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

APPLICATIONS OF E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 23329-23332

## NOTICE OF FILING ADDITIONAL EXHIBIT

E.G.L. Resources, Inc. hereby submits for filing the following:

Exhibits 2-C in each case, confirming that the facilities cost in each AFE is the same (approximately \$403,000).

Exhibits 3-C and 3-F, the Bone Spring and Wolfcamp cross-sections. The original filings were in too fine a print to be readable. (I received hard copies printed in 17" x 11" format, which I could not scan, so I cut them in half.)

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for E.G.L. Resources, Inc.

SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)

**AFE #** 20,400 ft MD TD (MD): TVD: 9,350 Drilled Lateral Length: 10,960 Completed Lateral Length:

ft VS 10,360 ft 1st Bone Spring Target:

BHL SW/4 SW/4 of Section 24 T195-R33E

Lea County, New Mexico

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles

Authority For Expenditure (AFE)

Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artifical lift.	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000							15,000
Damages/ Right of Way									0
Title & Abstracts, Drilling Title Opinion									
Survey and Stake Location		10.000							10,000
Locations and Roads - shared with 6 wells		33,333					$\vdash$		33,333
Frac Pit Shared w/ 6 wells				50,000			$\vdash$		50,000
Conductor (drilled & set)		20,000		00,000					20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50,000					$\vdash$		50,000
Drilling (Day Work) 16 days spud - RR \$27,000 per day		432,000							432,000
Bits		75,000	$\vdash$	3,000			-		78,000
Downhole drilling tools & stabilization, survey tool		50,000		0,000	$\vdash$		-		50,000
Mud Logging 11 days \$1,500 per day	$\vdash$	16,500			-		-		16,500
Open Hole Surveys/ Gyro	$\vdash$	10,500	$\vdash$		-				10,500
Water well, pump & line, water transfer	$\vdash$	5,000	$\vdash$	100,000				-	105,000
Water/Brine/Mud Hauling	$\vdash$	10,000	$\vdash$	20,000			_		30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl compl'n (20% excess)		15,000	$\vdash$	396,000	$\vdash$				411,000
Brine Water	$\vdash$	10,000	$\vdash$	396,000	$\vdash$				10,000
Fuel \$ 4.50 2,200 gal/day	$\vdash$	158,400	-	500,000	$\vdash$				658,400
Mud & Chemicals Water based mud in lateral,	$\vdash$	250.000	-	25,000	$\vdash$				275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.	$\vdash$	25,000		25,000	$\vdash$				25,000
Drill string rental	-	25,000	_		$\vdash$				25,000
Casing Crew & LD Machine, CRT	$\vdash$	50,000	-				-		50,000
Welding	$\vdash$	1,500	$\vdash$				_		
Cementina	$\vdash$	225,000	-		_				1,500 225,000
Directional Drilling 16 days spud - RR \$15,000 per day	-	240,000	-				_		240,000
Wellsite Supervisor	$\vdash$	40,000	-	40,000					80,000
JOA Overhead 8500/mo	$\vdash$	8,500	-	8,500	-		-		17,000
Open Hole Logs	$\vdash$	8,500		8,500	-				17,000
Solids Control Equipment \$4,000 per day	$\vdash$	64,000	-				_		64,000
Cuttings Haul-off & Disposal	$\vdash$	80,000	-		_		_		80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.	$\vdash$	160,000	-	280,000					440,000
BOP Rental, stripper head	$\vdash$	160,000	-	280,000	-				440,000
Pulling Unit 5 days, 4000/d	$\vdash$					20.000			20,000
Acidizing Acid crew to prep toe.			-	20,000		20,000	-		20,000
Frac Frac: see Prognosis above.				2,500,000					2.500.000
Water Transfer				45,000					45,000
Completion Tools 50 frac plugs	$\vdash$			75,000			-		75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.				377,000		15.000			392,000
Frac Plug drill-out	$\vdash$	7	_	250,000		15,000	-		250,000
Flowback & Well Testing				250,000		75,000			75,000
Trucking		30,000		30,000		75,000			60,000
Environmental	$\vdash$	50,500		10,000			-		10,000
Materials & Supplies		5,000		10,000					5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction		30,000		30,000				66,667	126,667
Insurance: Control of Well	$\vdash$	25,000		55,500				00,007	25,000
Contingencies 10%		213,423		475,950		11,000		6,667	707,040
TOTAL INTANGIBLES		2,347,657		5,235,450		121,000		73,333	7,777,440

