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

APPLICATION OF APACHE CORPORATION FOR APPROVAL OF A NON-STANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 24141

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

Case No. 24254

AVANT OPERATING, LLC'S NOTICE OF AMENDED EXHIBIT

Avant Operating, LLC ("Avant") is submitting the attached amended exhibit packet, which includes the following amended exhibit: Exhibit A-23, which is amended to include a table of communications with pooled parties.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn McLean P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com

Counsel for Avant Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2024, I have caused a true and correct copy of the foregoing notice to be sent to the following counsel by electronic means:

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Adam G. Rankin
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Attorneys for Apache Corporation

Blake C. Jones 1780 Hughes Landing Blvd., Suite 750 The Woodlands, TX 77380 TEL: (281) 203-5700 FAX: (281) 203-5701 Blake.jones@steptoe-johnson.com Attorney for Northern Oil and Gas, Inc.

/s/ Dana S. Hardy

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Exhibit D	Self-Affirmed Statement of Dana S. Hardy
D-1	Notice Letters to All Interested Parties
D-2	Chart of Notice to All Interested Parties
D-3	Copies of Certified Mail Receipts and Returns
D-4	Affidavit of Publication for March 5, 2024

ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 24254	APPLICANT'S RESPONSE
Date	May 29, 2024
Applicant	Avant Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	330396
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Avant Operating, LLC for Compulsory Pooling and Approval o Non-Standard Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	Apache Corporation; Northern Oil & Gas
Well Family	Grayling 14 Fed Com
Formation/Pool	
Formation/Pool Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	Lusk; Bone Spring, East (Code 41442)
Well Location Setback Rules (Only if NSP is Requested):	Statewide
	Statewide
Spacing Unit Type (Horizontal/Vertical)	Horizontal
··	
Size (Acres)	1,280 acres
Building Blocks:	quarter-quarter
Orientation:	South to North
Description: TRS/County	Sections 11 and 14, Township 19 South, Range 32 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No, Avant requests approval of a non-standard spacing unit in this application.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibits A-14, A-15
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Grayling 14 Fed Com #301H (API # pending) SHL: 466' FSL & 320' FWL (Unit M), Section 14, T19S-R32E BHL: 100' FNL & 330' FWL (Unit D), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 8,550' TVD)
Well #2	Grayling 14 Fed Com #302H (API # pending) SHL: 985' FSL & 2080' FWL (Unit N), Section 14, T19S-R32E BHL: 100' FNL & 1254' FWL (Unit D), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 8,550' TVD)
Well #3	Grayling 14 Fed Com #303H (API # pending) SHL: 985' FSL & 2100' FWL (Unit N), Section 14, T19S-R32E BHL: 100' FNL & 2178' FWL (Unit C), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 8,550' TVD)
Well #4	Grayling 14 Fed Com #304H (API # pending) SHL: 1025' FSL & 1359' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 2178' FEL (Unit B), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 8,550' TVD)

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Well #5	Grayling 14 Fed Com #305H (API # pending) SHL: 1009' FSL & 1347' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 1254' FEL (Unit A), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 8,550' TVD)
Well #6	Grayling 14 Fed Com #306H (API # pending) SHL: 994' FSL & 1334' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 330' FEL (Unit A), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 8,550' TVD)
Well #7	Grayling 14 Fed Com #501H (API # pending) SHL: 466' FSL & 340' FWL (Unit M), Section 14, T19S-R32E BHL: 100' FNL & 330' FWL (Unit D), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 9,500' TVD)
Well #8	Grayling 14 Fed Com #502H (API # pending) SHL: 835' FSL & 2079' FWL (Unit N), Section 14, T19S-R32E BHL: 100' FNL & 1254' FWL (Unit D), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 9,500' TVD)
Well #9	Grayling 14 Fed Com #503H (API # pending) SHL: 835' FSL & 2099' FWL (Unit N), Section 14, T19S-R32E BHL: 100' FNL & 2178' FWL (Unit C), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 9,500' TVD)
Well #10	Grayling 14 Fed Com #504H (API # pending) SHL: 929' FSL & 1476' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 2178' FEL (Unit B), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 9,500' TVD)
Well #11	Grayling 14 Fed Com #505H (API # pending) SHL: 914' FSL & 1463' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 1254' FEL (Unit A), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 9,500' TVD)
Well #12	Grayling 14 Fed Com #506H (API # pending) SHL: 898' FSL & 1450' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 330' FEL (Unit A), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 9,500' TVD)
Well #13	Grayling 14 Fed Com #601H (API # pending) SHL: 466' FSL & 360' FWL (Unit M), Section 14, T19S-R32E BHL: 100' FNL & 330' FWL (Unit D), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 10,450' TVD)
Well #14	Grayling 14 Fed Com #602H (API # pending) SHL: 685' FSL & 2078' FWL (Unit N), Section 14, T19S-R32E BHL: 100' FNL & 1254' FWL (Unit D), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 10,450' TVD)
Well #15	Grayling 14 Fed Com #603H (API # pending) SHL: 685' FSL & 2098' FWL (Unit N), Section 14, T19S-R32E BHL: 100' FNL & 2178' FWL (Unit C), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 10,450' TVD)
Well #16	Grayling 14 Fed Com #604H (API # pending) SHL: 833' FSL & 1592' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 2178' FEL (Unit B), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 10,450' TVD)
Well #17	Grayling 14 Fed Com #605H (API # pending) SHL: 818' FSL & 1579' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 1254' FEL (Unit A), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 10,450' TVD)
Well #18	Grayling 14 Fed Com #606H (API # pending) SHL: 803' FSL & 1567' FEL (Unit O), Section 14, T19S-R32E BHL: 100' FNL & 330' FEL (Unit A), Section 11, T19S-R32E Completion Target: Bone Spring (Approx. 10,450' TVD)
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AFE Coppy and Operating Costs	
AFE Capex and Operating Costs	\$10,000
Drilling Supervision/Month \$	
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A-24
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits D-1, D-2, D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits A-17, A-18
Tract List (including lease numbers and owners)	Exhibits A-17, A-18
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject	
to notice requirements.	Exhibit A-21
Pooled Parties (including ownership type)	Exhibits A-18, A-19
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	
below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-24
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-17, A-18, A-19
Chronology of Contact with Non-Joined Working Interests	Exhibits A-23, A-25
Overhead Rates In Proposal Letter	Exhibit A-24
Cost Estimate to Drill and Complete	Exhibit A-24
Cost Estimate to Equip Well	Exhibit A-24
Cost Estimate for Production Facilities	Exhibit A-24
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibits B-6, B-10, B-14
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-10
Tracts	Exhibits A-14, A-15
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-17, A-18
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibits B-8, B-12, B-16
Structure Contour Map - Subsea Depth	Exhibits B-8, B-12, B-16
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibits B-6, B-10, B-14
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information prov	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative): Date:	/s/ Dana S. Hardy 5/22/2024
	15/7/70/4

EXHIBIT A and Sub-Exhibits



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

APPLICATION OF APACHE CORPORATION FOR APPROVAL OF A NON-STANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 24141

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

Case No. 24254

SELF-AFFIRMED STATEMENT OF SHELLY ALBRECHT

- 1. I am employed by Avant Operating, LLC ("Avant") as Vice President of Land and Business Development. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record. A copy of my resume is attached as **Exhibit A-1**.
- 2. I have been directly involved in development of the horizontal spacing unit that is the subject of Avant's application, and I am familiar with the objection filed by Apache Corporation ("Apache"). Apache has filed a competing pooling application and proposed its own development plan for the acreage included in Avant's proposed horizontal spacing unit. Copies of Avant's application and proposed notice are attached as **Exhibit A-2**.

Avant Operating, LLC Case No. 24254 Exhibit A

A. Overview of Avant

- 3. Avant was founded in 2018 and has made extensive investment in its New Mexico operations. Avant has drilled over 45 horizontal wells in the New Mexico Delaware Basin since 2021 and holds over 16,000 net acres, primarily within Lea and Eddy Counties. Avant is actively operating two rigs in Lea and Eddy counties and intends to add a third rig in 2024. An executive summary of Avant's background and operation is attached as **Exhibit A-3.**
- 4. Avant's management team has decades of experience in the petroleum industry and includes individuals who were previously employed by Centennial, EOG Resources, Advance Energy Partners and Franklin Mountain Energy, all of which are experienced operations in New Mexico. **Exhibit A-4** identifies the team members and summarizes their credentials.
- 5. A summary of the team's accomplishments is attached as **Exhibit A-5.** As shown on the exhibit, the team has decades of experience and successfully developed acreage across the Permian Basin.
- 6. **Exhibit A-6** includes a graph that shows Avant's average spud to TVD timing in 2023-2024 and summarizes Avant's drilling program. As shown on the exhibit, Avant is a consistent, active, and capital efficient operator.
- 7. As shown by the graph attached as **Exhibit A-7**, Avant is a highly active operator in New Mexico and is currently running two rigs. Apache currently has no rigs running in New Mexico.
- 8. **Exhibit A-8** is a graph that shows horizontal drilling activity in the Permian Basin by operator since 2021. As shown on the graph, Avant has drilled 47 wells since 2021 while Apache has drilled 17. Avant has been a consistently active operator in New Mexico since 2021, while Apache has not been active since January 2023.

B. Overview of Competing Proposals

- 9. A general location map that depicts the Grayling Unit is attached as **Exhibit A-9.**
- 10. Avant seeks an order: (1) establishing a 1,280-acre, more or less, non-standard horizontal spacing unit comprised of Sections 11 and 14, Township 19 South, Range 32 East, Lea County, New Mexico ("Grayling Unit"); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit. The Unit will be dedicated to the following initial wells ("Grayling Wells"):
 - Grayling 14 Fed Com #305H, Grayling 14 Fed Com #306H, Grayling 14 Fed Com #505H, Grayling 14 Fed Com #506H, Grayling 14 Fed Com #605H, and Grayling 14 Fed Com #606H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 11;
 - Grayling 14 Fed Com # 304H, Grayling 14 Fed Com #504H, and Grayling 14 Fed Com #604H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 11;
 - Grayling 14 Fed Com #301H, Grayling 14 Fed Com #501H, Grayling 14 Fed Com #601H, which will be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11;
 - Grayling 14 Fed Com # 302H, Grayling 14 Fed Com #502H, and Grayling 14 Fed Com #602H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11; and
 - Grayling 14 Fed Com # 303H, Grayling 14 Fed Com #503H, and Grayling 14 Fed Com #603H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 11.
- 11. Avant proposes to complete six wells each in the First, Second, and Third Bone Spring intervals of the Bone Spring Formation. The proposed Wells will be completed from South to North, and the completed intervals of the Wells will be orthodox.
- 12. The Wells are located in the Lusk; Bone Spring, East Pool (Code 41442). With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in Rule 19.15.16.15 NMAC. Spacing in this pool is based on quarter-quarter sections.

- 13. The C-102s for the Grayling Wells are attached as **Exhibit A-10**.
- 14. Apache similarly proposes to pool the Bone Spring Formation underlying a 1,280-acre, more or less, non-standard horizontal spacing unit comprised of Sections 11 and 14, Township 19 South, Range 32 East, Lea County. However, in contrast to Avant's 18 well development, Apache proposes an 8-well development project whereby the acreage would be developed with four wells per section in the First and Second Bone Spring and does not propose any wells in the Third Bone Spring.
- 15. **Exhibit A-11** identifies the seven factors considered by the Division in evaluating competing development proposals and summarizes the information that demonstrates the factors weigh in Avant's favor.

C. Avant is an active driller and operator in this area.

- 16. An activity map that shows Avant's existing and proposed development in the area surrounding the Unit is attached as **Exhibit A-12**. As demonstrated by the exhibit, Avant has significant acreage and operations surrounding the Unit with 86 active permits. Apache has no operations or active permits within a 10-mile radius.
- 17. **Exhibit A-13** depicts Avant's existing and proposed development in the immediate vicinity of the Unit and describes Avant's Grayling development schedule. Avant currently has a frac crew on-site at its producing Cutbow unit in Section 36. As shown on the exhibit, Avant proposes to drill and complete 18 wells within the Unit from three well pads. Avant estimates that it will receive approved APDs from the Bureau of Land Management ("BLM") by December of 2024 and plans to commence drilling in the Unit in February 2025 or sooner, pending permit and pooling order approvals.

D. Lease Tract Maps and Interests

- 18. A lease tract ownership map that shows Avant's significant working interest control in the Grayling Unit is attached as **Exhibit A-14**. As shown on the exhibit, 49.78% of the working interests are committed to the unit.
- 19. A lease tract map that shows Avant's interest across the entire Unit is attached as **Exhibit A-15**. Avant holds an interest in 6 of the 7 tracts.
- 20. A lease tract-well locator map is attached as **Exhibit A-16.** As shown on the exhibit, Avant proposes to fully develop all tracts and prospective zones within the Unit. Specifically, Avant proposes in this application to drill and complete six wells each in the First, Second, and Third Bone Spring intervals. The map also shows the BLM-approved locations of Avant's well pads and tank batteries.
- 21. A map and chart that identify the working interests and tracts committed to the Unit is attached as **Exhibit A-17**. As the exhibit demonstrates, approximately 49.78% of the working interests or 637.1766 acres are committed to the Unit.
- 22. **Exhibit A-18** includes a map and chart that identify the uncommitted working interests that Avant seeks to pool. These uncommitted working interests comprise approximately 50.22% of the Unit, of which 48.84% is held by Apache and ZPZ Delaware I LLC, an Apache entity.
- 23. **Exhibit A-19** includes a map and chart that identify the overriding royalty interests ("ORRIs") to be pooled.

E. Request for Approval of Non-Standard Spacing Unit

24. A map that compares surface facilities for Avant's proposed non-standard spacing unit with the surface facilities that would be required for standard spacing units is attached as

Exhibit A-20. Avant's proposal to utilize a non-standard spacing unit reduces surface facilities and impacts because it only requires two central tank batteries, while developing the acreage with standard spacing units would require four central tank batteries. As a result, Avant's request for approval of a non-standard spacing unit is necessary to prevent surface, environmental, and economic waste.

25. **Exhibit A-21** identifies the interest owners in the tracts surrounding Avant's proposed non-standard spacing unit, who were provided notice of Avant's application.

F. Avant has diligently pursued its development plan and engaged in good faith negotiations.

- 26. A timeline that demonstrates Avant's diligence in developing the Unit is attached as **Exhibit A-22**. Since Avant acquired its interest in the Unit in May 2023, it has consistently pursued its development plans. In contrast, Apache allowed its original drilling permits to expire in 2021 and did not re-propose wells until September 2023 after it received Avant's proposals.
- 27. A summary of Avant's contacts with the interest owners in the Unit is attached as **Exhibit A-23**. Avant conducted extensive research and performed a diligent search of public records, including phone directories, LexisNexis, and other internet sources, to locate the interest owners. Avant began sending well proposals in June of 2023 and has had multiple communications with the interest owners since that time.
- 28. **Exhibit A-24** is a sample well proposal letter and AFEs sent to working interest owners in the Wells. The estimated cost of the Wells is fair and reasonable and is comparable to the cost of other wells of similar depth and length drilled in Lea County.
- 29. A summary of Avant's communications with Apache is attached as **Exhibit A-25**. As shown by the exhibit, Avant has engaged in extensive negotiations with Apache since June 1, 2023, but the negotiations have been unsuccessful.

- 30. Avant made multiple attempts to engage in trade discussions with Apache, but Apache would not consider any of Avant's proposals and countered with inequitable trades. Additionally, Avant proposed splitting the Unit into two [standard] 640-acre units, with Apache operating one and Avant operating the other. This proposal to split the Unit was quickly rejected by Apache. It is my opinion that Apache's failure to meaningfully engage with Avant demonstrates a lack of good faith negotiation.
- 31. Avant has an established relationship with all grazing rights owners and has a surface use agreement in place. **Exhibit A-26** is a map that depicts the grazing allotment in the area.
- 32. Avant requests overhead and administrative rates of \$10,000 per month while the Wells are being drilled and \$1,000 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Avant and by other operators in the vicinity. They are also the rates set forth in the Joint Operating Agreement for the Unit. Avant further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.
- 33. Avant requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.

G. Conclusion

34. For the reasons set out above, it is my opinion that granting Avant's application would best prevent waste, protect correlative rights, and allow for prudent and timely development of wells in the Unit. Avant should be permitted to proceed with its development plan, and Apache's application should be denied.

- 35. The attached exhibits attached were either prepared by me or under my supervision or were compiled from company business records.
- 36. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my signature below.

Shelly Albrecht

5/21/2024 Date

Shelly S. Albrecht, CPL

Mobile: 720.630.0544 • Email: Shelly@avantnr.com

EXECUTIVE SUMMARY

Trusted and seasoned leader with 19 years of diverse Land and Business Development experience derived from multiple basins, markets and regulatory environments. Proven performer with a laser focus on exceeding company goals and objectives in a highly ethical manner. Excellent negotiator and communicator with a strong track record of building rapport in and outside organizations.

QUALIFICATION HIGHLIGHTS

- Successfully closed hundreds of deals
- Decisive, persuasive leader with strong track record
- Strategic thinker able to address short-term goals while building solid, adaptive strategies for long-term company growth
- Creative problem solver and energetic team-builder
- Worked with leading companies in the Oil & Gas industry
- Readily inspire the confidence and trust of others
- Proven ability to increase productivity of staff through leadership and coaching

LAND NEGOTIATIONS • LEADERSHIP • STRATEGY • MANAGEMENT • EXECUTION EXCELLENCE

<u>Vice President of Land & Business Development</u> (November 2021 - Present) • Avant Natural Resources and Avant Royalties, Denver, Colorado • New Mexico and Texas, Delaware and Midland Basins

- Spearhead operation optimization across all Land, Land Administration and Business Development functions for four current Avant entities.
- Key contributor in building a ~17k net acre Delaware Basin position, strategically positioning the company with a robust inventory of 400+ horizontal well locations.
- Direct comprehensive deal flow processes, including due diligence efforts and regulatory compliance, ensuring seamless transactions, and mitigating potential risks.
- Expertly negotiate and review a diverse array of contracts including Purchase and Sale Agreements, trade agreements, Operating Agreements to foster beneficial partnerships and safeguard the company's interests.
- Cultivate and maintain robust relationships with industry peers, government agencies and stakeholders, facilitating collaborative communication and enhancing the company's reputation.
- Nurture positive rapport with investors, delivering regular progress updates and ensuring transparency, resulting in sustained investor confidence and support.
- Provide mentorship and guidance to a dedicated team of Land and Land Administration professionals, fostering a culture of excellence and professional development within the organization.
- Completed ~4k NRA asset aggregation and successful divesture in the Midland Basin totaling \$132.5MM for Avant Royalties.

<u>Director of Land</u> (February 2019 – October 2021) • Franklin Mountain Energy, LLC, Denver, Colorado • New Mexico, Delaware Basin

- Responsible for all land and land administration functions for five Franklin Mountain entities since inception.
- Completed ~125 leasehold, mineral and ORRI acquisitions totaling \$73MM, lowering acreage cost basis by 20 percent.
- Optimized company's operated footprint and enhanced overall net revenue interest through multiple trades with major Delaware Basin operators.
- Prepared ~70 operated drill-ready locations across core horizons with an additional ~120 locations awaiting approval.
- Efficiently manage our due diligence efforts, spacing/pooling, title work, curative efforts, lease obligations, record maintenance, BLM and state processes and owner relations ahead of drill schedules.
- Negotiated a wide range of contracts such as PSAs, trade agreements, Operating Agreements, etc.
- Collaborate with the team to manage cash flow expectations by understanding company non-op activity and continual communication with Franklin Mountain's senior leadership team.
- Maintain relationships with competitors, offset operators, government agencies and owners to foster smooth communication and a favorable company reputation.
 Avant Operating, LLC

Case No. 24254

Exhibit A-1

<u>Land Manager</u> (April 2014 – February 2019) • <u>Liberty Resources II</u>, <u>LLC</u>, Denver, Colorado • *North Dakota, Williston Basin and Wyoming, Powder River Basin*

- Led a fleet of in-house and field Landmen along with a land administration team to prepare over 400 drill-ready locations in the Williston and Powder River Basins.
- Instrumental in tripling Liberty's Williston position to >100k net acres through hundreds of deals; building inventory of >75 drilled & completed wells with ~10MBOE/D.
- Key contributor in acquiring a ~15k net acre Powder River Basin leasehold position, grew position by over 25% via acquisitions and successfully formed a 19.4k-acre federal unit.
- Part of the core team to market and sell Liberty's Powder River Basin assets for a 1.6x multiple.
- Provided quarterly and periodic land position updates to Liberty's equity providers and other stakeholders.
- Co-created appraisal and development programs with multi-disciplinary teams in both ND and WY, advancing lateral length extents in operated areas.

DRILL SITE PREPARATION • RELATIONSHIPS • REGULATORY COMPLIANCE

Sr. Landman (July 2012 - March 2014) • Newfield Exploration Company, Denver, Colorado • North Dakota, Williston Basin

- Responsible for full scope land work in Sheridan and Richland Counties in MT and Divide, Williams and McKenzie Counties, ND supporting a 3-rig development program across >80k net acres.
- Negotiated Oil and Gas Leases, Trades, Wellbore deals, Surface/Road Access Agreements and Data trades.
- Testified before the NDIC on routine and non-routine matters.

<u>District Landman</u> (February 2008 - July 2012) • Samson Resources Company, Denver, Colorado • North Dakota, Williston Basin and Wyoming, Green River and Powder River Basins

- Responsible for all aspects of land in Williams, Mountrail, Burke and Divide Counties, ND and Sweetwater, Carbon and Converse Counties, WY relative to appraisal and development drilling programs.
- Key contributor in building and marketing our >400k net acre Williston Basin position for a highly profitable exit.
- Negotiated Oil and Gas Leases, JOA's, Land Service Agreements, Confidentiality Agreements, Farmouts, Acreage Trade Agreements, Land Service Agreements and Seismic Permits.
- Managed title attorneys, teams of field landmen and internal budget considerations to ensure the company was flush with compliant drilling locations.
- Successfully formed a federal exploratory unit in Sweetwater County, Wyoming comprised of ~25k acres.

PROFESSIONAL ADDENDUM

- <u>Land Negotiator</u> (January 2007 February 2008) **BP America Production Company**, Houston, Texas *Oklahoma, Anadarko Basin and Texas, Gulf Coast Basin*
- <u>Land Negotiator Intern</u> (May 2006 August 2006) **BP America Production Company**, Houston, Texas *Wyoming, Green River Basin and Oklahoma, Arkoma Basin*
- <u>Land Intern</u> (May 2005 August 2005) Chesapeake Energy Corporation, Oklahoma City, Oklahoma Oklahoma, Ardmore/Marietta Basins
- Brokerage Land Assistant (May 2004 April 2005 & December 2005 March 2006) Hal Smith & Associates, Inc., Norman, Oklahoma

CERTIFICATIONS, RECOGNITIONS, & AFFILIATIONS

Certified Professional Landman (CPL), March 2012 - Present
Nominee for the Denver Business Journal's Top Women in Energy (2016)
DAPL Board of Directors- Vice President 2019-2020, Director 2021-2022
AAPL Board of Directors- Director for DAPL 2018-2019
DAPL- Bash Committee 2014-2017
Hart Energy 40 Under 40 Honoree 2023
AAPL Committees 2023-2024

EDUCATION

University of Oklahoma, Norman, Oklahoma Bachelor of Business Administration, Energy Management, 2006, Magna Cum Laude

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

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

Case No. 24254

APPLICATION

Pursuant to NMSA § 70-2-17 and 19.15.16.15(B)(5) NMAC, Avant Operating, LLC ("Applicant" or "Avant") applies for an order: (1) establishing a 1,280-acre, more or less, non-standard horizontal spacing unit comprised of Sections 11 and 14, Township 19 South, Range 32 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit. In support of its application, Applicant states:

- 1. Applicant (OGRID No. 330396) 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 wells ("Wells"):
 - a. Grayling 14 Fed Com #305H, Grayling 14 Fed Com #306H, Grayling 14 Fed Com #505H, Grayling 14 Fed Com #506H, Grayling 14 Fed Com #605H, and Grayling 14 Fed Com #606H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 11;
 - b. Grayling 14 Fed Com # 304H, Grayling 14 Fed Com #504H, and Grayling 14 Fed Com #604H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 11;
 - c. Grayling 14 Fed Com #301H, Grayling 14 Fed Com #501H, Grayling

Avant Operating, LLC Case No. 24254 Exhibit A-2

- **14 Fed Com #601H,** which will be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11;
- d. Grayling 14 Fed Com # 302H, Grayling 14 Fed Com #502H, and Grayling 14 Fed Com #602H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11; and
- e. Grayling 14 Fed Com # 303H, Grayling 14 Fed Com #503H, and Grayling 14 Fed Com #603H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 11.
- 3. The completed intervals of the Wells will be orthodox.
- 5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all of the mineral interest owners.
- 6. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.
- 8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this application be set for hearing on March 7, 2024 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- C. Approving the Wells in the Unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the
 Wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com

Counsel for Avant Operating, LLC

Application of Avant Operating, LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico. Avant Operating, LLC ("Applicant") applies for an order: (1) establishing a 1,280-acre, more or less, non-standard horizontal spacing unit comprised of Sections 11 and 14, Township 19 South, Range 32 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit. The Unit will be dedicated to the following wells ("Wells"): Grayling 14 Fed Com #305H, Grayling 14 Fed Com #306H, Grayling 14 Fed Com #505H, Grayling 14 Fed Com #506H, Grayling 14 Fed Com #605H, and Grayling 14 Fed Com #606H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 11; Grayling 14 Fed Com # 304H, Grayling 14 Fed Com #504H, and Grayling 14 Fed Com #604H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 11; Grayling 14 Fed Com #301H, Grayling 14 Fed Com #501H, Grayling 14 Fed Com #601H, which will be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11; Grayling 14 Fed Com # 302H, Grayling 14 Fed Com #502H, and Grayling 14 Fed Com #602H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11; and Grayling 14 Fed Com # 303H, Grayling 14 Fed Com #503H, and Grayling 14 Fed Com #603H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 11. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 33 miles west of Hobbs, New Mexico.

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EXECUTIVE SUMMARY

- Avant Natural Resources was founded in late 2018 and has since deployed over several hundred million dollars of equity capital
 in the Permian Basin
 - Built and exited prolific Midland Basin royalty position between 2019 2022
 - Investor base comprised of sophisticated family offices and institutions with a strong knowledge of oil and gas
 - Established initial operated position in New Mexico in late 2020
 - Assembled top-tier team with >100 years of industry experience across 650+ horizontal wells in the Permian
 - 100+ successfully executed acquisitions since inception, ranging from ~\$50,000 to nearly \$200 million
 - 45+ horizontal wells drilled by Avant since late 2021, all located in the New Mexico Delaware Basin
- Today, Avant holds >16,000 net acres, largely concentrated within core fairways of Lea and Eddy Counties, New Mexico
 - Actively operating two rigs across Lea and Eddy Counties, with plans to add a third rig in 4Q24
 - Avant has developed or is actively developing wells across >6 zones across the Avalon, Bone Spring and Wolfcamp
 - Superior operational execution, with record drilling and completion timing has driven responsible development of our assets
 - Top-tier well results across multiple zones further validates Avant's development approach and asset quality
 - Midstream infrastructure in place for oil, gas and water to support optimal development of the Grayling unit
 - Avant has been among the most active operators in the area proximal to its Grayling unit in the last 2+ years
- Based on its extensive operating experience to-date, in-depth knowledge of the area and secured midstream takeaway, Avant is the ideal operator for its Grayling unit



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HIGH QUALITY MANAGEMENT TEAM

Jacob Nagy	Co-CEO	16 years experience	 Co-founder of Avant Operating and Avant Royalties Previously Partner and Managing Director at Petrie Partners, an energy investment bank 	B.A. Rice University
Skyler Gary	Co-CEO	13 years experience	 Co-founder of Avant Operating and Avant Royalties Previously Director of Land and BD for Hat Creek Energy with multiple assets across several states 	B.A. University of San Diego
Pete Williams	CFO	12 years experience	 Previously investment banker with Petrie Partners Over \$25 billion of completed asset transactions, company mergers and capital raises 	B.A. University of Colorado
Braden Harris	SVP Operations	21 years experience	 Previously Vice President of Drilling and Completions at Advance Energy Partners Previously worked at Centennial and EOG 	B.S. Montana State University
John Harper	SVP Assets and Exploration	10 years experience	 Previously worked at Centennial and EOG 350+ wells drilled across multiple geologic targets in the Permian, set multiple records 	B.S. University of Georgia M.S. Colorado School of Mines
Shelly Albrecht	VP Land & Business Development	18 years experience	 Previously the Director of Land and Business Development at Franklin Mountain Assembled >400,000 acres across multiple states 	B.A. University of Oklahoma
Shane Kelly	VP Engineering	11 years experience	 Previously worked at Centennial and EOG Managed an annual budget of >\$1 billion with responsibility over rigs, production and capital 	B.S. and B.A. Texas Tech University
Sam Arneson	VP of Midstream and Marketing	19 years experience	 Multiple prior roles with Permian midstream companies Developed >1 MMBbl / 7 Bcf of gathering infrastructure 	B.S. St. Cloud State University



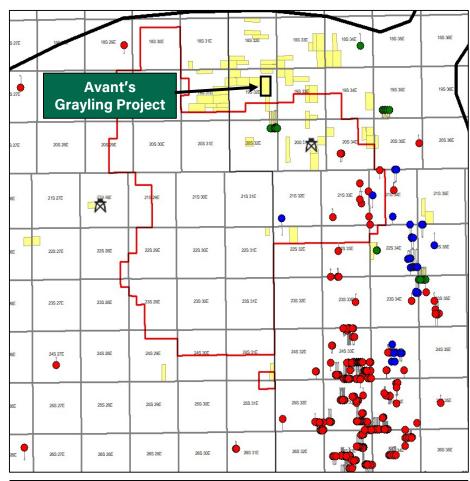
AVANT TEAM BY THE NUMBERS

Avant Operating EOG Horizontal Well Experience (317) CDEV Horizontal Well Experience (37) Avant Operating Horizontal Well Experience (47) Avant Operated Rig (2)

Team Highlights*

- >100 years of combined industry experience
- Drilled 650+ horizontal wells in the Permian
- Perforated 3+ million lateral feet
- Produced over 85+ million barrels of oil
- Over \$4 billion of capex deployed
- Successfully closed \$50+ billion of transactions
- 250+ acquisitions, divestitures and trades
- 600,000+ acres assembled in multiple states
- \$200+ million of managed principal investments

New Mexico Experience Map



Avant New Mexico Permian Position Overview >16,000 net acres 2 active rigs >15,000 Boepd operated production 47 wells drilled since 2021



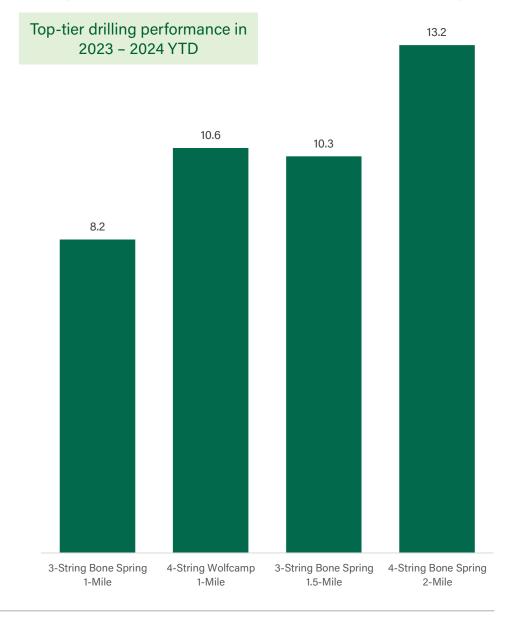
Operating highlights based on Avant and prior employers' activities.

OPERATIONAL EXCELLENCE TO-DATE

Overview

- Avant began to assemble its operating team in late 2019
- Majority of team came from EOG and/or Centennial, Advance Energy Partners
- Drilled/completed/operated 400+ horizontal wells in the Delaware Basin prior to Avant
- Avant team successfully managed a continuous drilling program over 2023 and into 2024
- Drilled >45 Avant-operated horizontal wells to-date
- Records include 1mi lateral (3-string) in 7 days and 2mi lateral (4-string) in 11 days
- Average pump time for completions is 20+ hours
- Consistently delivered well costs 5-10% under budget in 2023

Average Spud to TD for 2023 / 2024 Wells (Days)

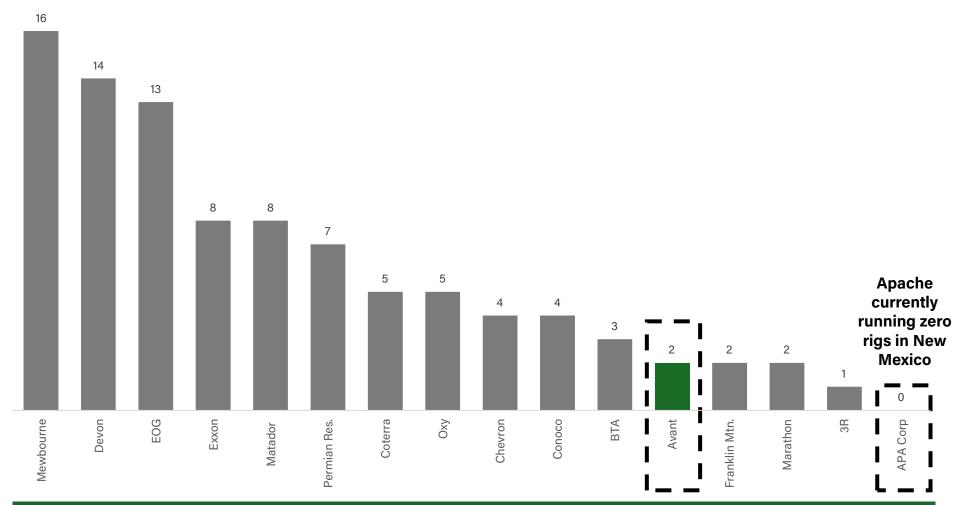


AVANT OPERATING, LLC - GRAYLING 14 FED COM



AVANT - HIGHLY ACTIVE NEW MEXICO OPERATOR

Current Active New Mexico Horizontal Rig Count by Operator



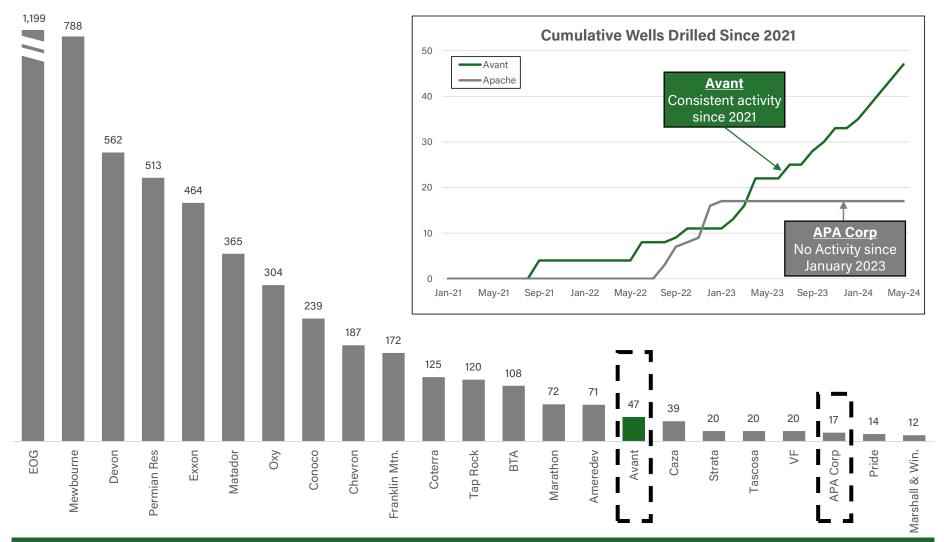
Avant is currently executing a 2-rig development program in New Mexico, and has had at least one rig operating constantly since January 2023



Source: Enverus.

AVANT RELATIVE ACTIVITY SINCE 2021

Horizontal Wells Drilled in the New Mexico Permian Basin by Operator Since 2021



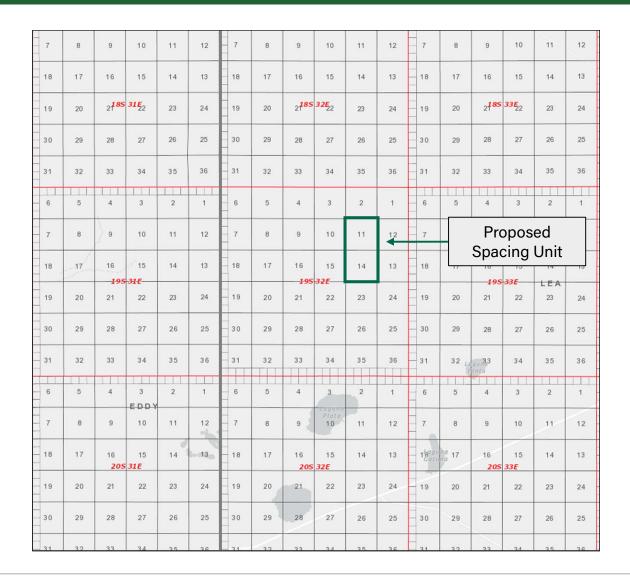
Avant has been a consistently active operator in New Mexico dating back to 2021, drilling nearly 3x as many wells as APA Corp during that timeframe



Source: Enverus.

