safety Equipment |        |
| 5   | 77    | Permanent Equipment Installation      |        |
| 5   | 80    | Other - Surface                       |        |
| 5   | 81    | Other - Downhole                      |        |
|     |       | TOTAL TANGIBLE COMPLETION COSTS:      | \$0    |

| COST CODES | DESCRIPTION                           | AMOUNT    |
|------------|---------------------------------------|-----------|
| 6 60       | Conductor Casing                      |           |
| 6 61       | Surface Casing                        |           |
| 6 62       | 1st Intermediate Casing               |           |
| 6 63       | 2nd Intermediate Casing               |           |
| 6 64       | Production Casing                     |           |
| 6 65       | Tubing                                | 95,400    |
| 6 66       | Wellhead                              | 62,100    |
| 6 67       | Permanent Packers/Hangers/Plugs       | 0         |
| 6 68       | Tanks                                 |           |
| 6 69       | Production Vessels                    | 160,000   |
| 6 70       | Compressors                           |           |
| 6 71       | Surface Flowlines                     | 50,000    |
| 6 72       | Gathering Lines                       | 0         |
| 6 73       | Valves & Controllers                  | 0         |
| 6 74       | Artificial Lift Equipment             | 28,500    |
| 6 75       | Instrumentation & Measurement         |           |
| 6 76       | Electrical Grounding/Safety Equipment |           |
| 6 77       | Permanent Equipment Installation      | 5,000     |
| 6 80       | Other - Surface                       |           |
| 6 81       | Other - Downhole                      |           |
|            | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,224,768

TOTAL DRILLING COSTS: \$3,388,547

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,309,758

TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | VP - EXPLORATION   |
|-------------------|--------------------|
| CFO               | VP - OPERATIONS    |
| VP - LAND & LEGAL | _ SENIOR GEOLOGIST |
|                   |                    |

| COMPANY               | NAME:     |
|-----------------------|-----------|
| SIGNED BY:            | TITLE:    |
| WORKING INTEREST (%): | DATE:     |
| TAX ID:               | APPROVAL: |

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

Date: May 10, 2022 MD/TVD: 20360 / 9700 Lateral Length: 10210 Geologic Target: 2nd Bone Spring Name: AFE #: County: Lea

Well Description:

Drill, complete, and produce a horizontal 2nd Bone Spring well with a 10210 foot lateral.

| cos | T CODES | INTANGIBLE DRILLING COSTS  DESCRIPTION | AMOUNT  |
|-----|---------|--|---------|
| 1   | 1       | Land - Legal                           | 10,000  |
| 1   | 2       | Land - Regulatory                      | 10,000  |
| 1   | 3       | Land - Surface Damages                 | 10,000  |
| 1   | 4       | Land - Survey                          | 10,000  |
| 1   | 5       | Location/Pit Construction              | 78,500  |
| 1   | 6       | Remedial Dirtwork                      | 0       |
| 1   | 7       | Reserve/Frac Pit Closing               | 0       |
| 1   | 8       | Drilling - Contractor                  | 474,408 |
| 1   | 9       | Mob/Rig Up - Contractor/Trucking       | 50,000  |
| 1   | 10      | Cementing Services                     | 190,000 |
| 1   | 11      | Cementing Equipment                    | 33,000  |
| 1   | 12      | Bits/Drill Out Assemblies              | 77,000  |
| 1   | 13      | Fluid Circulation Equipment/Services   | 69,075  |
| 1   | 14      | Fluids/Chemicals                       | 73,163  |
| 1   | 15      |  | 45,675  |
|     |         | WBM Cuttings/Wastewater Disposal       |         |
| 1   | 16      | OBM Cuttings/Chemical Disposal         | 162.756 |
| 1   | 17      | Fuel/Power                             | 162,750 |
| 1   | 18      | Water                                  | 54,200  |
| 1   | 19      | Directional Drilling                   | 210,000 |
| 1   | 20      | Mud Logging                            | 24,071  |
| 1   | 21      | Open/Cased/Production Hole Logs        | (       |
| 1   | 22      | Coring                                 | C       |
| 1   | 23      | Geologic Supervision                   | С       |
| 1   | 24      | Engineering Supervision                | С       |
| 1   | 25      | Consultant Supervision                 | 105,600 |
| 1   | 26      | Freight/Transportation                 | 9,000   |
| 1   | 27      | Labor                                  | 129,000 |
| 1   | 28      | Supplies - Surface                     | 2,500   |
| 1   | 29      | Supplies - Living Quarters             | 1,000   |
| 1   | 30      | Rentals - Surface                      | 79,465  |
| 1   | 31      | Rentals - Living Quarters              | 49,900  |
| 1   | 32      | Rentals - Downhole                     | 18,500  |
| 1   | 33      | Rentals - Pipe & Handling Tools        | 97,650  |
| 1   | 34      | Rentals - Frac Stack                   |         |
| 1   | 35      | Rentals - Frac Tanks                   | 6,300   |
| 1   | 36      | Coil Tubing Unit/Workover Rig          |         |
| 1   | 37      | Wireline/Slickline/Perforating         |         |
| 1   | 38      | Temporary Packers/Plugs                |         |
| 1   | 39      | High Pressure Pump Truck               |         |
| 1   | 40      | Stimulation                            |         |
| 1   | 41      | Rentals - Pressure Control             |         |
| 1   | 42      | Flowback Services                      |         |
| 1   | 43      | Water Transfer Services                |         |
| 1   | 44      | Flowback Water Trucking & Disposal     |         |
| 1   | 45      | Permanent Equipment Installation       |         |
| 1   | 46      | Pipeline Tapping Services              |         |
| -   |         |  | 0       |
| 1   | 47      | Plugging & Abandonment                 |         |
| 1   | 53      | Overhead                               |         |
| 1   | 54      | Insurance                              | 20,000  |
| 1   | 55      | Contingency                            | 63,023  |

| cos | T CODES | INTANGIBLE COMPLETION COSTS  DESCRIPTION | AMOUNT      |
|-----|---------|--|-------------|
| 2   | 1       | Land - Legal                             |             |
| 2   | 2       | Land - Regulatory                        |             |
| 2   | 3       | Land - Surface Damages                   |             |
| 2   | 4       | Land - Survey                            |             |
| 2   | 5       | Location/Pit Construction                |             |
| 2   | 6       | Remedial Dirtwork                        |             |
| 2   | 7       | Reserve/Frac Pit Closing                 |             |
| 2   | 8       | Drilling - Contractor                    |             |
| 2   | 9       | Mob/Rig Up - Contractor/Trucking         |             |
| 2   | 10      | Cementing Services                       |             |
| 2   | 11      | Cementing Equipment                      |             |
| 2   | 12      | Bits/Drill Out Assemblies                | 39,421      |
| 2   | 13      | Fluid Circulation Equipment/Services     |             |
| 2   | 14      | Fluids/Chemicals                         | 35,875      |
| 2   | 15      | WBM Cuttings/Wastewater Disposal         | 33,673      |
| 2   | 16      | OBM Cuttings/Chemical Disposal           |             |
| 2   | 17      | Fuel/Power                               | 566,000     |
| 2   | 18      | Water                                    | 434,794     |
| 2   | 19      | Directional Drilling                     | 434,734     |
| 2   | 20      | Mud Logging                              |             |
|     |         |  | 0.440       |
| 2   | 21      | Open/Cased/Production Hole Logs          | 8,440       |
|     |         | Coologie Supervision                     |             |
| 2   | 23      | Geologic Supervision                     |             |
| 2   | 24      | Engineering Supervision                  | 22.000      |
| 2   | 25      | Consultant Supervision                   | 82,000      |
| 2   | 26      | Freight/Transportation                   | 2,000       |
| 2   | 27      | Labor                                    | 14,220      |
| 2   | 28      | Supplies - Surface                       | 2,000       |
| 2   | 29      | Supplies - Living Quarters               | 2,000       |
| 2   | 30      | Rentals - Surface                        | 20,080      |
| 2   | 31      | Rentals - Living Quarters                | 14,960      |
| 2   | 32      | Rentals - Downhole                       | 0           |
| 2   | 33      | Rentals - Pipe & Handling Tools          | 0           |
| 2   | 34      | Rentals - Frac Stack                     | 95,787      |
| 2   | 35      | Rentals - Frac Tanks                     | 29,315      |
| 2   | 36      | Coil Tubing Unit/Workover Rig            | 94,066      |
| 2   | 37      | Wireline/Slickline/Perforating           | 303,200     |
| 2   | 38      | Temporary Packers/Plugs                  | 48,100      |
| 2   | 39      | High Pressure Pump Truck                 | 69,660      |
| 2   | 40      | Stimulation                              | 2,071,792   |
| 2   | 41      | Rentals - Pressure Control               |             |
| 2   | 42      | Flowback Services                        | 48,681      |
| 2   | 43      | Water Transfer Services                  | 79,500      |
| 2   | 44      | Flowback Water Trucking & Disposal       | 13,056      |
| 2   | 45      | Permanent Equipment Installation         |             |
| 2   | 46      | Pipeline Tapping Services                |             |
| 2   | 47      | Plugging & Abandonment                   |             |
| 2   | 53      | Overhead                                 | 16,880      |
| 2   | 54      | Insurance                                |             |
| 2   | 55      | Contingency                              | 152,797     |
|     |         | TOTAL INTANGIBLE COMPLETION COSTS:       | \$4,244,622 |
|     |         |  |             |

| LUS | T CODES | DESCRIPTION                          | AMOUNT |
|-----|---------|--------------------------------------|--------|
| 3   | 1       | Land - Legal                         |        |
| 3   | 2       | Land - Regulatory                    |        |
| 3   | 3       | Land - Surface Damages               |        |
| 3   | 4       | Land - Survey                        |        |
| 3   | 5       | Location/Pit Construction            | 5,000  |
| 3   | 6       | Remedial Dirtwork                    |        |
| 3   | 7       | Reserve/Frac Pit Closing             |        |
| 3   | 8       | Drilling - Contractor                |        |
| 3   | 9       | Mob/Rig Up - Contractor/Trucking     |        |
| 3   | 10      | Cementing Services                   |        |
| 3   | 11      | Cementing Equipment                  |        |
| 3   | 12      | Bits/Drill Out Assemblies            |        |
| 3   | 13      | Fluid Circulation Equipment/Services |        |
| 3   | 14      | Fluids/Chemicals                     |        |
| 3   | 15      | WBM Cuttings/Wastewater Disposal     |        |
| 3   | 16      | OBM Cuttings/Chemical Disposal       |        |
|     | 17      | Fuel/Power                           |        |
|     | 18      | Water                                |        |
| 3   | 19      | Directional Drilling                 |        |
| 3   | 20      | Mud Logging                          |        |
|     |         | Open/Cased/Production Hole Logs      |        |
|     | 21      | Coring                               |        |
|     | 23      | -                                    |        |
| _   |         | Geologic Supervision                 |        |
|     | 24      | Engineering Supervision              | 40.500 |
| _   | 25      | Consultant Supervision               | 18,500 |
| 3   | 26      | Freight/Transportation               | 15,000 |
|     | 27      | Labor                                | 38,000 |
| 3   | 28      | Supplies - Surface                   |        |
|     | 29      | Supplies - Living Quarters           |        |
| 3   | 30      | Rentals - Surface                    | 9,800  |
| 3   | 31      | Rentals - Living Quarters            |        |
| 3   | 32      | Rentals - Downhole                   |        |
| 3   | 33      | Rentals - Pipe & Handling Tools      |        |
| 3   | 34      | Rentals - Frac Stack                 | 12,950 |
| 3   | 35      | Rentals - Frac Tanks                 | 15,000 |
| 3   | 36      | Coil Tubing Unit/Workover Rig        | 34,500 |
| 3   | 37      | Wireline/Slickline/Perforating       | 5,500  |
| 3   | 38      | Temporary Packers/Plugs              |        |
| 3   | 39      | High Pressure Pump Truck             |        |
| 3   | 40      | Stimulation                          |        |
| 3   | 41      | Rentals - Pressure Control           |        |
| 3   | 42      | Flowback Services                    | 43,600 |
| 3   | 43      | Water Transfer Services              |        |
| 3   | 44      | Flowback Water Trucking & Disposal   | 65,960 |
| 3   | 45      | Permanent Equipment Installation     |        |
| 3   | 46      | Pipeline Tapping Services            |        |
| 3   | 47      | Plugging & Abandonment               |        |
| 3   | 53      | Overhead                             | C      |
| 3   | 54      | Insurance                            |        |
| -   |         | Contingency                          | 1      |

TOTAL INTANGIBLE DRILLING COSTS: \$2,163,779

TANGIBLE COMPLETION COSTS DESCRIPTION

COST CODES

| TANGIBLE PRODUCTION | COSTS |
|---------------------|-------|
| DESCRIPTION         |       |
| uctor Casina        |       |

| cos | T CODES | DESCRIPTION                           | AMOUNT  |
|-----|---------|---------------------------------------|---------|
| 4   | 60      | Conductor Casing                      | 29,997  |
| 4   | 61      | Surface Casing                        | 112,511 |
| 4   | 62      | 1st Intermediate Casing               | 178,610 |
| 4   | 63      | 2nd Intermediate Casing               | 194,149 |
| 4   | 64      | Production Casing                     | 616,502 |
| 4   | 65      | Tubing                                |         |
| 4   | 66      | Wellhead                              | 78,000  |
| 4   | 67      | Permanent Packers/Hangers/Plugs       |         |
| 4   | 68      | Tanks                                 |         |
| 4   | 69      | Production Vessels                    |         |
| 4   | 70      | Compressors                           |         |
| 4   | 71      | Surface Flowlines                     |         |
| 4   | 72      | Gathering Lines                       |         |
| 4   | 73      | Valves & Controllers                  |         |
| 4   | 74      | Artificial Lift Equipment             |         |
| 4   | 75      | Instrumentation & Measurement         |         |
| 4   | 76      | Electrical Grounding/Safety Equipment |         |
| 4   | 77      | Permanent Equipment Installation      |         |
| 4   | 80      | Other - Surface                       |         |
| 4   | 81      | Other - Downhole                      | 15,000  |

TANGIBLE DRILLING COSTS

| 5 | 60 | Conductor Casing                      |     |
|---|----|---------------------------------------|-----|
| 5 | 61 | Surface Casing                        |     |
| 5 | 62 | 1st Intermediate Casing               |     |
| 5 | 63 | 2nd Intermediate Casing               |     |
| 5 | 64 | Production Casing                     | 0   |
| 5 | 65 | Tubing                                |     |
| 5 | 66 | Wellhead                              | 0   |
| 5 | 67 | Permanent Packers/Hangers/Plugs       |     |
| 5 | 68 | Tanks                                 |     |
| 5 | 69 | Production Vessels                    |     |
| 5 | 70 | Compressors                           |     |
| 5 | 71 | Surface Flowlines                     |     |
| 5 | 72 | Gathering Lines                       |     |
| 5 | 73 | Valves & Controllers                  |     |
| 5 | 74 | Artificial Lift Equipment             |     |
| 5 | 75 | Instrumentation & Measurement         |     |
| 5 | 76 | Electrical Grounding/Safety Equipment |     |
| 5 | 77 | Permanent Equipment Installation      |     |
| 5 | 80 | Other - Surface                       |     |
| 5 | 81 | Other - Downhole                      |     |
|   |    | TOTAL TANGIBLE COMPLETION COSTS:      | \$0 |

| 0 | 00 | conductor casing                      |         |
|---|----|---------------------------------------|---------|
| 6 | 61 | Surface Casing                        |         |
| 6 | 62 | 1st Intermediate Casing               |         |
| 6 | 63 | 2nd Intermediate Casing               |         |
| 6 | 64 | Production Casing                     |         |
| 6 | 65 | Tubing                                | 95,400  |
| 6 | 66 | Wellhead                              | 62,100  |
| 6 | 67 | Permanent Packers/Hangers/Plugs       | C       |
| 6 | 68 | Tanks                                 |         |
| 6 | 69 | Production Vessels                    | 160,000 |
| 6 | 70 | Compressors                           |         |
| 6 | 71 | Surface Flowlines                     | 50,000  |
| 6 | 72 | Gathering Lines                       | C       |
| 6 | 73 | Valves & Controllers                  | C       |
| 6 | 74 | Artificial Lift Equipment             | 28,500  |
| 6 | 75 | Instrumentation & Measurement         |         |
| 6 | 76 | Electrical Grounding/Safety Equipment |         |
| 6 | 77 | Permanent Equipment Installation      | 5,000   |
| 6 | 80 | Other - Surface                       |         |
| 6 | 81 | Other - Downhole                      |         |

TOTAL TANGIBLE DRILLING COSTS: \$1,224,768 TOTAL DRILLING COSTS: \$3,388,547

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL TANGIBLE PRODUCTION COSTS: \$401,000 TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,309,758

#### TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | VP - EXPLORATION |  |
|-------------------|------------------|--|
| CFO               | VP - OPERATIONS  |  |
| VP - LAND & LEGAL | SENIOR GEOLOGIST |  |
|                   |                  |  |

| COMPANY NAME          | i:        |
|-----------------------|-----------|
| SIGNED BY:            | TITLE:    |
| WORKING INTEREST (%): | DATE:     |
| TAX ID:               | APPROVAL: |

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

Date: May 10, 2022 MD/TVD: 21010 / 10350 Lateral Length: 10210 Name: AFE #: Lea Geologic Target: 3rd Bone Spring

Well Description:

Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 foot lateral.