Prognosis: 3 string ca	sing program.	Tank bat	tery allocated for 6 wells.		Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Loc					STATE OF	Entra Sales III	NO.		
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86		134,062							134,062
1st Intermediate	5,700	9 5/8	40# L80 BTC	\$77.54		441,978							441,978
2nd Intermediate			Mar.			-							0
Production						-							0
Production	20,400	5 1/2	20# P110 Semi-Prem	\$49.50		1,009,800							1,009,800
Tubing	8,750	2 7/8	6.5# L80 EUE	\$12.00						105,000			105,000
Wellhead Equipment						35,000		30,000					65,000
Float Equipment & Ce	ntralizers, Wet	Shoe.				75,000							75,000
Liner hanger, Packer,	TAC, other Too	ols								20,000			20,000
													0
Flowlines, Valves, Fitt	ings, pipeline									20,000		16,667	36,667
												0	0
Tanks	4 oil, 4 wa		bbl)									66,667	66,667
Battery: Pumps /Valve												91,667	91,667
Battery: Meters, Autor												41,667	41,667
Separation Equipment		20' Hz H	łT's.							130,000		25,000	155,000
Compressors/Dehydra	-											0	0
Gas Meter Run, flare,										20,000		33,333	53,333
LACT	Pipeline L	ACT sup	plied by oil buyer.									0	. 0
Spill Containment												8,333	8,333
Artificial Lift	ESP purch	nase, rer	ntal drive.							250,000		0	250,000
Electrical Installation										16,667		16,667	33,333
Contingencies, taxes	10%				-	169,584		3.000		56,167		30.000	258,751
TOTAL TANGIBLES	1070				-	1,865,424		33,000		617,833		330,000	2,846,257
TOTAL TANGIBLES						Drilling		Completion		Production		Facilities	Total
TOTAL WELL COST						4,213,081		5,268,450		738,833			10,623,697

Prepared By:	Kelvin Fisher	Da	te: 8/2/2022	Drill & Complete	9,481,531		
Approval:	Kelvin Fisher	Da	te:		31	(650	n 337_"
Partner Approval Joint Owner:				Amount:			2110
Working Interest:				Joint Owner Approval:	E	XHIBIT /-	. ( ,
carrier of such insurance, you must sign below and	neither of which is guaranteed a	s sufficient by Op with waiver of su	erator. In order to decline or brogation prior to spud dat	urance and agreeing to the limits within and coverage by Operator's well control insurance, e and agree to hold Operator harmless loint Operating Agreement.			

BHL SW/4 SW/4 of Section 24 T19S-R33E

Lea County, New Mexico

SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)

**AFE #** 21,200 ft MD TD (MD): TVD: 10,150 ft Drilled Lateral Length: 10,960 ft VS Completed Lateral Length: Target: 10.360 ft 2nd Bone Spring

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface

**Authority For Expenditure (AFE)** 

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obsi Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (4934k  bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artifical lift.									
	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000							15,000
Damages/ Right of Way									(
Title & Abstracts, Drilling Title Opinion									(
Survey and Stake Location		10,000							10,000
Locations and Roads - shared with 6 wells		33,333							33,333
Frac Pit Shared w/ 6 wells				50,000					50,000
Conductor (drilled & set)		20.000							20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50.000							50,000
Drilling (Day Work) 17 days spud - RR \$27,000 per day		459,000							459,000
Bits		75,000		3,000					78,000
Downhole drilling tools & stabilization, survey tool		50,000		0,000					50,000
Mud Logging 12 days \$1,500 per day		18,000				-			18,000
Open Hole Surveys/ Gyro		10,000			_				10,000
Water well, pump & line, water transfer		5,000		100,000					105,000
Water/Brine/Mud Hauling		10,000		20,000			$\vdash$		30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl complin (20% excess)	$\vdash$	15,000		396,000	_		$\vdash$		411,000
Brine Water	$\vdash$	10,000		330,000	_		$\vdash$		10,000
Fuel \$ 4.50 2,200 gal/day	$\vdash$	168,300	$\vdash$	500,000	-		$\vdash$		668,300
Mud & Chemicals Water based mud in lateral,		250,000		25,000	_		$\vdash$		275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.	$\vdash$	25,000	$\vdash$	25,000		_	$\vdash$		25,000
Drill string rental	$\vdash$	25,000			_				25,000
Casing Crew & LD Machine, CRT	$\vdash$	50,000					-		50,000
Welding	$\vdash$					_	$\vdash$		
Cementing		1,500			_		$\vdash$		1,500
	-	225,000			-			_	225,000
Directional Drilling 17 days spud - RR \$15,000 per day  Wellsite Supervisor	-	255,000	_	40.000	$\vdash$		$\vdash$		255,000
JOA Overhead 8500/mo	-	42,500	$\vdash$	40,000					82,500
Open Hole Logs	-	8,500	$\vdash$	8,500	-		$\vdash$		17,000
	-		$\vdash$				$\vdash$		68,000
Solids Control Equipment \$4,000 per day  Cuttings Haul-off & Disposal	-	68,000	$\vdash$				-		
		80,000	$\vdash$	000 000			$\vdash$		80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.  BOP Rental, stripper head	-	170,000	$\vdash$	280,000	_	_	$\vdash$		450,000
Pulling Unit 5 days, 4000/d	-		$\vdash$		_	00.000			20.000
Acidizing Acid crew to prep toe.	$\vdash$		$\vdash$	00.000	-	20,000			20,000
	$\vdash$		$\vdash$	20,000					20,000
Frac Frac: see Prognosis above.  Water Transfer	$\vdash$		$\vdash$	2,500,000					2,500,000
Completion Tools 50 frac plugs	$\vdash$		$\vdash$	45,000	_		$\vdash$		45,000
	$\vdash$		$\vdash$	75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube. Frac Plug drill-out			$\vdash$	377,000		15,000			392,000
	$\vdash$			250,000		75.0			250,000
Flowback & Well Testing		00.5		00.5		75,000			75,000
Trucking		30,000		30,000					60,000
Environmental	$\vdash$			10,000					10,000
Materials & Supplies		5,000	$\vdash$						5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction	$\vdash$	30,000		30,000				66,667	126,667
Insurance: Control of Well		25,000							25,000
Contingencies 10%		220,413		475,950		11,000		6,667	1,428,060
TOTAL INTANGIBLES		2,424,547		5,235,450		121,000		73,333	8,568,360