GENERAL LOCATION MAP

General Location Map: ALL of Sections 11 & 14, Township 19 South, Range 32 East, N.M.P.M, Lea County, New Mexico





1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 District III Phone: (505) 334-6178 Fax: (505) 334-6170

Phone: (505) 476-3460 Fax: (505) 476-3462

District IV

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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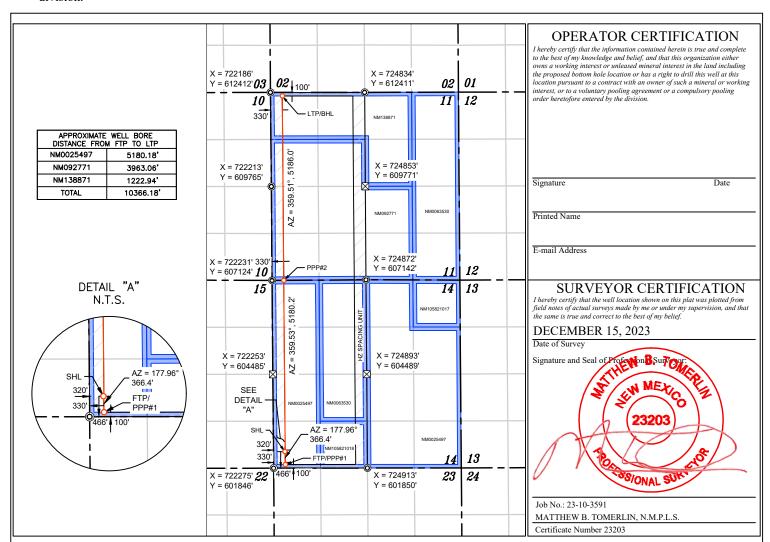
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
	41442	LUSK;BONE SPRING,	EAST
Property Code	Proper GRAYLING	y Name 14 FED COM	Well Number #301H
OGRID No. 330396	1	or Name RATING, LLC	Elevation 3620'
	Surface	Location	

19 S 32 E 466 SOUTH 320 WEST LEA Μ 14 Bottom Hole Location If Different From Surface East/West line UL or lot no Township 19 S 32 E **NORTH** WEST D 11 330 LEA Order No. Dedicated Acres Joint or Infill solidation Code 1280.00

Range

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.



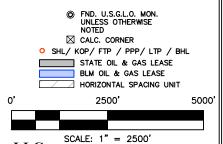
NAD 83 (SHL) 466' FSL & 320' FWL LATITUDE = 32.654422° LONGITUDE = -103.744405° NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32.654301° LONGITUDE = -103.743905° STATE PLANE NAD 83 (N.M. EAST) N: 602312.17' E: 722591.10' STATE PLANE NAD 27 (N.M. EAST) 24' E: 681411.56

NAD 83 (PPP#2) 330' FWL
LATITUDE = 32.667653°
LONGITUDE = -103.744415°
NAD 27 (PPP#2)
LATITUDE = 32.667532°
LONGITUDE = -103.743915°
STATE PLANE NAD 83 (N.M. EAST)
N: 607126.03' E: 722561.39'
STATE PLANE NAD 27 (N.M. EAST)
N: 607062.98' E: 681381.98'

LONGITUDE = -103.744369° NAD 27 (FTP/PPP#1) LATITUDE = 32.653294° LONGITUDE = -103.743869° STATE PLANE NAD 83 (N.M. EAST) N: 601946.03' E: 722604.12' STATE PLANE NAD 27 (N.M. EAST)	LAT	ITUDE = 32.653415°
LATITUDE = 32.653294° LONGITUDE = -103.743869° STATE PLANE NAD 83 (N.M. EAST) N: 601946.03' E: 722604.12'	LON	GITUDE = -103.744369°
LONGITUDE = -103.743869° STATE PLANE NAD 83 (N.M. EAST) N: 601946.03' E: 722604.12'	NAL	27 (FTP/PPP#1)
STATE PLANE NAD 83 (N.M. EAST) N: 601946.03' E: 722604.12'	LAT	TUDE = 32.653294°
N: 601946.03' E: 722604.12'	LON	GITUDE = -103.743869°
	STA	ΓΕ PLANE NAD 83 (N.M. EAST)
STATE PLANE NAD 27 (N.M. EAST)	N: 60	01946.03' E: 722604.12'
	STA	ΓΕ PLANE NAD 27 (N.M. EAST)
N: 601883.11' E: 681424.57'	N: 60	01883.11' E: 681424.57'
		0.0 (T MP) (PAYE) 1.004 PROTE 0.004 PROTE
NAD 83 (LTP/BHL) 100' FNL & 330' FWL	NAD	83 (LTP/BHL) 100' FNL & 330' FWL

NAD 83 (LTP/BHL) 100' FNL & 330' FWL
LATITUDE = 32.681907°
LONGITUDE = -103.744464°
NAD 27 (LTP/BHL)
LATITUDE = 32.681786°
LONGITUDE = -103.743963°
STATE PLANE NAD 83 (N.M. EAST)
N: 612311.84' E: 722517.30'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.66' E: 681338.04'

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
- 2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING NOVEMBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
- 3. ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



Avant Operating, LLC

Case No. 24254

Exhibit A-10

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District I

1625 N. French Dr., Hobbs, NM 88240

Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesin, NM 88210

Phone: (575) 748-1283 Fax: (575) 748-9720

District III

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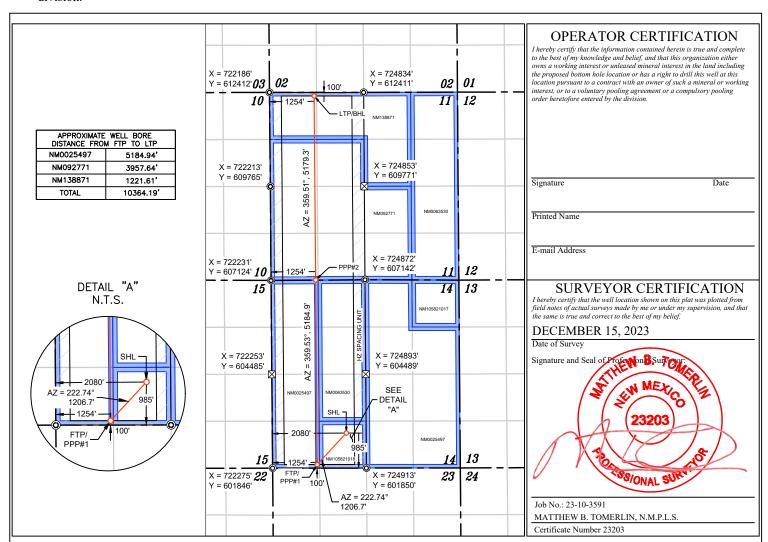
WELL LOCATION AND ACREAGE DEDICATION PLAT

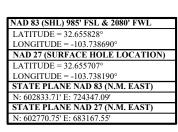
API Number	Pool Code	Pool Name		
41442		LUSK;BONE SPRING	G, EAST	
Property Code	Property Name GRAYLING 14 FED COM		Well Number #302H	
OGRID No. 330396	Operator Name AVANT OPERATING, LLC		Elevation 3623'	
Surface Location				

19 S 32 E 985 SOUTH 2080 WEST LEA 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E **NORTH** WEST LEA D 11 1254 Dedicated Acres Order No. Joint or Infill olidation Code 1280.00

Range

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.



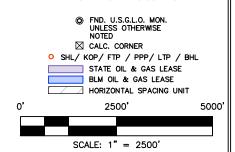


NAD 8	33 (FTP/PPP#1) 100' FSL & 1254' FWL
LATI	TUDE = 32.653405°
LON	GITUDE = -103.741367°
NAD	27 (FTP/PPP#1)
LATI	TUDE = 32.653284°
LON	GITUDE = -103.740867°
STA	TE PLANE NAD 83 (N.M. EAST)
N: 60	1947.50' E: 723528.14'
STA	TE PLANE NAD 27 (N.M. EAST)
N: 60	1884.57' E: 682348.58'

NAD 83 (LTP/BHL) 100' FNL & 1254' FWL
LATITUDE = 32.681892°
LONGITUDE = -103.741461°
NAD 27 (LTP/BHL)
LATITUDE = 32.681771°
LONGITUDE = -103.740960°
STATE PLANE NAD 83 (N.M. EAST)
N: 612311.32' E: 723441.36'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.13' E: 682262.09'

NOTES

- 1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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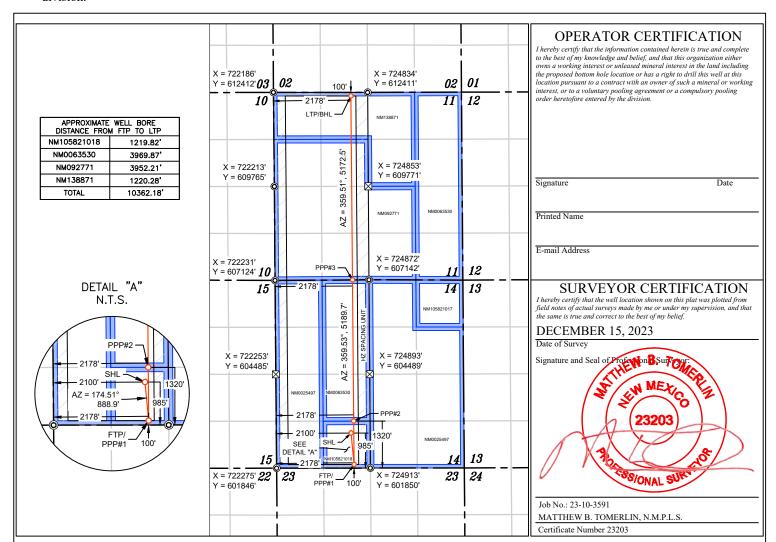
WELL LOCATION AND ACREAGE DEDICATION PLAT

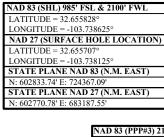
API Number	Pool Code	Pool Name		
41442 LUSK		LUSK;BONE SPR	ING, EAST	
Property Code	Property Name GRAYLING 14 FED COM		Well Number #303H	
OGRID No. 330396	Operator Name AVANT OPERATING, LLC		Elevation 3625'	
Surface Location				

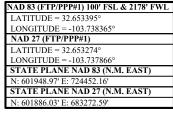
Range

19 S 32 E SOUTH 2100 WEST LEA 14 985 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E WEST C 11 **NORTH** 2178 LEA Order No. Dedicated Acres Joint or Infill olidation Code 1280.00

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





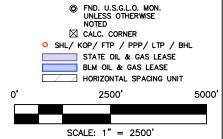


NAD 8	3 (PPP#2) 1320' FSL & 2178' FWL
LATI	TUDE = 32.656748°
LONG	ITUDE = -103.738375°
NAD :	27 (PPP#2)
LATI	TUDE = 32.656627°
LONG	ITUDE = -103.737875°
STAT	E PLANE NAD 83 (N.M. EAST)
N: 603	168.75' E: 724442.10'
STAT	E PLANE NAD 27 (N.M. EAST)
N: 603	105.78' E: 683262.56'

I ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.

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3. ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



NAD 83 (PPP#3) 2178' FWL

LATITUDE = 32.667659°
LONGITUDE = -103.738409°

NAD 27 (PPP#3)

LATITUDE = 32.667538°
LONGITUDE = -103.737909°

STATE PLANE NAD 83 (N.M. EAST)

N: 607138.49' E: 724409.35'

STATE PLANE NAD 27 (N.M. EAST)

N: 607075.42' E: 683229.92'

NAD 83 (LTP/BHL) 100' FNL & 2178' FWL
LATITUDE = 32.681876°
LONGITUDE = -103.738458°
NAD 27 (LTP/BHL)
LATITUDE = 32.681755°
LONGITUDE = -103.737957°
STATE PLANE NAD 83 (N.M. EAST)
N: 612310.80' E: 724365.41'
STATE PLANE NAD 27 (N.M. EAST)
N: 612247.60' E: 683186.13'

District I
1625 N. French Dr., Hobbs, NM 88240
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District IV

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Form C-102
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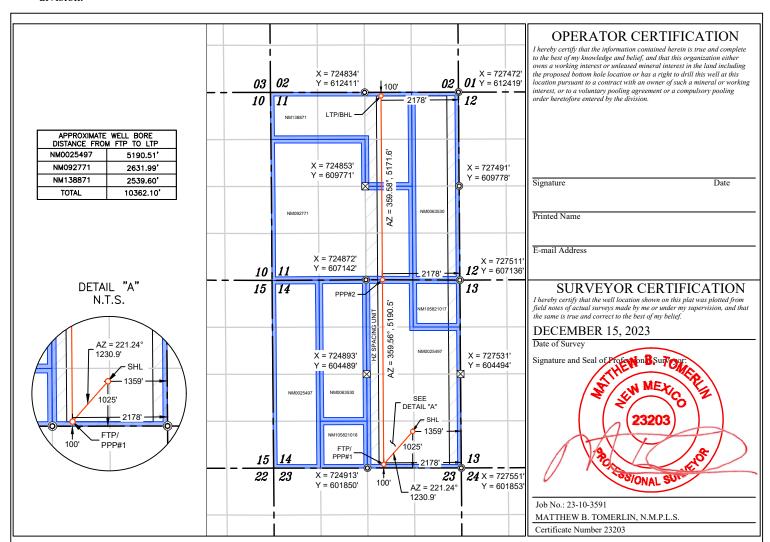
WELL LOCATION AND ACREAGE DEDICATION PLAT

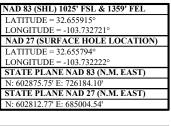
API Number	Pool Code	Pool Name		
41442 LUSK;		LUSK;BONE SPRIN	BONE SPRING, EAST	
Property Code	•	Property Name GRAYLING 14 FED COM		
OGRID No.	-	Operator Name		
330396	AVANT OPE	AVANT OPERATING, LLC		
Surface Location				

Range

19 S 32 E 1025 SOUTH 1359 **EAST** LEA 0 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 11 19 S 32 E **NORTH** LEA В 2178 **EAST** Dedicated Acres Order No. Joint or Infill 1280.00

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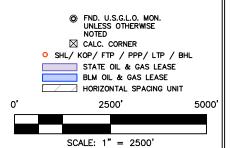
NAD 83 (PPP#	2) 2178' FEL
LATITUDE =	32.667651°
	= -103.735408°
NAD 27 (PPP	#2)
LATITUDE =	32.667530°
	= -103.734908°
STATE PLAN	VE NAD 83 (N.M. EAST)
N: 607140.56'	E: 725332.96'
STATE PLAN	E NAD 27 (N.M. EAST)
N: 607077.48'	E: 684153.52'

N,	AD 83 (FTP/PPP	#1) 100' FSL & 2178' FF
Ι	ATITUDE = 32.6	653384°
L	LONGITUDE = -1	103.735374°
N	NAD 27 (FTP/PP	P#1)
I	ATITUDE = 32.6	653263°
L	LONGITUDE = -1	103.734875°
S	STATE PLANE N	NAD 83 (N.M. EAST)
N	N: 601950.20' E: 7	25372.60'
S	STATE PLANE N	NAD 27 (N.M. EAST)
N	N: 601887.25' E: 6	84193.02'

NAD 83 (LTP/BHL) 100' FNL & 2178' FEL
LATITUDE = 32.681865°
LONGITUDE = -103.735437°
NAD 27 (LTP/BHL)
LATITUDE = 32.681744°
LONGITUDE = -103.734937°
STATE PLANE NAD 83 (N.M. EAST)
N: 612312.00' E: 725294.79'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.79' E: 684115.50'

NOTES

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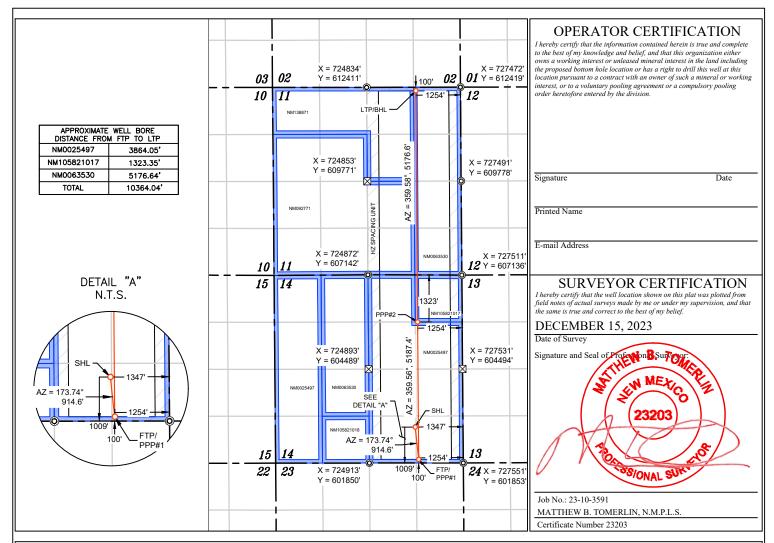
WELL LOCATION AND ACREAGE DEDICATION PLAT

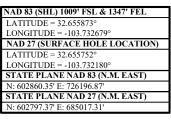
API Number Pool Code		Pool Name		
41442 LUSK;BONE		LUSK;BONE SPRIN	G, EAST	
Property Code	- 1	Property Name GRAYLING 14 FED COM		
OGRID No. 330396	Operator Name AVANT OPERATING, LLC		Elevation 3623'	
Surface Location				

Range

19 S 32 E 1009 SOUTH 1347 **EAST** LEA 0 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E **NORTH** 11 1254 **EAST** LEA Dedicated Acres Order No. Joint or Infill 1280.00

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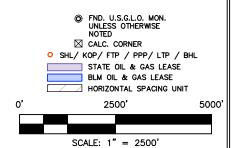
NAD 83 (PPP#2) 1323' FNL & 1254' FEL
LATITUDE = 32.663993°
LONGITUDE = -103.732397°
NAD 27 (PPP#2)
LATITUDE = 32.663872°
LONGITUDE = -103.731897°
STATE PLANE NAD 83 (N.M. EAST)
N: 605815.13' E: 726267.08'
STATE PLANE NAD 27 (N.M. EAST)
N: 605752.07' E: 685087.60'

LATITUDE = 32.653372° LONGITUDE = -103.732372°	
LONGITUDE = -103.732372°	
NAD 27 (FTP/PPP#1)	
LATITUDE = 32.653251°	
LONGITUDE = -103.731873°	
STATE PLANE NAD 83 (N.M. EAST)
N: 601951.19' E: 726296.62'	
STATE PLANE NAD 27 (N.M. EAST)
N: 601888.23' E: 685117.03'	

NAD 83 (LTP/BHL) 100' FNL & 1254' FEL
LATITUDE = 32.681859°
LONGITUDE = -103.732434°
NAD 27 (LTP/BHL)
LATITUDE = 32.681738°
LONGITUDE = -103.731934°
STATE PLANE NAD 83 (N.M. EAST)
N: 612314.94' E: 726218.79'
STATE PLANE NAD 27 (N.M. EAST)
N: 612251.72' E: 685039.49'

NOTES

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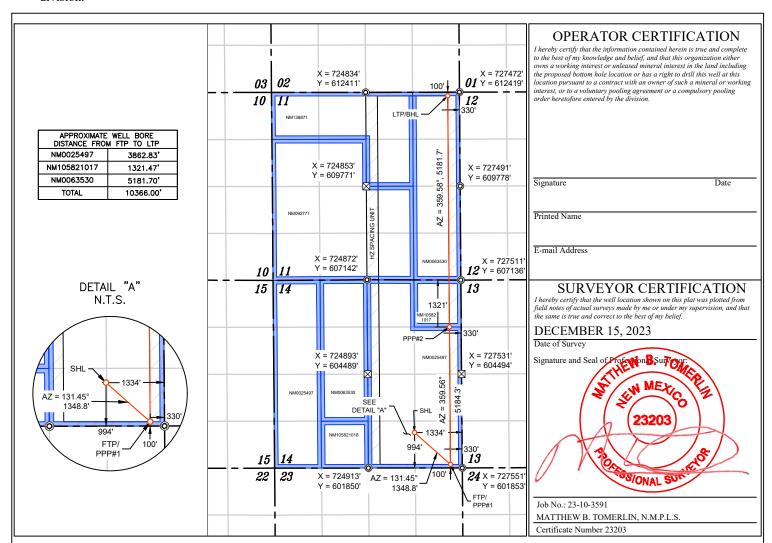
WELL LOCATION AND ACREAGE DEDICATION PLAT

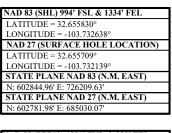


19 S 32 E 994 SOUTH 1334 **EAST** LEA 0 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E Α 11 **NORTH** 330 **EAST** LEA Dedicated Acres Order No. Joint or Infill 1280.00

Range

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.



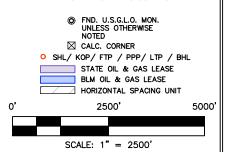


NAD 83 (PPP#2) 1321' FNL & 330' F	EL
LATITUDE = 32.663978°	
LONGITUDE = -103.729395°	
NAD 27 (PPP#2)	
LATITUDE = 32.663857°	
LONGITUDE = -103.728895°	
STATE PLANE NAD 83 (N.M. EAS	(T)
N: 605814.90' E: 727191.07'	
STATE PLANE NAD 27 (N.M. EAS	T)
N: 605751.83' E: 686011.58'	

_	D 83 (FTP/PPP#1) 100' FSL & 330' FEL
L	ATITUDE = 32.653361°
L	ONGITUDE = -103.729370°
N	AD 27 (FTP/PPP#1)
L	TITUDE = 32.653240°
L	ONGITUDE = -103.728871°
S	ATE PLANE NAD 83 (N.M. EAST)
N	601952.19' E: 727220.64'
S	ATE PLANE NAD 27 (N.M. EAST)
N	601889.22' E: 686041.04'

NAD 83 (LTP/BHL) 100' FNL & 330' FEL
LATITUDE = 32.681853°
LONGITUDE = -103.729431°
NAD 27 (LTP/BHL)
LATITUDE = 32.681732°
LONGITUDE = -103.728931°
STATE PLANE NAD 83 (N.M. EAST)
N: 612317.88' E: 727142.80'
STATE PLANE NAD 27 (N.M. EAST)
N: 612254.65' E: 685963.49'

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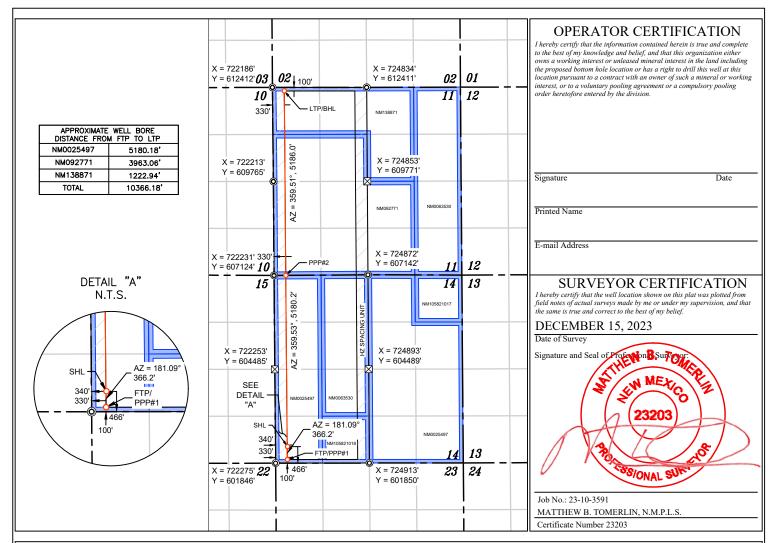
WELL LOCATION AND ACREAGE DEDICATION PLAT

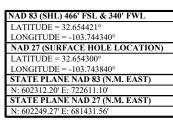
API Number	Pool Code	Pool Name	
	41442	LUSK;BONE SPRING, EAST	
Property Code	Property Name GRAYLING 14 FED COM		Well Number #501H
OGRID No.	Operator	Name	Elevation
330396	AVANT OPERATING, LLC		3621'
·	Surface L	ocation	

19 S 32 E 466 SOUTH 340 WEST LEA Μ 14 Bottom Hole Location If Different From Surface ast/West line 19 S 32 E **NORTH** WEST LEA D 11 330 Dedicated Acres Joint or Infill Order No. olidation Code 1280.00

Range

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.



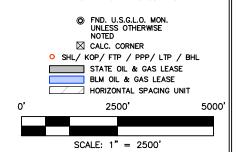


71 - D. O. (DDD) (A. O. C.)
NAD 83 (PPP#2) 330' FWL
LATITUDE = 32.667653°
LONGITUDE = -103.744415°
NAD 27 (PPP#2)
LATITUDE = 32.667532°
LONGITUDE = -103.743915°
STATE PLANE NAD 83 (N.M. EAST)
N: 607126.03' E: 722561.39'
STATE PLANE NAD 27 (N.M. EAST)
N: 607062.98' E: 681381.98'

	AD 83 (FTP/PPP#1) 100' FSL & 330' FWI
L	ATITUDE = 32.653415°
L	ONGITUDE = -103.744369°
N	(AD 27 (FTP/PPP#1)
L	ATITUDE = 32.653294°
L	ONGITUDE = -103.743869°
S	TATE PLANE NAD 83 (N.M. EAST)
	I: 601946.03' E: 722604.12'
S	TATE PLANE NAD 27 (N.M. EAST)
N	I: 601883.11' E: 681424.57'

NAD 83 (LTP/BHL) 100' FNL & 330' FWL
LATITUDE = 32.681907°
LONGITUDE = -103.744464°
NAD 27 (LTP/BHL)
LATITUDE = 32.681786°
LONGITUDE = -103.743963°
STATE PLANE NAD 83 (N.M. EAST)
N: 612311.84' E: 722517.30'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.66' E: 681338.04'

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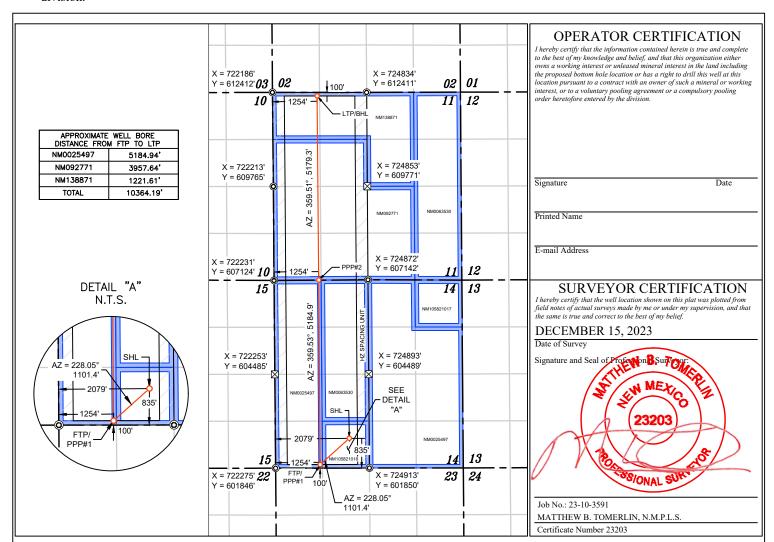
WELL LOCATION AND ACREAGE DEDICATION PLAT

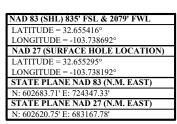
API Number	Pool Code	Pool Name	
	41442 LUSK;BONE S		RING, EAST
Property Code	Property Name GRAYLING 14 FED COM		Well Number #502H
OGRID No. 330396	Operator Name AVANT OPERATING, LLC		Elevation 3624'
Surface Location			

19 S 32 E 835 SOUTH 2079 WEST LEA 14 Bottom Hole Location If Different From Surface East/West line 19 S 32 E **NORTH** WEST LEA D 11 1254 Dedicated Acres Order No. Joint or Infill olidation Code 1280.00

Range

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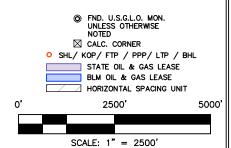


NAD 83 (PPP#2) 1254' FWL
LATITUDE = 32.667656°
LONGITUDE = -103.741412°
NAD 27 (PPP#2)
LATITUDE = 32.667535°
LONGITUDE = -103.740912°
STATE PLANE NAD 83 (N.M. EAST)
N: 607132.26' E: 723485.37'
STATE PLANE NAD 27 (N.M. EAST)
N: 607069.20' E: 682305.95'

	83 (FTP/PPP#1) 100' FSL & 1254' FWI
	ΠTUDE = 32.653405°
	NGITUDE = -103.741367°
NA	D 27 (FTP/PPP#1)
LA	ΓΙΤUDE = 32.653284°
	NGITUDE = -103.740867°
ST	TE PLANE NAD 83 (N.M. EAST)
N:	501947.50' E: 723528.14'
ST	ATE PLANE NAD 27 (N.M. EAST)
N:	501884.57' E: 682348.58'

NAD 83 (LTP/BHL) 100' FNL & 1254' FWL
LATITUDE = 32.681892°
LONGITUDE = -103.741461°
NAD 27 (LTP/BHL)
LATITUDE = 32.681771°
LONGITUDE = -103.740960°
STATE PLANE NAD 83 (N.M. EAST)
N: 612311.32' E: 723441.36'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.13' E: 682262.09'

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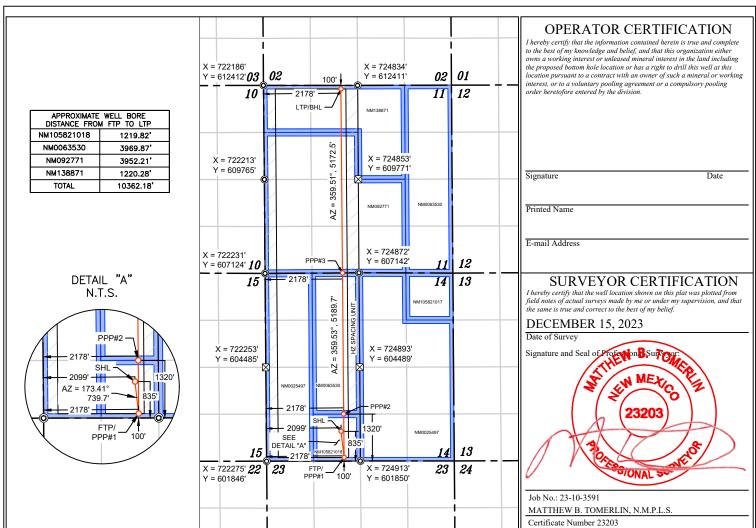
WELL LOCATION AND ACREAGE DEDICATION PLAT

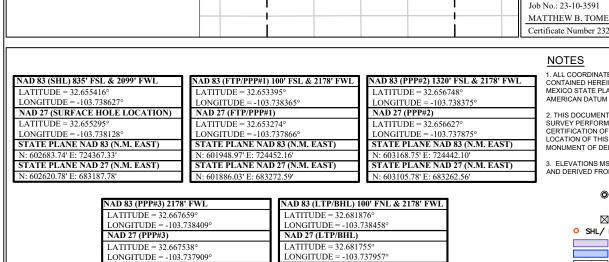
API Number	Pool Code	Pool Name		
41442 LUSK;BO		LUSK;BONE SPRIN	IE SPRING, EAST	
Property Code	•	Property Name GRAYLING 14 FED COM		
OGRID No. 330396	Operator Name AVANT OPERATING, LLC		Elevation 3623'	
Surface Location				

Range

19 S 32 E 835 SOUTH 2099 WEST LEA 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E **NORTH WEST** С 11 2178 **LEA** Order No. Dedicated Acres Joint or Infill olidation Code 1280.00

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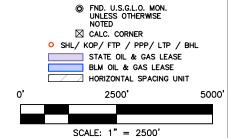
STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

1 ALL COORDINATES BEARINGS AND DISTANCES 1. ALL COORDINA 1ES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.

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= -103.73790

STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

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WELL LOCATION AND ACREAGE DEDICATION PLAT

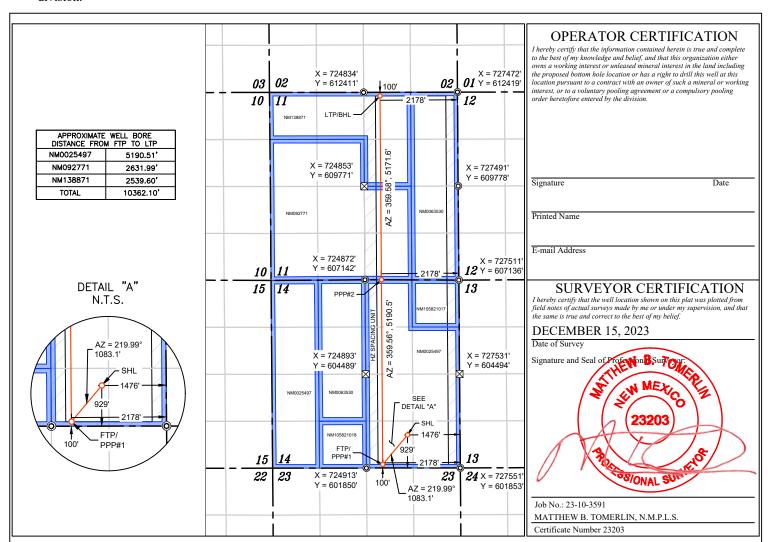
API Number		Pool Code	Pool Name	
		41442	LUSK;BONE SPRING, EAST	
Property Code	Property Name GRAYLING 14 FED COM		Well Number #504H	
OGRID No. 330396	Operator Name AVANT OPERATING, LLC			Elevation 3624'
		Surface	Location	

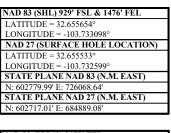
Feet from the

Range

19 S 32 E 929 SOUTH 1476 **EAST** LEA 0 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E **NORTH** В 11 2178 **EAST** LEA Order No. Dedicated Acres Joint or Infill 1280.00

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



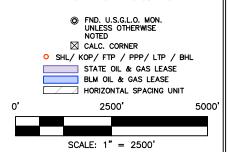


NAD 83 (PPP#2) 2178' FEL	Τ
LATITUDE = 32.667651°	
LONGITUDE = -103.735408°	
NAD 27 (PPP#2)	_
LATITUDE = 32.667530°	_
LONGITUDE = -103.734908°	
STATE PLANE NAD 83 (N.M. EAST)	_
N: 607140.56' E: 725332.96'	_
STATE PLANE NAD 27 (N.M. EAST)	_
N: 607077.48' E: 684153.52'	
	_

NAD 83 (FTP/PPP#1) 100' FSL & 2178' FEL LATITUDE = 32.653384° LONGITUDE = -103.735374° NAD 27 (FTP/PPP#1) LATITUDE = 32.653263° LONGITUDE = -103.734875° STATE PLANE NAD 83 (N.M. EAST) N: 601950.20' E: 725372.60' STATE PLANE NAD 27 (N.M. EAST) N: 601887.25' E: 684193.02'

NAD 83 (LTP/BHL) 100' FNL & 2178' FEL
LATITUDE = 32.681865°
LONGITUDE = -103.735437°
NAD 27 (LTP/BHL)
LATITUDE = 32.681744°
LONGITUDE = -103.734937°
STATE PLANE NAD 83 (N.M. EAST)
N: 612312.00' E: 725294.79'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.79' E: 684115.50'

- 1. ALL COODINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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Phone: (505) 476-3460 Fax: (505) 476-3462

District IV

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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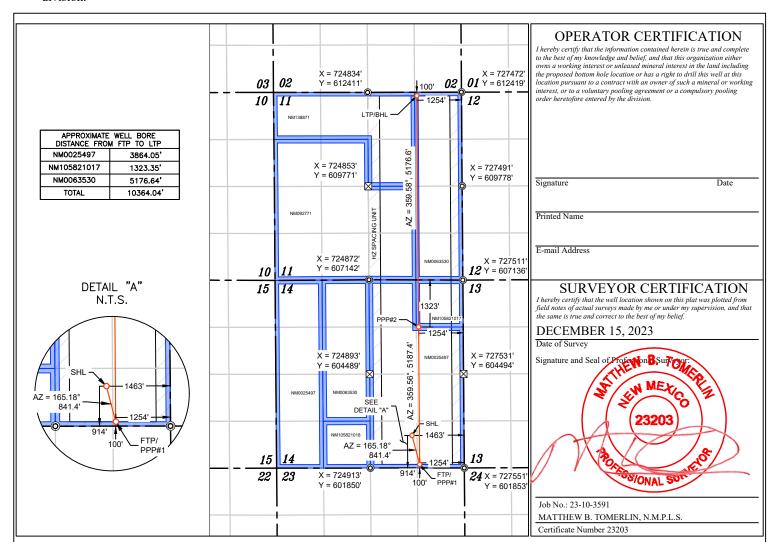
WELL LOCATION AND ACREAGE DEDICATION PLAT

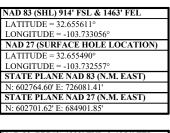
API Number		Pool Code	Pool Name	
		41442	LUSK;BONE SPRING, EAST	
Property Code	Property Name GRAYLING 14 FED C		•	Well Number #505H
OGRID No.	Operate		or Name	Elevation
330396	AVANT OPERATING, LLC 362		3624'	
		Surface	Location	

Range

19 S 32 E 914 SOUTH 1463 **EAST** LEA 0 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 11 19 S 32 E **NORTH** 1254 **EAST** LEA Dedicated Acres Order No. Joint or Infill 1280.00

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





NAD 83 (PPP#2) 1323' FNL & 1254' FEL
LATITUDE = 32.663993°
LONGITUDE = -103.732397°
NAD 27 (PPP#2)
LATITUDE = 32.663872°
LONGITUDE = -103.731897°
STATE PLANE NAD 83 (N.M. EAST)
N: 605815.13' E: 726267.08'
STATE PLANE NAD 27 (N.M. EAST)
N: 605752.07' E: 685087.60'

	AD 83 (FTP/PPP#1) 100' FSL & 1254' FEI ATITUDE = 32.653372°
	ONGITUDE = -103.732372°
1	NAD 27 (FTP/PPP#1)
L	ATITUDE = 32.653251°
	ONGITUDE = -103.731873°
S	TATE PLANE NAD 83 (N.M. EAST)
	V: 601951.19' E: 726296.62'
S	TATE PLANE NAD 27 (N.M. EAST)
N	V: 601888.23' E: 685117.03'

NAD 83 (LTP/BHL) 100' FNL & 1254' FEL
LATITUDE = 32.681859°
LONGITUDE = -103.732434°
NAD 27 (LTP/BHL)
LATITUDE = 32.681738°
LONGITUDE = -103.731934°
STATE PLANE NAD 83 (N.M. EAST)
N: 612314.94' E: 726218.79'
STATE PLANE NAD 27 (N.M. EAST)
N: 612251.72' E: 685039.49'

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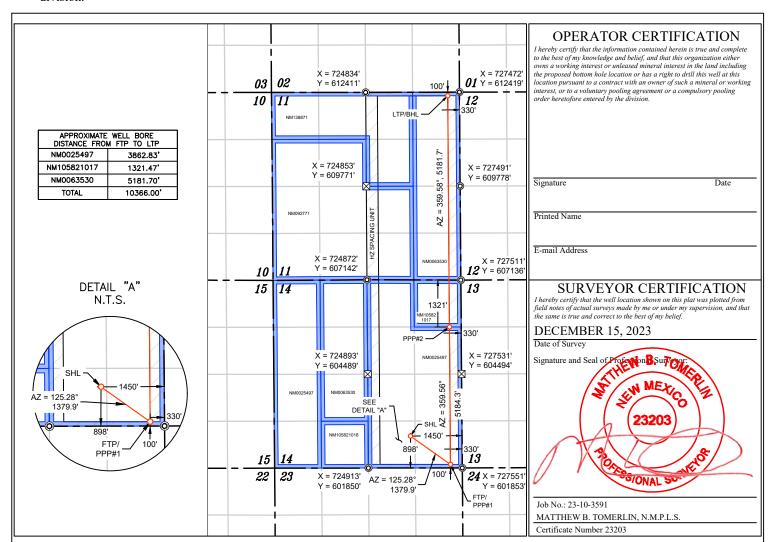
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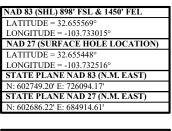
WELL LOCATION AND ACREAGE DEDICATION PLAT



19 S 32 E 898 SOUTH 1450 **EAST** LEA 0 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E Α 11 **NORTH** 330 **EAST** LEA Dedicated Acres Order No. Joint or Infill 1280.00

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





NAD 83 (PPP#2) 1321' FNL & 330' FEL
LATITUDE = 32.663978°
LONGITUDE = -103.729395°
NAD 27 (PPP#2)
LATITUDE = 32.663857°
LONGITUDE = -103.728895°
STATE PLANE NAD 83 (N.M. EAST)
N: 605814.90' E: 727191.07'
STATE PLANE NAD 27 (N.M. EAST)
N: 605751.83' E: 686011.58'

ΝA	AD 83 (FTP/PPP#1) 100' FSL & 330' FEL
L	ATITUDE = 32.653361°
	ONGITUDE = -103.729370°
	AD 27 (FTP/PPP#1)
L	ATITUDE = 32.653240°
L	ONGITUDE = -103.728871°
S	TATE PLANE NAD 83 (N.M. EAST)
N	: 601952.19' E: 727220.64'
S	TATE PLANE NAD 27 (N.M. EAST)
N	: 601889.22' E: 686041.04'

NAD 83 (LTP/BHL) 100' FNL & 330' FEL
LATITUDE = 32.681853°
LONGITUDE = -103.729431°
NAD 27 (LTP/BHL)
LATITUDE = 32.681732°
LONGITUDE = -103.728931°
STATE PLANE NAD 83 (N.M. EAST)
N: 612317.88' E: 727142.80'
STATE PLANE NAD 27 (N.M. EAST)
N: 612254.65' E: 685963.49'

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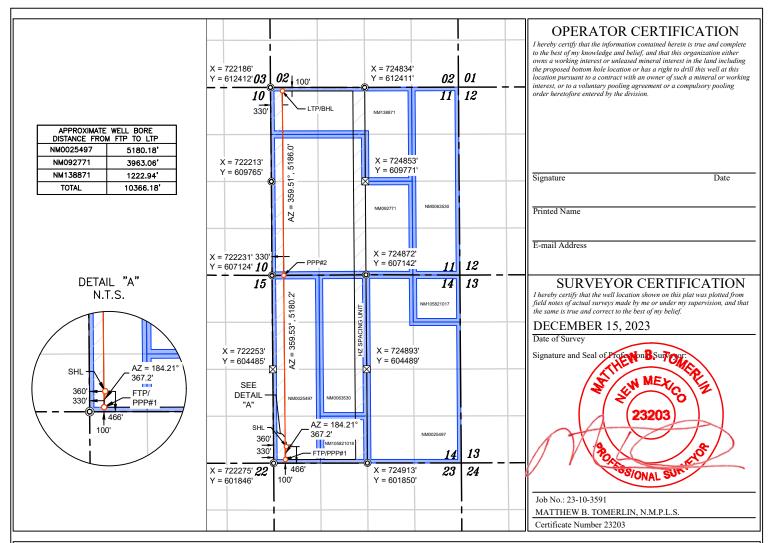
WELL LOCATION AND ACREAGE DEDICATION PLAT

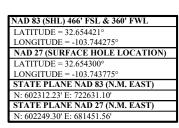
API Number	Pool Code	Pool Name	
	41442	LUSK;BONE SPRING, I	EAST
Property Code	Property Name GRAYLING 14 FED COM		Well Number #601H
OGRID No. 330396	Operator Name AVANT OPERATING, LLC		Elevation 3622'
	Surface	Location	

19 S 32 E 466 SOUTH 360 WEST LEA Μ 14 Bottom Hole Location If Different From Surface ast/West line UL or lot no 19 S 32 E **NORTH WEST** LEA D 11 330 Dedicated Acres Joint or Infill Order No. olidation Code 1280.00

Range

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.