INTANGIBLE COMPLETION COSTS

| cost | CODES    | INTANGIBLE DRILLING COSTS  DESCRIPTION | AMOUNT |
|------|----------|--|--------|
| 1    | 1        | Land - Legal                           | 10,000 |
| 1    | 2        | Land - Regulatory                      | 10,000 |
| 1    | 3        | Land - Surface Damages                 | 10,000 |
| 1    | 4        | Land - Survey                          | 10,000 |
| 1    | 5        | Location/Pit Construction              | 78,500 |
| 1    | 6        | Remedial Dirtwork                      | (      |
| 1    | 7        | Reserve/Frac Pit Closing               | (      |
| 1    | 8        | Drilling - Contractor                  | 521,42 |
| 1    | 9        | Mob/Rig Up - Contractor/Trucking       | 50,00  |
| 1    | 10       | Cementing Services                     | 190,00 |
| 1    | 11       | Cementing Equipment                    | 33,00  |
| 1    | 12       | Bits/Drill Out Assemblies              | 87,50  |
| 1    | 13       | Fluid Circulation Equipment/Services   | 75,51  |
| 1    | 14       | Fluids/Chemicals                       | 90,00  |
| 1    | 15       | WBM Cuttings/Wastewater Disposal       | 54,00  |
| 1    | 16       | OBM Cuttings/Chemical Disposal         |        |
| 1    | 17       | Fuel/Power                             | 182,12 |
| 1    | 18       | Water                                  | 65,00  |
| 1    | 19       | Directional Drilling                   | 235,00 |
| 1    | 20       | Mud Logging                            | 24,07  |
| 1    | 21       | Open/Cased/Production Hole Logs        | 24,07  |
| 1    | 22       | Coring                                 |        |
| 1    | 23       | Geologic Supervision                   |        |
|      |          |  |        |
| 1    | 24<br>25 | Engineering Supervision                | 116,60 |
| _    |          | Consultant Supervision                 |        |
| 1    | 26       | Freight/Transportation                 | 9,00   |
| 1    | 27       | Labor                                  | 129,00 |
| 1    | 28       | Supplies - Surface                     | 2,50   |
| 1    | 29       | Supplies - Living Quarters             | 1,00   |
| 1    | 30       | Rentals - Surface                      | 83,50  |
| 1    | 31       | Rentals - Living Quarters              | 54,52  |
| 1    | 32       | Rentals - Downhole                     | 18,50  |
| 1    | 33       | Rentals - Pipe & Handling Tools        | 110,82 |
| 1    | 34       | Rentals - Frac Stack                   |        |
| 1    | 35       | Rentals - Frac Tanks                   | 10,00  |
| 1    | 36       | Coil Tubing Unit/Workover Rig          |        |
| 1    | 37       | Wireline/Slickline/Perforating         |        |
| 1    | 38       | Temporary Packers/Plugs                |        |
| 1    | 39       | High Pressure Pump Truck               |        |
| 1    | 40       | Stimulation                            |        |
| 1    | 41       | Rentals - Pressure Control             |        |
| 1    | 42       | Flowback Services                      |        |
| 1    | 43       | Water Transfer Services                |        |
| 1    | 44       | Flowback Water Trucking & Disposal     |        |
| 1    | 45       | Permanent Equipment Installation       |        |
| 1    | 46       | Pipeline Tapping Services              |        |
| 1    | 47       | Plugging & Abandonment                 |        |
| 1    | 53       | Overhead                               |        |
| 1    | 54       | Insurance                              | 20,00  |
|      |          |  | 20,00  |

| cos | T CODES | DESCRIPTION                          | AMOUNT   |
|-----|---------|--------------------------------------|----------|
| 2   | 1       | Land - Legal                         |          |
| 2   | 2       | Land - Regulatory                    |          |
| 2   | 3       | Land - Surface Damages               |          |
| 2   | 4       | Land - Survey                        |          |
| 2   | 5       | Location/Pit Construction            |          |
| 2   | 6       | Remedial Dirtwork                    |          |
| 2   | 7       | Reserve/Frac Pit Closing             |          |
| 2   | 8       | Drilling - Contractor                |          |
| 2   | 9       | Mob/Rig Up - Contractor/Trucking     |          |
| 2   | 10      | Cementing Services                   |          |
| 2   | 11      | Cementing Equipment                  |          |
| 2   | 12      | Bits/Drill Out Assemblies            | 39,42    |
| 2   | 13      | Fluid Circulation Equipment/Services | 33,44    |
| 2   | 14      | Fluids/Chemicals                     | 25.0     |
| _   |         |                                      | 35,87    |
| 2   | 15      | WBM Cuttings/Wastewater Disposal     |          |
| 2   | 16      | OBM Cuttings/Chemical Disposal       |          |
| 2   | 17      | Fuel/Power                           | 566,00   |
| 2   | 18      | Water                                | 311,25   |
| 2   | 19      | Directional Drilling                 |          |
| 2   | 20      | Mud Logging                          |          |
| 2   | 21      | Open/Cased/Production Hole Logs      | 8,4      |
| 2   | 22      | Coring                               |          |
| 2   | 23      | Geologic Supervision                 |          |
| 2   | 24      | Engineering Supervision              |          |
| 2   | 25      | Consultant Supervision               | 82,00    |
| 2   | 26      | Freight/Transportation               | 2,00     |
| 2   | 27      | Labor                                | 14,22    |
| 2   | 28      | Supplies - Surface                   | 2,00     |
| 2   | 29      | Supplies - Living Quarters           | 2,0      |
| 2   | 30      | Rentals - Surface                    | 20,08    |
| 2   | 31      | Rentals - Living Quarters            | 14,9     |
| 2   | 32      | Rentals - Downhole                   |          |
| 2   | 33      | Rentals - Pipe & Handling Tools      |          |
| 2   | 34      | Rentals - Frac Stack                 | 92,68    |
| 2   | 35      | Rentals - Frac Tanks                 | 29,3     |
| 2   | 36      | Coil Tubing Unit/Workover Rig        | 94,06    |
| 2   | 37      | Wireline/Slickline/Perforating       | 239,06   |
| 2   | 38      | Temporary Packers/Plugs              | 41,60    |
| 2   | 39      | High Pressure Pump Truck             | 58,30    |
| 2   | 40      | Stimulation                          | 2,518,60 |
| 2   | 41      | Rentals - Pressure Control           | 2,310,01 |
| 2   | 41      | Flowback Services                    | 40.00    |
|     |         |                                      | 48,68    |
| 2   | 43      | Water Transfer Services              | 79,50    |
| 2   | 44      | Flowback Water Trucking & Disposal   | 13,05    |
| 2   | 45      | Permanent Equipment Installation     |          |
| 2   | 46      | Pipeline Tapping Services            |          |
| 2   | 47      | Plugging & Abandonment               |          |
| 2   | 53      | Overhead                             | 16,88    |
| 2   | 54      | Insurance                            |          |
| 2   | 55      | Contingency                          | 153,53   |

| INTANGIBLE PRODUCTION COSTS |       |                                      |        |
|-----------------------------|-------|--------------------------------------|--------|
| cosı                        | CODES | DESCRIPTION                          | AMOUNT |
| 3                           | 1     | Land - Legal                         |        |
| 3                           | 2     | Land - Regulatory                    |        |
| 3                           | 3     | Land - Surface Damages               |        |
| 3                           | 4     | Land - Survey                        |        |
| 3                           | 5     | Location/Pit Construction            | 5,00   |
| 3                           | 6     | Remedial Dirtwork                    |        |
| 3                           | 7     | Reserve/Frac Pit Closing             |        |
| 3                           | 8     | Drilling - Contractor                |        |
| 3                           | 9     | Mob/Rig Up - Contractor/Trucking     |        |
| 3                           | 10    | Cementing Services                   |        |
| 3                           | 11    | Cementing Equipment                  |        |
| 3                           | 12    | Bits/Drill Out Assemblies            |        |
| 3                           | 13    | Fluid Circulation Equipment/Services |        |
| 3                           | 14    | Fluids/Chemicals                     |        |
| 3                           | 15    | WBM Cuttings/Wastewater Disposal     |        |
| 3                           | 16    | OBM Cuttings/Chemical Disposal       |        |
| 3                           | 17    | Fuel/Power                           |        |
| 3                           | 18    | Water                                |        |
| 3                           | 19    | Directional Drilling                 |        |
| 3                           | 20    | Mud Logging                          |        |
| 3                           | 21    | Open/Cased/Production Hole Logs      |        |
| 3                           | 22    | Coring                               |        |
| 3                           | 23    | Geologic Supervision                 |        |
| 3                           | 24    | Engineering Supervision              |        |
| 3                           | 25    | Consultant Supervision               | 18,50  |
| 3                           | 26    | Freight/Transportation               | 15,00  |
| 3                           | 27    | Labor                                | 38,00  |
| 3                           | 28    | Supplies - Surface                   |        |
| 3                           | 29    | Supplies - Living Quarters           |        |
| 3                           | 30    | Rentals - Surface                    | 9,80   |
| 3                           | 31    | Rentals - Living Quarters            |        |
| 3                           | 32    | Rentals - Downhole                   |        |
| 3                           | 33    | Rentals - Pipe & Handling Tools      |        |
| 3                           | 34    | Rentals - Frac Stack                 | 12,95  |
| 3                           | 35    | Rentals - Frac Tanks                 | 15,00  |
| 3                           | 36    | Coil Tubing Unit/Workover Rig        | 34,50  |
| 3                           | 37    | Wireline/Slickline/Perforating       | 5,50   |
| 3                           | 38    | Temporary Packers/Plugs              |        |
| 3                           | 39    | High Pressure Pump Truck             |        |
| 3                           | 40    | Stimulation                          |        |
| 3                           | 41    | Rentals - Pressure Control           |        |
| 3                           | 42    | Flowback Services                    | 43,60  |
| 3                           | 43    | Water Transfer Services              |        |
| 3                           | 44    | Flowback Water Trucking & Disposal   | 65,96  |
| 3                           | 45    | Permanent Equipment Installation     | •      |
| 3                           | 46    | Pipeline Tapping Services            |        |
| 3                           | 47    | Plugging & Abandonment               |        |
| 3                           | 53    | Overhead                             |        |
| 3                           | 54    | Insurance                            |        |
| 3                           | 55    | Contingency                          | 11,77  |
| 3 1                         |       |                                      |        |

#### TANGIBLE DRILLING COSTS DESCRIPTION

COST CODES

62

66

70

72

65 Tubing Wellhead

60 Conductor Casing
61 Surface Casing

1st Intermediate Casing

2nd Intermediate Casing Production Casing

67 Permanent Packers/Hangers/Plugs 68 Tanks Production Vessels Compressors

Surface Flowlines

Gathering Lines Valves & Controllers Artificial Lift Equipment Instrumentation & Measurement 76 Electrical Grounding/Safety Equipment Permanent Equipment Installation

80 Other - Surface

TOTAL INTANGIBLE DRILLING COSTS: \$2,350,026

29,997 112,511

178,610

194.149 636,639

78,000

15,000

#### TANGIBLE COMPLETION COSTS

| COS | T CODES | DESCRIPTION                           | AMOUNT |
|-----|---------|---------------------------------------|--------|
| 5   | 60      | Conductor Casing                      |        |
| 5   | 61      | Surface Casing                        |        |
| 5   | 62      | 1st Intermediate Casing               |        |
| 5   | 63      | 2nd Intermediate Casing               |        |
| 5   | 64      | Production Casing                     | 0      |
| 5   | 65      | Tubing                                |        |
| 5   | 66      | Wellhead                              | 0      |
| 5   | 67      | Permanent Packers/Hangers/Plugs       |        |
| 5   | 68      | Tanks                                 |        |
| 5   | 69      | Production Vessels                    |        |
| 5   | 70      | Compressors                           |        |
| 5   | 71      | Surface Flowlines                     |        |
| 5   | 72      | Gathering Lines                       |        |
| 5   | 73      | Valves & Controllers                  |        |
| 5   | 74      | Artificial Lift Equipment             |        |
| 5   | 75      | Instrumentation & Measurement         |        |
| 5   | 76      | Electrical Grounding/Safety Equipment |        |
| 5   | 77      | Permanent Equipment Installation      |        |
| 5   | 80      | Other - Surface                       |        |
| 5   | 81      | Other - Downhole                      |        |

| COST CODE | S DESCRIPTION                         | AMOUNT    |
|-----------|---------------------------------------|-----------|
| 6 60      | Conductor Casing                      |           |
| 6 61      | Surface Casing                        |           |
| 6 62      | 1st Intermediate Casing               |           |
| 6 63      | 2nd Intermediate Casing               |           |
| 6 64      | Production Casing                     |           |
| 6 65      | Tubing                                | 95,400    |
| 6 66      | Wellhead                              | 62,100    |
| 6 67      | Permanent Packers/Hangers/Plugs       | 0         |
| 6 68      | Tanks                                 |           |
| 6 69      | Production Vessels                    | 160,000   |
| 6 70      | Compressors                           |           |
| 6 71      | Surface Flowlines                     | 50,000    |
| 6 72      | Gathering Lines                       | 0         |
| 6 73      | Valves & Controllers                  | 0         |
| 6 74      | Artificial Lift Equipment             | 28,500    |
| 6 75      | Instrumentation & Measurement         |           |
| 6 76      | Electrical Grounding/Safety Equipment |           |
| 6 77      | Permanent Equipment Installation      | 5,000     |
| 6 80      | Other - Surface                       |           |
| 6 81      | Other - Downhole                      |           |
|           | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TANGIBLE PRODUCTION COSTS

4 81 Other - Downhole TOTAL TANGIBLE DRILLING COSTS: \$1,244,905

TOTAL TANGIBLE COMPLETION COSTS: \$0 TOTAL COMPLETION COSTS: \$4,483,536

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,755,056

#### TAP ROCK RESOURCES COMPANY APPROVAL:

TOTAL DRILLING COSTS: \$3,594,931

| CEO               | VP - EXPLORATION |
|-------------------|------------------|
| CFO               | VP - OPERATIONS  |
| VP - LAND & LEGAL | SENIOR GEOLOGIST |
|                   |                  |

| NON OF ENATIN         | IG FARTINER AFFROVAL. |
|-----------------------|-----------------------|
| COMPANY NAME:         |                       |
| SIGNED BY:            | TITLE:                |
| WORKING INTEREST (%): | DATE:                 |
| TAX ID:               | APPROVAL:             |

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

Date: May 10, 2022 MD/TVD: 21010 / 10350 Lateral Length: 10210 Geologic Target: 3rd Bone Spring Lea NM

Well Description

Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 foot lateral.

| cos | T CODES  | INTANGIBLE DRILLING COSTS  DESCRIPTION | AMOUNT  |
|-----|----------|--|---------|
| 1   | 1        | Land - Legal                           | 10,000  |
| 1   | 2        | Land - Regulatory                      | 10,000  |
| 1   | 3        | Land - Surface Damages                 | 10,000  |
| 1   | 4        | Land - Survey                          | 10,000  |
| 1   | 5        | Location/Pit Construction              | 78,500  |
| 1   | 6        | Remedial Dirtwork                      | 0       |
| 1   | 7        | Reserve/Frac Pit Closing               | 0       |
| 1   | 8        | Drilling - Contractor                  | 521,426 |
| 1   | 9        | Mob/Rig Up - Contractor/Trucking       | 50,000  |
| 1   | 10       | Cementing Services                     | 190,000 |
| 1   | 11       | Cementing Equipment                    | 33,000  |
| 1   | 12       | Bits/Drill Out Assemblies              | 87,500  |
| 1   | 13       | Fluid Circulation Equipment/Services   | 75,513  |
| 1   | 14       | Fluids/Chemicals                       | 90,000  |
| 1   | 15       | WBM Cuttings/Wastewater Disposal       | 54,000  |
| 1   | 16       | OBM Cuttings/Chemical Disposal         | 0       |
|     |          |  |         |
| 1   | 17<br>18 | Fuel/Power<br>Water                    | 182,125 |
|     |          |  | 65,000  |
| 1   | 19       | Directional Drilling                   | 235,000 |
| 1   | 20       | Mud Logging                            | 24,071  |
| 1   | 21       | Open/Cased/Production Hole Logs        | 0       |
| 1   | 22       | Coring                                 | 0       |
| 1   | 23       | Geologic Supervision                   | 0       |
| 1   | 24       | Engineering Supervision                | 0       |
| 1   | 25       | Consultant Supervision                 | 116,600 |
| 1   | 26       | Freight/Transportation                 | 9,000   |
| 1   | 27       | Labor                                  | 129,000 |
| 1   | 28       | Supplies - Surface                     | 2,500   |
| 1   | 29       | Supplies - Living Quarters             | 1,000   |
| 1   | 30       | Rentals - Surface                      | 83,500  |
| 1   | 31       | Rentals - Living Quarters              | 54,525  |
| 1   | 32       | Rentals - Downhole                     | 18,500  |
| 1   | 33       | Rentals - Pipe & Handling Tools        | 110,820 |
| 1   | 34       | Rentals - Frac Stack                   |         |
| 1   | 35       | Rentals - Frac Tanks                   | 10,000  |
| 1   | 36       | Coil Tubing Unit/Workover Rig          |         |
| 1   | 37       | Wireline/Slickline/Perforating         |         |
| 1   | 38       | Temporary Packers/Plugs                |         |
| 1   | 39       | High Pressure Pump Truck               |         |
| 1   | 40       | Stimulation                            |         |
| 1   | 41       | Rentals - Pressure Control             |         |
| 1   | 42       | Flowback Services                      |         |
| 1   | 43       | Water Transfer Services                |         |
| 1   | 44       | Flowback Water Trucking & Disposal     |         |
| 1   | 45       | Permanent Equipment Installation       |         |
| 1   | 46       | Pipeline Tapping Services              |         |
| 1   | 47       | Plugging & Abandonment                 | 0       |
| 1   | 53       | Overhead                               | 0       |
| 1   | 54       | Insurance                              | 20,000  |
| 1   | 55       | Contingency                            | 68,447  |
|     |          |  |         |