Prognosis: 3 string cas	sing program.	Tank bat	ttery allocated for 6 wells.		Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Loc									
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86		134,062							134,062
1st Intermediate	5,700	9 5/8	40# L80 BTC	\$77.54		441,978							441,978
2nd Intermediate						-							0
Production											2.5		0
Production	21,200	5 1/2	20# P110 Semi-Prem	\$49.50		1,049,400							1,049,400
Tubing	9,550	2 7/8	6.5# L80 EUE	\$12.00						114,600			114,600
Wellhead Equipment						35,000		30,000					65,000
Float Equipment & Cer	ntralizers, Wel	Shoe.				75,000							75,000
Liner hanger, Packer,	TAC, other To	ols								20,000			20,000
Flowlines, Valves, Fitti	ngs, pipeline									20,000		16,667	36,667
Tanks	4 oil, 4 wa	ter (750	bbl)								H	66,667	66,667
Battery: Pumps /Valve	s/Connections											91,667	91,667
Battery: Meters, Autom	nation											41,667	41,667
Separation Equipment	: Tester, (2) 8	(20' Hz H	HT's.							130,000		25,000	155,000
Compressors/Dehydra	itors											0	0
Gas Meter Run, flare, '	VRU, Combus	tor								20,000		33,333	53,333
LACT	Pipeline L	ACT sup	oplied by oil buyer.									0	0
Spill Containment												8,333	8,333
Artificial Lift	ESP purc	hase, rei	ntal drive.							250,000		0	250,000
Electrical Installation										16,667		16,667	33,333
Contingencies, taxes	10%					173,544		3,000		57,127		30,000	263,671
TOTAL TANGIBLES						1,908,984		33,000		628,393		330,000	2,900,377
TOTAL WELL COST						Drilling 4,333,531		Completion 5,268,450		Production 749,393		Facilities 403,333	Total 10,754,707

Prepared By:	Kelvin Fisher	Date:	8/2/2022	Drill & Complete	9,601,981	
Approval:	Kelvin Fisher	Date:				
Partner Approval Joint Owner:				Amount	:	
Working Interest:				Joint Owner Approval	i:	

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subtrogation prior to sopud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Date:	_			

[27230] GEM, BONE SPRING; EAST Well: Millie Mile 13-24 Fed Com #102H

Location:

SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease) BHL SE/4 SW/4 of Section 24 T19S-R33E

AFE# TD (MD): 20,400 ft MD TVD: 9,350 Drilled Lateral Length: ft VS 10.960 Completed Lateral Length: 10,360 Target: 1st Bone Spring

Lea County, New Mexico Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use contraint.