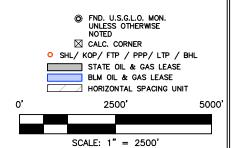


NAD 83 (PPP#2) 330' FWL
LATITUDE = 32.667653°
LONGITUDE = -103.744415°
NAD 27 (PPP#2)
LATITUDE = 32.667532°
LONGITUDE = -103.743915°
STATE PLANE NAD 83 (N.M. EAST)
N: 607126.03' E: 722561.39'
STATE PLANE NAD 27 (N.M. EAST)
N: 607062.98' E: 681381.98'

L	ATITUDE = 32.653415°
L	ONGITUDE = -103.744369°
N	AD 27 (FTP/PPP#1)
L	ATITUDE = 32.653294°
L	ONGITUDE = -103.743869°
S	TATE PLANE NAD 83 (N.M. EAST)
N	: 601946.03' E: 722604.12'
S	TATE PLANE NAD 27 (N.M. EAST)
N	: 601883.11' E: 681424.57'

NAD 83 (LTP/BHL) 100' FNL & 330' FWL
LATITUDE = 32.681907°
LONGITUDE = -103.744464°
NAD 27 (LTP/BHL)
LATITUDE = 32.681786°
LONGITUDE = -103.743963°
STATE PLANE NAD 83 (N.M. EAST)
N: 612311.84' E: 722517.30'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.66' E: 681338.04'

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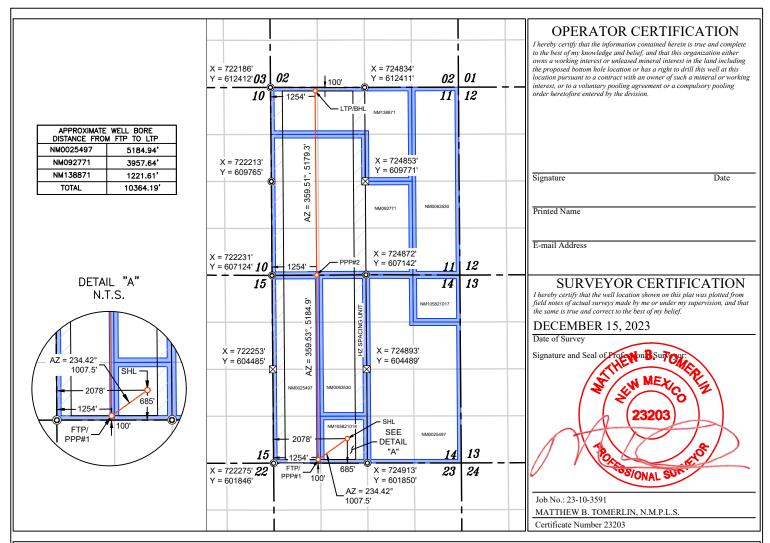
WELL LOCATION AND ACREAGE DEDICATION PLAT

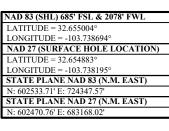
API Number	Pool Code	Pool Name	
	41442	LUSK;BONE SPRING, EAST	
Property Code	•	ty Name 14 FED COM	Well Number #602H
OGRID No. 330396	Operator Name AVANT OPERATING, LLC		Elevation 3623'
	Surface	Location	

19 S 32 E 685 SOUTH 2078 WEST LEA 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E **NORTH WEST** LEA D 11 1254 Dedicated Acres Joint or Infill Order No. olidation Code 1280.00

Range

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.





NAD 83 (PPP#2) 1254' FWL
LATITUDE = 32.667656°
LONGITUDE = -103.741412°
NAD 27 (PPP#2)
LATITUDE = 32.667535°
LONGITUDE = -103.740912°
STATE PLANE NAD 83 (N.M. EAST)
N: 607132.26' E: 723485.37'
STATE PLANE NAD 27 (N.M. EAST)
N: 607069.20' E: 682305.95'

NAD 83 (FTP/PPP#1) 100' FSL & 1254' FWL
LATITUDE = 32.653405°
LONGITUDE = -103.741367°
NAD 27 (FTP/PPP#1)
LATITUDE = 32.653284°
LONGITUDE = -103.740867°
STATE PLANE NAD 83 (N.M. EAST)
N: 601947.50' E: 723528.14'
STATE PLANE NAD 27 (N.M. EAST)
N: 601884.57' E: 682348.58'
NAD 83 /I TP/RHI) 100' FNI & 1254' FWI

NAD 83 (LTP/BHL) 100' FNL & 1254' FWL
LATITUDE = 32.681892°
LONGITUDE = -103.741461°
NAD 27 (LTP/BHL)
LATITUDE = 32.681771°
LONGITUDE = -103.740960°
STATE PLANE NAD 83 (N.M. EAST)
N: 612311.32' E: 723441.36'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.13' E: 682262.09'

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Phone: (505) 334-6178 Fax: (505) 334-6170

Phone: (505) 476-3460 Fax: (505) 476-3462

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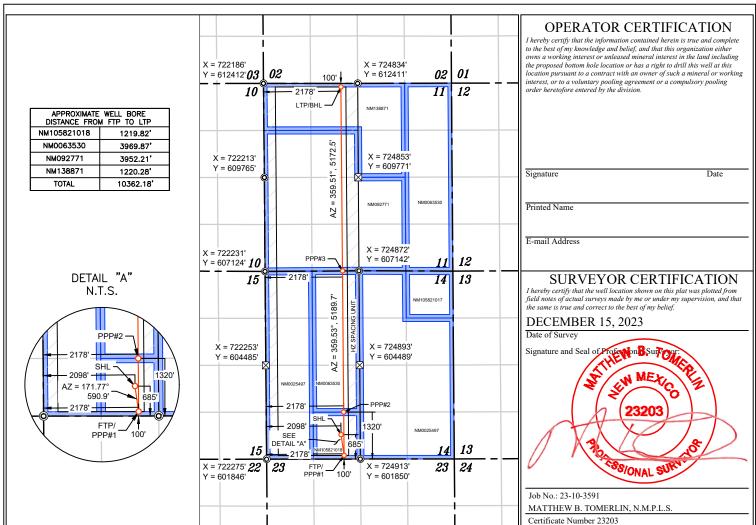
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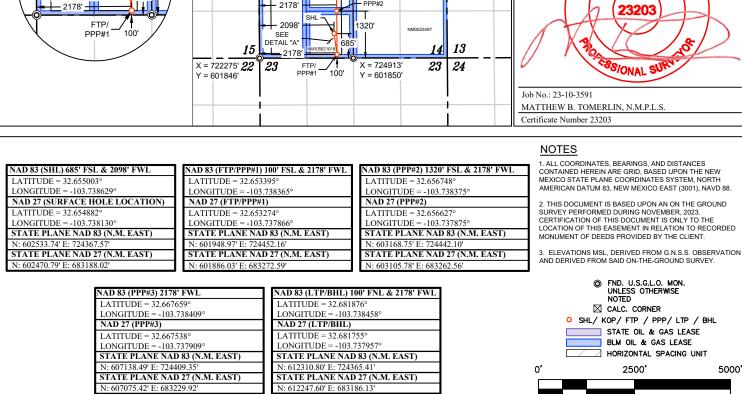
API Number		Pool Code	Pool Name LUSK;BONE SPRING, EAST	
		41442		
Property Code	Propert GRAYLING 1		y Name 4 FED COM	Well Number #603H
OGRID No.	Operator Name AVANT OPERATING, LLC			Elevation
330396			3623'	
Surface Location				

19 S 32 E 685 SOUTH 2098 WEST LEA 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E **WEST** С 11 **NORTH** 2178 **LEA** Dedicated Acres Order No. Joint or Infill olidation Code 1280 00

Range

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.





SCALE: 1"

= 2500

District I
1625 N. French Dr., Hobbs, NM 88240
1625 N. French Dr., Hobbs, NM 88240
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

Phone: (505) 476-3460 Fax: (505) 476-3462

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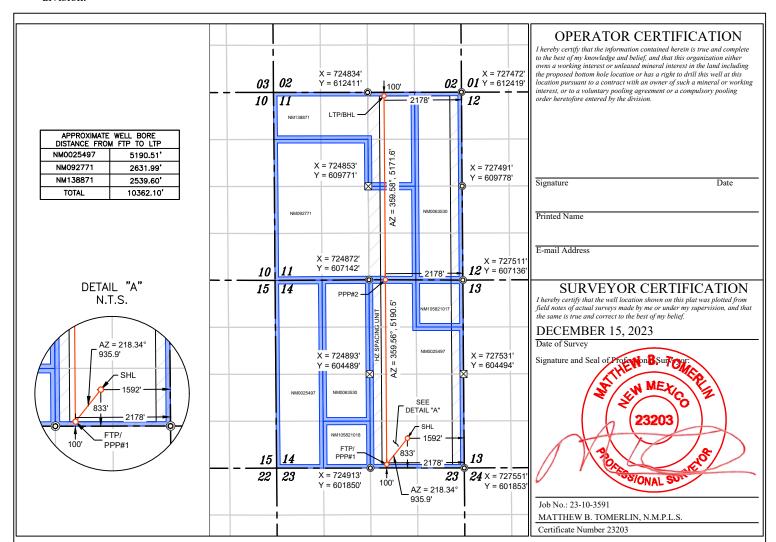
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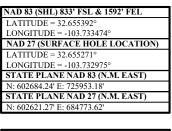
API Number	Pool Code	Pool Name		
	41442	LUSK;BONE SPRING, EAST		
Property Code	Property Name GRAYLING 14 FE	O COM Well Number #604H		
OGRID No. 330396	Operator Name AVANT OPERATIN	G, LLC Elevation 3628'		
,	Surface Loca	ion		

19 S 32 E 833 SOUTH 1592 **EAST** LEA 0 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 11 19 S 32 E **NORTH** LEA В 2178 **EAST** Order No. Dedicated Acres Joint or Infill 1280.00

Range

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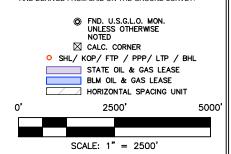


NAD 83 (PPP#2) 21	78' FEL
LATITUDE = 32.66	57651°
LONGITUDE = -10	3.735408°
NAD 27 (PPP#2)	
LATITUDE = 32.66	57530°
LONGITUDE = -10	3.734908°
STATE PLANE NA	AD 83 (N.M. EAST)
N: 607140.56' E: 72	
STATE PLANE NA	AD 27 (N.M. EAST)
N: 607077.48' E: 68	4153.52'

NAD 83 (FTP/PPP#1) 100' FSL & 2178' FEL
LATITUDE = 32.653384°
LONGITUDE = -103.735374°
NAD 27 (FTP/PPP#1)
LATITUDE = 32.653263°
LONGITUDE = -103.734875°
STATE PLANE NAD 83 (N.M. EAST)
N: 601950.20' E: 725372.60'
STATE PLANE NAD 27 (N.M. EAST)
N: 601887.25' E: 684193.02'
N. 001667.23 E. 004175.02

NAD 83 (LTP/BHL) 100' FNL & 2178' FEL
LATITUDE = 32.681865°
LONGITUDE = -103.735437°
NAD 27 (LTP/BHL)
LATITUDE = 32.681744°
LONGITUDE = -103.734937°
STATE PLANE NAD 83 (N.M. EAST)
N: 612312.00' E: 725294.79'
STATE PLANE NAD 27 (N.M. EAST)
N: 612248.79' E: 684115.50'

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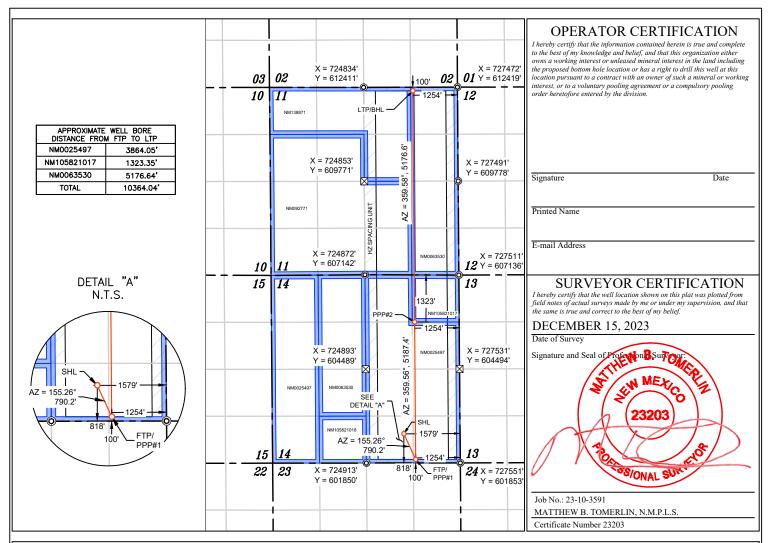
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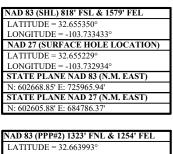


19 S 32 E 818 SOUTH 1579 **EAST** LEA 0 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 19 S 32 E Α 11 **NORTH** 1254 **EAST** LEA Dedicated Acres Order No Joint or Infill 1280.00

Range

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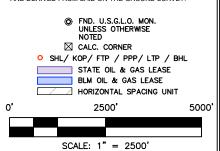


NAD 83 (PPP#2) 1323' FNL & 1254' FEL
LATITUDE = 32.663993°
LONGITUDE = -103.732397°
NAD 27 (PPP#2)
LATITUDE = 32.663872°
LONGITUDE = -103.731897°
STATE PLANE NAD 83 (N.M. EAST)
N: 605815.13' E: 726267.08'
STATE PLANE NAD 27 (N.M. EAST)
N: 605752.07' E: 685087.60'

NAD 83 (FTP/PPP#1) 100' FSL & 1254' FEL
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LONGITUDE = -103.732372°
NAD 27 (FTP/PPP#1)
LATITUDE = 32.653251°
LONGITUDE = -103.731873°
STATE PLANE NAD 83 (N.M. EAST)
N: 601951.19' E: 726296.62'
STATE PLANE NAD 27 (N.M. EAST)
N: 601888.23' E: 685117.03'

NAD 83 (LTP/BHL) 100' FNL & 1254' FEL
LATITUDE = 32.681859°
LONGITUDE = -103.732434°
NAD 27 (LTP/BHL)
LATITUDE = 32.681738°
LONGITUDE = -103.731934°
STATE PLANE NAD 83 (N.M. EAST)
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STATE PLANE NAD 27 (N.M. EAST)
N: 612251.72' E: 685039.49'

- 1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
- 2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING NOVEMBER, 2023. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
- 3. ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



Phone: (505) 476-3460 Fax: (505) 476-3462

District IV

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

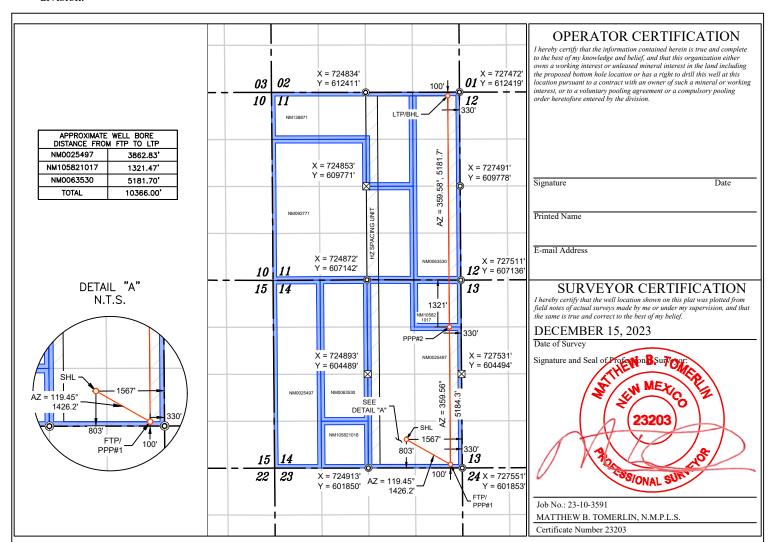
WELL LOCATION AND ACREAGE DEDICATION PLAT

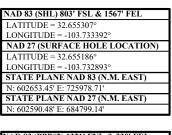
API Number		Pool Code	de Pool Name		
		41442 LUSK;BONE SPRIN		G, EAST	
Property Code		Property Name GRAYLING 14 FED COM			
OGRID No.	Operator Name			Elevation	
330396	AVANT OPERATING, LLC			3627'	
Surface Location					

19 S 32 E 803 SOUTH 1567 **EAST** LEA 0 14 Bottom Hole Location If Different From Surface East/West line UL or lot no 11 19 S 32 E **NORTH** LEA Α 330 **EAST** Dedicated Acres Order No. Joint or Infill 1280.00

Range

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.



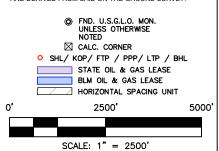


NAD 83 (PPP#2) 1321' FNL & 330' FEL	
LATITUDE = 32.663978°	
LONGITUDE = -103.729395°	
NAD 27 (PPP#2)	
LATITUDE = 32.663857°	_
LONGITUDE = -103.728895°	
STATE PLANE NAD 83 (N.M. EAST)	
N: 605814.90' E: 727191.07'	_
STATE PLANE NAD 27 (N.M. EAST)	_
N: 605751.83' E: 686011.58'	
	_

NAI	D 83 (FTP/PPP#1) 100' F	SL & 330' FEL
LA	TITUDE = 32.653361°	
LO	NGITUDE = -103.729370)°
NA	AD 27 (FTP/PPP#1)	
LA	TITUDE = 32.653240°	
LO	NGITUDE = -103.72887	0
ST.	ATE PLANE NAD 83 (N	.M. EAST)
N:	601952.19' E: 727220.64'	
ST	ATE PLANE NAD 27 (N	.M. EAST)
N:	601889.22' E: 686041.04'	

NAD 83 (LTP/BHL) 100' FNL & 330' FEL
LATITUDE = 32.681853°
LONGITUDE = -103.729431°
NAD 27 (LTP/BHL)
LATITUDE = 32.681732°
LONGITUDE = -103.728931°
STATE PLANE NAD 83 (N.M. EAST)
N: 612317.88' E: 727142.80'
STATE PLANE NAD 27 (N.M. EAST)
N: 612254.65' E: 685963.49'

- 1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.
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THE DIVISION'S FACTORS WEIGH IN AVANT'S FAVOR

Factor	Avant	APA Corp	Comment
Geologic Evidence	√	×	 Third Bone Spring: proven productive formation (Avant's Cutbow unit due south) that APA is excluding 4 wells per section development leaves economic reserves behind
Risk	✓	×	 APA hasn't drilled a well within a 10-mile radius of Grayling Unit Avant has recently developed the First, Second and Third Bone Spring 2 miles to the south at Avant's Cutbow Unit
Negotiations	✓	×	 Avant made multiple attempts to engage in trade discussions with APA APA never truly engaged – would counter Avant's proposals with inequitable trades Avant proposed splitting the unit with APA, which APA immediately rejected
Prudent Operator and Prevent Waste	√	×	 Avant has successful First and Third Bone Spring wells as 6 wells/sec spacing located 2mi south; APA only planning 4 wells/sec (0 wells in the Third Bone Spring) Avant's plan captures 126% more reserves than APA
Cost Estimates	✓	×	 Avant has a dedicated two rig program in the area, creating capital efficiencies and reducing costs, as well as a nearby water recycling facility for frac Avant has infrastructure for gas, oil and water takeaway, reducing operational costs
Ownership Interest	√	×	 50% of the working interest in the unit owned by Avant or committed to Avant APA owns 49% of the working interest in the unit
Surface Factor	✓	×	 Avant has significant development activity within a 5-mile radius of Grayling Unit Avant has existing gas, oil and water takeaway reducing costs and demonstrating development readiness, including water recycling facilities for frac

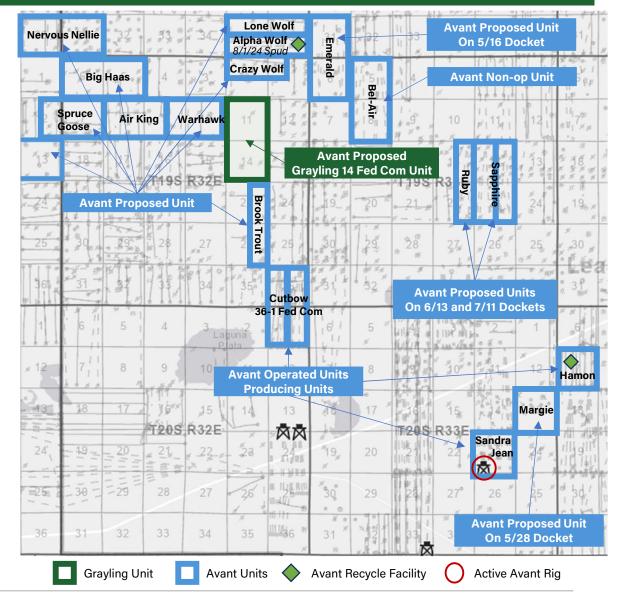


AVANT IS VERY ACTIVE IN THIS AREA

Avant has significant acreage and operations surrounding its proposed Grayling Unit

- Avant is extremely active in the 10-mile radius of the proposed Grayling unit
 - Avant has turned 40 wells to production between February 2022 and April 2024
 - Avant has 4 wells actively being completed as of May 19
- APA's last well drilled and completed was in January 2023
- Avant has been able to obtain 86 permits in this area. <u>APA Corp has no active permits in this 10</u> mile radius

Activity within a 10mi Radius of Grayling					
	Active	Active			
	Permits	Rigs			
Permian Resources	91	2			
Avant	86	1			
Matador	34	1			
Mewbourne	34				
Coterra	7				
Devon	4				
Exxon	4				
Marathon	2				
V-F PETROLEUM INC.	1				
APA Corp					

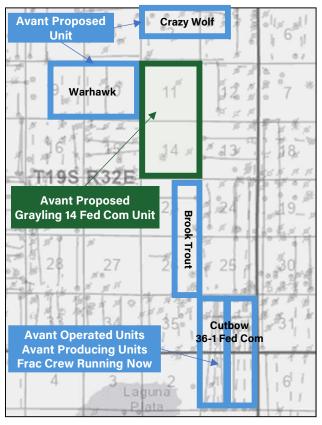




Source: Enverus.

DEVELOPMENT SCHEDULE AND PERMITTING STATUS

Near-term permit approval and development timing with Avant Development Plan



Pad	Well Name	Permit Submitted	Permit Approved	Spud Date
1	Grayling 14 Fed Com #301H	Mar-24	Estimated 12/1/24	Jul-25
2	Grayling 14 Fed Com #302H	Apr-24	Estimated 12/1/24	Jul-25
2	Grayling 14 Fed Com #303H	Apr-24	Estimated 12/1/24	Jul-25
3	Grayling 14 Fed Com #304H	Feb-24	Estimated 12/1/24	Jul-25
3	Grayling 14 Fed Com #305H	Feb-24	Estimated 12/1/24	Jul-25
3	Grayling 14 Fed Com #306H	Feb-24	Estimated 12/1/24	Jul-25
1	Grayling 14 Fed Com #501H	Mar-24	Estimated 12/1/24	May-25
2	Grayling 14 Fed Com #502H	Apr-24	Estimated 12/1/24	May-25
2	Grayling 14 Fed Com #503H	Apr-24	Estimated 12/1/24	May-25
3	Grayling 14 Fed Com #504H	Feb-24	Estimated 12/1/24	May-25
3	Grayling 14 Fed Com #505H	Feb-24	Estimated 12/1/24	May-25
3	Grayling 14 Fed Com #506H	Feb-24	Estimated 12/1/24	May-25
1	Grayling 14 Fed Com #601H	Mar-24	Estimated 12/1/24	Feb-25
2	Grayling 14 Fed Com #602H	Apr-24	Estimated 12/1/24	Feb-25
2	Grayling 14 Fed Com #603H	Apr-24	Estimated 12/1/24	Feb-25
3	Grayling 14 Fed Com #604H	Feb-24	Estimated 12/1/24	Feb-25
3	Grayling 14 Fed Com #605H	Feb-24	Estimated 12/1/24	Feb-25
3	Grayling 14 Fed Com #606H	Feb-24	Estimated 12/1/24	Feb-25

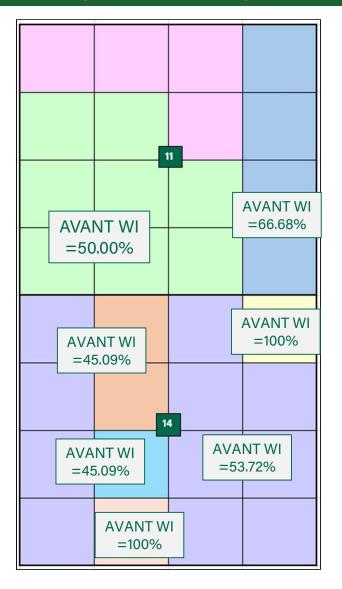
Target spud date of 1Q25, or earlier depending on receipt of pooling order

- Avant is currently running 2 rigs in NM (picking up a 3rd in September 2024) and plans for full development to be completed very shortly after Compulsory Pooling signature date, estimated to be 1/1/2025. If the pooling order is received sooner, Avant will accelerate development into 4Q24
- Grayling APD's are on "High Priority List" as communicated with the BLM NRA Agent on a weekly basis by Avant's Director of Regulatory



LEASE TRACT OWNERSHIP MAP

Avant has significant working interests committed to the Grayling Unit

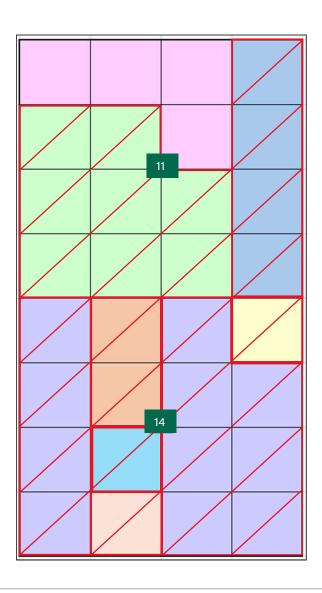


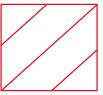
COMMITTED WORKING INTEREST CONTROL ACRES					
		Lease No	Acres	wı	
Tract 1		NMNM 092771	160.00	50.00%	
Tract 2		NMNM 138871	0.00	0.00%	
		NMNM			
Tract 3		105821017	40.00	100.00%	
		NMNM			
Tract 4		105821018	40.00	100.00%	
Tract 5		NMNM 063530	106.68	66.68%	
Tract 6		NMNM 063530	36.07	45.09%	
Tract 7		NMNM 063530	18.04	45.09%	
Tract 8		NMNM 025497	236.39	53.72%	
TOTAL:			637.18	49.78%	



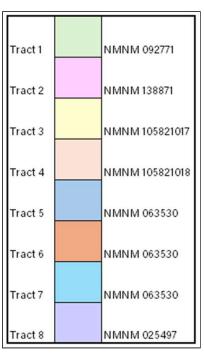
LEASE TRACT MAP

Avant owns an interest across the entire proposed Grayling Unit





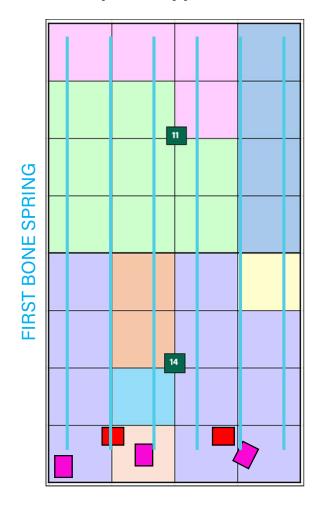
Tracts to which Avant owns an interest and has non-op WI Owners under JOA

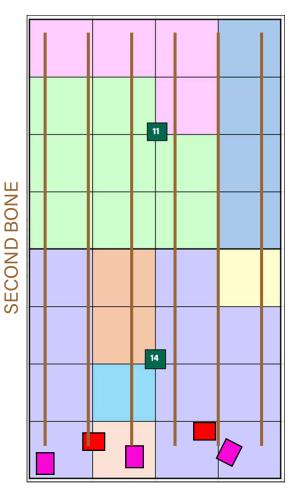


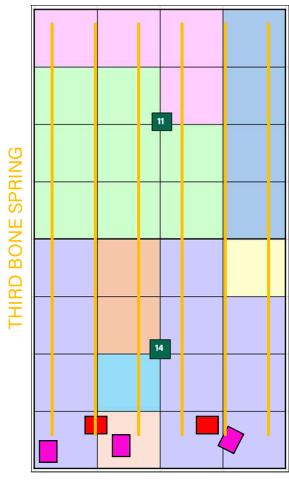
LEASE TRACT WELL PLACEMENT MAP BY BENCH

Avant to fully develop all tracts and prospective zones

Tract Map with Approximate Well Locations









AVANT PAD

A

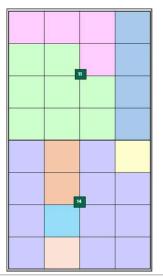
AVANT CTB

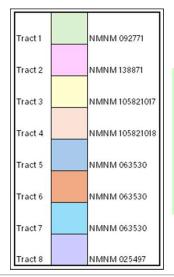
LEASE TRACT OWNERSHIP - COMMITTED OWNERS

ALL of Sections 11 & 14, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico

Summary of Committed Working Interest Owners:

WI OWNER	Net Acres	Working Interest	Tract Number
Avant Operating, LLC, et al *	494.3689	38.6225%	1, 3, 4, 5, 6, 7, 8
Southwest Royalties, Inc.	2.6640	0.2081%	5
Wadi Petroleum, Inc.	18.2866	1.4286%	5
Red Bird Ventures, Inc.	17.5695	1.3726%	5
Ellipsis Oil and Gas Inc.	2.4984	0.1952%	6, 7, 8
Compass Oil & Gas, LP	18.0000	1.4063%	6, 7
Osprey Oil & Gas	2.1737	0.1698%	6, 7, 8
CXA Oil & Gas Holdings, LP	81.6156	6.3762%	8
TOTAL:	637.1766	49.7794%	





*Includes Avant Operating, LLC, Legion Production Partners, LLC and Double Cabin Minerals, LLC (all Avant-controlled affiliate entities)

Working Interest shown has been adjusted for pending trade with Northern Oil & Gas



Exhibit A-17

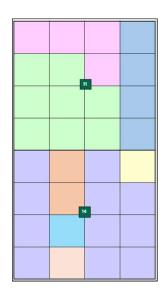
LEASE TRACT OWNERSHIP - UNCOMMITTED OWNERS

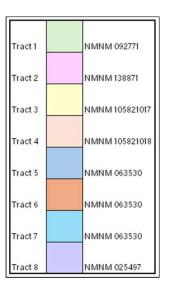
ALL of Sections 11 & 14, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico

Summary of Uncommitted Working Interest Owners to be Pooled:

UNCOMMITTED INTEREST

WI OWNER	Net Acres	Working Interest	Tract Number
Apache Corporation	465.1035	36.3362%	2, 5, 6, 7, 8
ZPZ Delaware I, LLC	160.0000	12.5000%	1
Minoco 1980 III Oil and Gas Program	13.3200	1.0406%	5
Roy Edward Guinnup	4.4000	0.3438%	8
TOTAL:	642.8234	50.2206%	



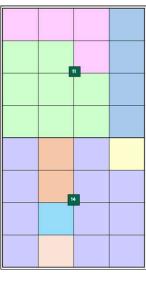


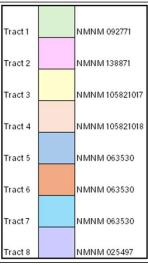


SUMMARY OF ORRI OWNERS TO BE POOLED

ORRI Owner	Tract No.
Ray and Karen Westall	1
Apache Corporation	5, 6, 7, 8
Avant Natural Resources, LLC	5
Beverly Jean Renfro Barr, Trustee of Family Trust uwo Richard K. Barr	5, 6, 7, 8
BR2 Holdings, LLC	5, 6, 7, 8
Canyon Capital Holdings, LLC	8
Cayuga Royalties, LLC	5, 6, 7, 8
Cibolo Oil & Gs, LLC	5
Cibolo Royalties I, LLC	5
Colgate Energy Management, LLC	5, 6, 7, 8
Colgate Opportunistic Investments I, LLC	5, 6, 7, 8
Compass Oil & Gas, LP	6, 7, 8
Crystal Van Lom	5, 6, 7
G.P.C. Oil & Gas Corporation	6, 7, 8
Gary W. Sweaney	5, 6, 7
Geronimo Holding Corporation	5, 6, 7, 8
Guard Income Fund, LP	5
James G. Smith and Alyssa C. Smith, as Co-Trustees of the Smith Family Irrevocable Trust U/A/D 2/20/2018	5, 6, 7, 8
Jamie E. Jennings and George J. Lee, Trustees of the Jennings-Lee Trust, dated 9/18/2017	8
Jetstream Royalty Partners, LP	8
Kay Sweaney Sorvillo	5, 6, 7
Legion Production Partners, LLC	6

ORRI Owner	Tract No.
LNV Corporation	8
LOSB, Inc.	5, 6, 7
Marathon Oil Permian, LLC	6, 7
Marke Exploration, Inc.	8
McCombs Energy, Ltd.	5, 6, 7, 8
Monticello Minerals, LLC	5, 6, 7, 8
Nadel & Gussman Permian, LLC	8
Osprey Oil & Gas	6, 7, 8
Pegasus Resources II, LLC	8
Prevail Energy, LLC	5, 6, 7, 8
Richard H. Sweaney, III	5, 6, 7
Richard W. Schmidt	5
Roger John Allen and Nancy Edge Jennings Allen, Trustees of The Allen Family Revocable Trust, dated 5/19/2000	8
Sam H. Jolliffe, IV	5, 6, 7, 8
Sandia Minerals, LLC	5, 6, 7, 8
Skyline Minerals, LLC	5
Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts	5, 6, 7
Susan Jennings Croft, Katie Elizabeth Croft, and Justin Jennings Croft, Co-Trustees of the Croft Family Living Trust, dated 9/5/2020	8
Sydhan, LP	5, 6, 7
Teresa H. Jolliffe	5, 6, 7, 8
TWR IV, LLC	5, 6, 7, 8
Wilma Donohue Moleen Foundation	5, 6, 7
Zunis Energy, LLC	5, 6, 7