| cos | CODES | INTANGIBLE COMPLETION COSTS  DESCRIPTION | AMOUNT  |
|-----|-------|--|---------|
| 2   | 1     | Land - Legal                             |         |
| 2   | 2     | Land - Regulatory                        |         |
| 2   | 3     | Land - Surface Damages                   |         |
| 2   | 4     | Land - Survey                            |         |
| 2   | 5     | Location/Pit Construction                |         |
| 2   | 6     | Remedial Dirtwork                        |         |
| 2   | 7     | Reserve/Frac Pit Closing                 |         |
| 2   | 8     | Drilling - Contractor                    |         |
| 2   | 9     | Mob/Rig Up - Contractor/Trucking         |         |
| 2   | 10    | Cementing Services                       |         |
| 2   | 11    | Cementing Equipment                      |         |
| 2   | 12    | Bits/Drill Out Assemblies                | 39,42   |
| 2   | 13    | Fluid Circulation Equipment/Services     | 33,44   |
| 2   | 14    | Fluids/Chemicals                         | 35,8    |
| 2   | 15    |  | 33,0.   |
|     |       | WBM Cuttings/Wastewater Disposal         |         |
| 2   | 16    | OBM Cuttings/Chemical Disposal           |         |
| 2   | 17    | Fuel/Power                               | 566,0   |
| 2   | 18    | Water                                    | 311,2   |
| 2   | 19    | Directional Drilling                     |         |
| 2   | 20    | Mud Logging                              |         |
| 2   | 21    | Open/Cased/Production Hole Logs          | 8,4     |
| 2   | 22    | Coring                                   |         |
| 2   | 23    | Geologic Supervision                     |         |
| 2   | 24    | Engineering Supervision                  |         |
| 2   | 25    | Consultant Supervision                   | 82,0    |
| 2   | 26    | Freight/Transportation                   | 2,0     |
| 2   | 27    | Labor                                    | 14,2    |
| 2   | 28    | Supplies - Surface                       | 2,0     |
| 2   | 29    | Supplies - Living Quarters               | 2,0     |
| 2   | 30    | Rentals - Surface                        | 20,0    |
| 2   | 31    | Rentals - Living Quarters                | 14,9    |
| 2   | 32    | Rentals - Downhole                       | 14,5    |
|     | 33    |  |         |
| 2   | 34    | Rentals - Pipe & Handling Tools          | 02.0    |
|     |       | Rentals - Frac Stack                     | 92,6    |
| 2   | 35    | Rentals - Frac Tanks                     | 29,3    |
| 2   | 36    | Coil Tubing Unit/Workover Rig            | 94,0    |
| 2   | 37    | Wireline/Slickline/Perforating           | 239,0   |
| 2   | 38    | Temporary Packers/Plugs                  | 41,6    |
| 2   | 39    | High Pressure Pump Truck                 | 58,3    |
| 2   | 40    | Stimulation                              | 2,518,6 |
| 2   | 41    | Rentals - Pressure Control               |         |
| 2   | 42    | Flowback Services                        | 48,68   |
| 2   | 43    | Water Transfer Services                  | 79,5    |
| 2   | 44    | Flowback Water Trucking & Disposal       | 13,0    |
| 2   | 45    | Permanent Equipment Installation         |         |
| 2   | 46    | Pipeline Tapping Services                |         |
| 2   | 47    | Plugging & Abandonment                   |         |
| 2   | 53    | Overhead                                 | 16,8    |
| 2   | 54    | Insurance                                | -,      |
|     | 55    | Contingency                              | 153,53  |

| cos | T CODES | DESCRIPTION                                  | AMOUNT   |
|-----|---------|--|----------|
| 3   | 1       | Land - Legal                                 |          |
| 3   | 2       | Land - Regulatory                            |          |
| 3   | 3       | Land - Surface Damages                       |          |
| 3   | 4       | Land - Survey                                |          |
|     | 5       |  | E 000    |
| 3   |         | Location/Pit Construction                    | 5,000    |
| 3   | 6       | Remedial Dirtwork                            |          |
| 3   | 7       | Reserve/Frac Pit Closing                     |          |
| 3   | 8       | Drilling - Contractor                        |          |
| 3   | 9       | Mob/Rig Up - Contractor/Trucking             |          |
| 3   | 10      | Cementing Services                           |          |
| 3   | 11      | Cementing Equipment                          |          |
| 3   | 12      | Bits/Drill Out Assemblies                    |          |
| 3   | 13      | Fluid Circulation Equipment/Services         |          |
| 3   | 14      | Fluids/Chemicals                             |          |
| 3   | 15      | WBM Cuttings/Wastewater Disposal             |          |
| 3   | 16      | OBM Cuttings/Chemical Disposal               |          |
| 3   | 17      | Fuel/Power                                   |          |
| 3   | 18      | Water  |          |
| 3   | 19      | Directional Drilling                         |          |
| 3   | 20      | Mud Logging                                  |          |
| 3   | 21      | Open/Cased/Production Hole Logs              |          |
| 3   | 22      | Coring                                       |          |
| 3   | 23      | Geologic Supervision                         |          |
| 3   | 24      | Engineering Supervision                      |          |
| 3   | 25      | Consultant Supervision                       | 18,500   |
| 3   | 26      | Freight/Transportation                       | 15,000   |
| 3   | 27      | Labor  | 38,000   |
| 3   | 28      | Supplies - Surface                           | 30,000   |
| 3   | 29      | Supplies - Living Quarters                   |          |
| 3   | 30      | Rentals - Surface                            | 9,800    |
| 3   | 31      | Rentals - Surface  Rentals - Living Quarters | 3,800    |
|     |         |  |          |
| 3   | 32      | Rentals - Downhole                           |          |
| 3   | 33      | Rentals - Pipe & Handling Tools              |          |
| 3   | 34      | Rentals - Frac Stack                         | 12,950   |
| 3   | 35      | Rentals - Frac Tanks                         | 15,000   |
| 3   | 36      | Coil Tubing Unit/Workover Rig                | 34,500   |
| 3   | 37      | Wireline/Slickline/Perforating               | 5,500    |
| 3   | 38      | Temporary Packers/Plugs                      |          |
| 3   | 39      | High Pressure Pump Truck                     |          |
| 3   | 40      | Stimulation                                  |          |
| 3   | 41      | Rentals - Pressure Control                   |          |
| 3   | 42      | Flowback Services                            | 43,600   |
| 3   | 43      | Water Transfer Services                      |          |
| 3   | 44      | Flowback Water Trucking & Disposal           | 65,960   |
| 3   | 45      | Permanent Equipment Installation             |          |
| 3   | 46      | Pipeline Tapping Services                    |          |
| 3   | 47      | Plugging & Abandonment                       |          |
| 3   | 53      | Overhead                                     | 0        |
| 3   | 54      | Insurance                                    |          |
| 3   | 55      | Contingency                                  | 11,778   |
|     | •       | TOTAL INTANGIBLE PRODUCTION COSTS:           |          |
|     |         | . C L INTANGIBLE I NODGETION COSTS.          | 7273,300 |

INTANGIBLE PRODUCTION COSTS

TANGIBLE DRILLING COSTS

TOTAL INTANGIBLE DRILLING COSTS: \$2,350,026

TANGIBLE COMPLETION COSTS DESCRIPTION

COST CODES

|     |         | TANGIBLE PRODUCTION COSTS |
|-----|---------|---------------------------|
| cos | T CODES | DESCRIPTION               |
| 6   | 60      | Conductor Casing          |
|     |         |                           |

| COST CODES |    | DESCRIPTION                           | AMOUNT  |
|------------|----|---------------------------------------|---------|
| 4          | 60 | Conductor Casing                      | 29,997  |
| 4          | 61 | Surface Casing                        | 112,511 |
| 4          | 62 | 1st Intermediate Casing               | 178,610 |
| 4          | 63 | 2nd Intermediate Casing               | 194,149 |
| 4          | 64 | Production Casing                     | 636,639 |
| 4          | 65 | Tubing                                |         |
| 4          | 66 | Wellhead                              | 78,000  |
| 4          | 67 | Permanent Packers/Hangers/Plugs       |         |
| 4          | 68 | Tanks                                 |         |
| 4          | 69 | Production Vessels                    |         |
| 4          | 70 | Compressors                           |         |
| 4          | 71 | Surface Flowlines                     |         |
| 4          | 72 | Gathering Lines                       |         |
| 4          | 73 | Valves & Controllers                  |         |
| 4          | 74 | Artificial Lift Equipment             |         |
| 4          | 75 | Instrumentation & Measurement         |         |
| 4          | 76 | Electrical Grounding/Safety Equipment |         |
| 4          | 77 | Permanent Equipment Installation      |         |
| 4          | 80 | Other - Surface                       |         |
| 4          | 81 | Other - Downhole                      | 15,000  |

| 5 | 60 | Conductor Casing                      |     |
|---|----|---------------------------------------|-----|
| 5 | 61 | Surface Casing                        |     |
| 5 | 62 | 1st Intermediate Casing               |     |
| 5 | 63 | 2nd Intermediate Casing               |     |
| 5 | 64 | Production Casing                     | 0   |
| 5 | 65 | Tubing                                |     |
| 5 | 66 | Wellhead                              | 0   |
| 5 | 67 | Permanent Packers/Hangers/Plugs       |     |
| 5 | 68 | Tanks                                 |     |
| 5 | 69 | Production Vessels                    |     |
| 5 | 70 | Compressors                           |     |
| 5 | 71 | Surface Flowlines                     |     |
| 5 | 72 | Gathering Lines                       |     |
| 5 | 73 | Valves & Controllers                  |     |
| 5 | 74 | Artificial Lift Equipment             |     |
| 5 | 75 | Instrumentation & Measurement         |     |
| 5 | 76 | Electrical Grounding/Safety Equipment |     |
| 5 | 77 | Permanent Equipment Installation      |     |
| 5 | 80 | Other - Surface                       |     |
| 5 | 81 | Other - Downhole                      |     |
|   |    | TOTAL TANGIBLE COMPLETION COSTS:      | \$0 |

| 6 | 61 | Surface Casing                        |           |
|---|----|---------------------------------------|-----------|
| 6 | 62 | 1st Intermediate Casing               |           |
| 6 | 63 | 2nd Intermediate Casing               |           |
| 6 | 64 | Production Casing                     |           |
| 6 | 65 | Tubing                                | 95,400    |
| 6 | 66 | Wellhead                              | 62,100    |
| 6 | 67 | Permanent Packers/Hangers/Plugs       | 0         |
| 6 | 68 | Tanks                                 |           |
| 6 | 69 | Production Vessels                    | 160,000   |
| 6 | 70 | Compressors                           |           |
| 6 | 71 | Surface Flowlines                     | 50,000    |
| 6 | 72 | Gathering Lines                       | 0         |
| 6 | 73 | Valves & Controllers                  | 0         |
| 6 | 74 | Artificial Lift Equipment             | 28,500    |
| 6 | 75 | Instrumentation & Measurement         |           |
| 6 | 76 | Electrical Grounding/Safety Equipment |           |
| 6 | 77 | Permanent Equipment Installation      | 5,000     |
| 6 | 80 | Other - Surface                       |           |
| 6 | 81 | Other - Downhole                      |           |
|   |    | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,244,905 TOTAL DRILLING COSTS: \$3,594,931

TOTAL COMPLETION COSTS: \$4,483,536

TOTAL PRODUCTION COSTS: \$676,588

TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | VP - EXPLORATION |
|-------------------|------------------|
| CFO               | VP - OPERATIONS  |
| VP - LAND & LEGAL | SENIOR GEOLOGIST |
|                   |                  |

| NON     | OPERATING   | PARTNER   | APPROVAL: |
|---------|-------------|-----------|-----------|
| IVOIV V | OF LINATING | FAILINEIN | AFFROVAL. |

| COMPANY NAM           | E:          |
|-----------------------|-------------|
| SIGNED BY:            | TITLE:      |
| WORKING INTEREST (%): | DATE:       |
| TAX ID:               | _ APPROVAL: |

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

INTANGIBLE COMPLETION COSTS

Date: May 10, 2022 MD/TVD: 21010 / 10350 Lateral Length: 10210 Geologic Target: 3rd Bone Spring 0 Lea NM

Well Description:

 $\label{eq:Drill} \textbf{Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 foot lateral.}$ 

| COST | CODES | DESCRIPTION                          | AMOUNT  |
|------|-------|--------------------------------------|---------|
| 1    | 1     | Land - Legal                         | 10,000  |
| 1    | 2     | Land - Regulatory                    | 10,000  |
| 1    | 3     | Land - Surface Damages               | 10,000  |
| 1    | 4     | Land - Survey                        | 10,000  |
| 1    | 5     | Location/Pit Construction            | 78,500  |
| 1    | 6     | Remedial Dirtwork                    | (       |
| 1    | 7     | Reserve/Frac Pit Closing             | (       |
| 1    | 8     | Drilling - Contractor                | 521,426 |
| 1    | 9     | Mob/Rig Up - Contractor/Trucking     | 50,000  |
| 1    | 10    | Cementing Services                   | 190,000 |
| 1    | 11    | Cementing Equipment                  | 33,000  |
| 1    | 12    | Bits/Drill Out Assemblies            | 87,500  |
| 1    | 13    | Fluid Circulation Equipment/Services | 75,513  |
| 1    | 14    | Fluids/Chemicals                     | 90,000  |
| 1    | 15    | WBM Cuttings/Wastewater Disposal     | 54,000  |
| 1    | 16    | OBM Cuttings/Chemical Disposal       | (       |
| 1    | 17    | Fuel/Power                           | 182,12  |
| 1    | 18    | Water                                | 65,000  |
| 1    | 19    | Directional Drilling                 | 235,000 |
| 1    | 20    | Mud Logging                          | 24,07   |
| 1    | 21    | Open/Cased/Production Hole Logs      |         |
| 1    | 22    | Coring                               | (       |
| 1    | 23    | Geologic Supervision                 | (       |
| 1    | 24    | Engineering Supervision              | (       |
| 1    | 25    | Consultant Supervision               | 116,600 |
| 1    | 26    | Freight/Transportation               | 9,000   |
| 1    | 27    | Labor                                | 129,000 |
| 1    | 28    | Supplies - Surface                   | 2,500   |
| 1    | 29    | Supplies - Living Quarters           | 1,000   |
| 1    | 30    | Rentals - Surface                    | 83,500  |
| 1    | 31    | Rentals - Living Quarters            | 54,525  |
| 1    | 32    | Rentals - Downhole                   | 18,500  |
| 1    | 33    | Rentals - Pipe & Handling Tools      | 110,820 |
| 1    | 34    | Rentals - Frac Stack                 | 110,021 |
| 1    | 35    | Rentals - Frac Tanks                 | 10,000  |
| 1    | 36    | Coil Tubing Unit/Workover Rig        | 10,000  |
| 1    | 37    | Wireline/Slickline/Perforating       |         |
| 1    | 38    | Temporary Packers/Plugs              |         |
| 1    | 39    | High Pressure Pump Truck             |         |
| 1    | 40    | Stimulation                          |         |
| 1    | 41    | Rentals - Pressure Control           |         |
| 1    |       | Flowback Services                    |         |
| 1    | 42    | Water Transfer Services              |         |
|      |       |                                      |         |
| 1    | 44    | Flowback Water Trucking & Disposal   | -       |
| 1    | 45    | Permanent Equipment Installation     |         |
| 1    | 46    | Pipeline Tapping Services            |         |
| 1    | 47    | Plugging & Abandonment               | (       |
| 1    | 53    | Overhead                             | (       |
| 1    | 54    | Insurance                            | 20,00   |

| cos | T CODES  | DESCRIPTION                                  | AMOUNT    |
|-----|----------|--|-----------|
| 2   | 1        | Land - Legal                                 |           |
| 2   | 2        | Land - Regulatory                            |           |
| 2   | 3        | Land - Surface Damages                       |           |
| 2   | 4        | Land - Survey                                |           |
| 2   | 5        | Location/Pit Construction                    |           |
| 2   | 6        | Remedial Dirtwork                            |           |
| 2   | 7        | Reserve/Frac Pit Closing                     |           |
| 2   | 8        | Drilling - Contractor                        |           |
| 2   | 9        | Mob/Rig Up - Contractor/Trucking             |           |
| 2   | 10       | Cementing Services                           |           |
| 2   | 11       | Cementing Equipment                          |           |
| 2   | 12       | Bits/Drill Out Assemblies                    | 39,421    |
| 2   | 13       | Fluid Circulation Equipment/Services         |           |
| 2   | 14       | Fluids/Chemicals                             | 35,875    |
| 2   | 15       | WBM Cuttings/Wastewater Disposal             |           |
| 2   | 16       | OBM Cuttings/Chemical Disposal               |           |
| 2   | 17       | Fuel/Power                                   | 300,800   |
| 2   | 18       | Water  | 311,253   |
| 2   | 19       | Directional Drilling                         | . ,       |
| 2   | 20       | Mud Logging                                  |           |
| 2   | 21       | Open/Cased/Production Hole Logs              | 8,440     |
| 2   | 22       | Coring                                       | 3,140     |
| 2   | 23       | Geologic Supervision                         |           |
| 2   | 24       | Engineering Supervision                      |           |
| 2   | 25       | Consultant Supervision                       | 82,000    |
| 2   | 26       | Freight/Transportation                       | 2,000     |
| 2   | 27       | Labor  | 14,220    |
| 2   | 28       | Supplies - Surface                           | 2,000     |
| 2   | 29       | Supplies - Living Quarters                   | 2,000     |
| 2   | 30       | Rentals - Surface                            | 20,080    |
| 2   | 31       | Rentals - Living Quarters                    | 14,960    |
| 2   | 32       | Rentals - Downhole                           | 14,900    |
| 2   | 33       |  |           |
|     |          | Rentals - Pipe & Handling Tools              |           |
| 2   | 34<br>35 | Rentals - Frac Stack<br>Rentals - Frac Tanks | 92,688    |
| 2   | 36       |  | 29,315    |
| 2   | 36       | Coil Tubing Unit/Workover Rig                | 94,066    |
| 2   | 38       | Wireline/Slickline/Perforating               | 239,064   |
| _   |          | Temporary Packers/Plugs                      | 41,600    |
| 2   | 39       | High Pressure Pump Truck                     | 58,30     |
| 2   | 40       | Stimulation                                  | 2,341,183 |
| 2   | 41       | Rentals - Pressure Control                   | 40.00     |
| 2   | 42       | Flowback Services                            | 48,68     |
| 2   | 43       | Water Transfer Services                      | 79,500    |
| 2   | 44       | Flowback Water Trucking & Disposal           | 13,056    |
| 2   | 45       | Permanent Equipment Installation             |           |
| 2   | 46       | Pipeline Tapping Services                    |           |
| 2   | 47       | Plugging & Abandonment                       |           |
| 2   | 53       | Overhead                                     | 16,88     |
| 2   | 54       | Insurance                                    |           |
| 2   | 55       | Contingency                                  | 135,840   |