Permits/ Well Signs Jamages/ Right of Way Iftle & Abstracts, Drilling Title Opinion Jurvey and Stake Location Jocations and Roads - shared with 6 wells Jarac Pit Shared w/ 6 wells Jaroductor (drilled & set) Jobilization / Demobilization  7 days pre-spud + trucks & cranes / shared w/ 6 wells		15,000 10,000 33,333					=		<b>Total Cost</b>
itle & Abstracts, Drilling Title Opinion  burvey and Stake Location  coations and Roads - shared with 6 wells  rac Pit Shared w/ 6 wells  conductor (drilled & set)		10,000							15,000
Survey and Stake Location ocations and Roads - shared with 6 wells rac Pit Conductor (drilled & set)		33,333							0
ocations and Roads - shared with 6 wells frac Pit Shared w/ 6 wells conductor (drilled & set)		33,333							0
rac Pit Shared w/ 6 wells Conductor (drilled & set)		33,333					$\vdash$		10,000
rac Pit Shared w/ 6 wells Conductor (drilled & set)							$\vdash$		33,333
		_		50,000			$\vdash$		50,000
		20,000		50,000			$\vdash$		20,000
	_	50,000				-			50,000
Orilling (Day Work) 16 days spud - RR \$27,000 per day		432,000	$\vdash$						432,000
Sits	1	75,000		3,000			$\vdash$		78,000
Downhole drilling tools & stabilization, survey tool	_	50,000	$\vdash$	3,000					50,000
Mud Logging 11 days \$1,500 per day	-	16,500	$\vdash$		-				16,500
Open Hole Surveys/ Gyro	-	16,500			_		$\vdash$		16,500
Vater well, pump & line, water transfer	-	5.000		400 000			$\vdash$		105 000
Vater/Brine/Mud Hauling	-	10,000		100,000					105,000
	-			20,000	$\vdash$		$\vdash$		30,000
resh Water \$ 1.50 10,000 bbl drilling 264,000 bbl compfn (20% excess) trine Water	-	15,000	$\vdash$	396,000	$\vdash$		$\vdash$		411,000
uel \$ 4.50 2,200 gal/day	-	10,000		500.000	$\vdash$				10,000
Mud & Chemicals Water based mud in lateral.	-	158,400	$\vdash$	500,000	$\vdash$				658,400
bullar Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.	-	250,000	$\vdash$	25,000	$\vdash$				275,000
brill string rental	-	25,000	$\vdash$		$\vdash$				25,000
casing Crew & LD Machine, CRT	-		$\vdash$		$\vdash$				0
Velding	-	50,000	$\vdash$		$\vdash$				50,000
ementing	-	1,500	$\vdash$						1,500
	-	225,000	-						225,000
irectional Drilling 16 days spud - RR \$15,000 per day  Vellsite Supervisor	-	240,000							240,000
OA Overhead 8500/mo	-	40,000		40,000					80,000
	$\vdash$	8,500		8,500					17,000
pen Hole Logs	-								0
olids Control Equipment \$4,000 per day	-	64,000							64,000
tuttings Haul-off & Disposal	1	80,000							80,000
urface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.	-	160,000	$\vdash$	280,000					440,000
OP Rental, stripper head	-								0
ulling Unit 5 days, 4000/d	-					20,000			20,000
cidizing Acid crew to prep toe.	-		$\vdash$	20,000					20,000
rac Frac: see Prognosis above.	-		$\vdash$	2,500,000					2,500,000
/ater Transfer	$\perp$			45,000					45,000
ompletion Tools 50 frac plugs	$\perp$			75,000				-	75,000
ased Hole Wireline & Perforating 51 stages, 10k lube.	$\perp$			377,000		15,000			392,000
rac Plug drill-out	$\perp$			250,000					250,000
lowback & Well Testing	$\perp$					75,000			75,000
rucking		30,000		30,000					60,000
nvironmental				10,000					10,000
laterials & Supplies	-	5,000							5,000
ontract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction	$\perp$	30,000		30,000				66,667	126,667
surance: Control of Well		25,000							25,000
ontingencies 10% OTAL INTANGIBLES		213,423 2,347,657		475,950 <b>5,235,450</b>		11,000 <b>121,000</b>		6,667 <b>73,333</b>	707,040 <b>7,777,440</b>

Prognosis: 3 string casi	ng program.	Tank bat	tery allocated for 6 wells.		Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Loc			1000						
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86		134,062							134,062
1st Intermediate	5,700	9 5/8	40# L80 BTC	\$77.54		441,978							441,978
2nd Intermediate						-							0
Production													0
Production	20,400	5 1/2	20# P110 Semi-Prem	\$49.50		1,009,800							1,009,800
Tubing	8,750	2 7/8	6.5# L80 EUE	\$12.00						105,000			105,000
Wellhead Equipment						35,000		30,000					65,000
Float Equipment & Cen	tralizers, Wet	Shoe.				75,000							75,000
Liner hanger, Packer, 7	AC, other To	ols								20,000			20,000
													0
Flowlines, Valves, Fittir	ngs, pipeline									20,000		16,667	36,667
												0	0
Tanks	4 oil, 4 wa	ter (750	bbl)									66,667	66,667
Battery: Pumps /Valves	/Connections											91,667	91,667
Battery: Meters, Autom	ation											41,667	41,667
Separation Equipment:	Tester, (2) 8x	20' Hz H	HT's.							130,000		25,000	155,000
Compressors/Dehydrat	tors											0	0
Gas Meter Run, flare, \	/RU, Combus	tor								20,000		33,333	53,333
LACT	Pipeline L	ACT sup	oplied by oil buyer.									0	0
Spill Containment												8,333	8,333
Artificial Lift	ESP purcl	nase, rei	ntal drive.							250,000		0	250,000
Electrical Installation										16,667		16,667	33,333
												0	0
Contingencies, taxes	10%					169,584	_	3,000		56,167		30,000	258,751
TOTAL TANGIBLES						1,865,424		33,000		617,833		330,000	2,846,257
TOTAL WELL COST						Drilling 4,213,081		5,268,450		Production 738,833		Facilities 403,333	Total 10,623,697

Prepared By:	Kelvin Fisher	Date:	8/2/2022	Drill & Complete	9,481,531
Approval:		Date:			
	Kelvin Fisher	-			

Partner Approval Joint Owner: Working Interest: Amount:

Joint Owner Approval:

Case 23330
EXHIBIT Z-C

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subtrogation prior to sopul date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

Date:

Well: Millie Mile 13-24 Fed Com #202H

Location:

Lea County, New Mexico

SHL SW/4 SW/4 of Section 12 T19S-R33E ( $\pm$ 500' off-lease) BHL SE/4 SW/4 of Section 24 T19S-R33E