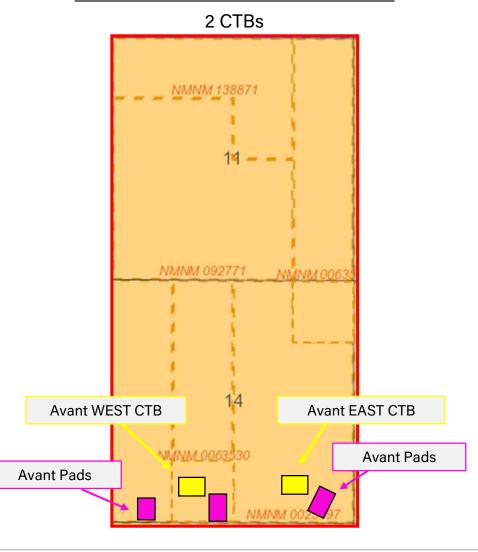
CTB PLATS

NSSU reduces surface facilities and surface impacts

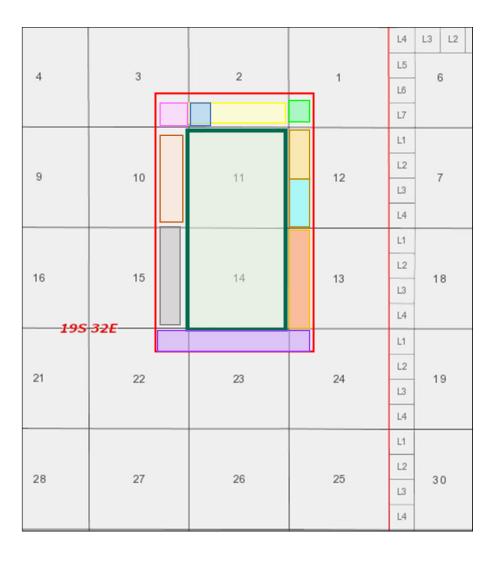
STANDARD UNIT DEVELOPMENT

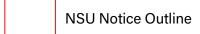
4 CTBs NMNM 138871 NIANM 09277 INM 0063 CTB 2 CTB 4 NM 0063 CTB 3 CTB 1

NON-STANDARD UNIT DEVELOPMENT

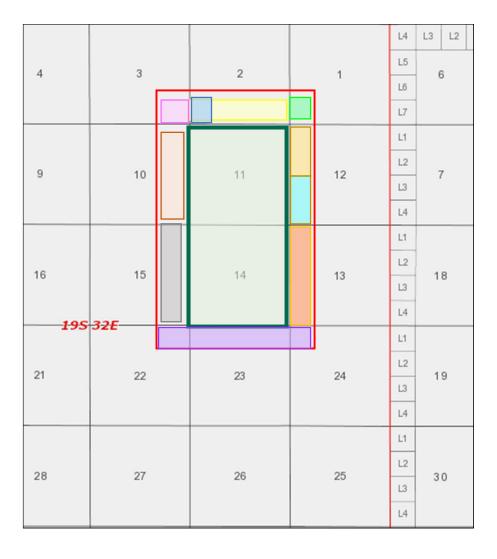








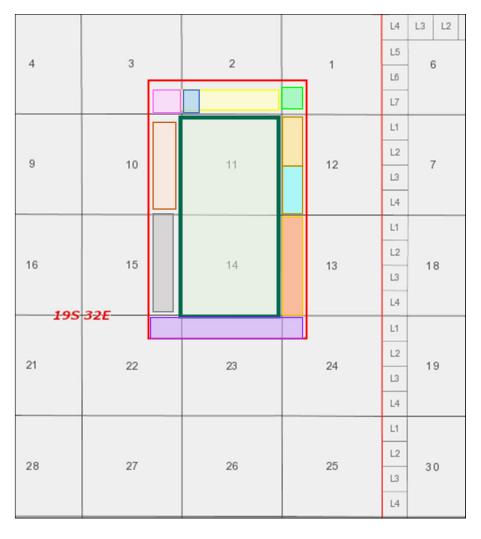
OPERATOR NAME	LANDS
WALSH & WATTS INC.	T19S-R32E Sec 2: S2S2
PERMIAN RESOURCES	T19S-R32E Sec 2: SWSW
MEWBOURNE OIL	T19S-R32E Sec 2: W2W2
MARSHALL & WINSTON INC	T19S-R32E Sec 3: SESE
TJG ENERGY LLC	T19S-R32E Sec 3: SESE
GREENVILLE PARTNERS	T19S-R32E Sec 3: SESE
MORIAH OIL AND GAS LLC	T19S-R32E Sec 3: SESE
RICE BROTHERS_	T19S-R32E Sec 3: SESE
BARSTOW ENERGY LLC	T19S-R32E Sec 3: SESE
ACACIA RESOURCES LLC	T19S-R32E Sec 3: SESE
ARROWHEAD OIL CORP	T19S-R32E Sec 3: SESE
BP AMERICA PRODUCTION CO	T19S-R32E Sec 3: SESE
CENTENNIAL	T19S-R32E Sec 3: SESE
CHASE MACK C TRUSTEE	T19S-R32E Sec 3: SESE
CHASE OIL CORP	T19S-R32E Sec 3: SESE
CODY ENERGY INC	T19S-R32E Sec 3: SESE
COG OPERATING LLC	T19S-R32E Sec 3: SESE
NORTEX CORP	T19S-R32E Sec 3: SESE
RAY WESTALL OPERATING INC	T19S-R32E Sec 3: SESE_
S & C CONSTR INC	T19S-R32E Sec 3: SESE_
TANDEM ENERGY CORP	T19S-R32E Sec 3: SESE
Marshall & Winston	T19S-R32E Sec 3: S2S2





OPERATOR NAME	LANDS
LYNX PETRO CONSULTANTS INC	T19S-R32E Sec 10
CODY ENERGY INC	T19S-R32E Sec 10
COYOTE OIL & GAS LLC	T19S-R32E Sec 10
DELMAR HOLDINGS LP	T19S-R32E Sec 10
HUNT OIL CO	T19S-R32E Sec 10
L T LEWIS ESTATE	T19S-R32E Sec 10
LYNX PETRO CONSULTANTS INC	T19S-R32E Sec 10
MARATHON OIL PERMIAN LLC	T19S-R32E Sec 10
MARBOB ENERGY CORP	T19S-R32E Sec 10
MCKAY PETROLEUM CORP	T19S-R32E Sec 10
WADI PETROLEUM INC	T19S-R32E Sec 10
MARATHON OIL PERMIAN LLC	T19S-R32E Sec 10
COTERRA ENERGY	T19S-R32E Sec 15: E2E2
APACHE CORPORATION	T19S-R32E Sec 15: E2E2
APACHE CORPORATION	T19S-R32E Sec 15: E2E2_
COMPASS OIL & GAS LP	T19S-R32E Sec 15: E2E2_
CYNTHIA MAE WILSON TRUSTEE	T19S-R32E Sec 15: E2E2_
JOHN H HENDRIX CORP	T19S-R32E Sec 15: E2E2_
MARATHON OIL PERMIAN LLC	T19S-R32E Sec 15: E2E2_
MCCOMBS ENERGY LTD	T19S-R32E Sec 15: E2E2_
PERMIAN RESOURCES OPERATING LLC	T19S-R32E Sec 15: E2E2_
ROCK PRODUCTS INC	T19S-R32E Sec 15: E2E2_
SOLIS PARTNERS LLC	T19S-R32E Sec 15: E2E2

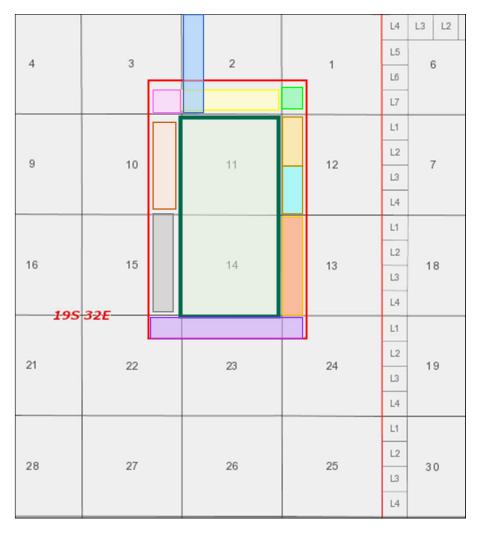


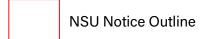




OPERATOR NAME	LANDS
EOG RESOURCES	T19S-R32E Sec 22: NENE
DIXIE LAKE OPERATING LLC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
H AND S DRILLING CO	T19S-R32E Sec 22: NENE, Sec 23: N2N2
HEADINGTON ROYALTY INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
LEAN DOG LIMITED PARTNERSHIP NO 1	T19S-R32E Sec 22: NENE, Sec 23: N2N2
SABINE HOLDINGS LP	T19S-R32E Sec 22: NENE, Sec 23: N2N2
WHITE ROCK ROYALTY PARTNERS NO 1	T19S-R32E Sec 22: NENE, Sec 23: N2N2
APACHE 1996 A TRUST	T19S-R32E Sec 22: NENE, Sec 23: N2N2
BP AMERICA PRODUCTION CO	T19S-R32E Sec 22: NENE, Sec 23: N2N2
BURLINGTON RESOURCES OIL & GAS COMPANY LP_	T19S-R32E Sec 22: NENE, Sec 23: N2N2
CHISOS LTD	T19S-R32E Sec 22: NENE, Sec 23: N2N2
COG OPERATING LLC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
CROSS BORDER RESOURCES INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
ENDEAVOR ENERGY RESOURCES LP	T19S-R32E Sec 22: NENE, Sec 23: N2N2
ENDURANCE PROPERTIES INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
EOG RESOURCES INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2



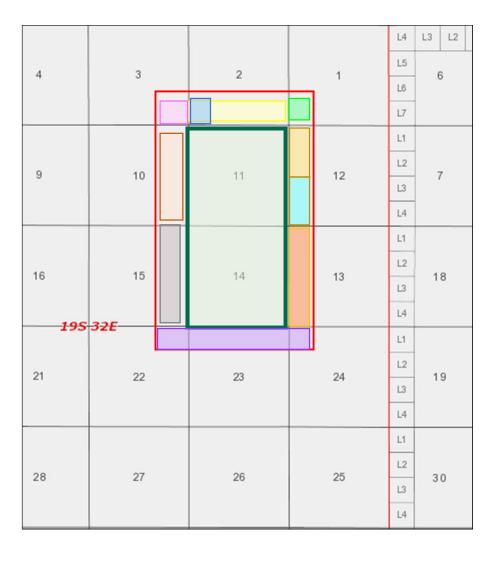




OPERATOR NAME	LANDS
H AND S DRILLING CO	T19S-R32E Sec 22: NENE, Sec 23: N2N2
HANESCO INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
HEADINGTON ROYALTY INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
LANEXCO INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
LEAN DOG LIMITED PARTNERSHIP NO 1	T19S-R32E Sec 22: NENE, Sec 23: N2N2
MANZANO LLC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
NUEVO SEIS INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
PAPER TIME INC	T19S-R32E Sec 22: NENE, Sec 23: N2N2
THREE LAIN CORP	T19S-R32E Sec 22: NENE, Sec 23: N2N2
TRITEX ENERGY A LP	T19S-R32E Sec 22: NENE, Sec 23: N2N2
EOG Resources	T19S-R32E Sec 23: N2N2
Coterra Energy	T19S-R32E Sec 24: NWNW
Coterra Energy	T19S-R32E Sec 24: NWNW
Mewbourne Oil	T19S-R32E Sec 13: W2W2
XTO Holdings LLC	T19S-R32E Sec 13: W2W2



NSU NOTICE LIST OUTLINE

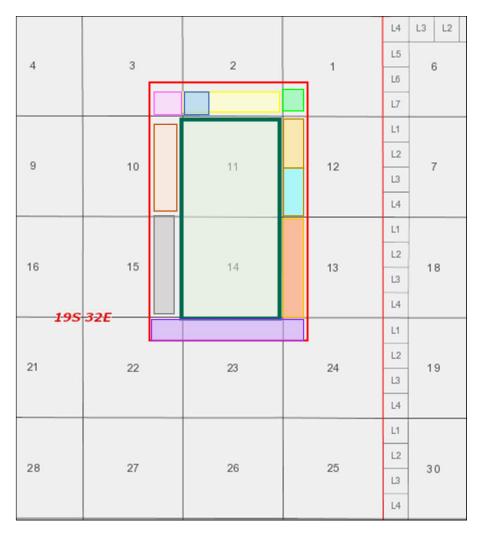


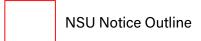


NSU Notice Outline

OPERATOR NAME	LANDS
BP AMERICA PRODUCTION CO	T19S-R32E Sec 13: W2W2
CHASE MACK C TRUSTEE	T19S-R32E Sec 13: W2W2
ENDURANCE PROPERTIES INC	T19S-R32E Sec 13: W2W2
G & C SERVICE	T19S-R32E Sec 13: W2W2
HOPPER-BARNETT INC	T19S-R32E Sec 13: W2W2
LOTHIAN OIL INC	T19S-R32E Sec 13: W2W2
MACK ENERGY CORP	T19S-R32E Sec 13: W2W2
TRITEX ENERGY A LP	T19S-R32E Sec 13: W2W2
XTO HOLDINGS LLC	T19S-R32E Sec 13: W2W2
Permian Resources	T19S-R32E Sec 13: W2W2
UPLAND PRODUCTION CO	T19S-R32E Sec 12: W2NW
BETTIS BROTHERS INC	T19S-R32E Sec 12: W2NW
BP AMERICA PRODUCTION CO	T19S-R32E Sec 12: W2NW
CALLAWAY PROD CO INC	T19S-R32E Sec 12: W2NW
COG OPERATING LLC	T19S-R32E Sec 12: W2NW
DOMINION OKLAHOMA TEXAS EXPL & PROD INC	T19S-R32E Sec 12: W2NW
ENDURANCE PROPERTIES INC	T19S-R32E Sec 12: W2NW
H M BETTIS INC	T19S-R32E Sec 12: W2NW
PRIDE ENERGY COMPANY	T19S-R32E Sec 12: W2NW
SONIC OIL & GAS INC	T19S-R32E Sec 12: W2NW
TAYLOR NEAL A ESTATE	T19S-R32E Sec 12: W2NW
TRITEX ENERGY A LP	T19S-R32E Sec 12: W2NW
WPX ENERGY PERMIAN LLC_	T19S-R32E Sec 12: W2NW





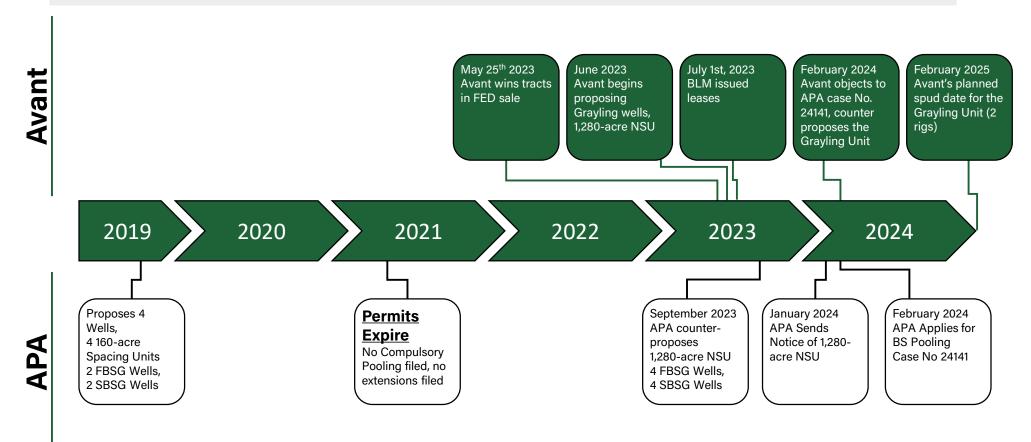


OPERATOR NAME	LANDS
COG OPERATING LLC	T19S-R32E Sec 12: W2SW
BETTIS BROTHERS INC	T19S-R32E Sec 12: W2SW
BP AMERICA PRODUCTION CO	T19S-R32E Sec 12: W2SW
DOMINION OKLAHO	T19S-R32E Sec 12: W2SW
SONIC OIL & GAS INC	T19S-R32E Sec 12: W2SW
TURNCO INC	T19S-R32E Sec 12: W2SW
Permian Resources	T19S-R33E Sec 01: SWSW
WALSH & WATTS INC	T19S-R33E Sec 01: SWSW
MEC DEVELOPMENT LTD	T19S-R33E Sec 01: SWSW
SABER OIL & GAS VENTURES LLC_	T19S-R33E Sec 01: SWSW
WALSH & WATTS INC	T19S-R33E Sec 01: SWSW



TIMELINE OF EVENTS

Avant has diligently prosecuted plans for development while APA has been reactive



- APA has been reactionary to Avant as it relates to well proposals and development timing
- APA had previously proposed wells on this unit and let permits expire, without making any attempts to extend
- Avant has Grayling Unit on Drill Schedule for 1Q 2025, or sooner based on order signature date
- Avant intends to drill up to 18 horizontal wells while APA Corp. plans to drill only 8 horizontal wells



SUMMARY OF AVANT CONTACTS

- Avant retained a broker who conducted extensive title work to determine the working interest and other interest owners
- Avant searched public records, phone directory, LexisNexis subscription, and various other internet sources to locate owners
- Avant began sending well proposals starting on or around June 1, 2023
- Avant sent all the working interest owners a JOA
- Avant had multiple communications with the uncommitted working interest owners, outlined in the chart on the following slide
- Avant's counsel sent notices of the forced pooling applications to the addresses of record for uncommitted interest owners and overriding royalty owners
- Avant published notice in a newspaper of general circulation in the county where the wells will be located

SUMMARY OF CONTACTS

Owner Name	Sent Proposal	Tracking	Follow-up / Comments
Apache Corporation	6/30/23	9405503699300569796825	SEE "SUMMARY OF AVANT CONTACT WITH APA" Exhibit
ZPZ Delaware I, LLC	6/30/23	9405503699300569796665	SEE "SUMMARY OF AVANT CONTACT WITH APA" Exhibit
Minoco 1980 III Oil and Gas Program	N/A – Company	Company Terminated	California Secretary of State shows this company terminated in 1984. No longer
	Terminated		exists
Roy Edward Guinnup	9/1/23	7734 9834 0658 (2 nd attempt)	1st attempt to send well proposals returned w/no forwarding information. 2 nd attempt made - sent to 3467 Pinto Trail Fort Worth, TX 76116 on 9/21; 301 Commerce Street Suite #1830, Fort Worth, TX 76102 (address pulled from 2019 county document); Well proposal package received, No response to proposal/further inquiries.





September 1, 2023

Sent Via USPS Overnight Mail

Roy Edward Guinnup 301 Commerce St., Suite #1830 Fort Worth, TX 76102-4189

RE:

Grayling 11 Fed Com 301H, 302H, 303H, 304H, 305H, 306H 501H, 502H, 503H, 504H 505H, 506H, 601H, 602H, 603H, 604H, 605H, 606H Sections 11 & 14, Township 19 South, Range 32 East Lea County, New Mexico

Ladies and Gentlemen:

Avant Operating, LLC ("Avant") hereby proposes to drill and complete the Grayling 11 Fed Com 301H, 302H, 303H, 304H, 305H, 306H, 501H, 502H, 503H, 504H 505H, 506H, 601H, 602H, 603H, 604H, 605H wells in Sections 11 and 14, Township 19 South, Range 32 East, Lea County, New Mexico. Avant is finalizing reports and preliminary title shows you *may* have an interest in the referenced lands.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each proposed well is itemized
 on the enclosed Authority for Expenditures ("AFE").
- **Grayling 11 Fed Com #301H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 8,550' TVD and will be drilled horizontally to a Measured Depth of approximately 18,873'.
- Grayling 11 Fed Com #302H: to be drilled from a legal location of Section 11-19S-32E. The Well will
 have a targeted interval within the Bone Spring formation at a depth of approximately 8,550' TVD
 and will be drilled horizontally to a Measured Depth of approximately 18,873'.
- Grayling 11 Fed Com #303H: to be drilled from a legal location of Section 11-19S-32E. The Well will
 have a targeted interval within the Bone Spring formation at a depth of approximately 8,550' TVD
 and will be drilled horizontally to a Measured Depth of approximately 18,873'
- Grayling 11 Fed Com #304H: to be drilled from a legal location of Section 11-19S-32E. The Well will
 have a targeted interval within the Bone Spring formation at a depth of approximately 8,550' TVD
 and will be drilled horizontally to a Measured Depth of approximately 18,873'.
- Grayling 11 Fed Com #305H: to be drilled from a legal location of Section 11-19S-32E. The Well will
 have a targeted interval within the Bone Spring formation at a depth of approximately 8,550' TVD
 and will be drilled horizontally to a Measured Depth of approximately 18,873'.

Avant Operating, LLC Case No. 24254 Exhibit A-24



- Grayling 11 Fed Com #306H: to be drilled from a legal location of Section 11-19S-32E. The Well will
 have a targeted interval within the Bone Spring formation at a depth of approximately 8,550' TVD
 and will be drilled horizontally to a Measured Depth of approximately 18,873'.
- **Grayling 11 Fed Com #501H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,500' TVD and will be drilled horizontally to a Measured Depth of approximately 19,823.
- **Grayling 11 Fed Com #502H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,500' TVD and will be drilled horizontally to a Measured Depth of approximately 19,823.
- **Grayling 11 Fed Com #503H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,500' TVD and will be drilled horizontally to a Measured Depth of approximately 19,823.
- Grayling 11 Fed Com #504H: to be drilled from a legal location of Section 11-19S-32E. The Well will
 have a targeted interval within the Bone Spring formation at a depth of approximately 9,500' TVD
 and will be drilled horizontally to a Measured Depth of approximately 19,823.
- **Grayling 11 Fed Com #505H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,500' TVD and will be drilled horizontally to a Measured Depth of approximately 19,823.
- Grayling 11 Fed Com #506H: to be drilled from a legal location of Section 11-19S-32E. The Well will
 have a targeted interval within the Bone Spring formation at a depth of approximately 9,500' TVD
 and will be drilled horizontally to a Measured Depth of approximately 19,823.
- **Grayling 11 Fed Com #601H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,450' TVD and will be drilled horizontally to a Measured Depth of approximately 20,773'.
- **Grayling 11 Fed Com #602H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,450' TVD and will be drilled horizontally to a Measured Depth of approximately 20,773'.
- **Grayling 11 Fed Com #603H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,450' TVD and will be drilled horizontally to a Measured Depth of approximately 20,773'.
- **Grayling 11 Fed Com #604H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,450' TVD and will be drilled horizontally to a Measured Depth of approximately 20,773'.



- **Grayling 11 Fed Com #605H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,450' TVD and will be drilled horizontally to a Measured Depth of approximately 20,773'.
- **Grayling 11 Fed Com #606H**: to be drilled from a legal location of Section 11-19S-32E. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,450' TVD and will be drilled horizontally to a Measured Depth of approximately 20,773'.

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

Avant is proposing to drill the proposed wells under the terms of two modified 1989 AAPL form of Operating Agreements ("JOAs"). The JOAs will be sent to you following this proposal with the following general provisions:

- 100%/300%/300% non-consent penalty
- \$10,000/\$1000 drilling and producing monthly overhead rates
- Contract Area of W2 of Section 11-T19S-R32E and W2 of Section 14-T19S-R32E
- Contract Area of E2 of Section 11-T19S-R32E and E2 of Section 14-T19S-R32E
- This proposed Operating Agreements will supersede any and all existing Operating Agreements as to all depths on all horizontal wells drilled after the effective date of the JOA.

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

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

Avant respectfully requests your elections as soon as possible. Please indicate your elections in the spaces provided on the following pages. In the event you elect to participate in the drilling and completion of the wells proposed herein, please sign and return a copy of this letter along with the enclosed AFEs.

In the event you do not wish to participate in this proposed development and would be interested in selling your interest, please let us know. Avant would be pleased to work up a competitive offer. Should you have any questions, please contact the undersigned at tiffany@avantnr.com or (720) 746-5048.

Sincerely,

Tiffany Sarantinos Senior Landman

garantinos

Enclosures



I, Roy Edward Guinnup, elects as follows: Grayling 11 Fed Com #301H: __ I/We hereby elect to participate in the Grayling 11 Fed Com #301H well. I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #301H** well. Grayling 11 Fed Com #302H: ____ I/We hereby elect to participate in the **Grayling 11 Fed Com #302H**well. __ I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #302H**well. Grayling 11 Fed Com #303H: __ I/We hereby elect to participate in the **Grayling 11 Fed Com #303H** well. I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #303H** well. Grayling 11 Fed Com #304H: ____I/We hereby elect to participate in the **Grayling 11 Fed Com #304H** well. __ I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #304H** well. Grayling 11 Fed Com #305H: I/We hereby elect to participate in the **Grayling 11 Fed Com #305H** well. ____ I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #305H** well. Grayling 11 Fed Com #306H: I/We hereby elect to participate in the **Grayling 11 Fed Com #306H** well. ____ I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #306H** well. Grayling 11 Fed Com #501H: I/We hereby elect to participate in the **Grayling 11 Fed Com #501H** well. ____ I/We hereby elect NOT to participate in the Grayling 11 Fed Com #501H well. Grayling 11 Fed Com #502H: _____I/We hereby elect to participate in the Grayling 11 Fed Com #502H well. I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #502H** well. Grayling 11 Fed Com #503H: I/We hereby elect to participate in the **Grayling 11 Fed Com #503H** well. ____I/We hereby elect **NOT** to participate in the **Grayling 11 Fed Com #503H** well. Grayling 11 Fed Com #504H: _____ I/We hereby elect to participate in the **Grayling 11 Fed Com #504H** well. I/We hereby elect **NOT** to participate in **Grayling 11 Fed Com #504H** well. Grayling 11 Fed Com #505H: _____I/We hereby elect to participate in the **Grayling 11 Fed Com #505H** well.

_____I/We hereby elect **NOT** to participate in **Grayling 11 Fed Com #505H** well.



Grayling 11 Fed Com #506H:
I/We hereby elect to participate in the Grayling 11 Fed Com #506H well.
I/We hereby elect NOT to participate in Grayling 11 Fed Com #506H well.
Grayling 11 Fed Com #601H:
I/We hereby elect to participate in the Grayling 11 Fed Com #601H well.
I/We hereby elect NOT to participate in the Grayling 11 Fed Com #601H well.
Grayling 11 Fed Com #602H:
I/We hereby elect to participate in the Grayling 11 Fed Com #602H well.
I/We hereby elect NOT to participate in the Grayling 11 Fed Com #602H well.
Grayling 11 Fed Com #603H:
I/We hereby elect to participate in the Grayling 11 Fed Com #603H well.
I/We hereby elect NOT to participate in the Grayling 11 Fed Com #603H well.
Grayling 11 Fed Com #604H:
I/We hereby elect to participate in the Grayling 11 Fed Com #604H well.
I/We hereby elect NOT to participate in the Grayling 11 Fed Com #604H well.
Grayling 11 Fed Com #605H:
I/We hereby elect to participate in the Grayling 11 Fed Com #605H well.
I/We hereby elect NOT to participate in the Grayling 11 Fed Com #605H well.
Grayling 11 Fed Com #606H:
I/We hereby elect to participate in the Grayling 11 Fed Com #606H well.
I/We hereby elect NOT to participate in the Grayling 11 Fed Com #606H well.
Roy Edward Guinnup
By:
Printed Name:
Title:
Date:



AFE: NM0216 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #301H Projected MD/TVD: 18873 / 8550

Target: Bone Springs Spud to TD: 12.6 days
County: Lea Lateral Length: 10,000
State: NM Stages: 64

 SHL: Sec: 11, T-19S, R-32E; FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E; FSL, 330 FEL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #301H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 18873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,676,102

COMPLETIONS: \$5,836,220

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,021,110

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0216 - Grayling 11 Fed Com #301H

	TANGIBLE COSTS	Drilling	Com	pletion	Facilities	Total
Tangible Drilling		\$ 944,363	\$	-	\$ -	\$ 944,363
8400.30°	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	2 Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 577,908	\$	-	\$ -	\$ 577,908
8400.340) Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completi	on	\$ -	\$	272,460	\$ -	\$ 272,460
8400.308	Tubing:	\$ -	\$	123,523	\$ -	\$ 123,523
8400.340) Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	2 Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility	•	\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.34°	1 Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	2 Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.34	5 LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	6 Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.34	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ 	\$	-	\$ -	\$
8400.31	5 Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350) Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ -	\$
	TOTAL TANGIBLE COSTS >>>	\$ 944,363	\$ 2	72,460	\$ 1,155,505	\$ 2,372,328

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,731,740	\$ -	\$ -	\$ 2,731,740
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 679,370	\$ -	\$ -	\$ 679,370
8200.104	Fuel/Power:	\$ 141,102	\$ -	\$ -	\$ 141,102
8200.116	Bits & BHA:	\$ 67,057	\$ -	\$ -	\$ 67,057
8200.128	Directional:	\$ 211,092	\$ -	\$ -	\$ 211,092
8200.117	Mud & Chemicals:	\$ 164,926	\$ -	\$ -	\$ 164,926
8200.115	Mud - Drill Water:	\$ 4,807	\$ -	\$ -	\$ 4,807
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,065	\$ -	\$ -	\$ 29,065
8200.164	Solids Control/Closed Loop:	\$ 95,241	\$ -	\$ -	\$ 95,241
8200.158	Disposal:	\$ 182,055	\$ -	\$ -	\$ 182,055
8200.124	Equipment Rental:	\$ 98,314	\$ -	\$ -	\$ 98,314
8200.146	Mancamp:	\$ 41,233	\$ -	\$ -	\$ 41,233
8200.137	Casing Services:	\$ 71,630	\$ -	\$ -	\$ 71,630
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 100,495	\$ -	\$ -	\$ 100,495
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 217,679	\$ -	\$ -	\$ 217,679
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,132	\$ -	\$ -	\$ 2,132
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,447	\$ -	\$ -	\$ 7,447
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,175	\$ -	\$ -	\$ 2,175
8200.147	Drilling Overhead:	\$ 4,361	\$ -	\$ -	\$ 4,361
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$ -

AFE # NM0216 - Grayling 11 Fed Com #301H

Intangible Completic					
I	on	\$ -	\$ 5,563,760	\$ -	\$ 5,563,760
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ 	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 110,642	\$ -	\$ 110,642
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 13,642	\$ -	\$ 13,642
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ _	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ _	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ _	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ _	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ 	\$ -	\$ 71,847	\$ 71,847
TO	OTAL INTANGIBLE COSTS >>>	\$ 2,731,740	\$ 5,563,760	\$ 353,282	\$ 8,648,782

TOTAL D&C&F COSTS >>>	\$ 3,676,102	\$ 5,836,220	\$ 1,508,788	\$ 11,021,110
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0217 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #302H Projected MD/TVD: 18873 / 8550

Target:Bone SpringsSpud to TD:12.6 daysCounty:LeaLateral Length:10,000State:NMStages:64

SHL: Sec: 11, T-19S, R-32E; FNL, FWL

BHL: Sec: 14, T-19S, R-32E; FSL, 1254 FEL

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #302H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 18873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,676,102

COMPLETIONS: \$5,836,220

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,021,110

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0217 - Grayling 11 Fed Com #302H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 944,363	\$	-	\$ -	\$ 944,363
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 577,908	\$	-	\$ -	\$ 577,908
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	272,460	\$ -	\$ 272,460
8400.308	Tubing:	\$ -	\$	123,523	\$ -	\$ 123,523
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility	•	\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ -	\$	-	\$ -	\$ -
7	OTAL TANGIBLE COSTS >>>	\$ 944,363	\$	272,460	\$ 1,155,505	\$ 2,372,328

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,731,740	\$ -	\$ -	\$ 2,731,740
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 679,370	\$ -	\$ -	\$ 679,370
8200.104	Fuel/Power:	\$ 141,102	\$ -	\$ -	\$ 141,102
8200.116	Bits & BHA:	\$ 67,057	\$ -	\$ -	\$ 67,057
8200.128	Directional:	\$ 211,092	\$ -	\$ -	\$ 211,092
8200.117	Mud & Chemicals:	\$ 164,926	\$ -	\$ -	\$ 164,926
8200.115	Mud - Drill Water:	\$ 4,807	\$ -	\$ -	\$ 4,807
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,065	\$ -	\$ -	\$ 29,065
8200.164	Solids Control/Closed Loop:	\$ 95,241	\$ -	\$ -	\$ 95,241
8200.158	Disposal:	\$ 182,055	\$ -	\$ -	\$ 182,055
8200.124	Equipment Rental:	\$ 98,314	\$ -	\$ -	\$ 98,314
8200.146	Mancamp:	\$ 41,233	\$ -	\$ -	\$ 41,233
8200.137	Casing Services:	\$ 71,630	\$ -	\$ -	\$ 71,630
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 100,495	\$ -	\$ -	\$ 100,495
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 217,679	\$ -	\$ -	\$ 217,679
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,132	\$ -	\$ -	\$ 2,132
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$
8200.143	Geo-Steering:	\$ 7,447	\$ -	\$ -	\$ 7,447
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$
8200.165	Safety & Environmental:	\$ 2,175	\$ -	\$ -	\$ 2,175
8200.147	Drilling Overhead:	\$ 4,361	\$ -	\$ -	\$ 4,361
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$ -

AFE # NM0217 - Grayling 11 Fed Com #302H

Intangible Completio	n	\$ -	\$ 5,563,760	\$ -	\$ 5,563,760
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ 	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ _	\$ -	\$ -	\$ -
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 110,642	\$ -	\$ 110,642
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 13,642	\$ -	\$ 13,642
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ 	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,731,740	\$ 5,563,760	\$ 353,282	\$ 8,648,782

TOTAL D&C&F COSTS >>>	\$ 3,676,102	\$ 5,836,220	\$ 1,508,788	\$ 11,021,110
TOTAL DAGAF COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
Der		



AFE:	NM0218	Date:	June 28, 202
AFE.	INIVIUZIO	Date.	Julie 20, 20

Well Name: Grayling 11 Fed Com #303H Projected MD/TVD: 18873 / 8550

Target: Bone Springs Spud to TD: 12.6 days
County: Lea Lateral Length: 10,000
State: NM Stages: 64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 2178 FEL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #303H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 18873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,676,102

COMPLETIONS: \$5,836,220

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,021,110

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0218 - Grayling 11 Fed Com #303H

	TANGIBLE COSTS	Drilling	Co	mpletion	Facilities	Total
Tangible Drilling		\$ 944,363	\$	-	\$ -	\$ 944,363
8400.30	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 577,908	\$	-	\$ -	\$ 577,908
8400.340) Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completi	on	\$ -	\$	272,460	\$ -	\$ 272,460
8400.308	Tubing:	\$ -	\$	123,523	\$ -	\$ 123,523
8400.340) Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	2 Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.34	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	2 Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	5 LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	6 Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	7 Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ 	\$	-	\$ 	\$ -
8400.315	Flowlines:	\$ 	\$	-	\$ 	\$ -
8400.350) Instrument/Electrical Panel:	\$ 	\$	-	\$ 499,929	\$ 499,929
		\$ -	\$	-	\$ -	\$ -
	TOTAL TANGIBLE COSTS >>>	\$ 944,363	\$	272,460	\$ 1,155,505	\$ 2,372,328

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,731,740	\$ -	\$ -	\$ 2,731,740
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 679,370	\$ -	\$ -	\$ 679,370
8200.104	Fuel/Power:	\$ 141,102	\$ -	\$ -	\$ 141,102
8200.116	Bits & BHA:	\$ 67,057	\$ -	\$ -	\$ 67,057
8200.128	Directional:	\$ 211,092	\$ -	\$ -	\$ 211,092
8200.117	Mud & Chemicals:	\$ 164,926	\$ -	\$ -	\$ 164,926
8200.115	Mud - Drill Water:	\$ 4,807	\$ -	\$ -	\$ 4,807
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,065	\$ -	\$ -	\$ 29,065
8200.164	Solids Control/Closed Loop:	\$ 95,241	\$ -	\$ -	\$ 95,241
8200.158	Disposal:	\$ 182,055	\$ -	\$ -	\$ 182,055
8200.124	Equipment Rental:	\$ 98,314	\$ -	\$ -	\$ 98,314
8200.146	Mancamp:	\$ 41,233	\$ -	\$ -	\$ 41,233
8200.137	Casing Services:	\$ 71,630	\$ -	\$ -	\$ 71,630
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 100,495	\$ -	\$ -	\$ 100,495
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 217,679	\$ -	\$ -	\$ 217,679
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,132	\$ -	\$ -	\$ 2,132
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$
8200.143	Geo-Steering:	\$ 7,447	\$ -	\$ -	\$ 7,447
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$
8200.165	Safety & Environmental:	\$ 2,175	\$ -	\$ -	\$ 2,175
8200.147	Drilling Overhead:	\$ 4,361	\$ -	\$ -	\$ 4,361
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$ -

AFE # NM0218 - Grayling 11 Fed Com #303H

Intangible Completio	n	\$ -	\$ 5,563,760	\$ -	\$ 5,563,760
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 110,642	\$ -	\$ 110,642
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 13,642	\$ -	\$ 13,642
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TO	TAL INTANGIBLE COSTS >>>	\$ 2,731,740	\$ 5,563,760	\$ 353,282	\$ 8,648,782

TOTAL D&C&F COSTS >>>	\$ 3,676,102	\$	5,836,220	\$ 1,508,788	\$ 11,021,110
TOTAL D&C&F COSTS >>>	Drilling	C	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0219 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #304H Projected MD/TVD: 18873 / 8550