| cost | CODES    | DESCRIPTION   | AMOUNT  |
|------|----------|---|---------|
| 3    | 1        | Land - Legal  | AWIOONI |
| 3    | 2        | Land - Regulatory                                     |         |
| 3    | 3        | Land - Surface Damages                                |         |
| 3    | 4        | Land - Survey   |         |
| 3    | 5        | Location/Pit Construction                             | 5,000   |
| 3    | 6        | Remedial Dirtwork                                     | 3,000   |
| 3    | 7        | Reserve/Frac Pit Closing                              |         |
| 3    | 8        | Drilling - Contractor                                 |         |
| 3    | 9        | Mob/Rig Up - Contractor/Trucking                      |         |
| 3    | 10       |   |         |
| 3    | 11       | Cementing Services                                    |         |
| 3    | 12       | Cementing Equipment Bits/Drill Out Assemblies         |         |
|      |          |   |         |
| 3    | 13<br>14 | Fluid Circulation Equipment/Services Fluids/Chemicals |         |
| _    |          |   |         |
| 3    | 15       | WBM Cuttings/Wastewater Disposal                      |         |
| 3    | 16       | OBM Cuttings/Chemical Disposal                        |         |
| 3    | 17       | Fuel/Power<br>Water                                   |         |
| 3    | 18       |   |         |
| 3    | 19       | Directional Drilling                                  |         |
| 3    | 20       | Mud Logging   |         |
| 3    | 21       | Open/Cased/Production Hole Logs                       |         |
| 3    | 22       | Coring  |         |
| 3    | 23       | Geologic Supervision                                  |         |
| 3    | 24       | Engineering Supervision                               |         |
| 3    | 25       | Consultant Supervision                                | 18,500  |
| 3    | 26       | Freight/Transportation                                | 15,000  |
| 3    | 27       | Labor   | 38,000  |
| 3    | 28       | Supplies - Surface                                    |         |
| 3    | 29       | Supplies - Living Quarters                            |         |
| 3    | 30       | Rentals - Surface                                     | 9,800   |
| 3    | 31       | Rentals - Living Quarters                             |         |
| 3    | 32       | Rentals - Downhole                                    |         |
| 3    | 33       | Rentals - Pipe & Handling Tools                       |         |
| 3    | 34       | Rentals - Frac Stack                                  | 12,950  |
| 3    | 35       | Rentals - Frac Tanks                                  | 15,000  |
| 3    | 36       | Coil Tubing Unit/Workover Rig                         | 34,500  |
| 3    | 37       | Wireline/Slickline/Perforating                        | 5,500   |
| 3    | 38       | Temporary Packers/Plugs                               |         |
| 3    | 39       | High Pressure Pump Truck                              |         |
| 3    | 40       | Stimulation   |         |
| 3    | 41       | Rentals - Pressure Control                            |         |
| 3    | 42       | Flowback Services                                     | 43,600  |
| 3    | 43       | Water Transfer Services                               |         |
| 3    | 44       | Flowback Water Trucking & Disposal                    | 65,960  |
| 3    | 45       | Permanent Equipment Installation                      |         |
| 3    | 46       | Pipeline Tapping Services                             |         |
| _    | 47       | Plugging & Abandonment                                |         |
| 3    |          | Overhead  | (       |
| 3    | 53       |   |         |
|      | 53<br>54 | Insurance   |         |

INTANGIBLE PRODUCTION COSTS

#### TANGIBLE DRILLING COSTS

TOTAL INTANGIBLE DRILLING COSTS: \$2,350,026

#### TANGIBLE COMPLETION COSTS

COST CODES

| T. | ANGIBLE PRODUCTION COSTS |
|----|--------------------------|
|    | DESCRIPTION              |

COST CODES

| cos | T CODES | DESCRIPTION                           | AMOUNT  |
|-----|---------|---------------------------------------|---------|
| 4   | 60      | Conductor Casing                      | 29,997  |
| 4   | 61      | Surface Casing                        | 112,511 |
| 4   | 62      | 1st Intermediate Casing               | 178,610 |
| 4   | 63      | 2nd Intermediate Casing               | 194,149 |
| 4   | 64      | Production Casing                     | 636,639 |
| 4   | 65      | Tubing                                |         |
| 4   | 66      | Wellhead                              | 78,000  |
| 4   | 67      | Permanent Packers/Hangers/Plugs       |         |
| 4   | 68      | Tanks                                 |         |
| 4   | 69      | Production Vessels                    |         |
| 4   | 70      | Compressors                           |         |
| 4   | 71      | Surface Flowlines                     |         |
| 4   | 72      | Gathering Lines                       |         |
| 4   | 73      | Valves & Controllers                  |         |
| 4   | 74      | Artificial Lift Equipment             |         |
| 4   | 75      | Instrumentation & Measurement         |         |
| 4   | 76      | Electrical Grounding/Safety Equipment |         |
| 4   | 77      | Permanent Equipment Installation      |         |
| 4   | 80      | Other - Surface                       |         |
| 4   | 81      | Other - Downhole                      | 15,000  |

| DESCRIPTION                           | Amount  |
|---------------------------------------|---|
| Conductor Casing                      |   |
| Surface Casing                        |   |
| 1st Intermediate Casing               |   |
| 2nd Intermediate Casing               |   |
| Production Casing                     |   |
| Tubing                                |   |
| Wellhead                              |   |
| Permanent Packers/Hangers/Plugs       |   |
| Tanks                                 |   |
| Production Vessels                    |   |
| Compressors                           |   |
| Surface Flowlines                     |   |
| Gathering Lines                       |   |
| Valves & Controllers                  |   |
| Artificial Lift Equipment             |   |
| Instrumentation & Measurement         |   |
| Electrical Grounding/Safety Equipment |   |
| Permanent Equipment Installation      |   |
| Other - Surface                       |   |
| Other - Downhole                      |   |
| TOTAL TANGIBLE COMPLETION COSTS:      | \$0   |
|                                       | Surface Casing  1st Intermediate Casing 2nd Intermediate Casing Production Casing Trubing Wellhead Permanent Packers/Hangers/Plugs Tanks Production Vessels Compressors Surface Flowlines Gathering Lines Valves & Controllers Artificial Lift Equipment Instrumentation & Measurement Electrical Grounding/Safety Equipment Permanent Equipment Installation Other - Surface |

| 6 | 60 | Conductor Casing                      |           |
|---|----|---------------------------------------|-----------|
| 6 | 61 | Surface Casing                        |           |
| 6 | 62 | 1st Intermediate Casing               |           |
| 6 | 63 | 2nd Intermediate Casing               |           |
| 6 | 64 | Production Casing                     |           |
| 6 | 65 | Tubing                                | 95,400    |
| 6 | 66 | Wellhead                              | 62,100    |
| 6 | 67 | Permanent Packers/Hangers/Plugs       | 0         |
| 6 | 68 | Tanks                                 |           |
| 6 | 69 | Production Vessels                    | 160,000   |
| 6 | 70 | Compressors                           |           |
| 6 | 71 | Surface Flowlines                     | 50,000    |
| 6 | 72 | Gathering Lines                       | 0         |
| 6 | 73 | Valves & Controllers                  | 0         |
| 6 | 74 | Artificial Lift Equipment             | 28,500    |
| 6 | 75 | Instrumentation & Measurement         |           |
| 6 | 76 | Electrical Grounding/Safety Equipment |           |
| 6 | 77 | Permanent Equipment Installation      | 5,000     |
| 6 | 80 | Other - Surface                       | _         |
| 6 | 81 | Other - Downhole                      |           |
|   |    | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,244,905 TOTAL DRILLING COSTS: \$3,594,931

TOTAL COMPLETION COSTS: \$4,023,218

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,294,738

#### TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO _               | VP - EXP | PLORATION | - |
|---------------------|----------|-----------|---|
| CFO _               | VP - O   | PERATIONS | _ |
| VP - LAND & LEGAL . | SENIOR C | GEOLOGIST | _ |
|                     |          |           |   |

|                       | COMPANY NAME: |
|-----------------------|---------------|
| SIGNED BY:            | TITLE:        |
| WORKING INTEREST (%): | DATE:         |
| TAX ID:               | APPROVAL:     |

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

Date: May 10, 2022 MD/TVD: 21010 / 10350 Lateral Length: 10210 Geologic Target: 3rd Bone Spring 0 Lea

Well Description:

Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 foot lateral.

| cos | T CODES | INTANGIBLE DRILLING COSTS  DESCRIPTION | AMOUNT  |
|-----|---------|--|---------|
| 1   | 1       | Land - Legal                           | 10,000  |
| 1   | 2       | Land - Regulatory                      | 10,000  |
| 1   | 3       | Land - Surface Damages                 | 10,000  |
| 1   | 4       | Land - Survey                          | 10,000  |
| 1   | 5       | Location/Pit Construction              | 78,500  |
| 1   | 6       | Remedial Dirtwork                      | 0       |
| 1   | 7       | Reserve/Frac Pit Closing               | 0       |
| 1   | 8       | Drilling - Contractor                  | 521,426 |
| 1   | 9       | Mob/Rig Up - Contractor/Trucking       | 50,000  |
| 1   | 10      | Cementing Services                     | 190,000 |
| 1   | 11      | Cementing Equipment                    | 33,000  |
| 1   | 12      | Bits/Drill Out Assemblies              | 87,500  |
| 1   | 13      | Fluid Circulation Equipment/Services   | 75,513  |
| 1   | 14      | Fluids/Chemicals                       | 90,000  |
| 1   | 15      | WBM Cuttings/Wastewater Disposal       | 54,000  |
| 1   | 16      | OBM Cuttings/Chemical Disposal         | 0       |
| 1   | 17      | Fuel/Power                             | 182,125 |
| 1   | 18      | Water                                  | 65,000  |
| 1   | 19      | Directional Drilling                   | 235,000 |
| 1   | 20      | Mud Logging                            | 24,071  |
| 1   | 21      | Open/Cased/Production Hole Logs        | 24,071  |
| 1   | 22      | Coring                                 | 0       |
| 1   | 23      |  | 0       |
|     |         | Geologic Supervision                   |         |
| 1   | 24      | Engineering Supervision                | 116 600 |
| 1   | 25      | Consultant Supervision                 | 116,600 |
| 1   | 26      | Freight/Transportation                 | 9,000   |
| 1   | 27      | Labor                                  | 129,000 |
| 1   | 28      | Supplies - Surface                     | 2,500   |
| 1   | 29      | Supplies - Living Quarters             | 1,000   |
| 1   | 30      | Rentals - Surface                      | 83,500  |
| 1   | 31      | Rentals - Living Quarters              | 54,525  |
| 1   | 32      | Rentals - Downhole                     | 18,500  |
| 1   | 33      | Rentals - Pipe & Handling Tools        | 110,820 |
| 1   | 34      | Rentals - Frac Stack                   |         |
| 1   | 35      | Rentals - Frac Tanks                   | 10,000  |
| 1   | 36      | Coil Tubing Unit/Workover Rig          |         |
| 1   | 37      | Wireline/Slickline/Perforating         |         |
| 1   | 38      | Temporary Packers/Plugs                |         |
| 1   | 39      | High Pressure Pump Truck               |         |
| 1   | 40      | Stimulation                            |         |
| 1   | 41      | Rentals - Pressure Control             |         |
| 1   | 42      | Flowback Services                      |         |
| 1   | 43      | Water Transfer Services                |         |
| 1   | 44      | Flowback Water Trucking & Disposal     |         |
| 1   | 45      | Permanent Equipment Installation       |         |
| 1   | 46      | Pipeline Tapping Services              |         |
| 1   | 47      | Plugging & Abandonment                 | 0       |
| 1   | 53      | Overhead                               | 0       |
| 1   | 54      | Insurance                              | 20,000  |
|     | 55      | Contingency                            | 68,447  |

| cos | T CODES | INTANGIBLE COMPLETION COSTS  DESCRIPTION | AMOUNT    |
|-----|---------|--|-----------|
| 2   | 1       | Land - Legal                             |           |
| 2   | 2       | Land - Regulatory                        |           |
| 2   | 3       | Land - Surface Damages                   |           |
| 2   | 4       | Land - Survey                            |           |
| 2   | 5       | Location/Pit Construction                |           |
| 2   | 6       | Remedial Dirtwork                        |           |
| 2   | 7       | Reserve/Frac Pit Closing                 |           |
| _   |         |  |           |
| 2   | 8       | Drilling - Contractor                    |           |
| 2   | 9       | Mob/Rig Up - Contractor/Trucking         |           |
| 2   | 10      | Cementing Services                       |           |
| 2   | 11      | Cementing Equipment                      |           |
| 2   | 12      | Bits/Drill Out Assemblies                | 39,421    |
| 2   | 13      | Fluid Circulation Equipment/Services     |           |
| 2   | 14      | Fluids/Chemicals                         | 35,875    |
| 2   | 15      | WBM Cuttings/Wastewater Disposal         |           |
| 2   | 16      | OBM Cuttings/Chemical Disposal           |           |
| 2   | 17      | Fuel/Power                               | 566,000   |
| 2   | 18      | Water                                    | 311,253   |
| 2   | 19      | Directional Drilling                     |           |
| 2   | 20      | Mud Logging                              |           |
| 2   | 21      | Open/Cased/Production Hole Logs          | 8,440     |
| 2   | 22      | Coring                                   |           |
| 2   | 23      | Geologic Supervision                     |           |
| 2   | 24      | Engineering Supervision                  |           |
| 2   | 25      | Consultant Supervision                   | 82,000    |
| 2   | 26      | Freight/Transportation                   | 2,000     |
| 2   | 27      | Labor                                    | 14,220    |
| 2   | 28      | Supplies - Surface                       | 2,000     |
|     | 29      |  |           |
| 2   |         | Supplies - Living Quarters               | 2,000     |
| 2   | 30      | Rentals - Surface                        | 20,080    |
| 2   | 31      | Rentals - Living Quarters                | 14,960    |
| 2   | 32      | Rentals - Downhole                       | (         |
| 2   | 33      | Rentals - Pipe & Handling Tools          | (         |
| 2   | 34      | Rentals - Frac Stack                     | 92,688    |
| 2   | 35      | Rentals - Frac Tanks                     | 29,315    |
| 2   | 36      | Coil Tubing Unit/Workover Rig            | 94,066    |
| 2   | 37      | Wireline/Slickline/Perforating           | 239,064   |
| 2   | 38      | Temporary Packers/Plugs                  | 41,600    |
| 2   | 39      | High Pressure Pump Truck                 | 58,300    |
| 2   | 40      | Stimulation                              | 2,285,517 |
| 2   | 41      | Rentals - Pressure Control               |           |
| 2   | 42      | Flowback Services                        | 48,683    |
| 2   | 43      | Water Transfer Services                  | 79,500    |
| 2   | 44      | Flowback Water Trucking & Disposal       | 13,056    |
| 2   | 45      | Permanent Equipment Installation         |           |
| 2   | 46      | Pipeline Tapping Services                |           |
| 2   | 47      | Plugging & Abandonment                   |           |
| 2   | 53      |  | 10.000    |
|     |         | Overhead                                 | 16,880    |
| 2   | 54      | Insurance                                | 4.4       |
| 2   | 55      | Contingency                              | 147,708   |

| cor | T CODEC      | DESCRIPTION                          | ANACHINT  |
|-----|--------------|--------------------------------------|-----------|
|     | T CODES<br>1 | DESCRIPTION Land - Legal             | AMOUNT    |
| 3   |              | -                                    |           |
| 3   | 2            | Land - Regulatory                    |           |
| 3   | 3            | Land - Surface Damages               |           |
| 3   | 4            | Land - Survey                        | 5.000     |
| 3   | 5            | Location/Pit Construction            | 5,000     |
| 3   | 6            | Remedial Dirtwork                    |           |
| 3   | 7            | Reserve/Frac Pit Closing             |           |
| 3   | 8            | Drilling - Contractor                |           |
| 3   | 9            | Mob/Rig Up - Contractor/Trucking     |           |
| 3   | 10           | Cementing Services                   |           |
| 3   | 11           | Cementing Equipment                  |           |
| 3   | 12           | Bits/Drill Out Assemblies            |           |
| 3   | 13           | Fluid Circulation Equipment/Services |           |
| 3   | 14           | Fluids/Chemicals                     |           |
| 3   | 15           | WBM Cuttings/Wastewater Disposal     |           |
| 3   | 16           | OBM Cuttings/Chemical Disposal       |           |
| 3   | 17           | Fuel/Power                           |           |
| 3   | 18           | Water                                |           |
| 3   | 19           | Directional Drilling                 |           |
| 3   | 20           | Mud Logging                          |           |
| 3   | 21           | Open/Cased/Production Hole Logs      |           |
| 3   | 22           | Coring                               |           |
| 3   | 23           | Geologic Supervision                 |           |
| 3   | 24           | Engineering Supervision              |           |
| 3   | 25           | Consultant Supervision               | 18,500    |
| 3   | 26           | Freight/Transportation               | 15,000    |
| 3   | 27           | Labor                                | 38,000    |
| 3   | 28           | Supplies - Surface                   |           |
| 3   | 29           | Supplies - Living Quarters           |           |
| 3   | 30           | Rentals - Surface                    | 9,800     |
| 3   | 31           | Rentals - Living Quarters            |           |
| 3   | 32           | Rentals - Downhole                   |           |
| 3   | 33           | Rentals - Pipe & Handling Tools      |           |
| 3   | 34           | Rentals - Frac Stack                 | 12,950    |
| 3   | 35           | Rentals - Frac Tanks                 | 15,000    |
| 3   | 36           | Coil Tubing Unit/Workover Rig        | 34,500    |
| 3   | 37           | Wireline/Slickline/Perforating       | 5,500     |
| 3   | 38           | Temporary Packers/Plugs              | 3,300     |
| 3   | 39           | High Pressure Pump Truck             |           |
| 3   | 40           | Stimulation                          |           |
| 3   | 41           | Rentals - Pressure Control           |           |
|     | 42           | Flowback Services                    | 42.600    |
| 3   | 43           |                                      | 43,600    |
|     |              | Water Transfer Services              | CF 0C6    |
| 3   | 44           | Flowback Water Trucking & Disposal   | 65,960    |
| 3   | 45           | Permanent Equipment Installation     |           |
| 3   | 46           | Pipeline Tapping Services            |           |
| 3   | 47           | Plugging & Abandonment               |           |
| 3   | 53           | Overhead                             | C         |
| 3   | 54           | Insurance                            |           |
| 3   | 55           | Contingency                          | 11,778    |
|     |              | TOTAL INTANGIBLE PRODUCTION COSTS:   | \$275,588 |
|     |              |                                      |           |