AFE# TD (MD): 21,200 ft MD TVD: 10,150 Drilled Lateral Length: Completed Lateral Length: 10,960 ft VS 10,360 Target: 2nd Bone Spring

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obst

Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artifical lift.	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000							15,000
Damages/ Right of Way									
Title & Abstracts, Drilling Title Opinion									
Survey and Stake Location		10,000							10,000
Locations and Roads - shared with 6 wells		33,333					$\vdash$		33,333
Frac Pit Shared w/ 6 wells		00,000		50,000			$\vdash$		50,000
Conductor (drilled & set)		20,000		50,000			$\vdash$		20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50,000					$\vdash$		50,000
Drilling (Day Work) 17 days spud - RR \$27,000 per day	-	459,000	$\vdash$		$\vdash$		$\vdash$	_	459,000
Bits	$\vdash$	75,000	$\vdash$	3,000	$\vdash$		-		78,000
Downhole drilling tools & stabilization, survey tool	$\vdash$	50,000	$\vdash$	3,000			-		
	-		$\vdash$				$\vdash$		50,000
Mud Logging 12 days \$1,500 per day  Open Hole Surveys/ Gyro		18,000	$\vdash$		$\vdash$	_	$\vdash$		18,000
Water well, pump & line, water transfer	-			100 5					100
Water/Brine/Mud Hauling	$\vdash$	5,000		100,000					105,000
		10,000		20,000					30,000
Fresh Water         \$ 1.50         10,000 bbl drilling         264,000 bbl complin (20% excess)           Brine Water		15,000		396,000					411,000
	_	10,000			$\overline{}$				10,000
	$\vdash$	168,300	$\vdash$	500,000	$\vdash$				668,300
	$\vdash$	250,000		25,000					275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.		25,000							25,000
Drill string rental									0
Casing Crew & LD Machine, CRT		50,000							50,000
Welding		1,500							1,500
Cementing		225,000							225,000
Directional Drilling 17 days spud - RR \$15,000 per day		255,000							255,000
Wellsite Supervisor		42,500		40,000					82,500
JOA Overhead 8500/mo		8,500		8,500		-			17,000
Open Hole Logs									0
Solids Control Equipment \$4,000 per day		68,000							68,000
Cuttings Haul-off & Disposal		80,000							80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.		170,000		280,000					450,000
BOP Rental, stripper head									0
Pulling Unit 5 days, 4000/d						20,000			20,000
Acidizing Acid crew to prep toe.		-		20,000					20,000
Frac Frac: see Prognosis above.				2,500,000					2,500,000
Water Transfer				45,000					45,000
Completion Tools 50 frac plugs				75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.				377,000		15,000			392,000
Frac Plug drill-out				250,000		-			250,000
Flowback & Well Testing				,500		75,000			75,000
Trucking		30,000		30,000		. 5,500			60,000
Environmental	$\vdash$	55,500		10,000			-		10,000
Materials & Supplies		5,000		10,500					5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction		30,000		30,000				66,667	126,667
Insurance: Control of Well		25,000		55,500				50,507	25,000
Contingencies 10%		220,413		475,950		11,000		6,667	714,030
Contingencies 10%									

Prognosis: 3 string cas	sing program. Tank b	attery allocated for 6 wells.		Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
<u>Tubulars</u>	Length Size	Description	Price/ft FOB Loc									
Surface	1,700 13 3/8	3 54.5# J55 BTC	\$78.86		134,062							134,062
1st Intermediate	5,700 9 5/8	40# L80 BTC	\$77.54		441,978							441,978
2nd Intermediate					-							0
Production					-							0
Production	21,200 5 1/2	20# P110 Semi-Prem	\$49.50		1,049,400							1,049,400
Tubing	9,550 2 7/8	6.5# L80 EUE	\$12.00						114,600			114,600
Wellhead Equipment					35,000		30,000					65,000
Float Equipment & Ce	ntralizers, Wet Shoe.				75,000							75,000
Liner hanger, Packer,	TAC, other Tools								20,000			20,000
Flowlines, Valves, Fitti	ings, pipeline								20,000		16,667	36,667
		MANAGE CONTRACTOR OF THE PARTY						-			0	0
Tanks	4 oil, 4 water (75	0 bbl)									66,667	66,667
Battery: Pumps /Valve											91,667	91,667
Battery: Meters, Auton			Tr.						-		41,667	41,667
Separation Equipment		HT's.							130,000		25,000	155,000
Compressors/Dehydra											0	0
Gas Meter Run, flare,									20,000		33,333	53,333
LACT	Pipeline LACT su	applied by oil buyer.								$\Box$	0	0
Spill Containment					V						8,333	8,333
Artificial Lift	ESP purchase, re	ental drive.							250,000		0	250,000
Electrical Installation				-					16,667		16,667	33,333
Contingencies, taxes	10%				173,544		3.000		57.127		30,000	263,671
TOTAL TANGIBLES					1,908,984		33,000		628,393		330,000	2,900,377
TOTAL WELL COST					Drilling 4,333,531		Completion 5,268,450		Production 749,393		Facilities 403,333	Total 10,754,707