Target: Bone Springs Spud to TD: 12.6 days
County: Lea Lateral Length: 10,000
State: NM Stages: 64

ate: NM Stages: 64

SHL: Sec: 11, T-19S, R-32E; FNL, FWL Total Proppant (ppf): 2,500

BHL: Sec: 14, T-19S, R-32E; FSL, 2178 FWL Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #304H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 18873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,676,102

COMPLETIONS: \$5,836,220

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,021,110

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0219 - Grayling 11 Fed Com #304H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 944,363	\$	-	\$ -	\$ 944,363
8400.30	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 577,908	\$	-	\$ -	\$ 577,908
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completi	on	\$ -	\$	272,460	\$ -	\$ 272,460
8400.308	Tubing:	\$ -	\$	123,523	\$ -	\$ 123,523
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility	•	\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.34°	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ 	\$
	TOTAL TANGIBLE COSTS >>>	\$ 944,363	\$	272,460	\$ 1,155,505	\$ 2,372,328

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,731,740	\$ -	\$ -	\$ 2,731,740
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 679,370	\$ -	\$ -	\$ 679,370
8200.104	Fuel/Power:	\$ 141,102	\$ -	\$ -	\$ 141,102
8200.116	Bits & BHA:	\$ 67,057	\$ -	\$ -	\$ 67,057
8200.128	Directional:	\$ 211,092	\$ -	\$ -	\$ 211,092
8200.117	Mud & Chemicals:	\$ 164,926	\$ -	\$ -	\$ 164,926
8200.115	Mud - Drill Water:	\$ 4,807	\$ -	\$ -	\$ 4,807
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,065	\$ -	\$ -	\$ 29,065
8200.164	Solids Control/Closed Loop:	\$ 95,241	\$ -	\$ -	\$ 95,241
8200.158	Disposal:	\$ 182,055	\$ -	\$ -	\$ 182,055
8200.124	Equipment Rental:	\$ 98,314	\$ -	\$ -	\$ 98,314
8200.146	Mancamp:	\$ 41,233	\$ -	\$ -	\$ 41,233
8200.137	Casing Services:	\$ 71,630	\$ -	\$ -	\$ 71,630
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 100,495	\$ -	\$ -	\$ 100,495
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 217,679	\$ -	\$ -	\$ 217,679
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,132	\$ -	\$ -	\$ 2,132
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$
8200.143	Geo-Steering:	\$ 7,447	\$ -	\$ -	\$ 7,447
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$
8200.165	Safety & Environmental:	\$ 2,175	\$ -	\$ -	\$ 2,175
8200.147	Drilling Overhead:	\$ 4,361	\$ -	\$ -	\$ 4,361
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$ -

AFE # NM0219 - Grayling 11 Fed Com #304H

Intangible Completio	n	\$ -	\$ 5,563,760	\$ -	\$ 5,563,760
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ 	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ _	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 110,642	\$ -	\$ 110,642
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 13,642	\$ -	\$ 13,642
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,731,740	\$ 5,563,760	\$ 353,282	\$ 8,648,782

TOTAL D&C&F COSTS >>>	\$ 3,676,102	\$ 5,836,220	\$ 1,508,788	\$ 11,021,110
TOTAL DACAF COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	 Working Interest:	
Signature:	Date: _	
D		



AFE:	NM0220	Date:	June 28, 2023

Well Name: Grayling 11 Fed Com #305H Projected MD/TVD: 18873 / 8550

Target:Bone SpringsSpud to TD:12.6 daysCounty:Lateral Length:10,000State:NMStages:64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 1254 FWL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #305H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 18873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,676,102

COMPLETIONS: \$5,836,220

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,021,110

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
-	Pete Williams		C.F.O.
rume.		Title.	
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0220 - Grayling 11 Fed Com #305H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 944,363	\$	-	\$ -	\$ 944,363
8400.30	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 577,908	\$	-	\$ -	\$ 577,908
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completi	on	\$ -	\$	272,460	\$ -	\$ 272,460
8400.308	Tubing:	\$ -	\$	123,523	\$ -	\$ 123,523
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility	•	\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.34°	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ 	\$
	TOTAL TANGIBLE COSTS >>>	\$ 944,363	\$	272,460	\$ 1,155,505	\$ 2,372,328

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,731,740	\$ -	\$ -	\$ 2,731,740
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 679,370	\$ -	\$ -	\$ 679,370
8200.104	Fuel/Power:	\$ 141,102	\$ -	\$ -	\$ 141,102
8200.116	Bits & BHA:	\$ 67,057	\$ -	\$ -	\$ 67,057
8200.128	Directional:	\$ 211,092	\$ -	\$ -	\$ 211,092
8200.117	Mud & Chemicals:	\$ 164,926	\$ -	\$ -	\$ 164,926
8200.115	Mud - Drill Water:	\$ 4,807	\$ -	\$ -	\$ 4,807
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,065	\$ -	\$ -	\$ 29,065
8200.164	Solids Control/Closed Loop:	\$ 95,241	\$ -	\$ -	\$ 95,241
8200.158	Disposal:	\$ 182,055	\$ -	\$ -	\$ 182,055
8200.124	Equipment Rental:	\$ 98,314	\$ -	\$ -	\$ 98,314
8200.146	Mancamp:	\$ 41,233	\$ -	\$ -	\$ 41,233
8200.137	Casing Services:	\$ 71,630	\$ -	\$ -	\$ 71,630
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 100,495	\$ -	\$ -	\$ 100,495
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 217,679	\$ -	\$ -	\$ 217,679
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,132	\$ -	\$ -	\$ 2,132
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$
8200.143	Geo-Steering:	\$ 7,447	\$ -	\$ -	\$ 7,447
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$
8200.165	Safety & Environmental:	\$ 2,175	\$ -	\$ -	\$ 2,175
8200.147	Drilling Overhead:	\$ 4,361	\$ -	\$ -	\$ 4,361
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$ -

AFE # NM0220 - Grayling 11 Fed Com #305H

Intangible Completic					
	on	\$ -	\$ 5,563,760	\$ -	\$ 5,563,760
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ _	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 110,642	\$ -	\$ 110,642
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 13,642	\$ -	\$ 13,642
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	OTAL INTANGIBLE COSTS >>>	\$ 2,731,740	\$ 5,563,760	\$ 353,282	\$ 8,648,782

TOTAL D&C&F COSTS >>>	\$ 3,676,102	\$ 5,836,220	\$ 1,508,788	\$ 11,021,110
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	 Working Interest:	
Signature:	Date: _	
D		



AFE: NM0221 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #306H Projected MD/TVD: 18873 / 8550

Target: Bone Springs Spud to TD: 12.6 days
County: Lea Lateral Length: 10,000

State: NM Stages: 64
SHL: Sec: 11, T-19S, R-32E; FNL, FWL Total Proppant (ppf): 2,500

BHL: Sec: 14, T-195, R-32E; FNL, FWL

Total Proppant (ppr): 2,500

Total Proppant (ppr): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #306H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 18873' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,676,102

COMPLETIONS: \$5,836,220

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,021,110

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0221 - Grayling 11 Fed Com #306H

	TANGIBLE COSTS	Drilling	Co	mpletion	Facilities	Total
Tangible Drilling		\$ 944,363	\$	-	\$ -	\$ 944,363
8400.30	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 577,908	\$	-	\$ -	\$ 577,908
8400.340) Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completi	on	\$ -	\$	272,460	\$ -	\$ 272,460
8400.308	Tubing:	\$ -	\$	123,523	\$ -	\$ 123,523
8400.340) Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	2 Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.34	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	2 Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	5 LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	6 Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	7 Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ 	\$	-	\$ 	\$ -
8400.315	Flowlines:	\$ 	\$	-	\$ 	\$ -
8400.350) Instrument/Electrical Panel:	\$ 	\$	-	\$ 499,929	\$ 499,929
		\$ -	\$	-	\$ -	\$ -
	TOTAL TANGIBLE COSTS >>>	\$ 944,363	\$	272,460	\$ 1,155,505	\$ 2,372,328

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,731,740	\$ -	\$ -	\$ 2,731,740
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 679,370	\$ -	\$ -	\$ 679,370
8200.104	Fuel/Power:	\$ 141,102	\$ -	\$ -	\$ 141,102
8200.116	Bits & BHA:	\$ 67,057	\$ -	\$ -	\$ 67,057
8200.128	Directional:	\$ 211,092	\$ -	\$ -	\$ 211,092
8200.117	Mud & Chemicals:	\$ 164,926	\$ -	\$ -	\$ 164,926
8200.115	Mud - Drill Water:	\$ 4,807	\$ -	\$ -	\$ 4,807
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,065	\$ -	\$ -	\$ 29,065
8200.164	Solids Control/Closed Loop:	\$ 95,241	\$ -	\$ -	\$ 95,241
8200.158	Disposal:	\$ 182,055	\$ -	\$ -	\$ 182,055
8200.124	Equipment Rental:	\$ 98,314	\$ -	\$ -	\$ 98,314
8200.146	Mancamp:	\$ 41,233	\$ -	\$ -	\$ 41,233
8200.137	Casing Services:	\$ 71,630	\$ -	\$ -	\$ 71,630
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 100,495	\$ -	\$ -	\$ 100,495
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 217,679	\$ -	\$ -	\$ 217,679
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,132	\$ -	\$ -	\$ 2,132
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$
8200.143	Geo-Steering:	\$ 7,447	\$ -	\$ -	\$ 7,447
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$
8200.165	Safety & Environmental:	\$ 2,175	\$ -	\$ -	\$ 2,175
8200.147	Drilling Overhead:	\$ 4,361	\$ -	\$ -	\$ 4,361
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$ -

AFE # NM0221 - Grayling 11 Fed Com #306H

Intangible Completio	n	\$ -	\$ 5,563,760	\$ -	\$ 5,563,760
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 110,642	\$ -	\$ 110,642
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 13,642	\$ -	\$ 13,642
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,731,740	\$ 5,563,760	\$ 353,282	\$ 8,648,782

TOTAL D&C&F COSTS >>>	\$ 3,676,102	\$	5,836,220	\$ 1,508,788	\$ 11,021,110
TOTAL D&C&F COSTS >>>	Drilling	С	ompletion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE:	NM0222	Date:	June 28, 2023

Well Name: Grayling 11 Fed Com #501H Projected MD/TVD: 19823 / 9500

Target: Bone Springs Spud to TD: 13.1 days
County: Lea Lateral Length: 10,000
State: NM Stages: 64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 330 FEL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #501H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19823' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,758,094

COMPLETIONS: \$5,851,785

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,118,667

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0222 - Grayling 11 Fed Com #501H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 973,293	\$	-	\$ -	\$ 973,293
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 606,839	\$	-	\$ -	\$ 606,839
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	286,475	\$ -	\$ 286,475
8400.308	Tubing:	\$ -	\$	137,538	\$ -	\$ 137,538
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility	•	\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ -	\$	-	\$ -	\$ -
7	OTAL TANGIBLE COSTS >>>	\$ 973,293	\$	286,475	\$ 1,155,505	\$ 2,415,273

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,784,801	\$ -	\$ -	\$ 2,784,801
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 700,583	\$ -	\$ -	\$ 700,583
8200.104	Fuel/Power:	\$ 146,389	\$ -	\$ -	\$ 146,389
8200.116	Bits & BHA:	\$ 67,314	\$ -	\$ -	\$ 67,314
8200.128	Directional:	\$ 216,434	\$ -	\$ -	\$ 216,434
8200.117	Mud & Chemicals:	\$ 166,629	\$ -	\$ -	\$ 166,629
8200.115	Mud - Drill Water:	\$ 4,896	\$ -	\$ -	\$ 4,896
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,407	\$ -	\$ -	\$ 29,407
8200.164	Solids Control/Closed Loop:	\$ 97,988	\$ -	\$ -	\$ 97,988
8200.158	Disposal:	\$ 183,314	\$ -	\$ -	\$ 183,314
8200.124	Equipment Rental:	\$ 100,704	\$ -	\$ -	\$ 100,704
8200.146	Mancamp:	\$ 42,504	\$ -	\$ -	\$ 42,504
8200.137	Casing Services:	\$ 71,851	\$ -	\$ -	\$ 71,851
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 103,498	\$ -	\$ -	\$ 103,498
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 225,322	\$ -	\$ -	\$ 225,322
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,145	\$ -	\$ -	\$ 2,145
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,531	\$ -	\$ -	\$ 7,531
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,232	\$ -	\$ -	\$ 2,232
8200.147	Drilling Overhead:	\$ 4,501	\$ -	\$ -	\$ 4,501
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:	\$ _	\$ -	\$ -	\$ _

AFE # NM0222 - Grayling 11 Fed Com #501H

Intangible Completio	n	\$ -	\$ 5,565,310	\$ -	\$ 5,565,310
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 111,243	\$ -	\$ 111,243
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 14,592	\$ -	\$ 14,592
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,784,801	\$ 5,565,310	\$ 353,282	\$ 8,703,394

TOTAL D&C&F COSTS >>>	\$ 3,758,094	\$ 5,851,785	\$ 1,508,788	\$ 11,118,667
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0223 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #502H Projected MD/TVD: 19823 / 9500

Target: Bone Springs Spud to TD: 13.1 days
County: Lea Lateral Length: 10,000

State: NM Stages: 64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 1254 FEL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #502H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19823' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,758,094

COMPLETIONS: \$5,851,785

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,118,667

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0223 - Grayling 11 Fed Com #502H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 973,293	\$	-	\$ -	\$ 973,293
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 606,839	\$	-	\$ -	\$ 606,839
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	286,475	\$ -	\$ 286,475
8400.308	Tubing:	\$ -	\$	137,538	\$ -	\$ 137,538
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ 	\$	-	\$ 	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ 	\$ -
T	OTAL TANGIBLE COSTS >>>	\$ 973,293	\$	286,475	\$ 1,155,505	\$ 2,415,273

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,784,801	\$ -	\$ -	\$ 2,784,801
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 700,583	\$ -	\$ -	\$ 700,583
8200.104	Fuel/Power:	\$ 146,389	\$ -	\$ -	\$ 146,389
8200.116	Bits & BHA:	\$ 67,314	\$ -	\$ -	\$ 67,314
8200.128	Directional:	\$ 216,434	\$ -	\$ -	\$ 216,434
8200.117	Mud & Chemicals:	\$ 166,629	\$ -	\$ -	\$ 166,629
8200.115	Mud - Drill Water:	\$ 4,896	\$ -	\$ -	\$ 4,896
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,407	\$ -	\$ -	\$ 29,407
8200.164	Solids Control/Closed Loop:	\$ 97,988	\$ -	\$ -	\$ 97,988
8200.158	Disposal:	\$ 183,314	\$ -	\$ -	\$ 183,314
8200.124	Equipment Rental:	\$ 100,704	\$ -	\$ -	\$ 100,704
8200.146	Mancamp:	\$ 42,504	\$ -	\$ -	\$ 42,504
8200.137	Casing Services:	\$ 71,851	\$ -	\$ -	\$ 71,851
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 103,498	\$ -	\$ -	\$ 103,498
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 225,322	\$ -	\$ -	\$ 225,322
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,145	\$ -	\$ -	\$ 2,145
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,531	\$ -	\$ -	\$ 7,531
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,232	\$ -	\$ -	\$ 2,232
8200.147	Drilling Overhead:	\$ 4,501	\$ -	\$ -	\$ 4,501
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:	\$ _	\$ -	\$ -	\$ _

AFE # NM0223 - Grayling 11 Fed Com #502H

Rangible Completion	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 5,565,310 \$ 5,294 \$ - \$ 12,645 \$ 1,406,608 \$ 932,358 \$ 540,768 \$ 82,673 \$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058 \$ 39,516	\$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	5,565,310 5,294
8300.216 Cased Hole Logs & Surveys 8300.243 Analysis 8300.270 Stimulation: 8300.275 Proppant: 8300.207 Water: 8300.274 Water Transfer: 8300.266 Chemicals: 8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.215 Rental Equipment (Surface): 8300.216 Rental Equipment (Downhole): 8300.227 Mancamp: 8300.232 Disposal: 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 12,645 \$ 1,406,608 \$ 932,358 \$ 540,768 \$ 82,673 \$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	12,645 1,406,608 932,358 540,768 82,673 443,277 110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.243 Analysis 8300.270 Stimulation: 8300.275 Proppant: 8300.207 Water: 8300.274 Water Transfer: 8300.266 Chemicals: 8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 12,645 \$ 1,406,608 \$ 932,358 \$ 540,768 \$ 82,673 \$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	* * * * * * * * * * * * * * * * * * * *	1,406,608 932,358 540,768 82,673 443,277 110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.270 Stimulation: 8300.275 Proppant: 8300.207 Water: 8300.274 Water Transfer: 8300.266 Chemicals: 8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.290 Company Supervision: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.225 Contingency: Intangible Facilities	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 1,406,608 \$ 932,358 \$ 540,768 \$ 82,673 \$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,406,608 932,358 540,768 82,673 443,277 110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.275 Proppant: 8300.207 Water: 8300.274 Water Transfer: 8300.266 Chemicals: 8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.270 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 932,358 \$ 540,768 \$ 82,673 \$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	932,358 540,768 82,673 443,277 110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.207 Water: 8300.274 Water Transfer: 8300.266 Chemicals: 8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.270 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 540,768 \$ 82,673 \$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	540,768 82,673 443,277 110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.274 Water Transfer: 8300.266 Chemicals: 8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.270 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ 82,673 \$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	82,673 443,277 110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.266 Chemicals: 8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.290 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 443,277 \$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	443,277 110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.209 Pump Down Services: 8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 110,117 \$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$	-	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	110,117 399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.214 Wireline/Perforating: 8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 399,556 \$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$	- - - - - - - - -	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	399,556 700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.203 Fuel, Power: 8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 700,280 \$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$ \$ \$ \$ \$	- - - - - - - - -	\$ \$ \$ \$ \$ \$	700,280 371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.210 Rental Equipment (Surface): 8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 371,475 \$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$	- - - - - - - -	\$ \$ \$ \$ \$	371,475 18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.277 Mancamp: 8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$ \$	-	\$ 18,815 \$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$	- - - - - - -	\$ \$ \$ \$ \$	18,815 43,431 28,704 6,876 200,739 30,506 1,581
8300.250 Rental Equipment (Downhole): 8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$ \$	- - - - - - -	\$ 43,431 \$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$ \$	- - - - - -	\$ \$ \$ \$	43,431 28,704 6,876 200,739 30,506 1,581
8300.232 Disposal: 8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$ \$	- - - - - -	\$ 28,704 \$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$	- - - - -	\$ \$ \$ \$	28,704 6,876 200,739 30,506 1,581
8300.276 Safety & Environmental: 8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$ \$ \$	- - - - - -	\$ 6,876 \$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$ \$	- - - -	\$ \$ \$	6,876 200,739 30,506 1,581
8300.277 Consulting Services: 8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$	- - - - -	\$ 200,739 \$ 30,506 \$ 1,581 \$ 5,058	\$ \$ \$	- - - -	\$ \$ \$	200,739 30,506 1,581
8300.212 Contract Labor: 8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency:	\$ \$ \$ \$	- - - -	\$ 30,506 \$ 1,581 \$ 5,058	\$	- - -	\$	30,506 1,581
8300.278 Roustabout Services: 8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$ \$ \$	- - - -	\$ 1,581 \$ 5,058	\$	-	\$	1,581
8300.220 Company Supervision: 8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$ \$ \$		\$ 5,058	,	-		
8300.230 Completions Rig: 8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$	-		\$	_	\$	5,058
8300.271 Coil Tubing Unit 8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities	\$	-	¢ 20.546				
8300.273 Flowback: 8300.229 Transportation: 8300.225 Contingency: Intangible Facilities			φ 39,516	\$	-	\$	39,516
8300.229 Transportation: 8300.225 Contingency: Intangible Facilities		-	\$ 111,243	\$	-	\$	111,243
8300.225 Contingency: Intangible Facilities	\$	-	\$ 59,201	\$	-	\$	59,201
Intangible Facilities	\$	-	\$ 14,592	\$	-	\$	14,592
	\$	-	\$ -	\$	-	\$	-
8350 401 Title Work/Permit Fees:	\$	-	\$ -	\$	353,282	\$	353,282
0000.401 1180 1101101 0111111 000.	\$	-	\$ -	\$	-	\$	-
8350.402 Damages/ROW:	\$	-	\$ -	\$	-	\$	
8350.403 Location, Roads:	\$	-	\$ -	\$	708	\$	708
8350.405 Pipeline/Flowline Labor:	\$	-	\$ -	\$	-	\$	
8350.406 Automation/Electrical Labor:	\$	-	\$ -	\$	_	\$	_
8350.407 Engineering/Technical Labor:	\$	-	\$ -	\$	80,500	\$	80,500
8350.408 Civil/Mechanical Labor:	\$		\$ -	\$	163,933	\$	163,933
8350.409 Commissioning Labor:	\$	-	\$ -	\$	-	\$	-
8350.410 Transportation:	\$	-	\$ -	\$	22,154	\$	22,154
8350.404 Equipment Rentals:	\$	_	\$ -	\$	14,141	\$	14,141
8350.411 Safety & Environmental:	\$		\$ -	\$	-	\$	
8350.413 Contingency:	\$		\$ -	\$	71,847	\$	71,847
TOTAL INTANGIBLE COSTS >>>	\$ 2,7	784,801	\$ 5,565,310	\$	353,282	\$	8,703,394

TOTAL D&C&F COSTS >>>	\$ 3,758,094	\$ 5,851,785	\$ 1,508,788	\$ 11,118,667
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	 Working Interest:	
Signature:	Date: _	
D		



AFE: NM0224 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #503H Projected MD/TVD: 19823 / 9500

Target: Bone Springs Spud to TD: 13.1 days

County: Lea Lateral Length: 10,000

State: NM Stages: 64

ate: NM Stages: 64

SHL: Sec: 11, T-19S, R-32E; FNL, FWL Total Proppant (ppf): 2,500

BHL: Sec: 14, T-19S, R-32E; FSL, 2178 FEL Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #503H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19823' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,758,094

COMPLETIONS: \$5,851,785

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,118,667

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0224 - Grayling 11 Fed Com #503H

	TANGIBLE COSTS	Drilling	Con	pletion	Facilities	Total
Tangible Drilling		\$ 973,293	\$	-	\$ -	\$ 973,293
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 606,839	\$	-	\$ -	\$ 606,839
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion	on	\$ -	\$	286,475	\$ -	\$ 286,475
8400.308	Tubing:	\$ -	\$	137,538	\$ -	\$ 137,538
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$		\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$		\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$		\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347		\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ 	\$	-	\$ -	\$
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ -	\$
	TOTAL TANGIBLE COSTS >>>	\$ 973,293	\$ 2	286,475	\$ 1,155,505	\$ 2,415,273

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,784,801	\$ -	\$ -	\$ 2,784,801
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 700,583	\$ -	\$ -	\$ 700,583
8200.104	Fuel/Power:	\$ 146,389	\$ -	\$ -	\$ 146,389
8200.116	Bits & BHA:	\$ 67,314	\$ -	\$ -	\$ 67,314
8200.128	Directional:	\$ 216,434	\$ -	\$ -	\$ 216,434
8200.117	Mud & Chemicals:	\$ 166,629	\$ -	\$ -	\$ 166,629
8200.115	Mud - Drill Water:	\$ 4,896	\$ -	\$ -	\$ 4,896
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,407	\$ -	\$ -	\$ 29,407
8200.164	Solids Control/Closed Loop:	\$ 97,988	\$ -	\$ -	\$ 97,988
8200.158	Disposal:	\$ 183,314	\$ -	\$ -	\$ 183,314
8200.124	Equipment Rental:	\$ 100,704	\$ -	\$ -	\$ 100,704
8200.146	Mancamp:	\$ 42,504	\$ -	\$ -	\$ 42,504
8200.137	Casing Services:	\$ 71,851	\$ -	\$ -	\$ 71,851
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 103,498	\$ -	\$ -	\$ 103,498
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 225,322	\$ -	\$ -	\$ 225,322
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,145	\$ -	\$ -	\$ 2,145
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,531	\$ -	\$ -	\$ 7,531
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,232	\$ -	\$ -	\$ 2,232
8200.147	Drilling Overhead:	\$ 4,501	\$ -	\$ -	\$ 4,501
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$

AFE # NM0224 - Grayling 11 Fed Com #503H

Intangible Completio	·	T _{\$}	-	\$	5,565,310	\$		\$	5,565,310
8300.205	Location & Roads:	\$			5,294	\$		\$	5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$	5,294	\$	-	•	5,294
8300.243	Analysis	,		\$	40.045	\$		\$	10.045
	Stimulation:	\$		\$	12,645	\$		\$	12,645
8300.270		\$	-	\$	1,406,608	•	-	\$	1,406,608
8300.275	Proppant:	\$	-	\$	932,358	\$	-	\$	932,358
8300.207	Water:	\$	-	\$	540,768	\$	-	\$	540,768
8300.274	Water Transfer:	\$	-	\$	82,673	\$	-	\$	82,673
8300.266	Chemicals:	\$	-	\$	443,277	\$	-	\$	443,277
8300.209	Pump Down Services:	\$	-	\$	110,117	\$	-	\$	110,117
8300.214	Wireline/Perforating:	\$	-	\$	399,556	\$	-	\$	399,556
8300.203	Fuel, Power:	\$	-	\$	700,280	\$	-	\$	700,280
8300.210	Rental Equipment (Surface):	\$	-	\$	371,475	\$	-	\$	371,475
8300.277	Mancamp:	\$	-	\$	18,815	\$	-	\$	18,815
8300.250	Rental Equipment (Downhole):	\$	-	\$	43,431	\$	-	\$	43,431
8300.232	Disposal:	\$	-	\$	28,704	\$	-	\$	28,704
8300.276	Safety & Environmental:	\$	-	\$	6,876	\$	-	\$	6,876
8300.277	Consulting Services:	\$	-	\$	200,739	\$	-	\$	200,739
8300.212	Contract Labor:	\$	-	\$	30,506	\$	-	\$	30,506
8300.278	Roustabout Services:	\$	-	\$	1,581	\$	-	\$	1,581
8300.220	Company Supervision:	\$	-	\$	5,058	\$	-	\$	5,058
8300.230	Completions Rig:	\$	-	\$	39,516	\$	-	\$	39,516
8300.271	Coil Tubing Unit	\$	-	\$	111,243	\$	-	\$	111,243
8300.273	Flowback:	\$	-	\$	59,201	\$	-	\$	59,201
8300.229	Transportation:	\$	-	\$	14,592	\$	-	\$	14,592
8300.225	Contingency:	\$	-	\$	-	\$	-	\$	-
Intangible Facilities		\$	-	\$	-	\$	353,282	\$	353,282
8350.401	Title Work/Permit Fees:	\$	-	\$	-	\$	-	\$	-
8350.402	Damages/ROW:	\$	-	\$	-	\$	-	\$	-
8350.403	Location, Roads:	\$	-	\$	-	\$	708	\$	708
8350.405	Pipeline/Flowline Labor:	\$	-	\$	-	\$	-	\$	-
8350.406	Automation/Electrical Labor:	\$	-	\$	-	\$	-	\$	-
8350.407	Engineering/Technical Labor:	\$	-	\$	-	\$	80,500	\$	80,500
8350.408	Civil/Mechanical Labor:	\$	-	\$	-	\$	163,933	\$	163,933
8350.409	Commissioning Labor:	\$	_	\$	-	\$	-	\$	-
8350.410	Transportation:	\$	_	\$	_	\$	22,154	\$	22,154
8350.404	Equipment Rentals:	\$	_	\$	_	\$	14,141	\$	14,141
8350.411	Safety & Environmental:	\$	_	\$	_	\$		\$	
8350.413	Contingency:	\$	_	\$	_	\$	71,847	\$	71,847
	TAL INTANGIBLE COSTS >>>	\$	2,784,801	_	5,565,310	\$	353,282	\$	8,703,394

TOTAL D&C&F COSTS >>>	\$ 3,75	58,094	\$	5,851,785	\$	1,508,788	\$ 11,118,667
TOTAL D&C&F COSTS >>>	Drill	ing	Co	mpletion	F	acilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
Der		



AFE: NM0225 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #504H Projected MD/TVD: 19823 / 9500

Target: Bone Springs Spud to TD: 13.1 days
County: Lea Lateral Length: 10,000

State: NM Stages: 64
SHI: Sec: 11 T-19S R-32F: FNI FWI Total Proposant (npf): 2.5

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 2178 FWL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #504H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19823' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,758,094

COMPLETIONS: \$5,851,785

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,118,667

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0225 - Grayling 11 Fed Com #504H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 973,293	\$	-	\$ -	\$ 973,293
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 606,839	\$	-	\$ -	\$ 606,839
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completio	n	\$ -	\$	286,475	\$ -	\$ 286,475
8400.308	Tubing:	\$ -	\$	137,538	\$ -	\$ 137,538
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$		\$ 	\$
	TOTAL TANGIBLE COSTS >>>	\$ 973,293	\$	286,475	\$ 1,155,505	\$ 2,415,273

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,784,801	\$ -	\$ -	\$ 2,784,801
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 700,583	\$ -	\$ -	\$ 700,583
8200.104	Fuel/Power:	\$ 146,389	\$ -	\$ -	\$ 146,389
8200.116	Bits & BHA:	\$ 67,314	\$ -	\$ -	\$ 67,314
8200.128	Directional:	\$ 216,434	\$ -	\$ -	\$ 216,434
8200.117	Mud & Chemicals:	\$ 166,629	\$ -	\$ -	\$ 166,629
8200.115	Mud - Drill Water:	\$ 4,896	\$ -	\$ -	\$ 4,896
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,407	\$ -	\$ -	\$ 29,407
8200.164	Solids Control/Closed Loop:	\$ 97,988	\$ -	\$ -	\$ 97,988
8200.158	Disposal:	\$ 183,314	\$ -	\$ -	\$ 183,314
8200.124	Equipment Rental:	\$ 100,704	\$ -	\$ -	\$ 100,704
8200.146	Mancamp:	\$ 42,504	\$ -	\$ -	\$ 42,504
8200.137	Casing Services:	\$ 71,851	\$ -	\$ -	\$ 71,851
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 103,498	\$ -	\$ -	\$ 103,498
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 225,322	\$ -	\$ -	\$ 225,322
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,145	\$ -	\$ -	\$ 2,145
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,531	\$ -	\$ -	\$ 7,531
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,232	\$ -	\$ -	\$ 2,232
8200.147	Drilling Overhead:	\$ 4,501	\$ -	\$ -	\$ 4,501
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:	\$ _	\$ -	\$ -	\$ _

AFE # NM0225 - Grayling 11 Fed Com #504H

r	·	 1110000					
Intangible Completio	n	\$ -	\$	5,565,310	\$	-	\$ 5,565,310
8300.205	Location & Roads:	\$ -	\$	5,294	\$	-	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$	-	\$	-	\$ -
8300.243	Analysis	\$ -	\$	12,645	\$	-	\$ 12,645
8300.270	Stimulation:	\$ -	\$	1,406,608	\$	-	\$ 1,406,608
8300.275	Proppant:	\$ -	\$	932,358	\$	-	\$ 932,358
8300.207	Water:	\$ -	\$	540,768	\$	-	\$ 540,768
8300.274	Water Transfer:	\$ -	\$	82,673	\$	-	\$ 82,673
8300.266	Chemicals:	\$ -	\$	443,277	\$	-	\$ 443,277
	Pump Down Services:	\$ -	\$	110,117	\$	-	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$	399,556	\$	-	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$	700,280	\$	-	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$		\$	-	\$ 371,475
	Mancamp:	\$ -	\$		\$	-	\$ 18,815
	Rental Equipment (Downhole):	\$ -	\$	43,431	\$	-	\$ 43,431
8300.232	Disposal:	\$ -	\$	28,704	\$	-	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$	6,876	\$	-	\$ 6,876
8300.277	Consulting Services:	\$ -	\$	200,739	\$	-	\$ 200,739
8300.212	Contract Labor:	\$ -	\$		\$	-	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$	1,581	\$	-	\$ 1,581
8300.220	Company Supervision:	\$ -	\$	5,058	\$	-	\$ 5,058
8300.230	Completions Rig:	\$ -	\$	39,516	\$	-	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$	111,243	\$	-	\$ 111,243
8300.273	Flowback:	\$ -	\$	59,201	\$	-	\$ 59,201
8300.229	Transportation:	\$ -	\$	14,592	\$	-	\$ 14,592
8300.225	Contingency:	\$ -	\$	-	\$	-	\$ -
Intangible Facilities		\$	\$	-	\$	353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$	-	\$	-	\$ -
8350.402	Damages/ROW:	\$ -	\$	-	\$	-	\$ -
8350.403	Location, Roads:	\$ -	\$	-	\$	708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$	-	\$	-	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$	-	\$	-	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$	-	\$	80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$	-	\$	163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$	-	\$	-	\$ -
8350.410	Transportation:	\$ -	\$	-	\$	22,154	\$ 22,154
	Equipment Rentals:	\$ -	\$	-	\$	14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$	-	\$	-	\$ -
8350.413	Contingency:	\$ -	\$	-	\$	71,847	\$ 71,847
	TAL INTANGIBLE COSTS >>>	\$ 2,784,801	\$	5,565,310	\$	353,282	\$ 8,703,394
		 _,,		,,	~	300,202	 -,,,

TOTAL D&C&F COSTS >>>	\$ 3,758,094	\$ 5,851,785	\$ 1,508,788	\$ 11,118,667
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0226 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #505H Projected MD/TVD: 19823 / 9500

Target:Bone SpringsSpud to TD:13.1 daysCounty:LeaLateral Length:10,000

State: NM Stages: 64
SHL: Sec: 11, T-19S, R-32E; FNL, FWL Total Proppant (ppf): 2,500

 SHL: Sec: 11, T-19S, R-32E; FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E; FSL, 1254 FWL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #505H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19823' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,758,094

COMPLETIONS: \$5,851,785

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,118,667

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0226 - Grayling 11 Fed Com #505H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 973,293	\$	-	\$ -	\$ 973,293
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 606,839	\$	-	\$ -	\$ 606,839
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completio	n	\$ -	\$	286,475	\$ -	\$ 286,475
8400.308	Tubing:	\$ -	\$	137,538	\$ -	\$ 137,538
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$		\$ 	\$
	TOTAL TANGIBLE COSTS >>>	\$ 973,293	\$	286,475	\$ 1,155,505	\$ 2,415,273

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,784,801	\$ -	\$ -	\$ 2,784,801
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 700,583	\$ -	\$ -	\$ 700,583
8200.104	Fuel/Power:	\$ 146,389	\$ -	\$ -	\$ 146,389
8200.116	Bits & BHA:	\$ 67,314	\$ -	\$ -	\$ 67,314
8200.128	Directional:	\$ 216,434	\$ -	\$ -	\$ 216,434
8200.117	Mud & Chemicals:	\$ 166,629	\$ -	\$ -	\$ 166,629
8200.115	Mud - Drill Water:	\$ 4,896	\$ -	\$ -	\$ 4,896
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,407	\$ -	\$ -	\$ 29,407
8200.164	Solids Control/Closed Loop:	\$ 97,988	\$ -	\$ -	\$ 97,988
8200.158	Disposal:	\$ 183,314	\$ -	\$ -	\$ 183,314
8200.124	Equipment Rental:	\$ 100,704	\$ -	\$ -	\$ 100,704
8200.146	Mancamp:	\$ 42,504	\$ -	\$ -	\$ 42,504
8200.137	Casing Services:	\$ 71,851	\$ -	\$ -	\$ 71,851
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 103,498	\$ -	\$ -	\$ 103,498
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 225,322	\$ -	\$ -	\$ 225,322
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,145	\$ -	\$ -	\$ 2,145
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,531	\$ -	\$ -	\$ 7,531
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,232	\$ -	\$ -	\$ 2,232
8200.147	Drilling Overhead:	\$ 4,501	\$ -	\$ -	\$ 4,501
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency:	\$ _	\$ -	\$ -	\$ _

AFE # NM0226 - Grayling 11 Fed Com #505H

Intangible Completio	n	\$ -	\$ 5,565,310	\$ -	\$ 5,565,310
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ 	\$ -	\$ -
8300.243	Analysis	\$ _	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 111,243	\$ -	\$ 111,243
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 14,592	\$ -	\$ 14,592
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,784,801	\$ 5,565,310	\$ 353,282	\$ 8,703,394

TOTAL D&C&F COSTS >>>	\$ 3,758,094	\$ 5,851,785	\$ 1,508,788	\$ 11,118,667
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0227 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #506H Projected MD/TVD: 19823 / 9500

Target: Bone Springs Spud to TD: 13.1 days
County: Lea Lateral Length: 10,000

State: NM Stages: 64
SHL: Sec: 11, T-19S, R-32E; FNL, FWL Total Proppant (ppf): 2,500

BHL: Sec: 14, T-19S, R-32E; FSL, 330 FWL Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #506H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19823' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,758,094

COMPLETIONS: \$5,851,785

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,118,667

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0227 - Grayling 11 Fed Com #506H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 973,293	\$	-	\$ -	\$ 973,293
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 606,839	\$	-	\$ -	\$ 606,839
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion	i	\$ -	\$	286,475	\$ -	\$ 286,475
8400.308	Tubing:	\$ -	\$	137,538	\$ -	\$ 137,538
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$		\$ 	\$
	TOTAL TANGIBLE COSTS >>>	\$ 973,293	\$	286,475	\$ 1,155,505	\$ 2,415,273

INTANGIBLE COSTS ntangible Drilling		Drilling	Completion	Facilities	Total	
		\$ 2,784,801	\$ -	\$ -	\$	2,784,801
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$	5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$	7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$	10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$	7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$	102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$	71,655
8200.102	Drilling Daywork:	\$ 700,583	\$ -	\$ -	\$	700,583
8200.104	Fuel/Power:	\$ 146,389	\$ -	\$ -	\$	146,389
8200.116	Bits & BHA:	\$ 67,314	\$ -	\$ -	\$	67,314
8200.128	Directional:	\$ 216,434	\$ -	\$ -	\$	216,434
8200.117	Mud & Chemicals:	\$ 166,629	\$ -	\$ -	\$	166,629
8200.115	Mud - Drill Water:	\$ 4,896	\$ -	\$ -	\$	4,896
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$	23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$	107,021
8200.119	Mud - Auxiliary:	\$ 29,407	\$ -	\$ -	\$	29,407
8200.164	Solids Control/Closed Loop:	\$ 97,988	\$ -	\$ -	\$	97,988
8200.158	Disposal:	\$ 183,314	\$ -	\$ -	\$	183,314
8200.124	Equipment Rental:	\$ 100,704	\$ -	\$ -	\$	100,704
8200.146	Mancamp:	\$ 42,504	\$ -	\$ -	\$	42,504
8200.137	Casing Services:	\$ 71,851	\$ -	\$ -	\$	71,851
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$	200,213
8200.106	Transportation:	\$ 103,498	\$ -	\$ -	\$	103,498
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$	45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$	2,400
8200.107	Consulting Services:	\$ 225,322	\$ -	\$ -	\$	225,322
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$	27,283
8200.168	Roustabout Services:	\$ 2,145	\$ -	\$ -	\$	2,145
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$	-
8200.143	Geo-Steering:	\$ 7,531	\$ -	\$ -	\$	7,531
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$	-
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$	-
8200.165	Safety & Environmental:	\$ 2,232	\$ -	\$ -	\$	2,232
8200.147	Drilling Overhead:	\$ 4,501	\$ -	\$ -	\$	4,501
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$	-
8200.153	Contingency:	\$ _	\$ -	\$ -	\$	_