INTANGIBLE PRODUCTION COSTS

#### TANGIBLE DRILLING COSTS

TOTAL INTANGIBLE DRILLING COSTS: \$2,350,026

#### TANGIBLE COMPLETION COSTS

COST CODES

| TANGIBLE PRODUCTION | cos | TS |
|---------------------|-----|----|
| DESCRIPTION         |     |    |

6 60 Conductor Casing

| cos | T CODES | DESCRIPTION                           | AMOUNT  |
|-----|---------|---------------------------------------|---------|
| 4   | 60      | Conductor Casing                      | 29,997  |
| 4   | 61      | Surface Casing                        | 112,511 |
| 4   | 62      | 1st Intermediate Casing               | 178,610 |
| 4   | 63      | 2nd Intermediate Casing               | 194,149 |
| 4   | 64      | Production Casing                     | 636,639 |
| 4   | 65      | Tubing                                |         |
| 4   | 66      | Wellhead                              | 78,000  |
| 4   | 67      | Permanent Packers/Hangers/Plugs       |         |
| 4   | 68      | Tanks                                 |         |
| 4   | 69      | Production Vessels                    |         |
| 4   | 70      | Compressors                           |         |
| 4   | 71      | Surface Flowlines                     |         |
| 4   | 72      | Gathering Lines                       |         |
| 4   | 73      | Valves & Controllers                  |         |
| 4   | 74      | Artificial Lift Equipment             |         |
| 4   | 75      | Instrumentation & Measurement         |         |
| 4   | 76      | Electrical Grounding/Safety Equipment |         |
| 4   | 77      | Permanent Equipment Installation      |         |
| 4   | 80      | Other - Surface                       |         |
| 4   | 81      | Other - Downhole                      | 15,000  |

| COS | · cobes | DESCRIPTION                           | ANIOUNT |
|-----|---------|---------------------------------------|---------|
| 5   | 60      | Conductor Casing                      |         |
| 5   | 61      | Surface Casing                        |         |
| 5   | 62      | 1st Intermediate Casing               |         |
| 5   | 63      | 2nd Intermediate Casing               |         |
| 5   | 64      | Production Casing                     | 0       |
| 5   | 65      | Tubing                                |         |
| 5   | 66      | Wellhead                              | 0       |
| 5   | 67      | Permanent Packers/Hangers/Plugs       |         |
| 5   | 68      | Tanks                                 |         |
| 5   | 69      | Production Vessels                    |         |
| 5   | 70      | Compressors                           |         |
| 5   | 71      | Surface Flowlines                     |         |
| 5   | 72      | Gathering Lines                       |         |
| 5   | 73      | Valves & Controllers                  |         |
| 5   | 74      | Artificial Lift Equipment             |         |
| 5   | 75      | Instrumentation & Measurement         |         |
| 5   | 76      | Electrical Grounding/Safety Equipment |         |
| 5   | 77      | Permanent Equipment Installation      |         |
| 5   | 80      | Other - Surface                       |         |
| 5   | 81      | Other - Downhole                      |         |
|     |         | TOTAL TANGIBLE COMPLETION COSTS:      | \$0     |
|     |         |                                       |         |

| 6 | 61 | Surface Casing                        |           |
|---|----|---------------------------------------|-----------|
| 6 | 62 | 1st Intermediate Casing               |           |
| 6 | 63 | 2nd Intermediate Casing               |           |
| 6 | 64 | Production Casing                     |           |
| 6 | 65 | Tubing                                | 95,400    |
| 6 | 66 | Wellhead                              | 62,100    |
| 6 | 67 | Permanent Packers/Hangers/Plugs       | 0         |
| 6 | 68 | Tanks                                 |           |
| 6 | 69 | Production Vessels                    | 160,000   |
| 6 | 70 | Compressors                           |           |
| 6 | 71 | Surface Flowlines                     | 50,000    |
| 6 | 72 | Gathering Lines                       | 0         |
| 6 | 73 | Valves & Controllers                  | 0         |
| 6 | 74 | Artificial Lift Equipment             | 28,500    |
| 6 | 75 | Instrumentation & Measurement         |           |
| 6 | 76 | Electrical Grounding/Safety Equipment |           |
| 6 | 77 | Permanent Equipment Installation      | 5,000     |
| 6 | 80 | Other - Surface                       |           |
| 6 | 81 | Other - Downhole                      |           |
|   |    | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,244,905 TOTAL DRILLING COSTS: \$3,594,931

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,516,142

#### TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | <br>VP - EXPLORATION _ |  |
|-------------------|------------------------|--|
| CFO               | <br>VP - OPERATIONS _  |  |
| VP - LAND & LEGAL | SENIOR GEOLOGIST _     |  |
|                   |                        |  |

|                       | COMPANY NAME: |
|-----------------------|---------------|
| SIGNED BY:            | TITLE:        |
| WORKING INTEREST (%): | DATE:         |
| TAX ID:               | APPROVAL:     |

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

INTANGIBLE COMPLETION COSTS

Double Stamp #152

Date: May 10, 2022 MD/TVD: 21010 / 10350 Lateral Length: 10210 Geologic Target: 3rd Bone Spring Name: AFE #: County: NM

Well Description:

Drill, complete, and produce a horizontal 3rd Bone Spring well with a 10210 foot lateral.

| $\neg$ | T CODES | INTANGIBLE DRILLING COSTS  DESCRIPTION         | AMOUNT |
|--------|---------|--|--------|
| 1      | 1       | Land - Legal                                   | 10,000 |
| 1      | 2       | Land - Regulatory                              | 10,000 |
| 1      | 3       | Land - Surface Damages                         | 10,000 |
| 1      | 4       | Land - Survey                                  | 10,000 |
| 1      | 5       | Location/Pit Construction                      | 78,500 |
| 1      | 6       | Remedial Dirtwork                              | (      |
| 1      | 7       | Reserve/Frac Pit Closing                       |        |
| 1      | 8       | Drilling - Contractor                          | 521,42 |
| 1      | 9       | Mob/Rig Up - Contractor/Trucking               | 50,00  |
| 1      | 10      | Cementing Services                             | 190,00 |
| 1      | 11      | Cementing Equipment                            | 33,00  |
| 1      | 12      | Bits/Drill Out Assemblies                      | 87,50  |
| 1      | 13      | Fluid Circulation Equipment/Services           | 75,51  |
| 1      | 14      | Fluids/Chemicals                               | 90,00  |
| 1      | 15      | WBM Cuttings/Wastewater Disposal               | 54,00  |
| 1      | 16      | OBM Cuttings/Chemical Disposal                 |        |
| 1      | 17      | Fuel/Power                                     | 182,12 |
| 1      | 18      | Water  | 65,00  |
| 1      | 19      | Directional Drilling                           | 235,00 |
| 1      | 20      | Mud Logging                                    | 24,07  |
| 1      | 21      | Open/Cased/Production Hole Logs                | 24,07  |
| 1      | 22      | Coring   |        |
| 1      | 23      | Geologic Supervision                           |        |
| 1      | 24      |  |        |
| 1      | 25      | Engineering Supervision Consultant Supervision | 116,60 |
| 1      | 26      |  | 9,00   |
| -      |         | Freight/Transportation                         |        |
| 1      | 27      | Labor<br>Supplies Surface                      | 129,00 |
| 1      | 28      | Supplies - Surface                             | 2,50   |
| 1      | 29      | Supplies - Living Quarters                     | 1,00   |
| 1      | 30      | Rentals - Surface                              | 83,50  |
| 1      | 31      | Rentals - Living Quarters                      | 54,52  |
| 1      | 32      | Rentals - Downhole                             | 18,50  |
| 1      | 33      | Rentals - Pipe & Handling Tools                | 110,82 |
| 1      | 34      | Rentals - Frac Stack                           |        |
| 1      | 35      | Rentals - Frac Tanks                           | 10,00  |
| 1      | 36      | Coil Tubing Unit/Workover Rig                  |        |
| 1      | 37      | Wireline/Slickline/Perforating                 |        |
| 1      | 38      | Temporary Packers/Plugs                        |        |
| 1      | 39      | High Pressure Pump Truck                       |        |
| 1      | 40      | Stimulation                                    |        |
| 1      | 41      | Rentals - Pressure Control                     |        |
| 1      | 42      | Flowback Services                              |        |
| 1      | 43      | Water Transfer Services                        |        |
| 1      | 44      | Flowback Water Trucking & Disposal             |        |
| 1      | 45      | Permanent Equipment Installation               |        |
| 1      | 46      | Pipeline Tapping Services                      |        |
| 1      | 47      | Plugging & Abandonment                         |        |
| 1      | 53      | Overhead                                       |        |
| 1      | 54      | Insurance                                      | 20,00  |
|        |         |  |        |

| cos | T CODES | DESCRIPTION COSTS                    | AMOUNT   |
|-----|---------|--------------------------------------|----------|
| 2   | 1       | Land - Legal                         |          |
| 2   | 2       | Land - Regulatory                    |          |
| 2   | 3       | Land - Surface Damages               |          |
| 2   | 4       | Land - Survey                        |          |
| 2   | 5       | Location/Pit Construction            |          |
| 2   | 6       | Remedial Dirtwork                    |          |
| 2   | 7       | Reserve/Frac Pit Closing             |          |
| 2   | 8       | Drilling - Contractor                |          |
| 2   | 9       | Mob/Rig Up - Contractor/Trucking     |          |
|     | 10      |                                      |          |
| 2   | 11      | Cementing Services                   |          |
| 2   | 12      | Cementing Equipment                  | 20.42    |
|     |         | Bits/Drill Out Assemblies            | 39,42    |
| 2   | 13      | Fluid Circulation Equipment/Services | 25.07    |
| 2   | 14      | Fluids/Chemicals                     | 35,87    |
| 2   | 15      | WBM Cuttings/Wastewater Disposal     |          |
| 2   | 16      | OBM Cuttings/Chemical Disposal       |          |
| 2   | 17      | Fuel/Power                           | 566,00   |
| 2   | 18      | Water                                | 311,25   |
| 2   | 19      | Directional Drilling                 |          |
| 2   | 20      | Mud Logging                          |          |
| 2   | 21      | Open/Cased/Production Hole Logs      | 8,44     |
| 2   | 22      | Coring                               |          |
| 2   | 23      | Geologic Supervision                 |          |
| 2   | 24      | Engineering Supervision              |          |
| 2   | 25      | Consultant Supervision               | 82,00    |
| 2   | 26      | Freight/Transportation               | 2,00     |
| 2   | 27      | Labor                                | 14,22    |
| 2   | 28      | Supplies - Surface                   | 2,00     |
| 2   | 29      | Supplies - Living Quarters           | 2,00     |
| 2   | 30      | Rentals - Surface                    | 20,08    |
| 2   | 31      | Rentals - Living Quarters            | 14,96    |
| 2   | 32      | Rentals - Downhole                   |          |
| 2   | 33      | Rentals - Pipe & Handling Tools      |          |
| 2   | 34      | Rentals - Frac Stack                 | 92,68    |
| 2   | 35      | Rentals - Frac Tanks                 | 29,31    |
| 2   | 36      | Coil Tubing Unit/Workover Rig        | 94,06    |
| 2   | 37      | Wireline/Slickline/Perforating       | 239,06   |
| 2   | 38      | Temporary Packers/Plugs              | 41,60    |
| 2   | 39      | High Pressure Pump Truck             | 58,30    |
| 2   | 40      | Stimulation                          | 2,285,51 |
| 2   | 41      | Rentals - Pressure Control           | , ,      |
| 2   | 42      | Flowback Services                    | 48,68    |
| 2   | 43      | Water Transfer Services              | 79,50    |
| 2   | 44      | Flowback Water Trucking & Disposal   | 13,05    |
| 2   | 45      | Permanent Equipment Installation     | 13,03    |
| 2   | 46      | Pipeline Tapping Services            |          |
| 2   | 46      | Plugging & Abandonment               |          |
|     |         |                                      | 10.00    |
| 2   | 53      | Overhead                             | 16,88    |
| 2   | 54      | Insurance                            |          |
| 2   | 55      | Contingency                          | 147,70   |

|     |         | INTANGIBLE PRODUCTION COSTS          |           |
|-----|---------|--------------------------------------|-----------|
| COS | T CODES | DESCRIPTION                          | AMOUNT    |
| 3   | 1       | Land - Legal                         |           |
| 3   | 2       | Land - Regulatory                    |           |
| 3   | 3       | Land - Surface Damages               |           |
| 3   | 4       | Land - Survey                        |           |
| 3   | 5       | Location/Pit Construction            | 5,000     |
| 3   | 6       | Remedial Dirtwork                    |           |
| 3   | 7       | Reserve/Frac Pit Closing             |           |
| 3   | 8       | Drilling - Contractor                |           |
| 3   | 9       | Mob/Rig Up - Contractor/Trucking     |           |
| 3   | 10      | Cementing Services                   |           |
| 3   | 11      | Cementing Equipment                  |           |
| 3   | 12      | Bits/Drill Out Assemblies            |           |
| 3   | 13      | Fluid Circulation Equipment/Services |           |
| 3   | 14      | Fluids/Chemicals                     |           |
| 3   | 15      | WBM Cuttings/Wastewater Disposal     |           |
| 3   | 16      | OBM Cuttings/Chemical Disposal       |           |
| 3   | 17      | Fuel/Power                           |           |
| 3   | 18      | Water                                |           |
| 3   | 19      | Directional Drilling                 |           |
|     |         |                                      |           |
| 3   | 20      | Mud Logging                          |           |
| 3   | 21      | Open/Cased/Production Hole Logs      |           |
| 3   | 22      | Coring                               |           |
| 3   | 23      | Geologic Supervision                 |           |
| 3   | 24      | Engineering Supervision              |           |
| 3   | 25      | Consultant Supervision               | 18,500    |
| 3   | 26      | Freight/Transportation               | 15,000    |
| 3   | 27      | Labor                                | 38,000    |
| 3   | 28      | Supplies - Surface                   |           |
| 3   | 29      | Supplies - Living Quarters           |           |
| 3   | 30      | Rentals - Surface                    | 9,800     |
| 3   | 31      | Rentals - Living Quarters            |           |
| 3   | 32      | Rentals - Downhole                   |           |
| 3   | 33      | Rentals - Pipe & Handling Tools      |           |
| 3   | 34      | Rentals - Frac Stack                 | 12,950    |
| 3   | 35      | Rentals - Frac Tanks                 | 15,000    |
| 3   | 36      | Coil Tubing Unit/Workover Rig        | 34,500    |
| 3   | 37      | Wireline/Slickline/Perforating       | 5,500     |
| 3   | 38      | Temporary Packers/Plugs              |           |
| 3   | 39      | High Pressure Pump Truck             |           |
| 3   | 40      | Stimulation                          |           |
| 3   | 41      | Rentals - Pressure Control           |           |
| 3   | 42      | Flowback Services                    | 43,600    |
| 3   | 43      | Water Transfer Services              |           |
| 3   | 44      | Flowback Water Trucking & Disposal   | 65,960    |
| 3   | 45      | Permanent Equipment Installation     |           |
| 3   | 46      | Pipeline Tapping Services            |           |
| 3   | 47      | Plugging & Abandonment               |           |
| 3   | 53      | Overhead                             | 0         |
| 3   | 54      | Insurance                            |           |
| 3   | 55      | Contingency                          | 11,778    |
|     |         | •                                    |           |
|     |         | TOTAL INTANGIBLE PRODUCTION COSTS:   | \$275,588 |