Prepared By:	Kelvin Fisher	Date:	8/2/2022	Drill & Complete 9,601,981	
Approval:	Kelvin Fisher	Date:			
Partner Approval Joint Owner:				Amount:	
Working Interest:				Joint Owner Approval:	

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Date:				

Well: Millie Mile 13-24 Fed Com #401H

SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)

BHL SW/4 SW/4 of Section 24 T19S-R33E

Lea County, New Mexico

AFE # 21,800 ft MD TD (MD): TVD: 10,750 Drilled Lateral Length: 10,960 ft VS Completed Lateral Length: 10,360 ft Wolfcamp 'XY' Target:

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/re

Authority For Expenditure (AFE)

Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kl bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artifical lift									
oory, oo opin. 200 stages – 31 stages, ping & peri frac. highess prep W/ acid crew. ESP for artifical lin	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000							15,000
Damages/ Right of Way									0
Title & Abstracts, Drilling Title Opinion									0
Survey and Stake Location		10,000							10,000
Locations and Roads - shared with 6 wells		33,333							33,333
Frac Pit Shared w/ 6 wells				50,000					50,000
Conductor (drilled & set)		20,000							20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50,000							50,000
Drilling (Day Work) 18 days spud - RR \$27,000 per day		486,000							486,000
Bits		75,000		3,000					78,000
Downhole drilling tools & stabilization, survey tool		50,000		-,					50,000
Mud Logging 13 days \$1,500 per day		19,500							19,500
Open Hole Surveys/ Gyro		,							10,000
Water well, pump & line, water transfer		5,000		100,000					105,000
Water/Brine/Mud Hauling		10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl complin (20% excess)		15,000		396,000			_		411,000
Brine Water		10,000		330,000					10,000
Fuel \$ 4.50 2,200 gal/day	$\vdash$	178,200		500,000			_		678,200
Mud & Chemicals Water based mud in lateral.		250,000	-	25,000			_		275,000
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.	$\vdash$	25,000		20,000					25,000
Drill string rental	$\vdash$	25,000							25,000
Casing Crew & LD Machine, CRT	$\vdash$	50,000	-						50,000
Welding	+	1,500	$\vdash$		_			-	1,500
Cementing	$\vdash$	225,000					_		225,000
Directional Drilling 18 days spud - RR \$15,000 per day		270,000	-		_				270,000
Wellsite Supervisor	$\vdash$	45,000	-	40,000			-		85,000
JOA Overhead 8500/mo	$\vdash$	8,500		8,500					17,000
Open Hole Logs	$\vdash$	8,300		8,500					17,000
Solids Control Equipment \$4,000 per day	$\vdash$	72,000					-		72,000
Cuttings Haul-off & Disposal	$\vdash$	80,000							80,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.	$\vdash$	180,000	_	280,000					460,000
BOP Rental, stripper head		180,000	_	280,000	_		_		460,000
Pulling Unit 5 days, 4000/d	1		_		_	20,000			20,000
Acidizing Acid crew to prep toe.	$\vdash$			20,000	_	20,000			20,000
Frac Frac: see Prognosis above.	$\vdash$			2,500,000					2,500,000
Water Transfer	$\vdash$		_	45,000	_				45,000
Completion Tools 50 frac plugs	$\vdash$			75,000					75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube.	$\vdash$			377,000		15.000			392,000
Frac Plug drill-out	$\vdash$			250,000		15,000			
Flowback & Well Testing	$\vdash$			250,000		75.000			250,000 75,000
Trucking	$\vdash$	30,000		30,000		75,000			60,000
Environmental	$\vdash$	30,000		10,000					10,000
Materials & Supplies	$\vdash$	5,000		10,000	-				
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction	$\vdash$	30,000		30,000				66.667	5,000
Insurance: Control of Well	+	25,000		30,000				66,667	126,667 25.000
Contingencies 10%		25,000		475,950		11.000		6.667	721,020
TOTAL INTANGIBLES		2,501,437		5,235,450		11,000		6,667 <b>73,333</b>	7,931,220