AFE # NM0227 - Grayling 11 Fed Com #506H

Intangible Completio		Ts	1110000	\$ 5,565,310	\$	\$ 5,565,310
		-	-	 		
8300.205	Location & Roads:	\$	-	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$	-	\$ -	\$ -	\$ <u> </u>
8300.243	Analysis	\$	-	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$	-	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$	-	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$	-	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$	-	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$	-	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$	-	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$	-	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$	-	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$	-	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$	-	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$	-	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$	-	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$	-	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$	-	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$	-	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$	-	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$	-	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$	-	\$ 111,243	\$ -	\$ 111,243
8300.273	Flowback:	\$	-	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$	-	\$ 14,592	\$ -	\$ 14,592
8300.225	Contingency:	\$	-	\$ -	\$ -	\$ -
Intangible Facilities	•	\$	-	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$	-	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$	-	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$	-	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$	-	\$ _	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$	-	\$ -	\$ -,	\$ -
8350.410	Transportation:	\$	-	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$	_	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$	_	\$ _	\$ 	\$ -
8350.413	Contingency:	\$	_	\$ _	\$ 71,847	\$ 71,847
	TAL INTANGIBLE COSTS >>>	\$	2,784,801	\$ 5,565,310	\$ 353,282	\$ 8,703,394

TOTAL D&C&F COSTS >>>	\$ 3,75	58,094	\$	5,851,785	\$	1,508,788	\$ 11,118,667
TOTAL D&C&F COSTS >>>	Drill	ing	Co	mpletion	F	acilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

JOINT INTEREST APPROVAL:

Company:	Working Interest:	
Signature:	Date:	
Bv:		



Authority for Expenditure

AFE: NM0228 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #601H Projected MD/TVD: 20773 / 10450

Target:Bone SpringsSpud to TD:13.5 daysCounty:LeaLateral Length:10,000State:NMStages:64

SHL: Sec: 11, T-19S, R-32E; FNL, FWL

BHL: Sec: 14, T-19S, R-32E; FSL, 330 FEL

Total Proppant (ppf): 2,500

Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #601H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20773' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,839,091

COMPLETIONS: \$5,867,351

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,215,229

OPERATOR APPROVAL:

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0228 - Grayling 11 Fed Com #601H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 1,002,224	\$	-	\$ -	\$ 1,002,224
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 635,769	\$	-	\$ -	\$ 635,769
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	300,489	\$ -	\$ 300,489
8400.308	Tubing:	\$ -	\$	151,552	\$ -	\$ 151,552
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ 	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ 	\$ -
7	OTAL TANGIBLE COSTS >>>	\$ 1,002,224	\$	300,489	\$ 1,155,505	\$ 2,458,219

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,836,867	\$ -	\$	\$ 2,836,867
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 721,796	\$ -	\$ -	\$ 721,796
8200.104	Fuel/Power:	\$ 151,676	\$ -	\$ -	\$ 151,676
8200.116	Bits & BHA:	\$ 67,571	\$ -	\$ -	\$ 67,571
8200.128	Directional:	\$ 221,249	\$ -	\$ -	\$ 221,249
8200.117	Mud & Chemicals:	\$ 168,332	\$ -	\$ -	\$ 168,332
8200.115	Mud - Drill Water:	\$ 4,986	\$ -	\$ -	\$ 4,986
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,749	\$ -	\$ -	\$ 29,749
8200.164	Solids Control/Closed Loop:	\$ 100,734	\$ -	\$ -	\$ 100,734
8200.158	Disposal:	\$ 184,431	\$ -	\$ -	\$ 184,431
8200.124	Equipment Rental:	\$ 103,438	\$ -	\$ -	\$ 103,438
8200.146	Mancamp:	\$ 43,143	\$ -	\$ -	\$ 43,143
8200.137	Casing Services:	\$ 72,035	\$ -	\$ -	\$ 72,035
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 106,501	\$ -	\$ -	\$ 106,501
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 232,965	\$ -	\$ -	\$ 232,965
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,157	\$ -	\$ -	\$ 2,157
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,615	\$ -	\$ -	\$ 7,615
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,289	\$ -	\$ -	\$ 2,289
8200.147	Drilling Overhead:	\$ 4,640	\$ -	\$ -	\$ 4,640
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$

AFE # NM0228 - Grayling 11 Fed Com #601H

Intangible Completio	n	\$ -	\$ 5,566,861	\$ -	\$ 5,566,861
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 111,844	\$ -	\$ 111,844
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 15,542	\$ -	\$ 15,542
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,836,867	\$ 5,566,861	\$ 353,282	\$ 8,757,011

TOTAL D&C&F COSTS >>>	\$ 3,839,091	\$ 5,867,351	\$ 1,508,788	\$ 11,215,229
IUIAL D&C&F CUSIS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

JOINT INTEREST APPROVAL:

Company:	Working Interest:	
Signature:	Date:	
Bv:		



Authority for Expenditure

AFE: NM0229 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #602H Projected MD/TVD: 20773 / 10450
Target: Bone Springs Spud to TD: 13.5 days

County: Lea Lateral Length: 10,000
State: NM Stages: 64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 1254 FEL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #602H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20773' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,839,091

COMPLETIONS: \$5,867,351

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,215,229

OPERATOR APPROVAL:

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0229 - Grayling 11 Fed Com #602H

	TANGIBLE COSTS	Drilling	C	ompletion	Facilities	Total
Tangible Drilling		\$ 1,002,224	\$	-	\$ -	\$ 1,002,224
8400.30	1 Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.30	2 Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.30	2 Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.30	3 Production Casing:	\$ 635,769	\$	-	\$ -	\$ 635,769
8400.34	0 Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	300,489	\$ -	\$ 300,489
8400.30	8 Tubing:	\$ -	\$	151,552	\$ -	\$ 151,552
8400.34	0 Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.31	2 Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.34	1 Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.34	2 Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.34	3 Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.34	4 Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.31	6 Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.32	8 Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.34	5 LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.34	6 Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.34	· 1 ·	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.34	8 Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.34	9 Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.31	5 Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.35	0 Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ 	\$
	TOTAL TANGIBLE COSTS >>>	\$ 1,002,224	\$	300,489	\$ 1,155,505	\$ 2,458,219

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,836,867	\$ -	\$ -	\$ 2,836,867
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 721,796	\$ -	\$ -	\$ 721,796
8200.104	Fuel/Power:	\$ 151,676	\$ -	\$ -	\$ 151,676
8200.116	Bits & BHA:	\$ 67,571	\$ -	\$ -	\$ 67,571
8200.128	Directional:	\$ 221,249	\$ -	\$ -	\$ 221,249
8200.117	Mud & Chemicals:	\$ 168,332	\$ -	\$ -	\$ 168,332
8200.115	Mud - Drill Water:	\$ 4,986	\$ -	\$ -	\$ 4,986
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,749	\$ -	\$ -	\$ 29,749
8200.164	Solids Control/Closed Loop:	\$ 100,734	\$ -	\$ -	\$ 100,734
8200.158	Disposal:	\$ 184,431	\$ -	\$ -	\$ 184,431
8200.124	Equipment Rental:	\$ 103,438	\$ -	\$ -	\$ 103,438
8200.146	Mancamp:	\$ 43,143	\$ -	\$ -	\$ 43,143
8200.137	Casing Services:	\$ 72,035	\$ -	\$ -	\$ 72,035
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 106,501	\$ -	\$ -	\$ 106,501
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 232,965	\$ -	\$ -	\$ 232,965
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,157	\$ -	\$ -	\$ 2,157
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,615	\$ -	\$ -	\$ 7,615
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,289	\$ -	\$ -	\$ 2,289
8200.147	Drilling Overhead:	\$ 4,640	\$ -	\$ -	\$ 4,640
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$

AFE # NM0229 - Grayling 11 Fed Com #602H

Intangible Completio	n	\$ -	\$ 5,566,861	\$ -	\$ 5,566,861
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ 	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ _	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 111,844	\$ -	\$ 111,844
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 15,542	\$ -	\$ 15,542
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ •	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,836,867	\$ 5,566,861	\$ 353,282	\$ 8,757,011

TOTAL D&C&F COSTS >>>	\$ 3,839,091	\$ 5,867,351	\$ 1,508,788	\$ 11,215,229
TOTAL DACAF COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

JOINT INTEREST APPROVAL:

Company:	Working Interest:	
Signature:	Date:	
Bv:		



Authority for Expenditure

AFE: NM0230 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #603H Projected MD/TVD: 20773 / 10450

Target:Bone SpringsSpud to TD:13.5 daysCounty:Lateral Length:10,000State:NMStages:64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 2178 FEL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #603H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20773' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,839,091

COMPLETIONS: \$5,867,351

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,215,229

OPERATOR APPROVAL:

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0230 - Grayling 11 Fed Com #603H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 1,002,224	\$	-	\$ -	\$ 1,002,224
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 635,769	\$	-	\$ -	\$ 635,769
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	300,489	\$ -	\$ 300,489
8400.308	Tubing:	\$ -	\$	151,552	\$ -	\$ 151,552
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$		\$ 	\$
7	OTAL TANGIBLE COSTS >>>	\$ 1,002,224	\$	300,489	\$ 1,155,505	\$ 2,458,219

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,836,867	\$ -	\$	\$ 2,836,867
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 721,796	\$ -	\$ -	\$ 721,796
8200.104	Fuel/Power:	\$ 151,676	\$ -	\$ -	\$ 151,676
8200.116	Bits & BHA:	\$ 67,571	\$ -	\$ -	\$ 67,571
8200.128	Directional:	\$ 221,249	\$ -	\$ -	\$ 221,249
8200.117	Mud & Chemicals:	\$ 168,332	\$ -	\$ -	\$ 168,332
8200.115	Mud - Drill Water:	\$ 4,986	\$ -	\$ -	\$ 4,986
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,749	\$ -	\$ -	\$ 29,749
8200.164	Solids Control/Closed Loop:	\$ 100,734	\$ -	\$ -	\$ 100,734
8200.158	Disposal:	\$ 184,431	\$ -	\$ -	\$ 184,431
8200.124	Equipment Rental:	\$ 103,438	\$ -	\$ -	\$ 103,438
8200.146	Mancamp:	\$ 43,143	\$ -	\$ -	\$ 43,143
8200.137	Casing Services:	\$ 72,035	\$ -	\$ -	\$ 72,035
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 106,501	\$ -	\$ -	\$ 106,501
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 232,965	\$ -	\$ -	\$ 232,965
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,157	\$ -	\$ -	\$ 2,157
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,615	\$ -	\$ -	\$ 7,615
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,289	\$ -	\$ -	\$ 2,289
8200.147	Drilling Overhead:	\$ 4,640	\$ -	\$ -	\$ 4,640
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$

AFE # NM0230 - Grayling 11 Fed Com #603H

Intangible Completic					
I sanguate completio	on .	\$ -	\$ 5,566,861	\$ -	\$ 5,566,861
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ 	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 111,844	\$ -	\$ 111,844
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 15,542	\$ -	\$ 15,542
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ 	\$ 	\$ 71,847	\$ 71,847
TO	TAL INTANGIBLE COSTS >>>	\$ 2,836,867	\$ 5,566,861	\$ 353,282	\$ 8,757,011

TOTAL D&C&F COSTS >>>	\$ 3,839,091	\$ 5,867,351	\$ 1,508,788	\$ 11,215,229
TOTAL DACAF COSTS >>>	Drilling	Completion	Facilities	Total

 $This \ Authority \ For \ Expenditure \ is \ based \ on \ cost \ estimates \ only. \ Billing \ will \ reflect \ your \ proportionate \ share \ of \ the \ actual \ invoice \ costs.$

JOINT INTEREST APPROVAL:

Company:	Working Interest:	
Signature:	Date:	
Dur		



Authority for Expenditure

AFE: NM0231 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #604H Projected MD/TVD: 20773 / 10450

Target:Bone SpringsSpud to TD:13.5 daysCounty:LeaLateral Length:10,000State:NMStages:64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 2178 FWL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #604H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20773' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,839,091

COMPLETIONS: \$5,867,351

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,215,229

OPERATOR APPROVAL:

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0231 - Grayling 11 Fed Com #604H

	TANGIBLE COSTS	Drilling	Com	pletion	Facilities	Total
Tangible Drilling		\$ 1,002,224	\$	-	\$ -	\$ 1,002,224
8400.30°	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	2 Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	2 Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 635,769	\$	-	\$ -	\$ 635,769
8400.340) Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completi	on	\$ -	\$	300,489	\$ -	\$ 300,489
8400.308	Tubing:	\$ -	\$	151,552	\$ -	\$ 151,552
8400.340) Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	2 Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.34	1 Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	2 Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.34	5 LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.34	7 Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.31	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350) Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$	-	\$ -	\$
	TOTAL TANGIBLE COSTS >>>	\$ 1,002,224	\$ 3	300,489	\$ 1,155,505	\$ 2,458,219

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,836,867	\$ -	\$ -	\$ 2,836,867
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 721,796	\$ -	\$ -	\$ 721,796
8200.104	Fuel/Power:	\$ 151,676	\$ -	\$ -	\$ 151,676
8200.116	Bits & BHA:	\$ 67,571	\$ -	\$ -	\$ 67,571
8200.128	Directional:	\$ 221,249	\$ -	\$ -	\$ 221,249
8200.117	Mud & Chemicals:	\$ 168,332	\$ -	\$ -	\$ 168,332
8200.115	Mud - Drill Water:	\$ 4,986	\$ -	\$ -	\$ 4,986
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,749	\$ -	\$ -	\$ 29,749
8200.164	Solids Control/Closed Loop:	\$ 100,734	\$ -	\$ -	\$ 100,734
8200.158	Disposal:	\$ 184,431	\$ -	\$ -	\$ 184,431
8200.124	Equipment Rental:	\$ 103,438	\$ -	\$ -	\$ 103,438
8200.146	Mancamp:	\$ 43,143	\$ -	\$ -	\$ 43,143
8200.137	Casing Services:	\$ 72,035	\$ -	\$ -	\$ 72,035
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 106,501	\$ -	\$ -	\$ 106,501
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 232,965	\$ -	\$ -	\$ 232,965
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,157	\$ -	\$ -	\$ 2,157
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,615	\$ -	\$ -	\$ 7,615
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,289	\$ -	\$ -	\$ 2,289
8200.147	Drilling Overhead:	\$ 4,640	\$ -	\$ -	\$ 4,640
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$

AFE # NM0231 - Grayling 11 Fed Com #604H

Intangible Completion					
	on	\$ -	\$ 5,566,861	\$ -	\$ 5,566,861
8300.205	Location & Roads:	\$ -	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ -	\$ -	\$ -
8300.243	Analysis	\$ -	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 111,844	\$ -	\$ 111,844
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 15,542	\$ -	\$ 15,542
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ 	\$ -	\$ 71,847	\$ 71,847
TO	OTAL INTANGIBLE COSTS >>>	\$ 2,836,867	\$ 5,566,861	\$ 353,282	\$ 8,757,011

TOTAL D&C&F COSTS >>>	\$ 3,839,091	\$ 5,867,351	\$ 1,508,788	\$ 11,215,229
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

JOINT INTEREST APPROVAL:

Company:	Working Interest:	
Signature:	Date:	
Bv:		



Authority for Expenditure

AFE: NM0232 Date: June 28, 2023

Well Name: Grayling 11 Fed Com #605H Projected MD/TVD: 20773 / 10450

Target:Bone SpringsSpud to TD:13.5 daysCounty:LeaLateral Length:10,000State:NMStages:64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 1254 FWL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #605H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20773' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,839,091

COMPLETIONS: \$5,867,351

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,215,229

OPERATOR APPROVAL:

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0232 - Grayling 11 Fed Com #605H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 1,002,224	\$	-	\$ -	\$ 1,002,224
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 635,769	\$	-	\$ -	\$ 635,769
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	300,489	\$ -	\$ 300,489
8400.308	Tubing:	\$ -	\$	151,552	\$ -	\$ 151,552
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$		\$ 	\$
7	OTAL TANGIBLE COSTS >>>	\$ 1,002,224	\$	300,489	\$ 1,155,505	\$ 2,458,219

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,836,867	\$ -	\$	\$ 2,836,867
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 721,796	\$ -	\$ -	\$ 721,796
8200.104	Fuel/Power:	\$ 151,676	\$ -	\$ -	\$ 151,676
8200.116	Bits & BHA:	\$ 67,571	\$ -	\$ -	\$ 67,571
8200.128	Directional:	\$ 221,249	\$ -	\$ -	\$ 221,249
8200.117	Mud & Chemicals:	\$ 168,332	\$ -	\$ -	\$ 168,332
8200.115	Mud - Drill Water:	\$ 4,986	\$ -	\$ -	\$ 4,986
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,749	\$ -	\$ -	\$ 29,749
8200.164	Solids Control/Closed Loop:	\$ 100,734	\$ -	\$ -	\$ 100,734
8200.158	Disposal:	\$ 184,431	\$ -	\$ -	\$ 184,431
8200.124	Equipment Rental:	\$ 103,438	\$ -	\$ -	\$ 103,438
8200.146	Mancamp:	\$ 43,143	\$ -	\$ -	\$ 43,143
8200.137	Casing Services:	\$ 72,035	\$ -	\$ -	\$ 72,035
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 106,501	\$ -	\$ -	\$ 106,501
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 232,965	\$ -	\$ -	\$ 232,965
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,157	\$ -	\$ -	\$ 2,157
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,615	\$ -	\$ -	\$ 7,615
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,289	\$ -	\$ -	\$ 2,289
8200.147	Drilling Overhead:	\$ 4,640	\$ -	\$ -	\$ 4,640
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$

AFE # NM0232 - Grayling 11 Fed Com #605H

Intangible Completio	n	\$ -	\$ 5,566,861	\$ -	\$ 5,566,861
8300.205	Location & Roads:	\$ _	\$ 5,294	\$ -	\$ 5,294
8300.216	Cased Hole Logs & Surveys	\$ -	\$ 	\$ -	\$ -
8300.243	Analysis	\$ _	\$ 12,645	\$ -	\$ 12,645
8300.270	Stimulation:	\$ -	\$ 1,406,608	\$ -	\$ 1,406,608
8300.275	Proppant:	\$ -	\$ 932,358	\$ -	\$ 932,358
8300.207	Water:	\$ -	\$ 540,768	\$ -	\$ 540,768
8300.274	Water Transfer:	\$ -	\$ 82,673	\$ -	\$ 82,673
8300.266	Chemicals:	\$ -	\$ 443,277	\$ -	\$ 443,277
8300.209	Pump Down Services:	\$ -	\$ 110,117	\$ -	\$ 110,117
8300.214	Wireline/Perforating:	\$ -	\$ 399,556	\$ -	\$ 399,556
8300.203	Fuel, Power:	\$ -	\$ 700,280	\$ -	\$ 700,280
8300.210	Rental Equipment (Surface):	\$ -	\$ 371,475	\$ -	\$ 371,475
8300.277	Mancamp:	\$ -	\$ 18,815	\$ -	\$ 18,815
8300.250	Rental Equipment (Downhole):	\$ -	\$ 43,431	\$ -	\$ 43,431
8300.232	Disposal:	\$ -	\$ 28,704	\$ -	\$ 28,704
8300.276	Safety & Environmental:	\$ -	\$ 6,876	\$ -	\$ 6,876
8300.277	Consulting Services:	\$ -	\$ 200,739	\$ -	\$ 200,739
8300.212	Contract Labor:	\$ -	\$ 30,506	\$ -	\$ 30,506
8300.278	Roustabout Services:	\$ -	\$ 1,581	\$ -	\$ 1,581
8300.220	Company Supervision:	\$ -	\$ 5,058	\$ -	\$ 5,058
8300.230	Completions Rig:	\$ -	\$ 39,516	\$ -	\$ 39,516
8300.271	Coil Tubing Unit	\$ -	\$ 111,844	\$ -	\$ 111,844
8300.273	Flowback:	\$ -	\$ 59,201	\$ -	\$ 59,201
8300.229	Transportation:	\$ -	\$ 15,542	\$ -	\$ 15,542
8300.225	Contingency:	\$ -	\$ -	\$ -	\$ -
Intangible Facilities		\$ -	\$ -	\$ 353,282	\$ 353,282
8350.401	Title Work/Permit Fees:	\$ -	\$ -	\$ -	\$ -
8350.402	Damages/ROW:	\$ -	\$ -	\$ -	\$ -
8350.403	Location, Roads:	\$ -	\$ -	\$ 708	\$ 708
8350.405	Pipeline/Flowline Labor:	\$ -	\$ -	\$ -	\$ -
8350.406	Automation/Electrical Labor:	\$ -	\$ -	\$ -	\$ -
8350.407	Engineering/Technical Labor:	\$ -	\$ -	\$ 80,500	\$ 80,500
8350.408	Civil/Mechanical Labor:	\$ -	\$ -	\$ 163,933	\$ 163,933
8350.409	Commissioning Labor:	\$ -	\$ -	\$ -	\$ -
8350.410	Transportation:	\$ -	\$ -	\$ 22,154	\$ 22,154
8350.404	Equipment Rentals:	\$ -	\$ -	\$ 14,141	\$ 14,141
8350.411	Safety & Environmental:	\$ -	\$ -	\$ -	\$ -
8350.413	Contingency:	\$ -	\$ -	\$ 71,847	\$ 71,847
TC	TAL INTANGIBLE COSTS >>>	\$ 2,836,867	\$ 5,566,861	\$ 353,282	\$ 8,757,011

TOTAL D&C&F COSTS >>>	\$ 3,839,091	\$ 5,867,351	\$ 1,508,788	\$ 11,215,229
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

This Authority For Expenditure is based on cost estimates only. Billing will reflect your proportionate share of the actual invoice costs.

JOINT INTEREST APPROVAL:

Company:	 Working Interest:	
Signature:	Date: _	
D		



Authority for Expenditure

AFE:	NM0233		Date:	June 28, 2023
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Well Name: Grayling 11 Fed Com #606H Projected MD/TVD: 20773 / 10450

Target:Bone SpringsSpud to TD:13.5 daysCounty:LeaLateral Length:10,000State:NMStages:64

 SHL: Sec: 11, T-19S, R-32E;
 FNL, FWL
 Total Proppant (ppf): 2,500

 BHL: Sec: 14, T-19S, R-32E;
 FSL, 330 FWL
 Total Fluid (gal/ft): 3,000

PROJECT DESCRIPTION:

The proposed AFE is for the Grayling 11 Fed Com #606H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 5600' and a split string of 9.625" 40# J-55 BTC and 9.625" 40# L-80 HC BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20773' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,839,091

COMPLETIONS: \$5,867,351

FACILITIES: \$1,508,788

COMPLETED WELL COST: \$11,215,229

OPERATOR APPROVAL:

Signature:		Date:	
Name:	Jacob Nagy	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Skyler Gary	Title:	Co-C.E.O.
Signature:		Date:	
Name:	Pete Williams	Title:	C.F.O.
Signature:		Date:	
Name:	Braden Harris	Title:	S.V.P. Operations

AFE # NM0233 - Grayling 11 Fed Com #606H

	TANGIBLE COSTS	Drilling	С	ompletion	Facilities	Total
Tangible Drilling		\$ 1,002,224	\$	-	\$ -	\$ 1,002,224
8400.301	Surface Casing:	\$ 64,871	\$	-	\$ -	\$ 64,871
8400.302	Intermediate1 Casing:	\$ 244,681	\$	-	\$ -	\$ 244,681
8400.302	Intermediate2 Casing:	\$ -	\$	-	\$ -	\$ -
8400.303	Production Casing:	\$ 635,769	\$	-	\$ -	\$ 635,769
8400.340	Wellhead Equipment:	\$ 56,903	\$	-	\$ -	\$ 56,903
		\$ -	\$	-	\$ -	\$ -
Tangible Completion		\$ -	\$	300,489	\$ -	\$ 300,489
8400.308	Tubing:	\$ -	\$	151,552	\$ -	\$ 151,552
8400.340	Wellhead Equip:	\$ -	\$	107,841	\$ -	\$ 107,841
8400.312	Artificial Lift: Gas Lift	\$ -	\$	41,096	\$ -	\$ 41,096
		\$ -	\$	-	\$ -	\$ -
Tangible Facility		\$ -	\$	-	\$ 1,155,505	\$ 1,155,505
8400.341	Vessels:	\$ -	\$	-	\$ 220,123	\$ 220,123
8400.342	Tanks:	\$ -	\$	-	\$ 101,017	\$ 101,017
8400.343	Flare:	\$ -	\$	-	\$ 28,281	\$ 28,281
8400.344	Compressors:	\$ -	\$	-	\$ 19,708	\$ 19,708
8400.316	Pipe/Valves/Fittings:	\$ -	\$	-	\$ 166,483	\$ 166,483
8400.328	Instrumentation/Meters:	\$ -	\$	-	\$ 51,285	\$ 51,285
8400.345	LACT Unit:	\$ -	\$	-	\$ -	\$ -
8400.346	Electrical Facility:	\$ -	\$	-	\$ -	\$ -
8400.347	Containment:	\$ -	\$	-	\$ 27,245	\$ 27,245
8400.348	Pump/Supplies:	\$ -	\$	-	\$ 41,433	\$ 41,433
8400.349	Pipelines:	\$ -	\$	-	\$ -	\$ -
8400.315	Flowlines:	\$ -	\$	-	\$ -	\$ -
8400.350	Instrument/Electrical Panel:	\$ -	\$	-	\$ 499,929	\$ 499,929
		\$ 	\$		\$ 	\$
7	OTAL TANGIBLE COSTS >>>	\$ 1,002,224	\$	300,489	\$ 1,155,505	\$ 2,458,219

	INTANGIBLE COSTS	Drilling	Completion	Facilities	Total
Intangible Drilling		\$ 2,836,867	\$ -	\$ -	\$ 2,836,867
8200.111	Survey, Stake/Permit:	\$ 5,269	\$ -	\$ -	\$ 5,269
8200.113	Damages/ROW:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.149	Legal, Title, Etc.	\$ 10,538	\$ -	\$ -	\$ 10,538
8200.152	Well Control Insurance:	\$ 7,903	\$ -	\$ -	\$ 7,903
8200.112	Location:	\$ 102,606	\$ -	\$ -	\$ 102,606
8200.103	Rig Move:	\$ 71,655	\$ -	\$ -	\$ 71,655
8200.102	Drilling Daywork:	\$ 721,796	\$ -	\$ -	\$ 721,796
8200.104	Fuel/Power:	\$ 151,676	\$ -	\$ -	\$ 151,676
8200.116	Bits & BHA:	\$ 67,571	\$ -	\$ -	\$ 67,571
8200.128	Directional:	\$ 221,249	\$ -	\$ -	\$ 221,249
8200.117	Mud & Chemicals:	\$ 168,332	\$ -	\$ -	\$ 168,332
8200.115	Mud - Drill Water:	\$ 4,986	\$ -	\$ -	\$ 4,986
8200.169	Mud Brine:	\$ 23,458	\$ -	\$ -	\$ 23,458
8200.170	Mud - Diesel:	\$ 107,021	\$ -	\$ -	\$ 107,021
8200.119	Mud - Auxiliary:	\$ 29,749	\$ -	\$ -	\$ 29,749
8200.164	Solids Control/Closed Loop:	\$ 100,734	\$ -	\$ -	\$ 100,734
8200.158	Disposal:	\$ 184,431	\$ -	\$ -	\$ 184,431
8200.124	Equipment Rental:	\$ 103,438	\$ -	\$ -	\$ 103,438
8200.146	Mancamp:	\$ 43,143	\$ -	\$ -	\$ 43,143
8200.137	Casing Services:	\$ 72,035	\$ -	\$ -	\$ 72,035
8200.138	Cementing:	\$ 200,213	\$ -	\$ -	\$ 200,213
8200.106	Transportation:	\$ 106,501	\$ -	\$ -	\$ 106,501
8200.125	Inspection/Testing:	\$ 45,311	\$ -	\$ -	\$ 45,311
8200.144	Company Supervision:	\$ 2,400	\$ -	\$ -	\$ 2,400
8200.107	Consulting Services:	\$ 232,965	\$ -	\$ -	\$ 232,965
8200.127	Contract Labor:	\$ 27,283	\$ -	\$ -	\$ 27,283
8200.168	Roustabout Services:	\$ 2,157	\$ -	\$ -	\$ 2,157
8200.136	Mudlogging:	\$ -	\$ -	\$ -	\$ -
8200.143	Geo-Steering:	\$ 7,615	\$ -	\$ -	\$ 7,615
8200.134	Open Hole Logging:	\$ -	\$ -	\$ -	\$ -
8200.135	Coring & Analysis:	\$ -	\$ -	\$ -	\$ -
8200.165	Safety & Environmental:	\$ 2,289	\$ -	\$ -	\$ 2,289
8200.147	Drilling Overhead:	\$ 4,640	\$ -	\$ -	\$ 4,640
8200.148	Miscellaneous:	\$ -	\$ -	\$ -	\$ -
8200.153	Contingency: : 6/3/2024 4:08:39 PM	\$ -	\$ -	\$ -	\$

AFE # NM0233 - Grayling 11 Fed Com #606H

0000.200	1	l \$		E ECC 0C4		•	
0000.200		Ψ	-	\$ 5,566,861	\$ -	\$	5,566,861
8300 216	Location & Roads:	\$	-	\$ 5,294	\$ -	\$	5,294
0300.210	Cased Hole Logs & Surveys	\$	-	\$ -	\$ -	\$	-
8300.243	Analysis	\$	-	\$ 12,645	\$ _	\$	12,645
8300.270	Stimulation:	\$	-	\$ 1,406,608	\$ -	\$	1,406,608
8300.275	Proppant:	\$	-	\$ 932,358	\$ -	\$	932,358
8300.207	Water:	\$	-	\$ 540,768	\$ -	\$	540,768
8300.274	Water Transfer:	\$	-	\$ 82,673	\$ -	\$	82,673
	Chemicals:	\$	-	\$ 443,277	\$ -	\$	443,277
	Pump Down Services:	\$	-	\$ 110,117	\$ -	\$	110,117
	Wireline/Perforating:	\$	-	\$ 399,556	\$ -	\$	399,556
	Fuel, Power:	\$	-	\$ 700,280	\$ -	\$	700,280
8300.210	Rental Equipment (Surface):	\$	-	\$ 371,475	\$ -	\$	371,475
	Mancamp:	\$	-	\$ 18,815	\$ -	\$	18,815
	Rental Equipment (Downhole):	\$	-	\$ 43,431	\$ -	\$	43,431
	Disposal:	\$	-	\$ 28,704	\$ -	\$	28,704
	Safety & Environmental:	\$	-	\$ 6,876	\$ -	\$	6,876
8300.277	Consulting Services:	\$	-	\$ 200,739	\$ -	\$	200,739
8300.212	Contract Labor:	\$	-	\$ 30,506	\$ -	\$	30,506
8300.278	Roustabout Services:	\$	-	\$ 1,581	\$ _	\$	1,581
	Company Supervision:	\$	-	\$ 5,058	\$ -	\$	5,058
	Completions Rig:	\$	-	\$ 39,516	\$ -	\$	39,516
	Coil Tubing Unit	\$	-	\$ 111,844	\$ -	\$	111,844
8300.273	Flowback:	\$	-	\$ 59,201	\$ -	\$	59,201
8300.229	Transportation:	\$	-	\$ 15,542	\$ -	\$	15,542
	Contingency:	\$	-	\$ -	\$ -	\$	-
Intangible Facilities		\$	-	\$ -	\$ 353,282	\$	353,282
8350.401	Title Work/Permit Fees:	\$	_	\$ -	\$ -	\$	-
8350.402	Damages/ROW:	\$	_	\$ -	\$ -	\$	-
8350.403	Location, Roads:	\$	_	\$ -	\$ 708	\$	708
8350.405	Pipeline/Flowline Labor:	\$	-	\$ -	\$ -	\$	-
8350.406	Automation/Electrical Labor:	\$	-	\$ -	\$ -	\$	-
8350.407	Engineering/Technical Labor:	\$	-	\$ -	\$ 80,500	\$	80,500
000000	Civil/Mechanical Labor:	\$	-	\$ -	\$ 163,933	\$	163,933
8350.409	Commissioning Labor:	\$	-	\$ -	\$ -	\$	-
8350.410	Transportation:	\$	-	\$ -	\$ 22,154	\$	22,154
	Equipment Rentals:	\$	-	\$ -	\$ 14,141	\$	14,141
8350.411	Safety & Environmental:	\$	-	\$ -	\$ -	\$	-
	Contingency:	\$		\$ 	\$ 71,847	\$	71,847
TO	TAL INTANGIBLE COSTS >>>	\$	2,836,867	\$ 5,566,861	\$ 353,282	\$	8,757,011

TOTAL D&C&F COSTS >>>	\$ 3,839,091	\$ 5,867,351	\$ 1,508,788	\$ 11,215,229
TOTAL D&C&F COSTS >>>	Drilling	Completion	Facilities	Total

 $This \ Authority \ For \ Expenditure \ is \ based \ on \ cost \ estimates \ only. \ Billing \ will \ reflect \ your \ proportionate \ share \ of \ the \ actual \ invoice \ costs.$

JOINT INTEREST APPROVAL:

Company:	Working Interest:				
Signature:	Date:				
By:					

SUMMARY OF AVANT CONTACT WITH APA (1 OF 2)

- 6/1/23 AO to APA: Chris Leyendecker ("CL") reached out to Blake Johnson ("BJ") to inquire about possible acquisition of APA assets in 19S-32E: Secs 11&14 amongst other lands
- 6/19/23 AO to APA: CL followed up with BJ after no response. BJ introduces Leslie Mullins ("LM"), the APA landman over that area
- 6/20/23 APA to AO: LM expresses no desire to sell assets, states intent for operated development, and asks if AO willing to trade out of Grayling/Dustbowl. CL expresses AO's desire to operate, but willingness to have constructive trade conversations if APA can deliver comparable economic operated acreage to AO
- 6/21/23 AO to APA: CL asks for APA ownership in various townships to potentially deliver to AO in exchange for AO Grayling leasehold. LM delivers the requested APA ownership. Upon receipt it becomes apparent, APA does not own enough to constitute an equitable trade
- 7/6/23 AO to APA: CL provides alternative proposal and a request for APA ownership in other lands. LM acknowledges receipt and plans to review
- 7/11/23 APA to AO: LM provides APA ownership which is materially less than needed for an equitable trade
- 7/12/23 AO to APA: CL proposes to include APA ownership in entirely new sections. Upon LM providing APA ownership information on various requested sections, it is apparent APA owns significantly less than is needed for an equitable trade
- 7/18/23 APA to AO: LM provides alternative acreage, which is significantly less than is needed for an equitable trade
- 7/20/23 AO to APA: AO proposes an equitable alternative



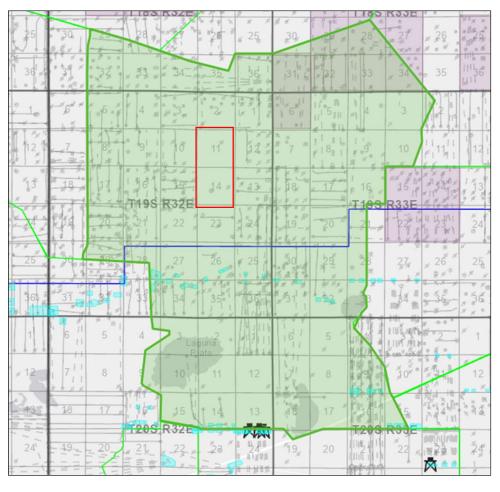
SUMMARY OF AVANT CONTACT WITH APA (2 OF 2)

- 7/25/23 APA to AO: LM confirms APA will evaluate
- 8/17/23 APA to AO: LM is still waiting on internal economics for review from internal planning
- 9/21/23 APA to AO: LM rejects AO trade proposal, and instead provides alternative that is inequitable to AO's Grayling acreage
- 9/22/23 AO to APA: CL proposes another potentially equitable alternative. LM provides APA ownership which is significantly less than is needed for an equitable trade
- 10/26/23 APA to AO: LM provides alternative suggestion that is far from an equitable trade. As a result, CL rejects APA trade proposal
- 12/6/23 AO to APA: CL proposes another potentially equitable alternative
- 12/7/23 APA to AO: LM evaluates alternative acreage, but expresses complexity to APA ownership, eliminating possibility
- 1/18/24 APA to AO: LM acknowledges receipt of AO objection to Case No. 24141
- 4/11/24 BJ and CL phone call to discuss, AO expresses openness to alternative solution but intent to move forward with hearing given the lack of equitable solutions proposed by APA. AO proposes a potential E2/W2 unit split, whereby APA would operate ½ of the proposed unit and AO would operate the other half. APA immediately declines and is unwilling to entertain any type of transaction in which APA would not operate the entire proposed Grayling/Dustbowl unit
- 4/29/24 BJ and CL phone call. No change in either party's sentiment toward operating, both acknowledge likely contested hearing



RELATIONSHIP WITH GRAZING RIGHTS OWNERS

Avant has an established relationship with all grazing rights owners



Laguna Tonto Allotment Boundary

Avant Proposed Grayling Unit

Established relationship with Section 11 and 14 grazing owner and surrounding area

 Surface Use Agreement in place with owner since September 1, 2022

EXHIBIT B and Sub-Exhibits

GEOLOGY



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

APPLICATION OF APACHE CORPORATION FOR APPROVAL OF A NON-STANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 24141

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

Case No. 24254

SELF-AFFIRMED STATEMENT OF JOHN HARPER

- 1. I am employed by Avant Operating, LLC ("Avant") as Senior Vice President of Assets and Exploration. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum geology were accepted and made a matter of record. A copy of my resume is attached as **Exhibit B-1**.
 - 2. I am familiar with the geological matters that pertain to the above-referenced cases.