TOTAL INTANGIBLE DRILLING COSTS: \$2,350,026

TANGIBLE DRILLING COSTS

68,447

1 55 Contingency

TANGIBLE COMPLETION COSTS

TANGIBLE PRODUCTION COSTS DESCRIPTION

COST CODES

| cos | T CODES | DESCRIPTION                           | AMOUNT  |
|-----|---------|---------------------------------------|---------|
| 4   | 60      | Conductor Casing                      | 29,997  |
| 4   | 61      | Surface Casing                        | 112,511 |
| 4   | 62      | 1st Intermediate Casing               | 178,610 |
| 4   | 63      | 2nd Intermediate Casing               | 194,149 |
| 4   | 64      | Production Casing                     | 636,639 |
| 4   | 65      | Tubing                                |         |
| 4   | 66      | Wellhead                              | 78,000  |
| 4   | 67      | Permanent Packers/Hangers/Plugs       |         |
| 4   | 68      | Tanks                                 |         |
| 4   | 69      | Production Vessels                    |         |
| 4   | 70      | Compressors                           |         |
| 4   | 71      | Surface Flowlines                     |         |
| 4   | 72      | Gathering Lines                       |         |
| 4   | 73      | Valves & Controllers                  |         |
| 4   | 74      | Artificial Lift Equipment             |         |
| 4   | 75      | Instrumentation & Measurement         |         |
| 4   | 76      | Electrical Grounding/Safety Equipment |         |
| 4   | 77      | Permanent Equipment Installation      |         |
| 4   | 80      | Other - Surface                       |         |
| 4   | 81      | Other - Downhole                      | 15,000  |

| cos | T CODES | DESCRIPTION                           | AMOUNT |
|-----|---------|---------------------------------------|--------|
| 5   | 60      | Conductor Casing                      |        |
| 5   | 61      | Surface Casing                        |        |
| 5   | 62      | 1st Intermediate Casing               |        |
| 5   | 63      | 2nd Intermediate Casing               |        |
| 5   | 64      | Production Casing                     |        |
| 5   | 65      | Tubing                                |        |
| 5   | 66      | Wellhead                              | (      |
| 5   | 67      | Permanent Packers/Hangers/Plugs       |        |
| 5   | 68      | Tanks                                 |        |
| 5   | 69      | Production Vessels                    |        |
| 5   | 70      | Compressors                           |        |
| 5   | 71      | Surface Flowlines                     |        |
| 5   | 72      | Gathering Lines                       |        |
| 5   | 73      | Valves & Controllers                  |        |
| 5   | 74      | Artificial Lift Equipment             |        |
| 5   | 75      | Instrumentation & Measurement         |        |
| 5   | 76      | Electrical Grounding/Safety Equipment |        |
| 5   | 77      | Permanent Equipment Installation      |        |
| 5   | 80      | Other - Surface                       |        |
| 5   | 81      | Other - Downhole                      |        |
|     |         | TOTAL TANGIBLE COMPLETION COSTS:      | \$0    |

| 6 | 60 | Conductor Casing                      |           |
|---|----|---------------------------------------|-----------|
| 6 | 61 | Surface Casing                        |           |
| 6 | 62 | 1st Intermediate Casing               |           |
| 6 | 63 | 2nd Intermediate Casing               |           |
| 6 | 64 | Production Casing                     |           |
| 6 | 65 | Tubing                                | 95,400    |
| 6 | 66 | Wellhead                              | 62,100    |
| 6 | 67 | Permanent Packers/Hangers/Plugs       | 0         |
| 6 | 68 | Tanks                                 |           |
| 6 | 69 | Production Vessels                    | 160,000   |
| 6 | 70 | Compressors                           |           |
| 6 | 71 | Surface Flowlines                     | 50,000    |
| 6 | 72 | Gathering Lines                       | 0         |
| 6 | 73 | Valves & Controllers                  | 0         |
| 6 | 74 | Artificial Lift Equipment             | 28,500    |
| 6 | 75 | Instrumentation & Measurement         |           |
| 6 | 76 | Electrical Grounding/Safety Equipment |           |
| 6 | 77 | Permanent Equipment Installation      | 5,000     |
| 6 | 80 | Other - Surface                       |           |
| 6 | 81 | Other - Downhole                      |           |
|   |    | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |
|   |    |                                       |           |

TOTAL TANGIBLE DRILLING COSTS: \$1,244,905 TOTAL DRILLING COSTS: \$3,594,931

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS: \$676,588

TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO               | VP - EXPLORATION |  |
|-------------------|------------------|--|
| CFO _             | VP - OPERATIONS  |  |
| VP - LAND & LEGAL | SENIOR GEOLOGIST |  |
|                   |                  |  |

| NON OPERATING PARTNER APPROVAL: |
|---------------------------------|
|---------------------------------|

|                       | COMPANY NAME: |  |
|-----------------------|---------------|--|
| SIGNED BY:            | TITLE:        |  |
| WORKING INTEREST (%): | DATE:         |  |
| TAX ID:               | APPROVAL:     |  |

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

Date: May 10, 2022 MD/TVD: 18960 / 8300 Lateral Length: 10210 Geologic Target: Avalon 0 Lea NM

Well Description:

Drill, complete, and produce a horizontal Avalon well with a 10210 foot lateral.

| COST | CODES | INTANGIBLE DRILLING COSTS  DESCRIPTION        | AMOUNT  |
|------|-------|---|---------|
| 1    | 1     | Land - Legal                                  | 10,000  |
| 1    | 2     | Land - Regulatory                             | 10,000  |
| 1    | 3     | Land - Surface Damages                        | 10,000  |
| 1    | 4     | Land - Survey                                 | 10,000  |
| 1    | 5     | ocation/Pit Construction 78                   |         |
| 1    | 6     | Remedial Dirtwork                             | 0       |
| 1    | 7     | Reserve/Frac Pit Closing                      | C       |
| 1    | 8     | Drilling - Contractor                         | 450,899 |
| 1    | 9     | Mob/Rig Up - Contractor/Trucking              | 50,000  |
| 1    | 10    | Cementing Services                            | 185,000 |
| 1    | 11    | Cementing Equipment                           | 33,000  |
| 1    | 12    | Bits/Drill Out Assemblies                     | 77,000  |
| 1    | 13    | Fluid Circulation Equipment/Services          | 65,856  |
| 1    | 14    | Fluids/Chemicals                              | 90,000  |
| 1    | 15    | WBM Cuttings/Wastewater Disposal              | 43,750  |
| 1    | 16    | OBM Cuttings/Chemical Disposal                | ., .,   |
| 1    | 17    | Fuel/Power                                    | 123,438 |
| 1    | 18    | Water   | 65,000  |
| 1    | 19    | Directional Drilling                          | 180,000 |
| 1    | 20    | Mud Logging                                   | 24,071  |
| 1    | 21    | Open/Cased/Production Hole Logs               | 24,07   |
| 1    | 22    | Coring  |         |
| 1    | 23    | Geologic Supervision                          |         |
| 1    | 24    | Engineering Supervision                       |         |
| 1    | 25    | Consultant Supervision                        | 100,100 |
| 1    | 26    | Freight/Transportation                        | 9,000   |
| 1    | 27    | Labor   | 110,000 |
| 1    | 28    | Supplies - Surface                            | 2,500   |
| 1    | 29    | Supplies - Living Quarters                    | 1,000   |
| 1    | 30    | Rentals - Surface                             | 83,500  |
| 1    | 31    |   |         |
| 1    | 32    | Rentals - Living Quarters  Rentals - Downhole | 47,588  |
| 1    |       |   | 18,500  |
| -    | 33    | Rentals - Pipe & Handling Tools               | 105,724 |
| 1    | 34    | Rentals - Frac Stack                          | 5.00    |
| 1    | 35    | Rentals - Frac Tanks                          | 5,925   |
| 1    | 36    | Coil Tubing Unit/Workover Rig                 |         |
| 1    | 37    | Wireline/Slickline/Perforating                |         |
| 1    | 38    | Temporary Packers/Plugs                       |         |
| 1    | 39    | High Pressure Pump Truck                      |         |
| 1    | 40    | Stimulation                                   |         |
| 1    | 41    | Rentals - Pressure Control                    |         |
| 1    | 42    | Flowback Services                             |         |
| 1    | 43    | Water Transfer Services                       |         |
| 1    | 44    | Flowback Water Trucking & Disposal            |         |
| 1    | 45    | Permanent Equipment Installation              |         |
| 1    | 46    | Pipeline Tapping Services                     |         |
| 1    | 47    | Plugging & Abandonment                        | (       |
| 1    | 53    | Overhead                                      | (       |
| 1    | 54    | Insurance                                     | 20,000  |
| 1    | 55    | Contingency                                   | 60,311  |

| cos | CODES | INTANGIBLE COMPLETION COSTS  DESCRIPTION | AMOUNT  |
|-----|-------|--|---------|
| 2   | 1     | Land - Legal                             |         |
| 2   | 2     | Land - Regulatory                        |         |
| 2   | 3     | Land - Surface Damages                   |         |
| 2   | 4     | Land - Survey                            |         |
| 2   | 5     | Location/Pit Construction                |         |
| 2   | 6     | Remedial Dirtwork                        |         |
| 2   | 7     | Reserve/Frac Pit Closing                 |         |
| 2   | 8     | Drilling - Contractor                    |         |
| 2   | 9     | Mob/Rig Up - Contractor/Trucking         |         |
| 2   | 10    | Cementing Services                       |         |
| 2   | 11    | Cementing Equipment                      |         |
| 2   | 12    | Bits/Drill Out Assemblies                | 39,42   |
| 2   | 13    | Fluid Circulation Equipment/Services     | 55,1    |
| 2   | 14    | Fluids/Chemicals                         | 35,87   |
| 2   | 15    | WBM Cuttings/Wastewater Disposal         | 33,07   |
| 2   | 16    | OBM Cuttings/Chemical Disposal           |         |
| 2   | 17    | Fuel/Power                               | ECC 00  |
|     | 18    |  | 566,00  |
| 2   |       | Water                                    | 311,25  |
|     | 19    | Directional Drilling                     |         |
| 2   | 20    | Mud Logging                              |         |
| 2   | 21    | Open/Cased/Production Hole Logs          | 8,44    |
| 2   | 22    | Coring                                   |         |
| 2   | 23    | Geologic Supervision                     |         |
| 2   | 24    | Engineering Supervision                  |         |
| 2   | 25    | Consultant Supervision                   | 82,00   |
| 2   | 26    | Freight/Transportation                   | 2,00    |
| 2   | 27    | Labor                                    | 14,22   |
| 2   | 28    | Supplies - Surface                       | 2,00    |
| 2   | 29    | Supplies - Living Quarters               | 2,00    |
| 2   | 30    | Rentals - Surface                        | 20,08   |
| 2   | 31    | Rentals - Living Quarters                | 14,9    |
| 2   | 32    | Rentals - Downhole                       |         |
| 2   | 33    | Rentals - Pipe & Handling Tools          |         |
| 2   | 34    | Rentals - Frac Stack                     | 92,68   |
| 2   | 35    | Rentals - Frac Tanks                     | 29,3    |
| 2   | 36    | Coil Tubing Unit/Workover Rig            | 94,00   |
| 2   | 37    | Wireline/Slickline/Perforating           | 239,0   |
| 2   | 38    | Temporary Packers/Plugs                  | 41,60   |
| 2   | 39    | High Pressure Pump Truck                 | 58,30   |
| 2   | 40    | Stimulation                              | 2,285,5 |
| 2   | 41    | Rentals - Pressure Control               |         |
| 2   | 42    | Flowback Services                        | 48,68   |
| 2   | 43    | Water Transfer Services                  | 79,50   |
| 2   | 44    | Flowback Water Trucking & Disposal       | 13,05   |
| 2   | 45    | Permanent Equipment Installation         |         |
| 2   | 46    | Pipeline Tapping Services                |         |
| 2   | 47    | Plugging & Abandonment                   |         |
| 2   | 53    | Overhead                                 | 16,88   |
| 2   | 54    | Insurance                                | 10,00   |
| 2   | 55    |  | 147.7   |
| ۷   | 25    | Contingency                              | 147,70  |

|   |       | INTANGIBLE PRODUCTION COSTS          |          |  |  |
|---|-------|--------------------------------------|----------|--|--|
|   | CODES | DESCRIPTION Lond Lond                | AMOUNT   |  |  |
| 3 | 1     | Land - Legal                         |          |  |  |
| 3 | 2     | Land - Regulatory                    |          |  |  |
| 3 | 3     | Land - Surface Damages               |          |  |  |
| 3 | 4     | Land - Survey                        |          |  |  |
| 3 | 5     | Location/Pit Construction            | 5,000    |  |  |
| 3 | 6     | Remedial Dirtwork                    |          |  |  |
| 3 | 7     | eserve/Frac Pit Closing              |          |  |  |
| 3 | 8     | Drilling - Contractor                |          |  |  |
| 3 | 9     | Mob/Rig Up - Contractor/Trucking     |          |  |  |
| 3 | 10    | Cementing Services                   |          |  |  |
| 3 | 11    | Cementing Equipment                  |          |  |  |
| 3 | 12    | Bits/Drill Out Assemblies            |          |  |  |
| 3 | 13    | Fluid Circulation Equipment/Services |          |  |  |
| 3 | 14    | Fluids/Chemicals                     |          |  |  |
| 3 | 15    | WBM Cuttings/Wastewater Disposal     |          |  |  |
| 3 | 16    | OBM Cuttings/Chemical Disposal       |          |  |  |
| 3 | 17    | Fuel/Power                           |          |  |  |
| 3 | 18    | Water                                |          |  |  |
| 3 | 19    | Directional Drilling                 |          |  |  |
| 3 | 20    | Mud Logging                          |          |  |  |
| 3 | 21    | Open/Cased/Production Hole Logs      |          |  |  |
| 3 | 22    | Coring                               |          |  |  |
| 3 | 23    | Geologic Supervision                 |          |  |  |
| 3 | 24    | Engineering Supervision              |          |  |  |
| 3 | 25    | Consultant Supervision               | 18,500   |  |  |
| 3 | 26    | Freight/Transportation               | 15,000   |  |  |
| 3 | 27    | Labor                                | 38,000   |  |  |
| 3 | 28    | Supplies - Surface                   |          |  |  |
| 3 | 29    | Supplies - Living Quarters           |          |  |  |
| 3 | 30    | Rentals - Surface                    | 9,800    |  |  |
| 3 | 31    | Rentals - Living Quarters            |          |  |  |
| 3 | 32    | Rentals - Downhole                   |          |  |  |
| 3 | 33    | Rentals - Pipe & Handling Tools      |          |  |  |
| 3 | 34    | Rentals - Frac Stack                 | 12,950   |  |  |
| 3 | 35    | Rentals - Frac Tanks                 | 15,000   |  |  |
| 3 | 36    | Coil Tubing Unit/Workover Rig        | 34,500   |  |  |
| 3 | 37    | Wireline/Slickline/Perforating       | 5,500    |  |  |
| 3 | 38    | Temporary Packers/Plugs              |          |  |  |
| 3 | 39    | High Pressure Pump Truck             |          |  |  |
| 3 | 40    | Stimulation                          |          |  |  |
| 3 | 41    | Rentals - Pressure Control           |          |  |  |
| 3 | 42    | Flowback Services                    | 43,600   |  |  |
| 3 | 43    | Water Transfer Services              |          |  |  |
| 3 | 44    | Flowback Water Trucking & Disposal   | 65,960   |  |  |
| 3 | 45    | Permanent Equipment Installation     |          |  |  |
| 3 | 46    | Pipeline Tapping Services            |          |  |  |
| 3 | 47    | Plugging & Abandonment               |          |  |  |
| 3 | 53    | Overhead                             | (        |  |  |
| 3 | 54    | Insurance                            |          |  |  |
| 3 | 55    | Contingency                          | 11,778   |  |  |
|   |       | TOTAL INTANGIBLE PRODUCTION COSTS:   |          |  |  |
|   |       | TOTAL INTANGIBLE PRODUCTION COSTS.   | 3273,300 |  |  |

INTANGIBLE PRODUCTION COSTS

#### TANGIBLE DRILLING COSTS

TOTAL INTANGIBLE DRILLING COSTS: \$2,070,661

#### TANGIBLE COMPLETION COSTS DESCRIPTION

COST CODES

| TANGIBLE | PRODUCTION | COSTS |
|----------|------------|-------|

| cos | T CODES | DESCRIPTION                           | AMOUNT  |
|-----|---------|---------------------------------------|---------|
| 4   | 60      | Conductor Casing                      | 29,997  |
| 4   | 61      | Surface Casing                        | 112,511 |
| 4   | 62      | 1st Intermediate Casing               | 178,610 |
| 4   | 63      | 2nd Intermediate Casing               | 194,149 |
| 4   | 64      | Production Casing                     | 573,130 |
| 4   | 65      | Tubing                                |         |
| 4   | 66      | Wellhead                              | 78,000  |
| 4   | 67      | Permanent Packers/Hangers/Plugs       |         |
| 4   | 68      | Tanks                                 |         |
| 4   | 69      | Production Vessels                    |         |
| 4   | 70      | Compressors                           |         |
| 4   | 71      | Surface Flowlines                     |         |
| 4   | 72      | Gathering Lines                       |         |
| 4   | 73      | Valves & Controllers                  |         |
| 4   | 74      | Artificial Lift Equipment             |         |
| 4   | 75      | Instrumentation & Measurement         |         |
| 4   | 76      | Electrical Grounding/Safety Equipment |         |
| 4   | 77      | Permanent Equipment Installation      |         |
| 4   | 80      | Other - Surface                       |         |
| 4   | 81      | Other - Downhole                      | 15,000  |

| 5 | 60 | Conductor Casing                      |     |
|---|----|---------------------------------------|-----|
| 5 | 61 | Surface Casing                        |     |
| 5 | 62 | 1st Intermediate Casing               |     |
| 5 | 63 | 2nd Intermediate Casing               |     |
| 5 | 64 | Production Casing                     | 0   |
| 5 | 65 | Tubing                                |     |
| 5 | 66 | Wellhead                              | 0   |
| 5 | 67 | Permanent Packers/Hangers/Plugs       |     |
| 5 | 68 | Tanks                                 |     |
| 5 | 69 | Production Vessels                    |     |
| 5 | 70 | Compressors                           |     |
| 5 | 71 | Surface Flowlines                     |     |
| 5 | 72 | Gathering Lines                       |     |
| 5 | 73 | Valves & Controllers                  |     |
| 5 | 74 | Artificial Lift Equipment             |     |
| 5 | 75 | Instrumentation & Measurement         |     |
| 5 | 76 | Electrical Grounding/Safety Equipment |     |
| 5 | 77 | Permanent Equipment Installation      |     |
| 5 | 80 | Other - Surface                       |     |
| 5 | 81 | Other - Downhole                      |     |
|   |    | TOTAL TANGIBLE COMPLETION COSTS:      | \$0 |

| 60<br>61 | Conductor Casing   |   |
|----------|--|---|
| 61       |  |   |
|          | Surface Casing   |   |
| 62       | 1st Intermediate Casing  |   |
| 63       | 2nd Intermediate Casing  |   |
| 64       | Production Casing  |   |
| 65       | Tubing   | 95,400  |
| 66       | Wellhead   | 62,100  |
| 67       | Permanent Packers/Hangers/Plugs  | 0   |
| 68       | Tanks  |   |
| 69       | Production Vessels   | 160,000   |
| 70       | Compressors  |   |
| 71       | Surface Flowlines  | 50,000  |
| 72       | Gathering Lines  | 0   |
| 73       | Valves & Controllers   | 0   |
| 74       | Artificial Lift Equipment  | 28,500  |
| 75       | Instrumentation & Measurement  |   |
| 76       | Electrical Grounding/Safety Equipment  |   |
| 77       | Permanent Equipment Installation   | 5,000   |
| 80       | Other - Surface  |   |
| 81       | Other - Downhole   |   |
|          | 64<br>65<br>66<br>67<br>68<br>69<br>70<br>71<br>72<br>73<br>74<br>75<br>76<br>77 | 64 Production Casing 65 Tubing 66 Wellhead 67 Permanent Packers/Hangers/Plugs 68 Tanks 69 Production Vessels 70 Compressors 71 Surface Flowlines 72 Gathering Lines 73 Valves & Controllers 74 Artificial Lift Equipment 75 Instrumentation & Measurement 76 Electrical Grounding/Safety Equipment 77 Permanent Equipment Installation 80 Other - Surface |