		W. A. S.			Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Loc	2200								
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86		134,062							134,062
1st Intermediate	7,000	9 5/8	40# HCL80 BTC	\$77.54		542,780							542,780
2nd Intermediate	3,075	9 5/8	43.5# HCL80 BTC	\$92.55		284,591							284,59
Production						-							
Production	21,800	5 1/2	20# P110 Semi-Prem	\$49.50		1,079,100							1,079,100
Tubing	10,150	2 7/8	6.5# L80 EUE	\$12.00		-				121,800			121,800
Wellhead Equipment						35,000		30,000					65,000
Float Equipment & Cen	tralizers, Wet	Shoe.				75,000							75,000
Liner hanger, Packer, T	AC, other Too	ols								20,000			20,000
													(
Flowlines, Valves, Fittin	gs, pipeline									20,000		16,667	36,667
												0	(
Tanks	4 oil, 4 wa	ter (750	bbl)									66,667	66,667
Battery: Pumps /Valves	/Connections	à.										91,667	91,667
Battery: Meters, Automa	ation											41,667	41,667
Separation Equipment:	Tester, (2) 8x	20' Hz H	IT's.							130,000		25,000	155,000
Compressors/Dehydrat	ors									,		0	0
Gas Meter Run, flare, V	RU, Combus	tor								20,000		33,333	53,333
LACT	Pipeline L	ACT sup	plied by oil buyer.	7						20,000		00,00	0
Spill Containment								*				8,333	8,333
Artificial Lift	ESP purch	nase, ren	ntal drive.							250,000		0,000	250,000
Electrical Installation										16,667		16,667	33,333
										10,001		0	0
Contingencies, taxes	10%					215,053		3,000		57,847		30,000	305,900
TOTAL TANGIBLES						2,365,587		33,000		636,313		330,000	3,364,900
TOTAL WELL COST						Drilling 4,867,023		Completion 5,268,450		Production 757,313		Facilities 403,333	Total 11,296,120

				0,000,000
Kelvin Fisher	Date:	8/2/2022	Drill & Complete	10,135,473
	Date:			
Kelvin Fisher				
		Date:	Date:	Kelvin Fisher Date: 8/2/2022 Drill & Complete

Partner Approval Joint Owner: Working Interest: Amount:

Cose 23331 EXHIBIT 2-C Joint Owner Approval:

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must slip below and provide a Certificate of Insurance with waiver of subtrogation prior to sput date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Field: WC, Wolfcamp
Well: Millie Mile 13-24 Fed Com #402H
cation: SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease) Location:

BHL SE/4 SW/4 of Section 24 T19S-R33E

**AFE #**21,800 ft MD
10,750 ft TD (MD): TVD: Drilled Lateral Length: 10,960 ft VS Completed Lateral Length: 10,360 ft Target: Wolfcamp 'XY'

Lea County, New Mexico

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use contraint

Prognosis: 2 m l lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kbbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artifical lift		Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs		15,000			İ				15,000
Damages/ Right of Way									0
Title & Abstracts, Drilling Title Opinion									
Survey and Stake Location		10,000							10,000
Locations and Roads - shared with 6 wells		33,333							33.333
Frac Pit Shared w/ 6 wells		00,000		50,000					50,000
Conductor (drilled & set)		20,000		00,000			$\vdash$		20,000
Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells		50,000							50,000
Drilling (Day Work) 18 days spud - RR \$27,000 per day		486,000							486,000
Bits		75,000		3,000			$\vdash$		78,000
Downhole drilling tools & stabilization, survey tool		50,000	-	3,000	$\vdash$		$\vdash$		50,000
Mud Logging 13 days \$1,500 per day	1	19,500			$\vdash$		$\vdash$		19,500
Open Hole Surveys/ Gyro	-	19,500	-		-			-	19,500
Water well, pump & line, water transfer	$\vdash$	E 000	$\vdash$	400.000			$\vdash$		405.000
Water/Brine/Mud Hauling	$\vdash$	5,000 10,000		100,000 20,000			-		105,000
Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl complin (20% excess)	-	15,000					-		30,000
Brine Water				396,000	-		$\vdash$		411,000
Fuel \$ 4.50 2,200 gal/day	-	10,000 178,200		500.000	$\vdash$				10,000
Mud & Chemicals Water based mud in lateral.	-			500,000	$\vdash$				678,200
Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings.	-	250,000 25,000		25,000	$\vdash$		$\vdash$		275,000
Drill string rental	-	25,000			$\vdash$		-		25,000
Casing Crew & LD Machine, CRT	-	50.000	$\vdash$		$\vdash$				0
Welding	$\vdash$	50,000 1,500	$\vdash$		$\vdash$		-		50,000
Cementing	-		$\vdash$		$\vdash$				1,500
Directional Drilling 18 days spud - RR \$15,000 per day	-	225,000 270,000	$\vdash$		$\vdash$				225,000
Wellsite Supervisor	$\vdash$			40.000					270,000
JOA Overhead 8500/mo	$\vdash$	45,000	$\vdash$	40,000	$\vdash$				85,000
Open Hole Logs	$\vdash$	8,500	-	8,500			_		17,000
Solids Control Equipment \$4,000 per day	$\vdash$	70,000	_		-				70.000
Cuttings Haul-off & Disposal	$\vdash$	72,000			-				72,000
Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing.	$\vdash$	80,000		000 000	_				80,000
BOP Rental, stripper head	$\vdash$	180,000	_	280,000					460,000
Pulling Unit 5 days, 4000/d	$\vdash$		-		_				0
Acidizing Acid crew to prep toe.	$\vdash$		-			20,000			20,000
Frac Frac: see Prognosis above.				20,000	-				20,000
Water Transfer	$\vdash$		-	2,500,000					2,500,000
	-			45,000					45,000
	-			75,000		15.0			75,000
Cased Hole Wireline & Perforating 51 stages, 10k lube. Frac Plug drill-out	$\vdash$			377,000		15,000			392,000
				250,000					250,000
Flowback & Well Testing Trucking						75,000			75,000
	$\vdash$	30,000		30,000					60,000
Environmental				10,000					10,000
Materials & Supplies		5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction		30,000		30,000				66,667	126,667
Insurance: Control of Well  Contingencies 10%		25,000							25,000
Contingencies 10% TOTAL INTANGIBLES		227,403		475,950		11,000		6,667	721,020
TOTAL INTANGIBLES		2,501,437		5,235,450		121,000		73,333	7,931,220