A. Avant's Proposed Grayling Development

- 3. **Exhibit B-2** is a regional locator map that identifies the location of the Grayling Project Area in relation to the Capitan Reef, San Simon Channel, and Northwest Shelf.
- 4. **Exhibit B-3** is a stress orientation map, which shows that the stress orientation in this area is approximately east-northeast and demonstrates a north-south horizontal development is optimal.

Avant Operating, LLC Case No. 24254 Exhibit B

- 5. **Exhibit B-4** includes a type log and gun barrel development plan that shows Avant's proposed Grayling wells within the Bone Spring Formation. As shown on the exhibit, Avant proposes to drill and complete six initial wells in the First, Second, and Third Bone Spring, for a total of 18 wells.
- 6. **Exhibit B-5** includes a type log and gun barrel development plan that shows Apache's proposed development within the Bone Spring Formation. As shown on the exhibit, Apache proposes to drill and complete a total of eight wells four in the First Bone Spring and four in the Second Bone Spring.

B. Grayling First Bone Spring Wells

- 7. **Exhibit B-6** is a stratigraphic cross-section from A to A' using the representative wells identified in the cross section location map shown on the exhibit. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from south to north and is hung on the top of the First Bone Spring formation. The proposed landing zones for the Grayling Federal Com 301H through 306H Wells are labeled on the exhibit. The approximate well-paths for the proposed wells is indicated by a dashed line to be drilled from south to north across the units. This cross-section demonstrates the target interval is continuous across the Unit.
- 8. **Exhibit B-7** is a map that shows First Bone Spring activity in this area highlighted in light blue sticks. Avant's acreage is shown in yellow. The map identifies Avant's producing Cutbow unit to the South in Sections 36 and 1, which is spaced at six wells per section. The Map also identifies Earthstone's Diamondback 003H & 004H wells that are spaced at 4 wells per section.
- 9. **Exhibit B-8** is a First Bone Spring structure map in TVD subsea with a contour interval of 50 ft. The map demonstrates the formation is gently dipping to the east-southeast in this

area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

10. **Exhibit B-9** includes First Bone Spring isopach and pay maps. The isopach map has a contour interval of 10 feet and shows that the First Bone Spring sand is relatively consistent in thickness across this unit. The pay map is based on net footage of reservoir within the First Bone Spring sand that has a density porosity greater than 6%. The contour interval is 25 feet and shows that the reservoir quality is high and consistent across the unit.

C. Grayling Second Bone Spring Wells

- 11. **Exhibit B-10** is a stratigraphic cross-section from A to A' using the representative wells identified in the cross section location map shown on the exhibit. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from south to north and is hung on the base of the Second Bone Spring Sand. The proposed landing zones for the Grayling Federal Com 501H through 506H Wells are labeled on the exhibit. The approximate well-paths for the proposed wells is indicated by a dashed line to be drilled from south to north across the units. This cross-section demonstrates the target interval is continuous across the Unit.
- 12. **Exhibit B-11** is a map that shows Second Bone Spring activity in this area highlighted in brown sticks. Avant's acreage is shown in yellow.
- 13. **Exhibit B-12** is a Second Bone Spring structure map in TVD subsea with a contour interval of 50 ft. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 14. **Exhibit B-13** includes Second Bone Spring isopach and pay maps. The isopach map has a contour interval of 25 feet and shows that the Second Bone Spring sand is relatively

consistent in thickness across this unit. The pay map is based on net footage of the reservoir within the Second Bone Spring sand that has a density porosity greater than 6%. The contour interval is 25 feet and shows that the reservoir quality thins slightly to the north.

D. Grayling Third Bone Spring Wells

- 15. **Exhibit B-14** is a stratigraphic cross-section from A to A' using the representative wells identified in the cross section location map shown on the exhibit. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from south to north and is hung on the top of the Third Bone Spring formation. The proposed landing zones for the Grayling Federal Com 601H through 606H Wells are labeled on the exhibit. The approximate well-paths for the proposed wells is indicated by a dashed line to be drilled from south to north across the units. This cross-section demonstrates the target interval is continuous across the Unit.
- 16. **Exhibit B-15** is a map that shows Third Bone Spring activity in this area highlighted in orange sticks. Avant's acreage is shown in yellow. The map identifies Avant's producing Cutbow unit to the South in Sections 36 and 1, which is spaced at six wells per section. The Map also identifies Mewbourne's Querecho 23 26 Fed Com #616H which has also targeted the Third Bone Spring formation. Avant's Cutbows and Mewbourne's Querecho well show the productivity of the Third Bone Spring formation across the Grayling Unit.
- 17. **Exhibit B-16** is a Third Bone Spring structure map in TVD subsea with a contour interval of 100 ft. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 18. **Exhibit B-17** includes Third Bone Spring isopach and pay maps. The isopach map has a contour interval of 25 feet and shows that the Third Bone Spring sand thins slightly to the

north across this unit. The pay map is based on net footage of the reservoir within the Third Bone Spring sand that has a density porosity greater than 6%. The contour interval is 25 feet and shows that the reservoir quality thins slightly to the north.

E. Conclusions

- 19. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the wells.
- 20. In my opinion, granting Avant's application will best serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 21. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 22. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

John Harper

Date

5-22-24

John Harper

4990 S. Lafayette Ln Englewood, CO 80113 | 678-988-6644 | John@avantnr.com

EDUCATION

Colorado School of Mines May 2015

Master of Science, Geology GPA: 3.77

<u>Thesis</u>: Organic and Inorganic Geochemical Characterization of the Juana Lopez and Montezuma Valley Members of the Lower Mancos Shale, Piceance Basin, Colorado

The University of Georgia

May 2013

Bachelor of Science, Geology

Cumulative GPA: 3.32; Geology GPA: 3.45

<u>Undergraduate Thesis:</u> Anoxic Conditions within the Smoky Hill Chalk Member of the Niobrara Formation and its Effects on Organic and Inorganic C-N Assemblages

PROFESSIONAL EXPERIENCE

Avant Natural Resources: Denver, CO

October 2019 - Present

SVP of Assets and Exploration

- o Primary geologist responsible for Avant's operated, non-operated, and royalty entities.
- Responsible for 500+ acreage evaluations across the Permian Basin resulting in thousands of added acres across New Mexico and Texas.
- Managed Geosteering operations for 40+ horizontal wells maintaining >95% in-zone percentage resulting in some Delaware Basin production records.
- Create all of Avant's development plans per unit based on depletion mitigation, delineation, and exploratory efforts.
- Manage the regulatory department to ensure company compliance for all regulatory filings within the NMOCD and BLM including permits to drill, completion reports, flare permits, commingle permits, casing sundries, transport paperwork, H2S sundries, critical designation of natural gas infrastructure, etc...
- Negotiated and executed surface use agreements with private landowners and grazing lessees across Lea Co., NM.
- Manage a team of surveyors to implement Avant's development plans. Actively design pad layouts, access roads, overhead power line routes, flowline corridors, buried pipeline ROWs, etc...
- Oversee Avant's Environmental Department to ensure constant compliance with the NMOCD, NMED, BLM, and SLO. Including company's SPCC reporting, NMED Emissions Inventory, NM Precursor Rule compliance and reporting, etc...

Centennial Resources: Denver, CO

March 2018 - October 2019

Senior Geologist
DELAWARE BASIN

- Primary geologist for CDEV's Lea Co., New Mexico acreage position; inclusive of all New Mexico OBO proposals, Federal and State sales, trade proposals, and acreage evaluations/acquisitions.
- Worked closely with reservoir engineers and land team to plan and propose the appropriate well(s) to address depletion, delineation, lease obligations, and exploration needs throughout Lea County, NM resulting in taking CDEV from half a rig to 3 active rigs within 1 year.
- Created internal geoscience training material for existing/new hires. Mentored new geologist and oversaw daily responsibilities.

Avant Operating, LLC Case No. 24254 Exhibit B-1 EOG Resources: Midland, TX May 2015 – March 2018

Geologist

DELAWARE BASIN

- Lea County Team
 - Primary geologist for EOG's Lea Co., New Mexico acreage position that worked extensively with drilling engineers and operations geologists to ensure >95% in-zone percentages with an average window thickness less than 20ft.
 - Worked with a team that successfully proposed and executed wells that resulted in Delaware Basin records for the Upper Wolfcamp, Third Bone Spring Sand, First Bone Spring Sand, and Avalon B.
 - o Primary geologist for all New Mexico OBO proposals, Federal and State sales, trade proposals, and acreage evaluations/acquisitions.
 - Worked closely with the reservoir engineers and land team to plan and propose the appropriate well(s) to address depletion, delineation, lease obligations, and exploration needs throughout Lea County, NM.
 - Mapped, planned, and coordinated an interdisciplinary 9 drilling rig program that has drilled 178 wells to date targeting numerous targets in the upper Wolfcamp, Third Bone Spring Sand, Second Bone Spring Sand, First Bone Spring Sand, and Avalon A/B.
 - Collaborated with completions engineers to plan appropriate frac-procedures based on geologic variation, offset depletion, and to maximize successful co-development exploitation. Also worked with the completions team to plan oil- and water-soluble tracer programs.
 - Provided detailed, sub-regional to regional maps across all target intervals for well proposals and reservoir modeling. Created various depositional environment and pay maps across all target intervals to better identify facies transitions from proximal to distal.
 - Lead geologist on an exploration team that discovered the horizontal First Bone Spring Sand play in Gramma Ridge area of Lea County, NM.
 - Lead geologist that successfully pushed and further delineated the Avalon B into the northern Delaware Basin.
 - Worked with the geophysicts to develop a tectono-sed model for Upper Wolfcamp and Bone Spring intervals across EOG's primary acreage positions in New Mexico and Texas.

PUBLICATION AND RESEARCH PAPER TOPICS/PRESENTATIONS

- "Organic and Inorganic Geochemical Characterization of the Juana Lopez and Montezuma Valley Members
 of the Lower Mancos Shale, Piceance Basin, Colorado"
 May 2015
- "Anoxic Conditions within the Smoky Hill Chalk Member of the Niobrara Formation and its Effects on Organic and Inorganic C-N Assemblages."
 Presented at University of Georgia CURO symposium; Clay Minerals Society annual conference at The University of Illinois.

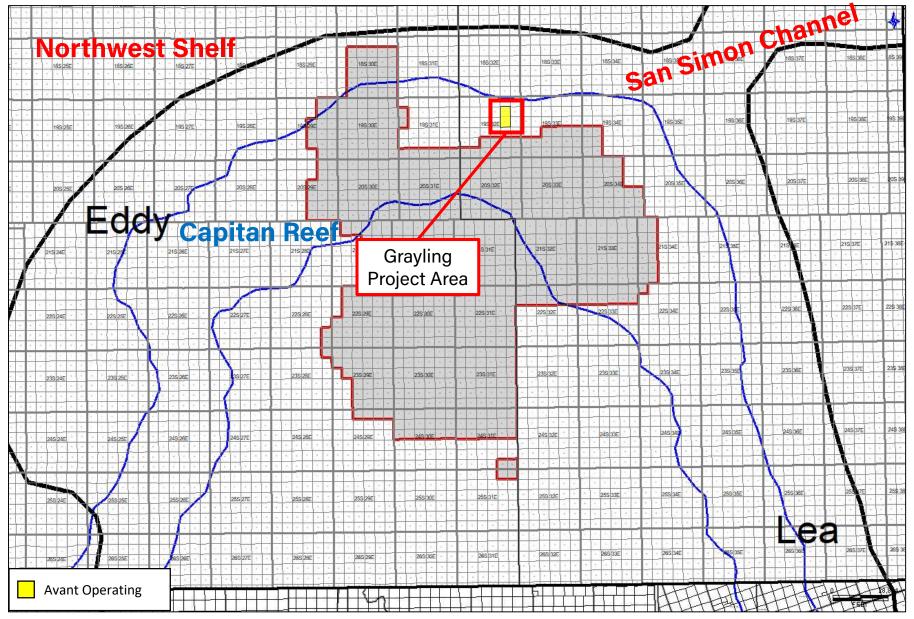
TRAINING AND TECHNICAL SKILLS

<u>Training</u>: N005 Tectonic Controls on Basin Development and Petroleum Systems, N381 Influence of Tectonics and Mechanical Stratigraphy on Natural Deformation in the Permian Basin, N382a Recognition of Mudstone Depositional Processes and Depositional Settings: Implications for Reservoir Heterogeneity and Play Extent, SCA Applied Subsurface Geological Mapping

<u>Software</u>: IHS Petra, IHS Kingdom, Golden Software STRATER, MS Office Suite, OpenOffice (Draw), Some Geographical Information Systems (GIS), EVA, XRD Commander

<u>Laboratory</u>: Bruker AXS Tracer IV T4S2572 X-ray Fluorescence, X-ray Diffractometer (XRD), Preparation for C/N isotope analysis with microbalance, Centrifuge preparation, Cell disruptor

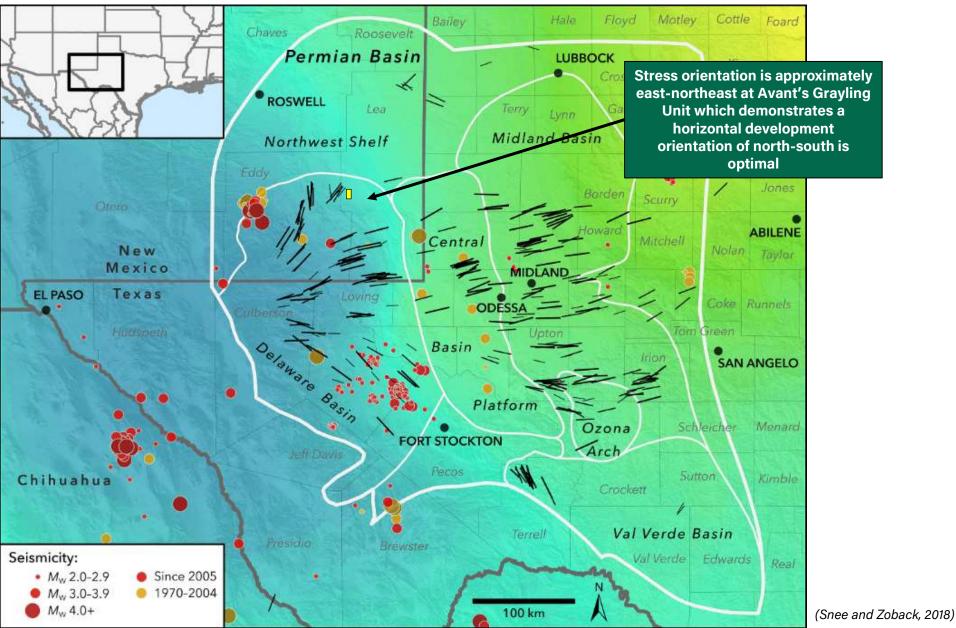
REGIONAL LOCATOR MAP





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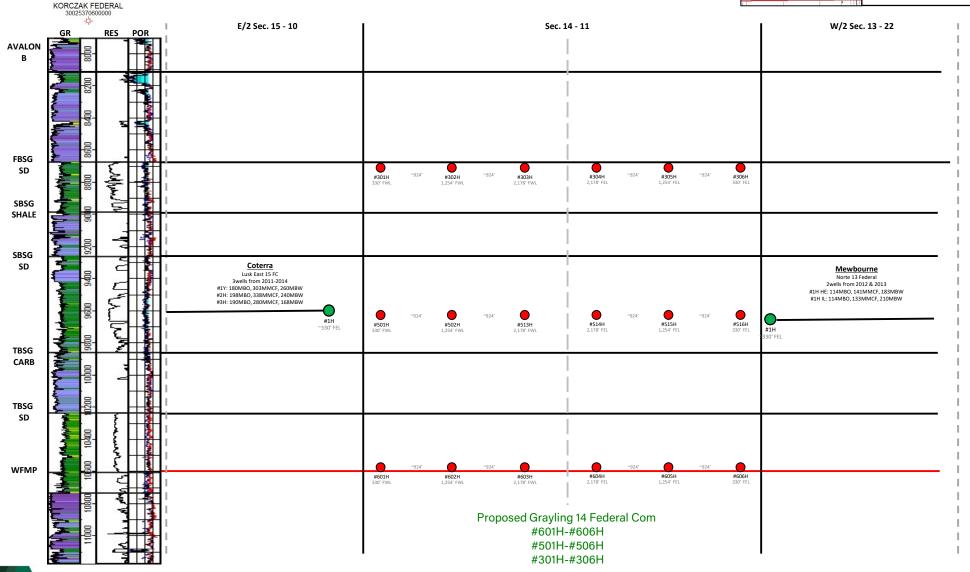
STRESS ORIENTATION MAP



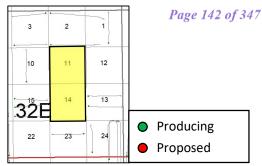


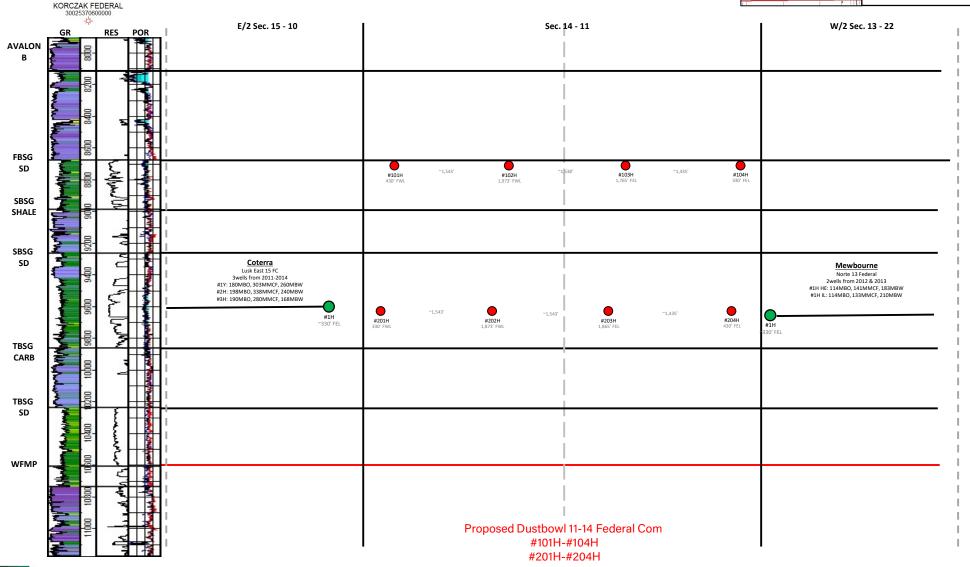
AVANT DEVELOPMENT PLAN



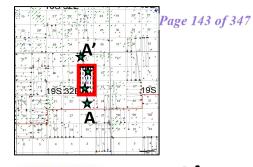


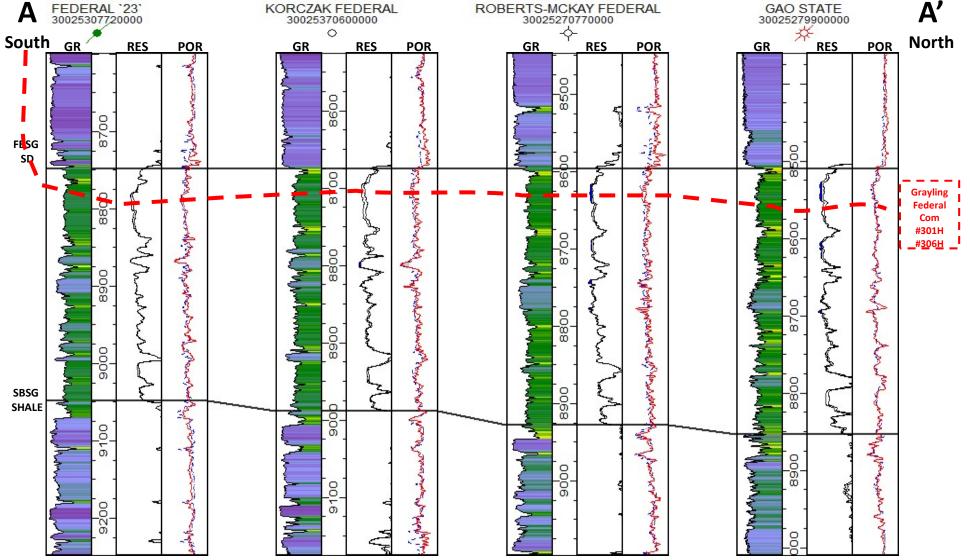
APA DEVELOPMENT PLAN





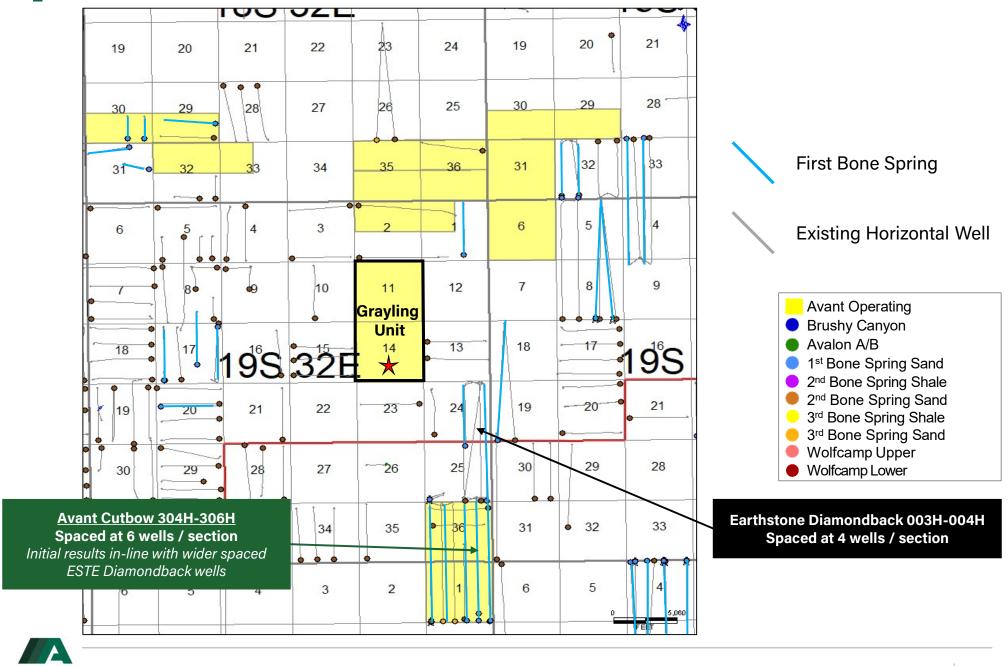
1BS STRATIGRAPHIC CROSS SECTION



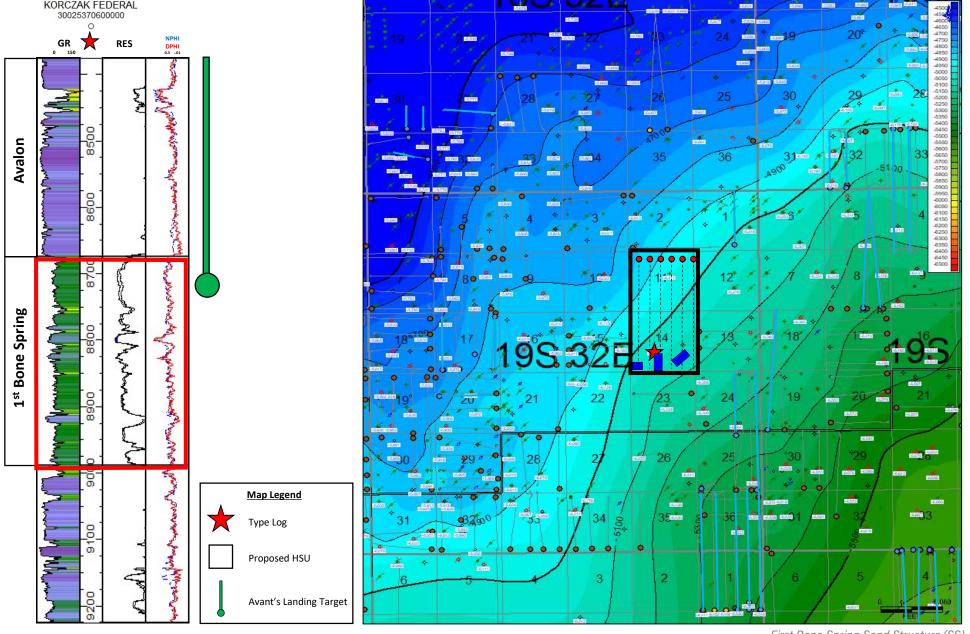


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1BS OFFSET ACTIVITY



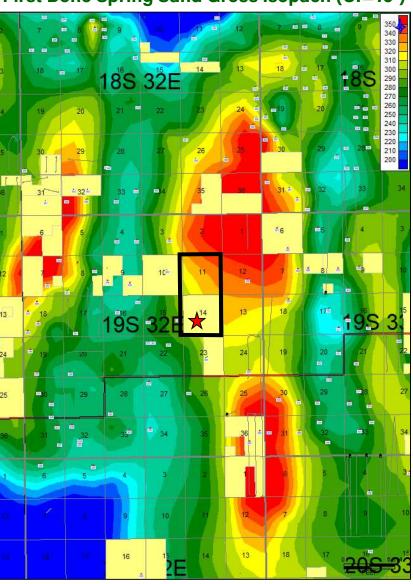
1BS STRUCTURE MAP

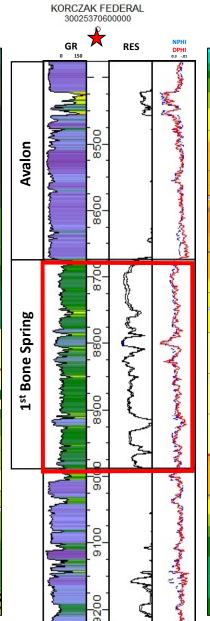


Page 146 of 347 Received by OCD: 6/3/2024 3:54:42 PM

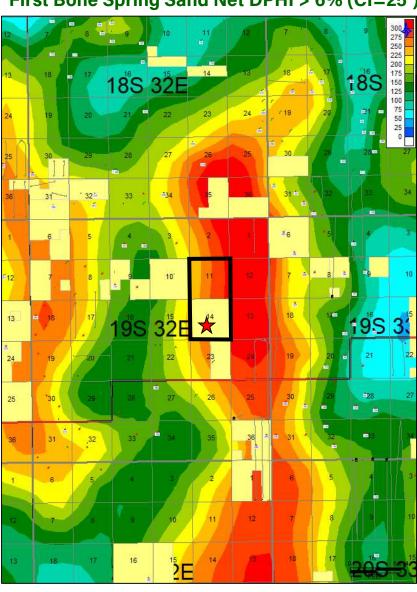
1BS ISOPACH AND PAY MAPS

First Bone Spring Sand Gross Isopach (CI=10')





First Bone Spring Sand Net DPHI > 6% (CI=25')



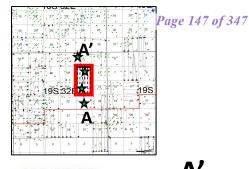


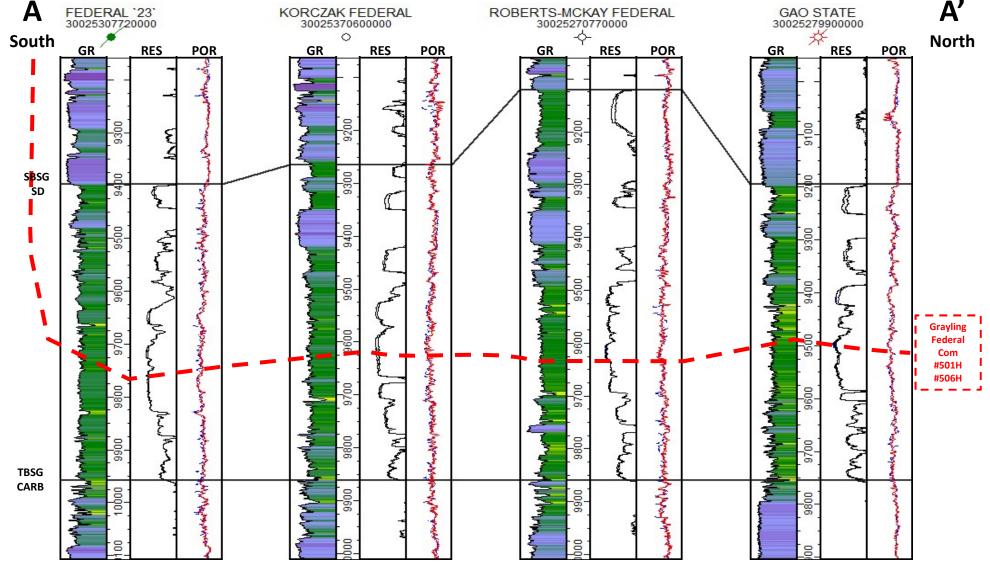
Datapoints and 1BS horizontals Only

Case No. 24254

Exhibit B-9

2BS STRATIGRAPHIC CROSS SECTION

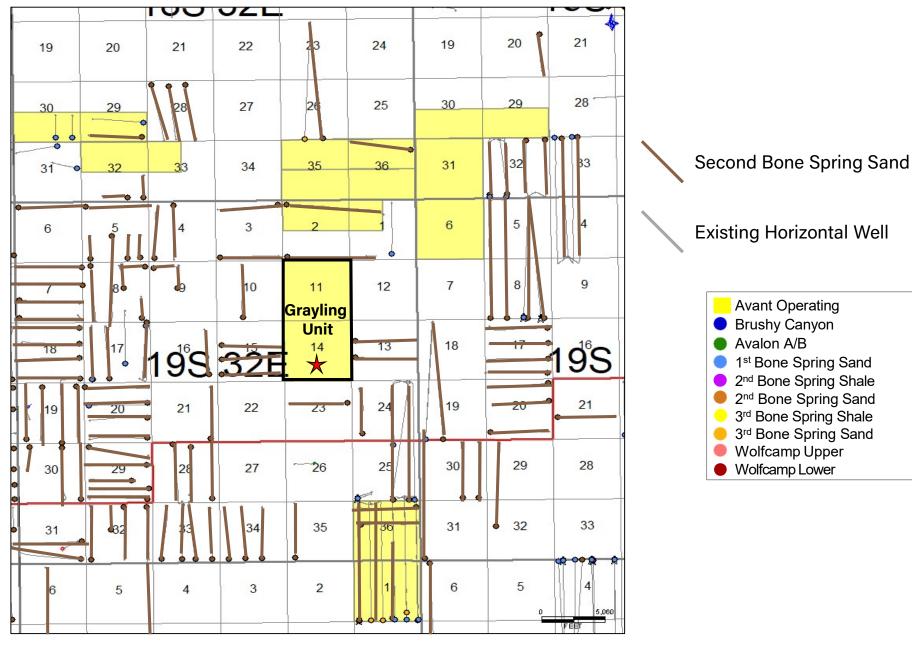




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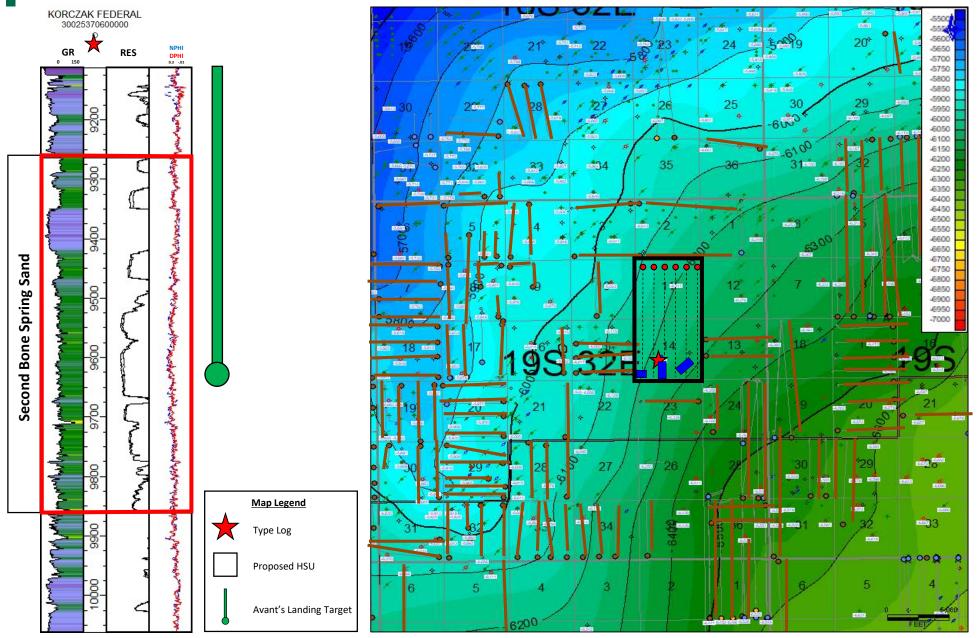
2BS OFFSET ACTIVITY





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2BS STRUCTURE MAP

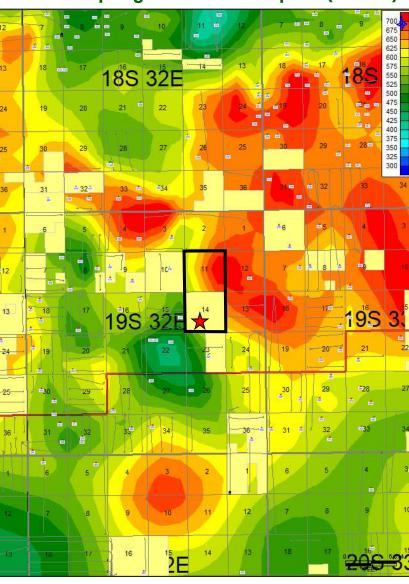


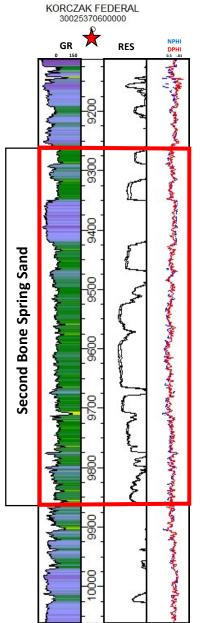
Second Bone Spring Sand Structure (SS)

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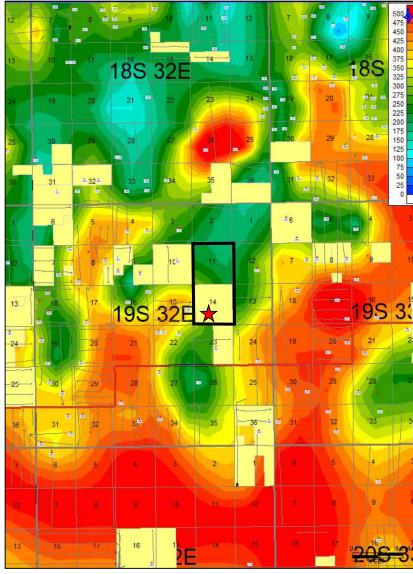
2BS ISOPACH AND PAY MAPS

2nd Bone Spring Sand Gross Isopach (CI=25')





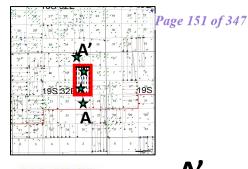
2nd Bone Spring Sand Net DPHI > 6% (CI=25')

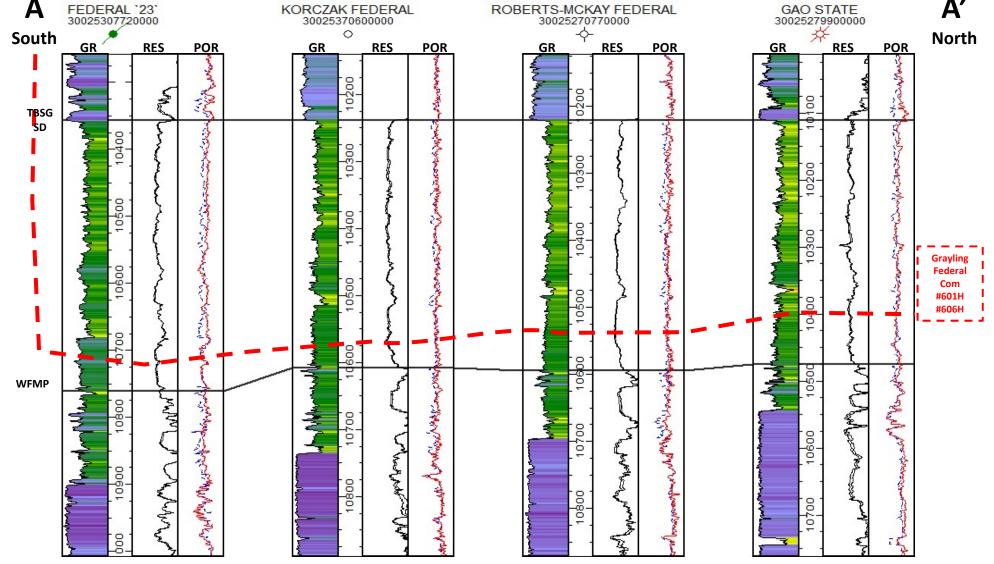




Datapoints and 2BS horizontals Only

3BS STRATIGRAPHIC CROSS SECTION

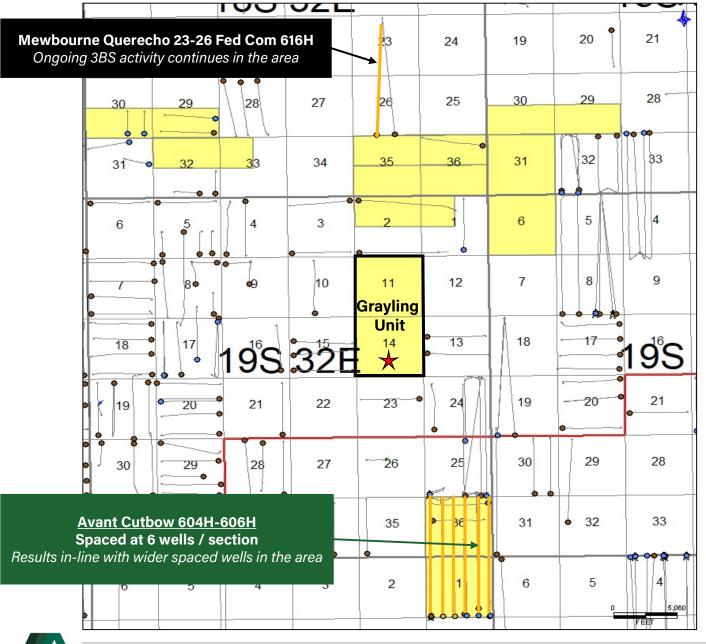




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3BS OFFSET ACTIVITY

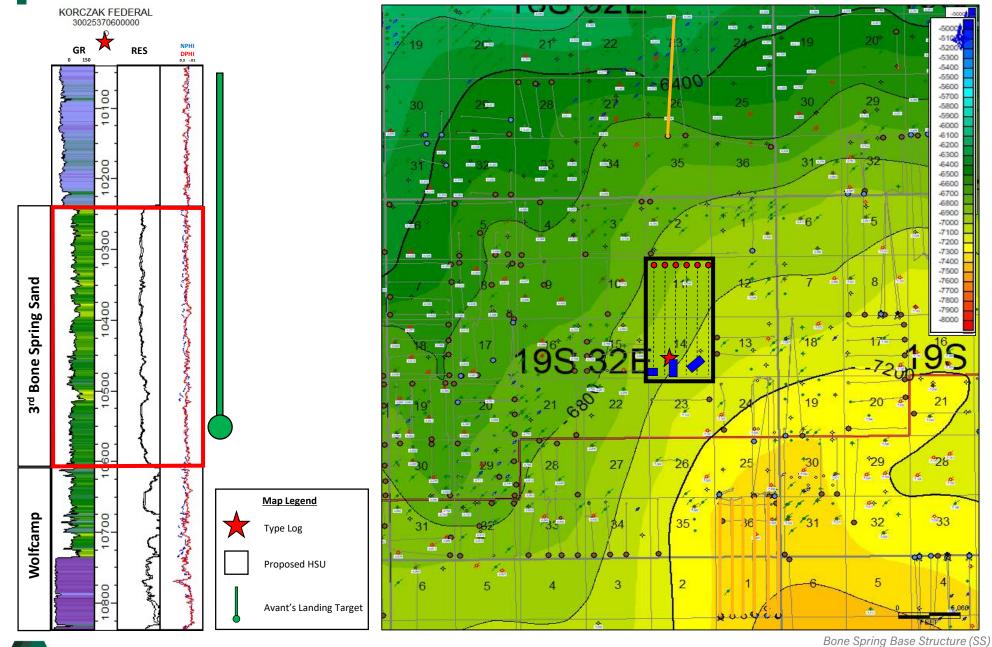


Third Bone Spring Sand

Existing Horizontal Well

- Avant Operating
- Brushy Canyon
- Avalon A/B
- 1st Bone Spring Sand
- 2nd Bone Spring Shale
- 2nd Bone Spring Sand
- 3rd Bone Spring Shale
- 3rd Bone Spring Sand
- Wolfcamp Upper
- Wolfcamp Lower

BASE OF BONE SPRING STRUCTURE MAP



Avant Operating, LLC Case No. 24254

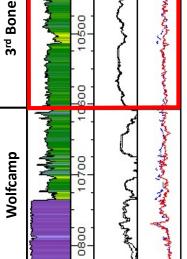
Exhibit B-16

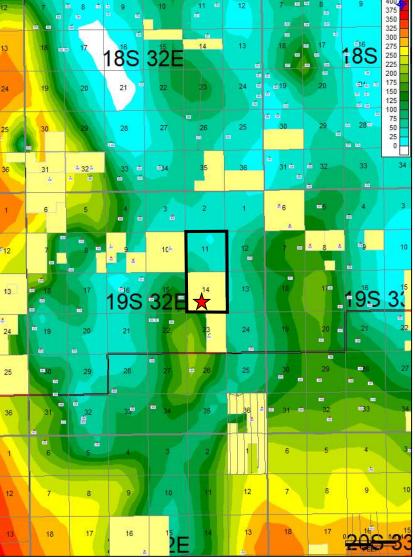
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3BS ISOPACH AND PAY MAPS

Third Bone Spring Sand Gross Isopach (CI=25') Third Bone Spring Sand Net DPHI > 6% (CI=25') NPHI DPHI 0.3 -.01 8S 32E 0 150 ÷ 32÷ **Bone Spring Sand**







Datapoints and 3BS horizontals Only



EXHIBIT C and Sub-Exhibits

ENGINEERING



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

APPLICATION OF APACHE CORPORATION FOR APPROVAL OF A NON-STANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 24141

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

Case No. 24254

SELF-AFFIRMED STATEMENT OF SHANE KELLY

- 1. I am employed by Avant Operating, LLC ("Avant") as Vice President of Engineering. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert in reservoir engineering and my qualifications were accepted as a matter of record. A copy of my resume is attached as **Exhibit C-1**.
- 2. I am familiar with the reservoir engineering matters that pertain to the above-referenced applications.