TOTAL TANGIBLE DRILLING COSTS: \$1,181,396 TOTAL DRILLING COSTS: \$3,252,057

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,173,267

| TAP ROCK RESOURCES COMPANY APPROVAL |
|-------------------------------------|
|-------------------------------------|

| CEO               | <br>VP - EXPLORATION _ |  |
|-------------------|------------------------|--|
| CFO .             | <br>VP - OPERATIONS    |  |
| VP - LAND & LEGAL | <br>SENIOR GEOLOGIST   |  |
|                   |                        |  |

| HON OF ENAME          | TO FARTILICAL TROVAL |
|-----------------------|----------------------|
| COMPANY NAME:         | ·                    |
| SIGNED BY:            | TITLE:               |
| WORKING INTEREST (%): | DATE:                |
| TAX ID:               | APPROVAL:            |

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

Name: Double Stamp #172 AFE #: 0

AFE #: 0
County: Lea
State: NM

Date: May 10, 2022 MD/TVD: 18960 / 8300 Lateral Length: 10210 Geologic Target: Avalon

Well Description:

Drill, complete, and produce a horizontal Avalon well with a 10210 foot lateral.

| cos | T CODES | INTANGIBLE DRILLING COSTS  DESCRIPTION | AMOUNT  |
|-----|---------|--|---------|
| 1   | 1       | Land - Legal                           | 10,000  |
| 1   | 2       | Land - Regulatory                      | 10,000  |
| 1   | 3       | Land - Surface Damages                 | 10,000  |
| 1   | 4       | Land - Survey                          | 10,000  |
| 1   | 5       | Location/Pit Construction              | 78,500  |
| 1   | 6       | Remedial Dirtwork                      | C       |
| 1   | 7       | Reserve/Frac Pit Closing               | 0       |
| 1   | 8       | Drilling - Contractor                  | 450,899 |
| 1   | 9       | Mob/Rig Up - Contractor/Trucking       | 50,000  |
| 1   | 10      | Cementing Services                     | 185,000 |
| 1   | 11      | Cementing Equipment                    | 33,000  |
| 1   | 12      | Bits/Drill Out Assemblies              | 77,000  |
| 1   | 13      | Fluid Circulation Equipment/Services   | 65,856  |
| 1   | 14      | Fluids/Chemicals                       | 90,000  |
| 1   | 15      | WBM Cuttings/Wastewater Disposal       | 43,750  |
| 1   | 16      | OBM Cuttings/Chemical Disposal         | 43,730  |
| 1   | 17      | Fuel/Power                             | 123,438 |
| 1   | 18      | Water                                  | 65,000  |
| 1   | 19      | Directional Drilling                   | 180,000 |
| -   |         |  |         |
| 1   | 20      | Mud Logging                            | 24,071  |
| 1   | 21      | Open/Cased/Production Hole Logs        |         |
| 1   | 22      | Coring                                 | (       |
| 1   | 23      | Geologic Supervision                   | (       |
| 1   | 24      | Engineering Supervision                | (       |
| 1   | 25      | Consultant Supervision                 | 100,100 |
| 1   | 26      | Freight/Transportation                 | 9,000   |
| 1   | 27      | Labor                                  | 110,000 |
| 1   | 28      | Supplies - Surface                     | 2,500   |
| 1   | 29      | Supplies - Living Quarters             | 1,000   |
| 1   | 30      | Rentals - Surface                      | 83,500  |
| 1   | 31      | Rentals - Living Quarters              | 47,588  |
| 1   | 32      | Rentals - Downhole                     | 18,500  |
| 1   | 33      | Rentals - Pipe & Handling Tools        | 105,724 |
| 1   | 34      | Rentals - Frac Stack                   |         |
| 1   | 35      | Rentals - Frac Tanks                   | 5,925   |
| 1   | 36      | Coil Tubing Unit/Workover Rig          |         |
| 1   | 37      | Wireline/Slickline/Perforating         |         |
| 1   | 38      | Temporary Packers/Plugs                |         |
| 1   | 39      | High Pressure Pump Truck               |         |
| 1   | 40      | Stimulation                            |         |
| 1   | 41      | Rentals - Pressure Control             |         |
| 1   | 42      | Flowback Services                      |         |
| 1   | 43      | Water Transfer Services                |         |
| 1   | 44      | Flowback Water Trucking & Disposal     |         |
| 1   | 45      | Permanent Equipment Installation       |         |
| 1   | 46      | Pipeline Tapping Services              |         |
| 1   | 47      | Plugging & Abandonment                 | (       |
| 1   | 53      | Overhead                               |         |
| 1   | 54      | Insurance                              | 20,000  |
| 1   | 54      | insurance                              | 60,311  |

|     | INTANGIBLE COMPLETION COSTS |  |          |  |  |  |  |
|-----|-----------------------------|--|----------|--|--|--|--|
| cos | T CODES                     | DESCRIPTION                                      | AMOUNT   |  |  |  |  |
| 2   | 1                           | Land - Legal                                     |          |  |  |  |  |
| 2   | 2                           | Land - Regulatory                                |          |  |  |  |  |
| 2   | 3                           | Land - Surface Damages                           |          |  |  |  |  |
| 2   | 4                           | Land - Survey                                    |          |  |  |  |  |
| 2   | 5                           | Location/Pit Construction                        |          |  |  |  |  |
| 2   | 6                           | Remedial Dirtwork                                |          |  |  |  |  |
| 2   | 7                           | Reserve/Frac Pit Closing                         |          |  |  |  |  |
| 2   | 8                           | Drilling - Contractor                            |          |  |  |  |  |
| 2   | 9                           | Mob/Rig Up - Contractor/Trucking                 |          |  |  |  |  |
| 2   | 10                          | Cementing Services                               |          |  |  |  |  |
| 2   | 11                          | Cementing Equipment                              |          |  |  |  |  |
| 2   | 12                          | Bits/Drill Out Assemblies                        | 39,421   |  |  |  |  |
| 2   | 13                          | Fluid Circulation Equipment/Services             |          |  |  |  |  |
| 2   | 14                          | Fluids/Chemicals                                 | 35,875   |  |  |  |  |
| 2   | 15                          | WBM Cuttings/Wastewater Disposal                 |          |  |  |  |  |
| 2   | 16                          | OBM Cuttings/Chemical Disposal                   |          |  |  |  |  |
| 2   | 17                          | Fuel/Power                                       | 566,000  |  |  |  |  |
| 2   | 18                          | Water  | 311,253  |  |  |  |  |
| 2   | 19                          | Directional Drilling                             |          |  |  |  |  |
| 2   | 20                          | Mud Logging                                      |          |  |  |  |  |
| 2   | 21                          | Open/Cased/Production Hole Logs                  | 8,440    |  |  |  |  |
| 2   | 22                          | Coring   |          |  |  |  |  |
| 2   | 23                          | Geologic Supervision                             |          |  |  |  |  |
| 2   | 24                          | Engineering Supervision                          |          |  |  |  |  |
| 2   | 25                          | Consultant Supervision                           | 82,000   |  |  |  |  |
| 2   | 26                          | Freight/Transportation                           | 2,000    |  |  |  |  |
| 2   | 27                          | Labor  | 14,220   |  |  |  |  |
| 2   | 28                          | Supplies - Surface                               | 2,000    |  |  |  |  |
| 2   | 29                          | Supplies - Living Quarters                       | 2,000    |  |  |  |  |
| 2   | 30                          | Rentals - Surface                                | 20,080   |  |  |  |  |
| 2   | 31                          | Rentals - Living Quarters                        | 14,960   |  |  |  |  |
| 2   | 32                          | Rentals - Downhole                               | 11,500   |  |  |  |  |
| 2   | 33                          | Rentals - Pipe & Handling Tools                  |          |  |  |  |  |
| 2   | 34                          | Rentals - Frac Stack                             | 92,688   |  |  |  |  |
| 2   | 35                          | Rentals - Frac Tanks                             | 29,315   |  |  |  |  |
| 2   | 36                          | Coil Tubing Unit/Workover Rig                    | 94,066   |  |  |  |  |
| 2   | 37                          | Wireline/Slickline/Perforating                   | 239,064  |  |  |  |  |
| 2   | 38                          | Temporary Packers/Plugs                          | 41,600   |  |  |  |  |
| 2   | 39                          | High Pressure Pump Truck                         | 58,300   |  |  |  |  |
| 2   | 40                          | Stimulation                                      | 2,285,51 |  |  |  |  |
| 2   | 41                          | Rentals - Pressure Control                       | 2,203,31 |  |  |  |  |
| 2   | 42                          | Flowback Services                                | 48,683   |  |  |  |  |
| 2   | 43                          | Water Transfer Services                          | 79,500   |  |  |  |  |
| 2   | 44                          | Flowback Water Trucking & Disposal               | 13,056   |  |  |  |  |
| 2   | 45                          | Permanent Equipment Installation                 | 13,030   |  |  |  |  |
| _   | 46                          |  | +        |  |  |  |  |
| 2   | 46                          | Pipeline Tapping Services Plugging & Abandonment | +        |  |  |  |  |
|     |                             |  | 16.000   |  |  |  |  |
| 2   | 53                          | Overhead   | 16,880   |  |  |  |  |
| 2   | 54<br>55                    | Insurance<br>Contingency                         | 147,708  |  |  |  |  |
| 2   |                             |  |          |  |  |  |  |

| cos | T CODES  | DESCRIPTION  | AMOUNT |
|-----|----------|--|--------|
| 3   | 1        | Land - Legal                                       |        |
| 3   | 2        | Land - Regulatory                                  |        |
| 3   | 3        | Land - Surface Damages                             |        |
| 3   | 4        | Land - Survey                                      |        |
| 3   | 5        | Location/Pit Construction                          | 5,000  |
| 3   | 6        | Remedial Dirtwork                                  |        |
| 3   | 7        | Reserve/Frac Pit Closing                           |        |
| 3   | 8        | Drilling - Contractor                              |        |
| 3   | 9        | Mob/Rig Up - Contractor/Trucking                   |        |
| 3   | 10       | Cementing Services                                 |        |
| 3   | 11       | Cementing Equipment                                |        |
| 3   | 12       | Bits/Drill Out Assemblies                          |        |
| 3   | 13       | Fluid Circulation Equipment/Services               |        |
| 3   | 14       | Fluids/Chemicals                                   |        |
| 3   | 15       | WBM Cuttings/Wastewater Disposal                   |        |
| 3   | 16       | OBM Cuttings/Chemical Disposal                     |        |
| 3   | 17       | Fuel/Power   |        |
| 3   | 18       | Water  |        |
| 3   | 19       | Directional Drilling                               |        |
| 3   | 20       | Mud Logging  |        |
| 3   | 21       | Open/Cased/Production Hole Logs                    |        |
| 3   | 22       | Coring   |        |
| 3   | 23       | Geologic Supervision                               |        |
| 3   | 24       | Engineering Supervision                            |        |
| 3   | 25       | Consultant Supervision                             | 18,500 |
| 3   | 26       | Freight/Transportation                             | 15,000 |
| 3   | 27       | Labor  | 38,000 |
| 3   | 28       | Supplies - Surface                                 | 30,000 |
| 3   | 29       | Supplies - Living Quarters                         |        |
| 3   | 30       | Rentals - Surface                                  | 9,800  |
| 3   | 31       | Rentals - Living Quarters                          | 3,800  |
| 3   | 32       | Rentals - Downhole                                 |        |
| 3   | 33       | Rentals - Pipe & Handling Tools                    |        |
| 3   | 34       |  | 12.050 |
| 3   |          | Rentals - Frac Stack                               | 12,950 |
| 3   | 35<br>36 | Rentals - Frac Tanks Coil Tubing Unit/Workover Rig | 15,000 |
|     |          |  | 34,500 |
| 3   | 37       | Wireline/Slickline/Perforating                     | 5,500  |
| 3   | 38       | Temporary Packers/Plugs                            |        |
| 3   | 39       | High Pressure Pump Truck                           |        |
| 3   | 40       | Stimulation  |        |
| 3   | 41       | Rentals - Pressure Control                         |        |
| 3   | 42       | Flowback Services                                  | 43,600 |
| 3   | 43       | Water Transfer Services                            |        |
| 3   | 44       | Flowback Water Trucking & Disposal                 | 65,960 |
| 3   | 45       | Permanent Equipment Installation                   |        |
| 3   | 46       | Pipeline Tapping Services                          |        |
| 3   | 47       | Plugging & Abandonment                             |        |
| 3   | 53       | Overhead   | 0      |
| 3   | 54       | Insurance  |        |
| 3   | 55       | Contingency  | 11,778 |

TOTAL INTANGIBLE DRILLING COSTS: \$2,070,661

TANGIBLE COMPLETION COSTS

| TANGIBLE PRODUCTION COSTS |
|---------------------------|
| DESCRIPTION               |

COST CODES

6 60 Conductor Casing

|      |       | TANGIBLE DRILLING COSTS               |         |
|------|-------|---------------------------------------|---------|
| COST | CODES | AMOUNT                                |         |
| 4    | 60    | Conductor Casing                      | 29,997  |
| 4    | 61    | Surface Casing                        | 112,511 |
| 4    | 62    | 1st Intermediate Casing               | 178,610 |
| 4    | 63    | 2nd Intermediate Casing               | 194,149 |
| 4    | 64    | Production Casing                     | 573,130 |
| 4    | 65    | Tubing                                |         |
| 4    | 66    | Wellhead                              | 78,000  |
| 4    | 67    | Permanent Packers/Hangers/Plugs       |         |
| 4    | 68    | Tanks                                 |         |
| 4    | 69    | Production Vessels                    |         |
| 4    | 70    | Compressors                           |         |
| 4    | 71    | Surface Flowlines                     |         |
| 4    | 72    | Gathering Lines                       |         |
| 4    | 73    | Valves & Controllers                  |         |
| 4    | 74    | Artificial Lift Equipment             |         |
| 4    | 75    | Instrumentation & Measurement         |         |
| 4    | 76    | Electrical Grounding/Safety Equipment |         |
| 4    | 77    | Permanent Equipment Installation      |         |
| 4    | 80    | Other - Surface                       |         |
| 4    | 81    | Other - Downhole                      | 15,000  |

| COST CODES |    | DESCRIPTION                           | AMOUNT |
|------------|----|---------------------------------------|--------|
| 5          | 60 | Conductor Casing                      |        |
| 5          | 61 | Surface Casing                        |        |
| 5          | 62 | 1st Intermediate Casing               |        |
| 5          | 63 | 2nd Intermediate Casing               |        |
| 5          | 64 | Production Casing                     |        |
| 5          | 65 | Tubing                                |        |
| 5          | 66 | Wellhead                              |        |
| 5          | 67 | Permanent Packers/Hangers/Plugs       |        |
| 5          | 68 | Tanks                                 |        |
| 5          | 69 | Production Vessels                    |        |
| 5          | 70 | Compressors                           |        |
| 5          | 71 | Surface Flowlines                     |        |
| 5          | 72 | Gathering Lines                       |        |
| 5          | 73 | Valves & Controllers                  |        |
| 5          | 74 | Artificial Lift Equipment             |        |
| 5          | 75 | Instrumentation & Measurement         |        |
| 5          | 76 | Electrical Grounding/Safety Equipment |        |
| 5          | 77 | Permanent Equipment Installation      |        |
| 5          | 80 | Other - Surface                       |        |
| 5          | 81 | Other - Downhole                      |        |

| 6 | 61 | Surface Casing                        |           |
|---|----|---------------------------------------|-----------|
| 6 | 62 | 1st Intermediate Casing               |           |
| 6 | 63 | 2nd Intermediate Casing               |           |
| 6 | 64 | Production Casing                     |           |
| 6 | 65 | Tubing                                | 95,400    |
| 6 | 66 | Wellhead                              | 62,100    |
| 6 | 67 | Permanent Packers/Hangers/Plugs       | (         |
| 6 | 68 | Tanks                                 |           |
| 6 | 69 | Production Vessels                    | 160,000   |
| 6 | 70 | Compressors                           |           |
| 6 | 71 | Surface Flowlines                     | 50,000    |
| 6 | 72 | Gathering Lines                       | (         |
| 6 | 73 | Valves & Controllers                  | (         |
| 6 | 74 | Artificial Lift Equipment             | 28,500    |
| 6 | 75 | Instrumentation & Measurement         |           |
| 6 | 76 | Electrical Grounding/Safety Equipment |           |
| 6 | 77 | Permanent Equipment Installation      | 5,000     |
| 6 | 80 | Other - Surface                       |           |
| 6 | 81 | Other - Downhole                      |           |
|   |    | TOTAL TANGIBLE PRODUCTION COSTS:      | \$401,000 |

TOTAL TANGIBLE DRILLING COSTS: \$1,181,396

TOTAL DRILLING COSTS: \$3,252,057

TOTAL COMPLETION COSTS: \$4,244,622

TOTAL PRODUCTION COSTS: \$676,588

TOTAL WELL COST: \$8,173,267

#### TAP ROCK RESOURCES COMPANY APPROVAL:

| CEO                 | <br>VP - EXPLORATION _ |  |
|---------------------|------------------------|--|
| CFO _               | <br>VP - OPERATIONS _  |  |
| VP - LAND & LEGAL . | <br>SENIOR GEOLOGIST _ |  |
|                     |                        |  |

|                       | COMPANY NAME: |
|-----------------------|---------------|
| SIGNED BY:            | TITLE:        |
| WORKING INTEREST (%): | DATE:         |
| TAX ID:               | APPROVAL:     |

Tap Rock Operating, LLC
Case No. 22934
Exhibit A-5

Party Communiction

EOG Resources, Inc. 05/10/2022 - Tap Rock mailed well proposals, AFEs, and a proposed JOA form

11/1/2022 - Tap Rock and EOG execute Letter agreement to allow Tap Rock to move

forward with a hearing on its applications.