Prognosis: 3 String Cas	sing program.	lank bat	tery allocated for 6 wells.		Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Loc				KO ELEKTRICA			F11000	o desireda	Manage and
Surface	1,700	13 3/8	54.5# J55 BTC	\$78.86		134,062							134,062
1st Intermediate	7,000	9 5/8	40# HCL80 BTC	\$77.54		542,780							542,780
2nd Intermediate	3,075	9 5/8	43.5# HCL80 BTC	\$92,55		284,591							284,591
Production						-						1	0
Production	21,800	5 1/2	20# P110 Semi-Prem	\$49.50		1,079,100							1,079,100
Tubing	10,150	2 7/8	6.5# L80 EUE	\$12.00						121,800			121,800
Wellhead Equipment						35,000		30,000					65,000
Float Equipment & Cer	ntralizers, Wet	Shoe.				75,000							75,000
Liner hanger, Packer,	TAC, other Too	ols								20,000			20,000
Flowlines, Valves, Fitti	ings, pipeline									20,000		16,667	36,667
Tanks	4 oil, 4 wa	ter (750	bbl)								$\vdash$	66,667	66,667
Battery: Pumps /Valve	s/Connections											91,667	91,667
Battery: Meters, Auton	nation											41,667	41,667
Separation Equipment	: Tester, (2) 8x	20' Hz H	iT's.							130,000		25,000	155,000
Compressors/Dehydra	itors									7.00,000		0	0
Gas Meter Run, flare, '	VRU, Combus	tor								20,000		33,333	53,333
LACT	Pipeline L	ACT sup	plied by oil buyer.							20,000		0	0
Spill Containment												8,333	8,333
Artificial Lift	ESP purch	nase, rer	ntal drive.						$\vdash$	250.000		0	250,000
Electrical Installation										16,667		16,667	33,333
Contingencies, taxes	10%				_	215,053		3,000		57.847		30,000	305,900
TOTAL TANGIBLES	- Wale   10   10   10   10   10   10   10   1					2,365,587		33,000		636,313		330,000	3,364,900
TOTAL WELL COST						Drilling 4,867,023		Completion 5,268,450		Production 757,313		Facilities	Total 11,296,120

Approval:	K-bit et l	Date:		
	Kelvin Fisher			_
Partner Approval			Amount:	( pre 23372
Working Interest:		Joint Owner	Approval:	2000
carrier of such insurance,	neither of which is guaranteed as s	covered by the Operator's well control insurance and agreeing to the limits w sufficient by Operator. In order to decline coverage by Operator's well control	I insurance.	EXHIBIT 2°C

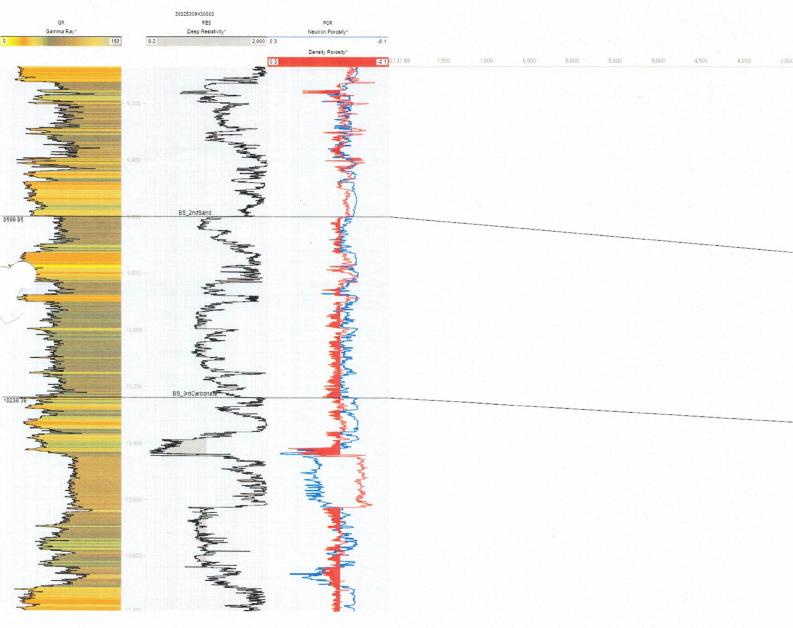
8/2/2022

you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement. Agree to decline coverage, provide proof, and hold harmless:

Prepared By:

Kelvin Fisher

## Millie Mile A-A' Bonespring 2<sup>nd</sup> Sand Cross Section



Casus 23329-23332 EXHIBIT 3-C