Tap Rock Operating, LLC Case No. 22934 Exhibit B

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

APPLICATIONS OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 22933, 22934

#### SELF-AFFIRMED STATEMENT OF ELI DENBESTEN

- 1. I am over the age of 18 and have personal knowledge of the matters stated herein. I am employed as a petroleum geologist for Tap Rock Operating, LLC ("Tap Rock") and am familiar with the subject application and the geology matters involved. I have testified before the New Mexico Oil Conservation Division in the past and my credentials as an expert in petroleum geology matters was accepted and made a matter of record.
- 2. **Exhibit B-1** is a Project Locator Map depicting the location of the Horizontal Spacing Units ("Units") in the Delaware Basin within Sections 11 and 14, Township 20 South, Range 32 East in Lea County, New Mexico, dedicated to the:
  - a. Double Stamp Fed Com #111H #115H, #121H, #125H, #131H, #135H, #151H, #171H, #112H, #122H, #127H, #132H, #152H, and #172H wells within the W/2 Unit (the "Wells")
- 3. **Exhibit B-2** is a Gun Barrel Diagram showing the planned Bone Spring horizontal spacing for the Wells. A nearby type log has been included to show approximate depths and reservoir quality of the landing zones.
- 4. **Exhibit B-3** is a Bone Spring structure map in subsea vertical depth. This map shows the location of the Units outlined by the red box. The surface/bottom hole locations of the Wells are shown, zoomed in, to the right. The contour intervals are 25 feet each. Structure is down dipping from west to east through the Units. The orientation of the Wells will be approximately parallel to the down dipping structure. All wells on the map marked with a

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yellow dot targeted the 2<sup>nd</sup> Bone Spring Sand. The vertical wells controlling the structure map have the subsea vertical depth posted in red. The subsequent cross-section from A-A' is also identified. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval utilizing horizontal wells.

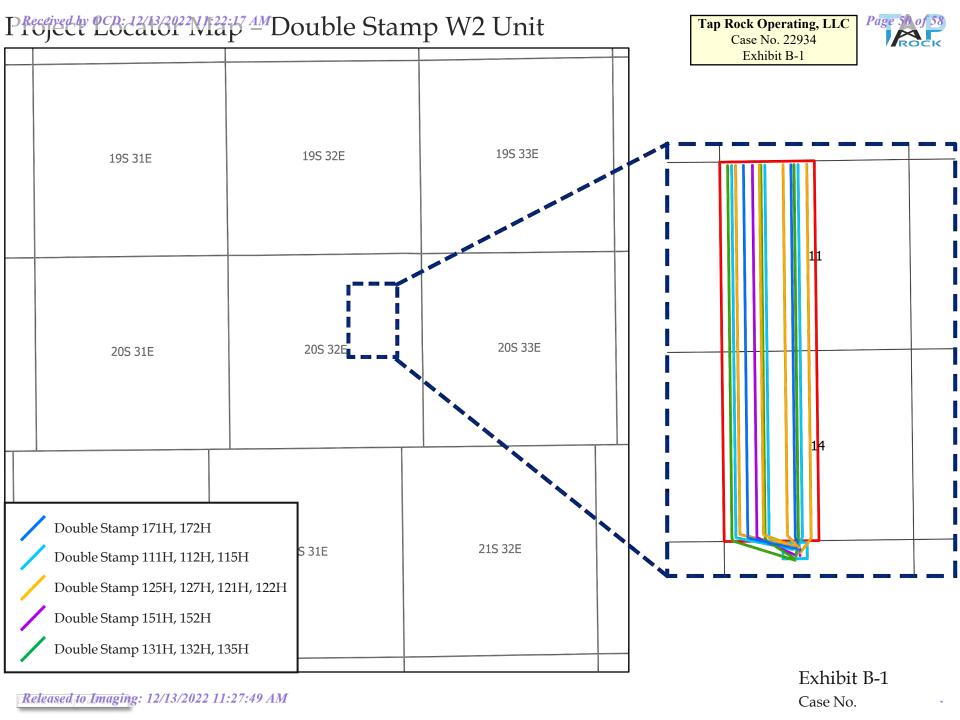
- 5. **Exhibit B-4** is a Bone Spring Stratigraphic Cross Section (flattened on the 2<sup>nd</sup> Bone Spring Sand). The exhibit contains a gamma ray log and deep resistivity log for two of the wells, and a gamma ray log, deep resistivity log, and porosity track for the third well. This exhibit identifies the key tops used to evaluate reservoirs and landing targets for the Wells. The peach circles on the depth track of Well 3 shows the landing target intervals for the Wells.
- 6. **Exhibit B-5** is an Isopach Map of the Bone Spring interval. This map shows the location of the Units outlined by the red box. The surface/bottom hole location of the Wells are shown, zoomed in, to the right. The anticipated gross thickness of the interval is 3050' throughout the Units. The contour intervals are 25'. The location of the previous cross-section from A-A' is also shown on this map.
- 7. The preferred well orientation in this area is south-north since the inferred orientation of the maximum horizontal stress is roughly west-east.
- 8. Based on my geologic study of the area, I conclude that the Units are justified from a geologic standpoint and each quarter-quarter section in the Units will contribute more or less equally to production.
- 9. The attached Exhibits were either prepared by me, compiled under my direction and supervision, or compiled from company business records.
- 10. The granting of the subject applications will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony in paragraphs 1 through 10 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Eli DenBesten

11-10-2022

Date



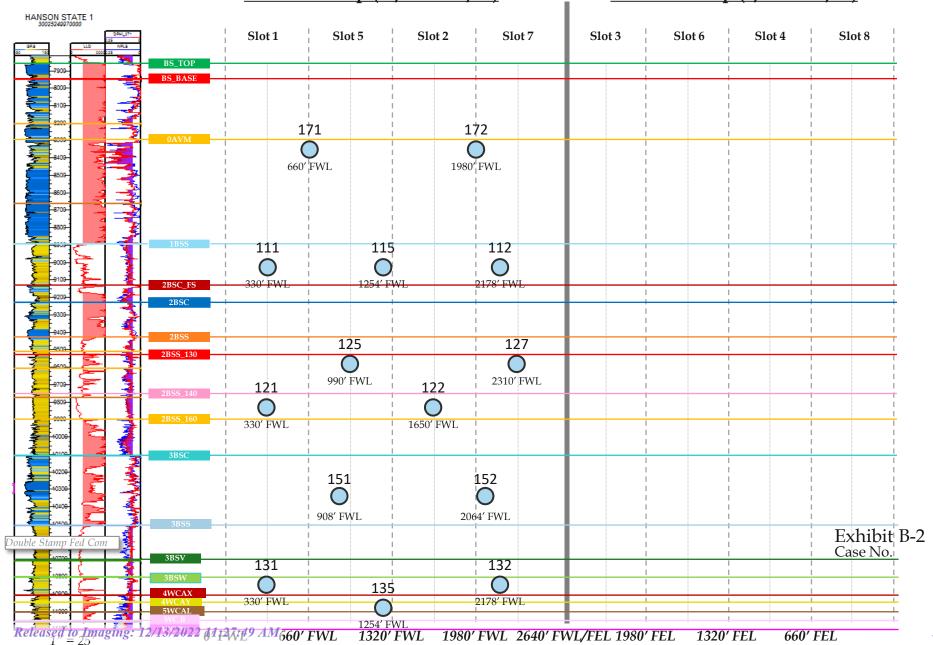
Tap Rock Operating, LLC Case No. 22934

Exhibit B-2

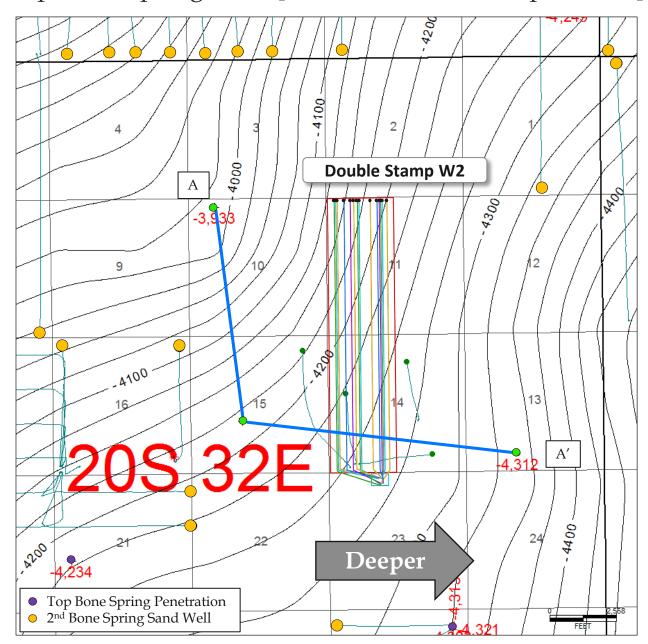


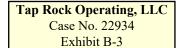
Double Stamp (W/2 Sec 11/14)

Double Stamp (E/2 Sec 11/14)



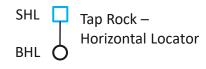
## Tropi Bone Spring Sand [Subsea Structure Map; CI=25']







#### **Map Legend**





C.I. = 25'

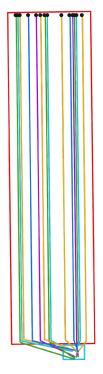
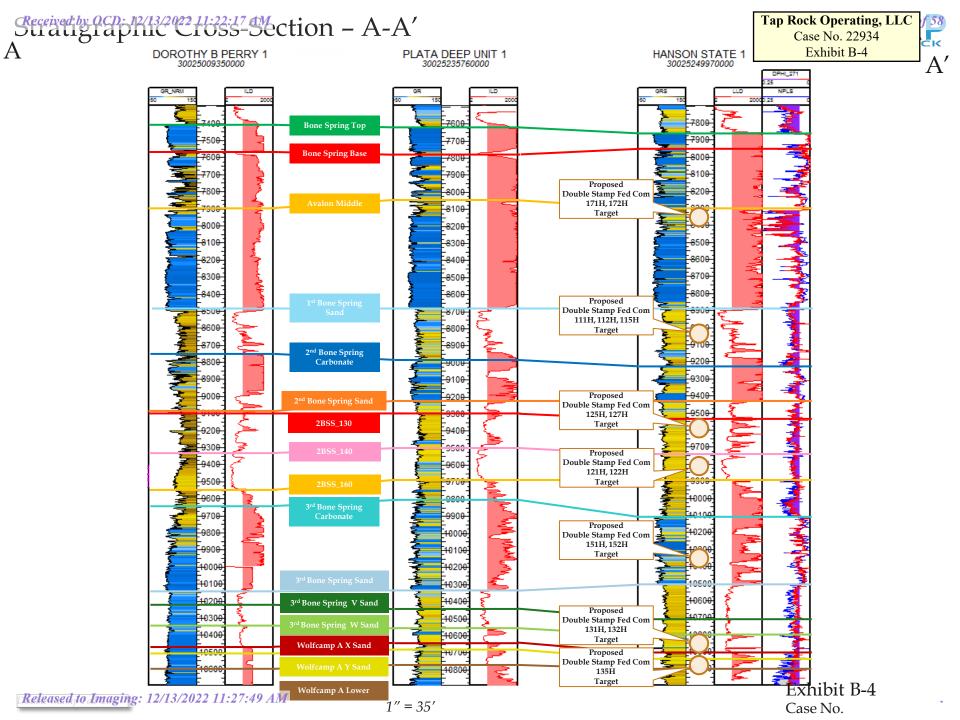
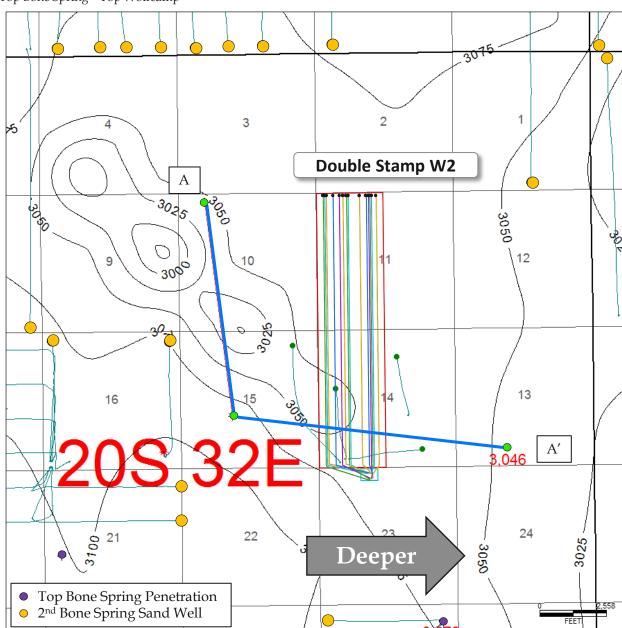


Exhibit B-3 Case No.



## Gross Bone Spring [Isopach Map; CI=25']

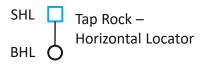
Top Bone Spring - Top Wolfcamp



Tap Rock Operating, LLC
Case No. 22934
Exhibit B-5



### **Map Legend**





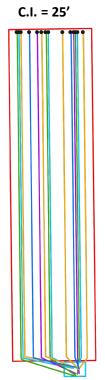


Exhibit B-5 Case No.

Tap Rock Operating, LLC
Case No. 22934
Exhibit C

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

APPLICATIONS OF TAP ROCK OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 22933, 22934

## SELF-AFFIRMED STATEMENT OF MICHAEL RODRIGUEZ

- I am attorney in fact and authorized representative of Tap Rock Operating, LLC, the Applicant herein.
- 2. On July 14, 2022, I caused notice of the applications for the captioned cases to be sent by certified mail through the United States Postal Service to all interest owners entitled to receive notice of the applications filed herein.
- 3. The notice letter attached as **Exhibit C-1**, along with the applications in these cases, were sent to the uncommitted interest owners in these cases. This exhibit also contains a tracking sheet that identifies the parties and addresses that notice was sent to and the status of receipt.
- 4. On July 15, 2022, notice was also directed to all interested parties by publication in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-2**.
- 5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

| MAR               | 12/6/2022 |
|-------------------|-----------|
| Michael Rodriguez | Date      |

523 PARK POINT DRIVE, SUITE 200 - GOLDEN

Tap Rock Operating, LLC
Case No. 22934
Exhibit C-1



MICHAEL RODRIGUEZ – ATTORNEY MDRODRIGUEZ@TAPRK.COM

December 12, 2022

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case Nos. <u>22933, 22934</u> - Applications of Tap Rock Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on August 4, 2022, beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic 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 later. Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. MST, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about the subject applications, please contact the following:

Erica Shewmaker Tap Rock Operating, LLC 720-987-7446 eshewmaker@taprk.com

Thank you,

/s/ Michael Rodriguez
Michael Rodriguez
ATTORNEY FOR TAP ROCK OPERATING, LLC

Received by OCD: 12/13/2022 11:22:17 AM

| TrackingNo             | ToCompanyName              | ToName                         | DeliveryAddress              | City          | State | Zip        |            | USPS_Status<br>Your item was picked up at a postal<br>facility at 7:46 am on July 19, 2022                               |
|------------------------|----------------------------|--------------------------------|------------------------------|---------------|-------|------------|------------|--|
| 9414811898765876291341 |                            | EOG Resources, Inc.            | 5509 Champions Dr            | Midland       | TX    | 79706-2843 |            | in MIDLAND, TX 79702. Your item was delivered to an individual at the address at 2:16 pm on July 18, 2022 in MIDLAND, TX |
| 9414811898765876291389 |                            | Colgate Royalties, LP          | 300 N Marienfeld St Ste 1000 | Midland       | TX    | 79701-4688 |            | 79701. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next     |
| 9414811898765876291051 | Anadarko E&P Onshore LLC / | Anadarko Petroleum Corporation | 1201 Lake Robbins Dr         | The Woodlands | TX    | 77380-1181 |            | facility.<br>Your item was delivered to an<br>individual at the address at 1:37 pm<br>on July 18, 2022 in SANTA FE, NM   |
| 9414811898765876291006 |                            | Bureau of Land Management      | PO Box 27115                 | Santa Fe      | NM    | 87502-0115 | 07/14/2022 | 87508.   |

Tap Rock Operating, LLC Case No. 22934 Exhibit C-2

## 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 July 15, 2022 and ending with the issue dated July 15, 2022.

Publisher

Sworn and subscribed to before me this 15th day of July 2022.

Business Manager

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish egal notices or advertisements within the neaning of Section 3, Chapter 167, Laws of 937 and payment of fees for said

#### LEGAL NOTICE July 15, 2022

To all Interested parties subject to notice including: EOG Resources, Inc.; Colgate Royalties, LP, Anadarko E&P Onshore LLC; Anadarko Petroleum Corporation; Bureau of Land Management; and their successors or assigns. On August 4, 2022, the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Tap Rock Operating, LLC in Case No. 22934. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD H e a r l n g s w e b s i t e https://www.emrnd.nm.gov/ocd/hearing-info/. Tap Rock Operating, LLC ("TRO") applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 of Sections 11 and 14, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. The Unit will be dedicated to the following proposed initial wells ("Wells") which it intends to drill simultaneously:

• Double Stamp Fed Com #111H, Double Stamp Fed Com #131H, Double Stamp Fed Com #125H, Double Stamp Fed Com #135H, Double Stamp Fed Com #136H, Double Stamp Fed Com #151H, and Double Stamp Fed Com #151H, and Double Stamp Fed Com #152H, D

67117307

00268920

MICHAEL RODRIGUEZ TAP ROCK OPERATING LLC 523 PARK POINT DR **GOLDEN, CO 80401**