A. Avant's Proposed Development Plan

3. **Exhibit C-2** includes tables that compare production results for five Avant-drilled and operated wells in this area with production achieved by other operators. The tables show that Avant is consistently in the top tier of producers in each area that we have moved into, speaking to our ability as an operator in New Mexico.

Avant Operating, LLC Case No. 24254 Exhibit C

- 4. **Exhibit C-3** compares Avant's proposed development plan with the plan proposed by Apache. Avant proposes to develop the First, Second, and Third Bone Spring intervals using spacing of six wells per section, while Apache only proposes to develop the First and Second Bone Spring intervals with spacing of four wells per section. Avant's proposal will fully develop the acreage and produce the underlying reserves, while Apache's plan leaves significant reserves in place.
- 5. **Exhibit C-4** includes a graph that compares production for Avant's Golden Tee Unit, which was drilled at six wells per section, with three lower density developments in the area. The graph shows that the Golden Tee wells have outperformed these other nearby units that are drilled at wider spacing patterns.
- 6. **Exhibit C-5** contains a graph that compares production for Avant's Cutbow Third Bone Spring development, which is located to the South and was drilled at six wells per section, with production from Earthstone's Anaconda development, which was drilled at four wells per section. The graph demonstrates that Avant's higher well density development outperformed lower density developments in this area. The exhibit also provides a typecurve for the Grayling Third Bone Spring wells in relation to the typecurve for the Cutbow Third Bone Spring wells. The Cutbow wells have exceeded expectations, and Avant expects better results at Grayling since it plans to simultaneously develop all of the Third Bone Spring wells.
- 7. **Exhibit C-6** shows the impact of frac hits on offset depletion. Avant is in a unique position to be able to avoid this kind of damage with our midstream contacts that we have in place. We plan on developing full benches at a time so that there are no frac hits and no lost reserves here.
 - 8. Exhibit C-7 compares Avant's and Apache's drilling, completion and facilities

costs. As shown on the exhibit, Avant's proposal is more capital-efficient for the working interest owners and Avant has proven with its recent results that we will hit our AFE costs. Apache has not drilled a well in the area, which could result in a wide range of outcomes.

9. **Exhibit C-8** explains how Avant's recent experience with the Cutbow wells will facilitate its ability to efficiently and prudently develop the Grayling Unit. Specifically, Avant has proof of concept in two of the benches we are proposing to drill at Grayling. We are also in a very unique position on the midstream side that no other operator is currently in. Due to the midstream contracts Avant has worked for years to implement, we are capable of producing large packages at once to prevent waste and operate at a high level in this area.

B. Midstream Services

- 10. Avant understands the takeaway constraints in this area and is taking steps to proactively address them. Avant has existing infrastructure and long-term contracts in place to handle oil, gas, and water takeaway from the Grayling wells and is ready to commence surface operations once the wells are drilled. In addition, Avant has existing and planned water recycling facilities to use for frac that significantly reduce waste.
- 11. **Exhibit C-9** discusses gas gathering, processing and takeaway constraints for this area and Avant's approach to address them. Avant signed an acreage dedication with Northwind forgathering, treatment, disposal, processing, and purchase of natural gas for its wells in this area, including the Grayling wells. Avant is an anchor customer for Northwind and has secured firm capacity to service Avant's development plan at Grayling Unit in addition to other nearby units. Additionally, Avant's agreement with Northwind includes an obligation to gather, treat and process sour gas and other inerts in the gas stream.

- 12. **Exhibit C-10** provides an overview of Avant's produced water infrastructure. To-date, third-party water midstream companies have been reluctant to spend the necessary capital to address the growing need for water gathering, treating and recycling infrastructure. As shown on the exhibit, Avant has constructed and placed in-service one water recycling facility and has two additional recycling facilities planned to for construction. Beginning in July 2024, Avant will commence construction of 22 miles of gathering pipeline and an additional recycling facility. This infrastructure will be utilized to serve several Avant units, including the Grayling Unit. In total, Avant has planned to spend approximately \$50 million of capital to address water constraints in this area. This project will include surface storage of approximately 4.5 million barrels of produced water, 45 miles of gathering pipeline (including connections to other systems for offtake and disposal), 200,000 barrels per day of water gathering capacity and 180,000 barrels per day of water recycling capacity. Avant plans to obtain a significant percentage of its frac water needs from its recycling facilities to facilitate water conservation and reduce waste.
- 13. **Exhibit C-11** provides a summary of Avant's midstream arrangements for transportation and marketing of oil produced by the Grayling wells. As shown on the exhibit, Avant signed a ten-year acreage dedication and marketing agreement with Plains to ensure oil pipeline takeaway would be in place day one for Avant's development projects, including Grayling.

C. Reservoir Engineering – First Bone Spring

14. **Exhibit C-12** is a 2-mile type curve for Avant's proposed First Bone Spring wells, which shows that Avant's proposed development plan will produce approximately 1,504,000 more barrels of oil than Apache's proposed development.

15. **Exhibit C-13** illustrates the performance of Avant's Cutbow wells and shows that at the six wells per section spacing we are getting results that are on par with the four well per spacing Diamondback wells directly offset to Cutbow. This gives us added confidence in our development plan.

D. Reservoir Engineering – Second Bone Spring

16. **Exhibit C-14** is a 2-mile type curve for Avant's proposed Second Bone Spring wells, which shows that Avant's proposed development plan will produce approximately 1,800,000 more barrels of oil than Apache's proposed development.

E. Reservoir Engineering – Third Bone Spring

17. **Exhibit C-15** is a 2-mile type curve for Avant's proposed Third Bone Spring wells, which shows that Avant's proposed development plan will produce approximately 5,022,000 more barrels of oil than Apache's proposed development.

F. Conclusion

- 18. Based on the above information and analysis, it is my opinion that Avant's proposed Grayling development, which utilizes six wells per section, will produce the underlying reserves more effectively and efficiently than Apache's proposed development, which includes four wells per section. In this area, Apache's lower density proposal will fail to produce valuable reserves, resulting in waste.
- 19. Avant has midstream services in place and is prepared to commence operations once it is authorized to do so.
- 20. Avant is running active rigs in this area, is ready to commence drilling once it received APDs from the BLM, and should be permitted to proceed with its development plan.

- 21. For the reasons set out above, it is my opinion that granting Avant's applications will best prevent waste, protect correlative rights, and prevent the drilling of unnecessary wells.
- 22. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 23. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Shane Kelly

5/21/24 Date

Shane Kelly

Home Address 6837 Canosa St Denver, CO 80221

shanekelly95@yahoo.com (817) 915-9336

Professional Summary

Petroleum Engineer skilled in horizontal oil and gas field development, production, evaluation, and exploration. Knowledgeable in reservoir simulation tools as well as economic modeling programs. Can identify risks and forecasts for the recovery of oil and gas. Strong analytical skills, along with being proficient in many diverse reservoir programs and programming languages including Python. Have strong leadership skills combined with a willingness to work in a team environment.

Work Experience

AVANT NATURAL RESOURCES, Denver, CO

October, 2019 - Present

Vice President of Engineering

- Lead engineer in charge of completing, and producing all wells for Avant Natural Resources
- Manage multiple engineers with the goal of producing the best wells possible
- In charge of all reserve reports for multiple entities underneath Avant Natural Resources
- Collaborate with accounting and finance to complete multiple year end Audit reports with a 3rd party auditor
- Manage multiple databases for multiple banks that handle our loans and work closely with 3rd party engineers for quarterly loan redeterminations
- Work with the VP of Geosciences to determine the optimization of well spacing and completions on every well drilled by Avant Operating
- Responsible for 500+ acreage evaluations constantly growing the company's acreage position across New Mexico and Texas
- Manage the development schedule handling 2+ rigs and over 400 wells to drill in the next 5 years
- Developed multiple type curve areas used to quickly evaluate the value of acreage
- Managed database for the \$132MM sale of Avant Royalties to Brigham Minerals

CENTENNIAL RESOURCES, Denver, CO

September, 2018 - October, 2019

Senior Reservoir Engineer

- Primary Engineer over Lea County, New Mexico acreage position and Loving County, Texas position
- Took a half rig program to 3 rigs in 1 year with record well results in Lea County, NM
- Primary Engineer for all New Mexico OBO well proposals, Federal and State sales, trade proposals, and acreage evaluations
- Responsible for 500+ well forecasts including OBO wells

EOG RESOURCES, Midland, TX

February, 2016 - September, 2018

Reservoir Engineer II

- Primary Engineer over EOG's Lea County, New Mexico acreage position
- Worked with primary geologist to plan and execute wells for 10+ rigs in Lea County
- Primary Engineer for all New Mexico OBO well proposals, Federal and State sales, trade proposals, and acreage evaluations
- Collaborated with team to successfully down-space the Upper Wolfcamp from 660' spacing to 330' stagger development adding \$80 million per section
- Worked with geology and land to evaluate 10+ major acreage acquisitions including the successful bid for Great Western in Lea County, as well as evaluated GMT, Caza, One Energy, and others
- Responsible for 500+ well forecasts including OBO wells
- Utilized company proprietary program to run RTA on individual wells in addition to multi-well forecasts to help determine spacing patterns
- Lead reservoir engineer on the team that successfully discovered the First Bone Spring Sand in Gramma Ridge of Lea County, New Mexico
- Forecasted capital & volumes for a 17 rig program
- Worked with primary geologist and land to plan the 2017, 2018, and 2019 drilling and frac schedules to meet corporate volumes and capital goals as well as manage lease critical dates, offset depletion, and development efforts for up to 24 drilling rigs and 7 frac spreads
- Part of the team that successfully produced record wells in the Upper Wolfcamp, Third Bone Spring Sand, First Bone Spring Sand, and Leonard B (Avalon Shale) targets
- Proficient in using IHS Petra to evaluate logs and create maps for the purpose of evaluating well performance
- Mentor to new Engineers in the rotational program

EOG RESOURCES, Midland, TX

June, 2014 - January, 2016

Avant Operating, LLC Case No. 24254 Exhibit C-1

Engineer in Training Rotation

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- 4 months spent as a company man on a frac crew in the Delaware Basin; 2 months designing and writing procedures for upcoming fracs
- 6 months on a drilling rig following various company men
- 3 months as pumper in the Midland Basin; 5 months taking care of my own area as a production engineer designing gas lift/rod pump artificial lift as well as designed multiple plugging procedures
- 2 months as a facilities engineer; worked on designing a loop from our Texas assets into New Mexico in the program Fekete Piper in addition to sketching up old facility designs in Reeves county

EOG RESOURCES, Midland, TX

Summer, 2013

Completions Engineering Intern

- Used microseismic to create a statistical method to normalize data for comparison
- Correlated results with production data, sigma, and geologic perspective
- Developed method to determine proper well spacing and complexity
- Recommended completion designs for future wells

MARATHON OIL COMPANY, Houston, TX

Summer, 2010

IT Compliance Intern

- Created security policy presentation for department heads
- Worked on implementation of new systems using SDLC methodology
- Elected Media Director on the Intern Advisory Board

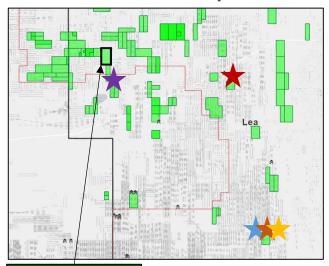
Education

TEXAS TECH UNIVERSITY, Lubbock, TX

Awarded BS – Petroleum Engineering Awarded BBA – Management Information Systems May 2014 August 2011

TOP-TIER WELL RESULTS TO-DATE

Locator Map



Proposed Grayling unit

Golden Tee 3rd Bone Spring

#	Name	Ор	Lat. Ft.	IP24
1	Golden Tee 601H	Avant	7,238	6,782
2	Chimichangas 12 602H	PR	9,819	4,048
3	Golden Tee 605H	Avant	7,459	3,816
4	Golden Tee 603H	Avant	7,208	3,744
5	Duck Hunt 1 State 601H	PR	7,311	3,615
6	Righteous 6 State 601Y	EOG	7,262	3,040
7	Pac-Man 36 601H	PR	10,485	2,991
8	Golden Tee 604H	Avant	7,210	2,760
9	Chimichangas 12 601H	CDEV	10,050	2,669
10	Jeff Hart State 134H	MTDR	10,406	2,593
	Average		8,445	3,606

Golden Tee 1st Bone Spring

#	Name	Op	Lat. Ft.	IP24
1	Golden Tee 306H	Avant	7,078	3,336
2	Golden Tee 302H	Avant	7,591	3,024
3	Wicked 17 State 301H	EOG	4,667	2,943
4	Golden Tee 305H	Avant	7,361	2,856
5	Duck Hunt 1 State 302H	PR	7,410	2,849
6	Golden Tee 301H	Avant	7,595	2,688
7	Duck Hunt 1 State 301H	PR	7,231	2,223
8	Righteous State 301H	EOG	7,220	1,847
9	Marlan Downey 114H	MTDR	7,418	1,672
10	Marlan Downey 113H	MTDR	7,546	1,630
	Average		7,112	2,507

Cutbow 3rd Bone Spring

#	Name	Op	Lat. Ft.	IP24
1	Cutbow 36 Fed 601H	Avant	9,912	1,764
2	Cutbow 36 Fed 606H	Avant	10,335	1,344
3	Gavilon Fed Com 604H	MTDR	10,630	1,314
4	Gavilon Fed Com 602H	MTDR	10,665	1,266
5	Cutbow 36 Fed 605H	Avant	10,329	1,176
6	Gavilon Fed Com 603H	MTDR	10,613	1,161
7	Cutbow 36 Fed 602H	Avant	9,887	1,128
8	Hamon Federal 2H	Revenir	5,035	1,040
9	Chistera 32 State 002H	XTO	4,961	917
10	Chistera 32 State 003H	XTO	4,861	774
	Average		8,723	1,188

Golden Tee 2nd Bone Spring

#	Name	Ор	Lat. Ft.	IP24
1	Duck Hunt 1 State 502H	PR	7,678	3,418
2	Golden Tee 506H	Avant	7,212	2,832
3	Duck Hunt 1 State 501H	PR	7,331	2,819
4	Carne Asada State 501H	PR	7,919	2,685
5	Airstream 24 State 506H	PR	10,332	2,602
6	Airstream 24 State 505H	PR	10,337	2,582
7	Golden Tee 502H	Avant	7,776	2,568
8	Airstream 24 State 504H	PR	10,359	2,491
9	Golden Tee 505H	Avant	7,217	2,424
10	Golden Tee 501H	Avant	7,492	2,400
	Average		8,365	2,682

Angry Angus Wolfcamp

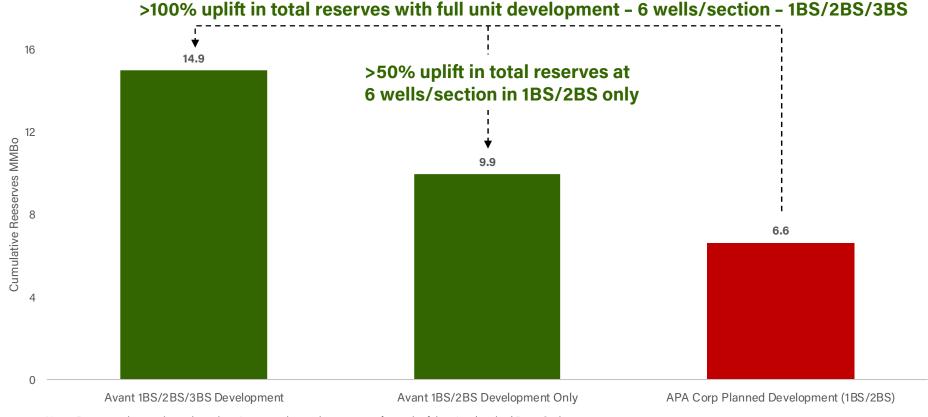
#	Name	Op	Lat. Ft.	IP24
1	Angry Angus 702H	Avant	4,871	1,416
2	Eagleclaw Fed 001H	Caza	7,247	1,069
3	Angry Angus 703H	Avant	4,844	1,008
4	Eagleclaw Fed 002H	Caza	7,171	794
5	Angry Angus 701H	Avant	4,952	744
6	Angry Angus 704H	Avant	4,816	576
7	Talon 5-8 Fed 005H	Caza	7,301	533
8	Hereford W1MD Fed 001H	Mew.	11,055	472
9	Hereford W1NC Fed 001H	Mew.	11,101	380
10	Hereford W1OD Fed 001H	Mew.	11,105	238
	Average		7,498	723



AVANT DEVELOPMENT PLAN RELATIVE TO APA CORP

Overview

- Avant's Grayling development program is designed to maximize recoveries and minimize waste across the unit
 - Development based on 6 wells per section in each of the 1st, 2nd and 3rd Bone Spring, as executed by Avant in offset units
 - APA Corp's development is based on 4 wells per section in only the 1st and 2nd Bone Spring, leaving meaningful reserves behind
- Avant's development program results in over 2x total oil recoveries versus APA Corp's proposed development program



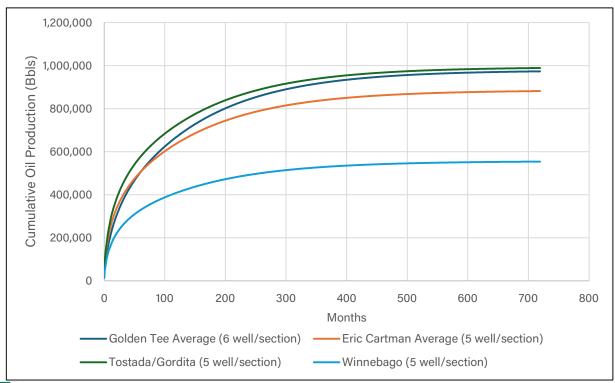


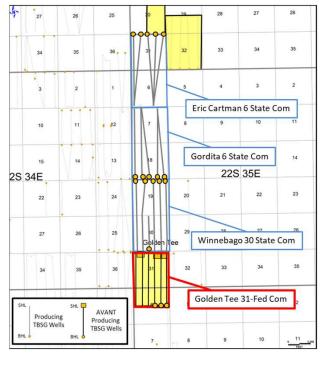
Note: Reserve volumes shown based on Avant-engineered type curves for each of the 1st, 2nd and 3rd Bone Spring.

MAXIMIZING TOTAL RECOVERVIES

Avant has a proven track record of maximizing recoveries via full bench development

- Avant's extensive operational experience in New Mexico continues to drive our optimized development strategy
- Focus on maximizing total recoveries within each unit with a responsible development approach
- Example: Avant Operating Golden Tee Unit
 - Avant drilled 6 3BS wells at Golden Tee vs. the historical approach of 5 wells/section in the area
 - Significant outperformance observed at Golden Tee relative to other nearby units drilled by other operators
 - Sub-optimized development patterns resulted in meaningful reserves being left behind vs. Golden Tee



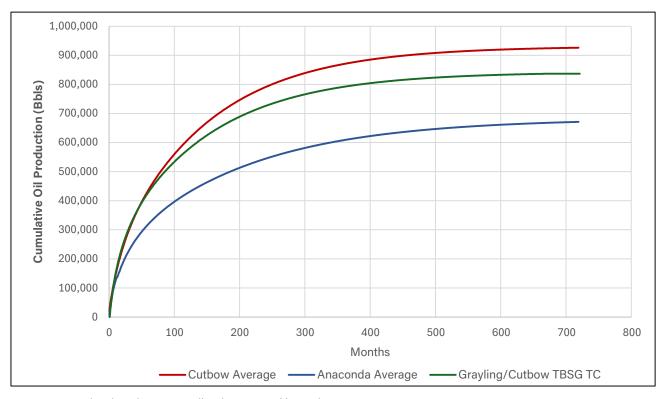


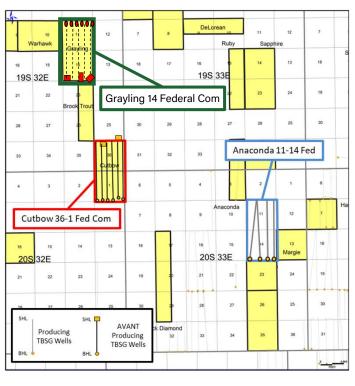


AVANT CUTBOW UNIT 3BS DEVELOPMENT

Avant has proven 6 wells/section in 3BS maximizes recoveries without performance degradation

- Example: Avant Operating Cutbow Unit vs. Earthstone Anaconda Unit
 - Avant drilled 6 3BS wells in two packages vs. Earthstone's development at 4 wells per section in higher-quality rock
 - Avant's Cutbow wells are expected to significantly outperform Anaconda wells on average despite higher rock quality and wider densities at Anaconda
 - Under-development at the Anaconda Unit to result in lower overall recoveries based on current forecasts
 - Avant expects Grayling 3BS wells to outperform Cutbow on average as we plan to develop all 6 wells in one package







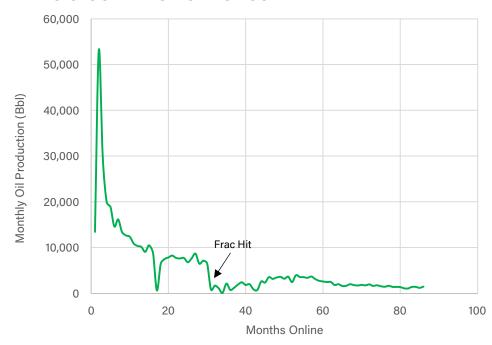
Production data normalized to 10,000' lateral

AVANT'S FULL BENCH DEVELOPMENT APPROACH

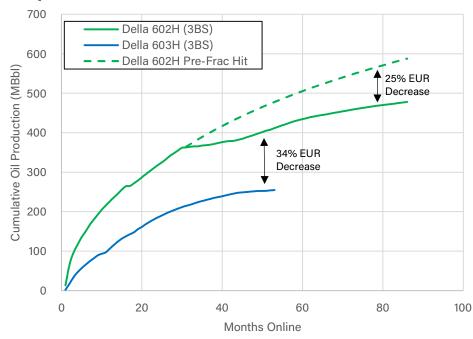
Avant is focused on avoiding EUR degradation by developing each target zone in one package

- Avant firmly believes that development of each zone in a single package is the optimal way to develop its Grayling unit
- Avoids frac hits and unnecessary parent/child well issues that adversely impact well performance
- Example: EOG Della 29 Fed Com 3BS Wells:
 - EOG drilled an initial 2-well pad, followed ~3 years later by a 4-well pad targeting the 3BS
 - Della 29 Federal Com 602H (first package) was most impacted by frac of the offset second package, losing 25% of its potential EUR from the frac hit of the adjacent Della 29 Federal Com 603H (second package) 880' away
 - The potential / expected EUR for the Della 603H was decreased by ~34% as a result of depletion from the offset 602H

Dela 602H Performance



Impact of Frac Hit - Della 602H vs. 603H





AO vs. APA CORP DEVELOPMENT COSTS

Avant has lower AFEs than APA and a proven track record of controlling costs

Overview

- Avant's proposal is more capital efficient for WI owners, with 15% lower AFEs than APA Corp on a per well basis for the First Bone Spring
- Avant's expertise in drilling 4-string casing design has resulted in meaningful cost improvements over time in this area
- D&C&F costs for recent Avant 1BS well(s) at Cutbow are projected to be ~3% below current Grayling AFE

AO vs. APA Corp 1BS AFE Comparison (\$ MM)





(1) Avant Actuals based on recent Cutbow wells.

CUTBOW DEVELOPMENT LESSONS LEARNED

- Development density of 6 wells per section proved to be optimal
- Drilling and completing each zone in one package is critical as to avoid degradation from offset depletion
- Co-development of multiple zones simultaneously can further mitigate the impact of offset depletion as well as minimize downtime for shut-ins for offset frac
- Reliable takeaway solutions for oil, gas and water are critical to avoid production curtailment and suboptimal lift operations
- Higher than expected water cut in deeper zones further emphasizes need for reliable water takeaway
- Ongoing improvements in drilling efficiencies with 4-string design has driven meaningful cost savings on recent pads
- Refined completion design has resulted in flatter production declines, supporting tighter densities vs. other companies

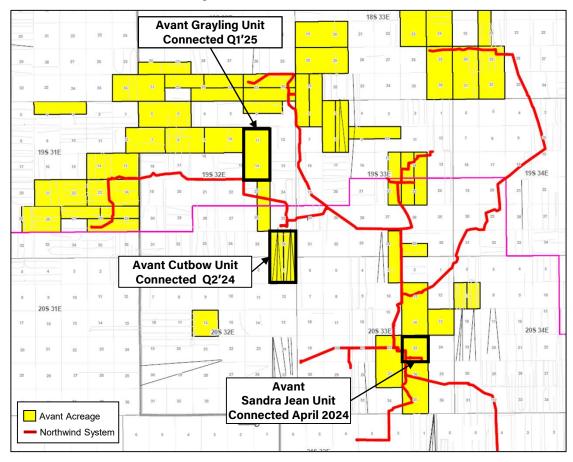


AVANT AS ANCHOR FOR NEW LEA COUNTY SYSTEM

Overview

- This area does not have adequate gas gathering and transportation to support a meaningful development project
 - Avant's recent development at Cutbow has maxed out 3rd party capacity
- Significant 3rd party investment is needed for this area to increase flow assurance and prevent waste
- Avant entered into an agreement with Northwind Midstream Partners in November 2023 that will help alleviate gas takeaway constraints in this area
 - Avant is an anchor customer for Northwind
 - Avant signed an acreage dedication and entered into an AMI to facilitate the build-out
 - Grayling connection is currently in progress, with in-service date scheduled for March 2025
 - Includes an obligation to gather, treat and process sour gas
 - Obligation to connect to Avant CTB's across the entire acreage position
 - Firm capacity secured in order to capture 100% of Avant's forecasted volumes

Northwind-Avant System



Avant has unique access to gas takeaway that is necessary to support a prudent development plan, prevent flaring and reduce waste

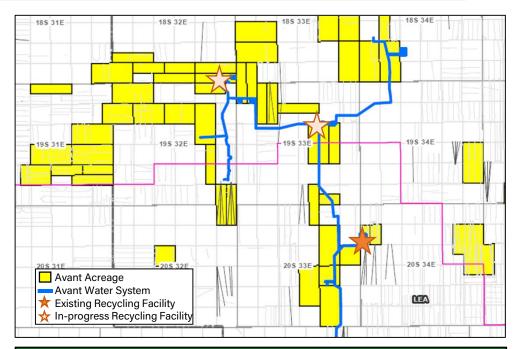


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INVESTING \$50 MM TO SOLVE WATER CONSTRAINTS

Avant is spending significant capital in water infrastructure to ensure pipeline and recycling solutions are in place

- 3rd party water midstream companies are reluctant to spend the necessary capital to address the growing need for water gathering and recycling infrastructure
- Avant's consolidated position and significant activity in the area support Avant's investment in water infrastructure
- Adequate water takeaway does not exist to support a multiwell horizontal development project
- Avant is planning to spend \$50 million to create a fullyintegrated water gathering and recycling system
 - 2024 approved budget of \$15.4 million
 - Portion of the system is currently in service
 - Ample capacity to supply water for frac at Grayling as well as gather 100% of the produced volumes
 - Full system in service late 4Q'24 / early Q1'25
- Avant's system will include:
 - ~4.5 million barrels of surface storage
 - ~45 miles of 12" to 20" gathering pipeline
 - ~200k barrels per day of water gathering capacity
 - ~180k barrels per day of water recycling capacity
 - Takeaway agreements for offtake/disposal







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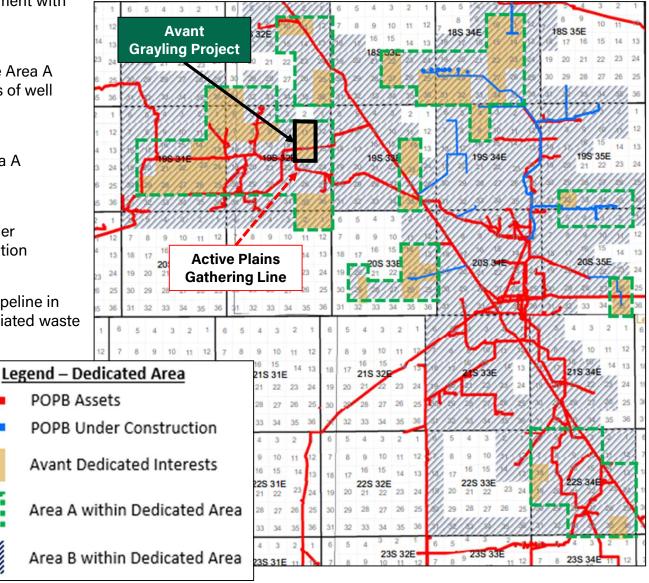
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RELIABLE OIL PIPELINE SOLUTION IN PLACE

Overview

- 10-year dedication and marketing agreement with Plains effective December 1, 2023
- Obligated to connect to CTB's within the Area A dedication (green dotted line) regardless of well count
 - Grayling is located within the Area A dedication
- Plains has infrastructure in-place to gather produced oil volumes on day 1 of production
- Avant plans to have 100% of the oil on pipeline in order to eliminate truck traffic and associated waste

Plains Oryx Permian Basin Pipeline (Plains)



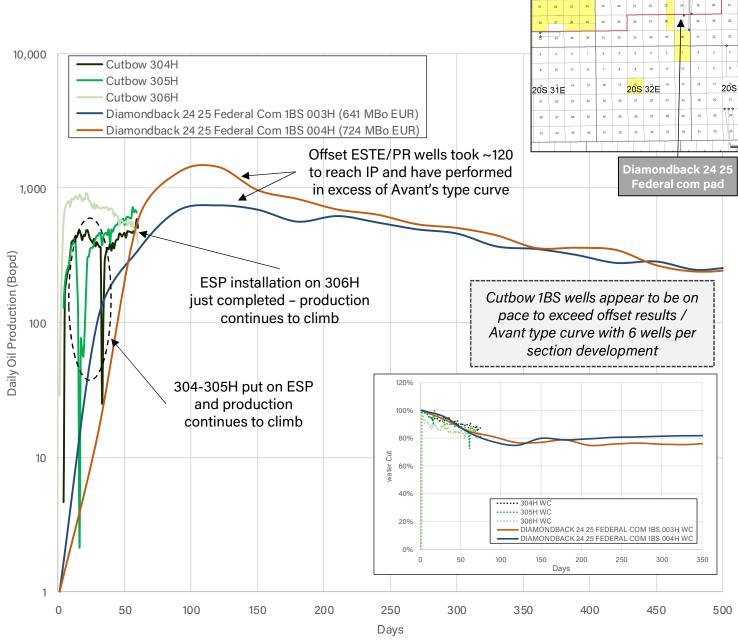


Well	Oil EUR	Gas EUR	Boe EUR	Well Count	Total Reserves Captured
1BS Typecurve	752 MBo	1,444 MMcf	993 MBoe	6	5,956 MBoe



CUTBOW 1BS WELL PERFORMANCE

- 3 well package targeting the 1st Bone Spring (<u>spaced at 6 wells per</u> <u>section</u>)
- Offset 2019 Earthstone wells spaced at 4 wells per section
- Avant results have been in-line with / in excess of the wider-spaced Earthstone Diamondback wells
- Earthstone wells IP'd in ~120 days and have exceeded Avant type curve
- Avant wells continuing to climb on ESP – expected to IP in-line with offset wells, if not higher



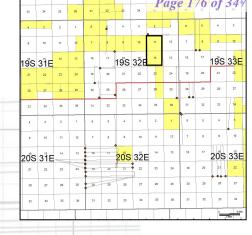


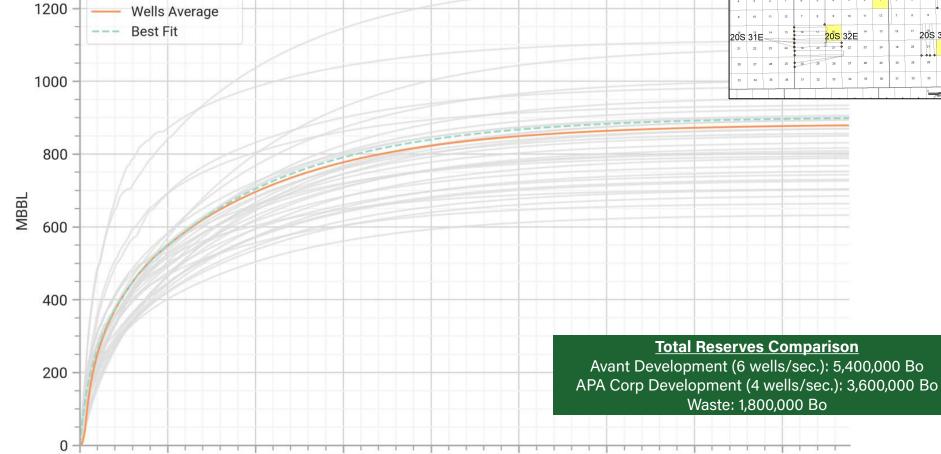
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2nd BONE SPRING 2-MILE TYPE CURVE

Background Data

2,500





Well	Oil EUR	Gas EUR	Boe EUR	Well Count	Total Reserves Captured
2BS Typecurve	900 MBo	1,312 MMcf	1,119 Mboe	6	6,712 MBoe

Days

10,000

12,500

15,000



7,500

5,000

17,500

20,000

Well	Oil EUR	Gas EUR	Boe EUR	Well Count	Total Reserves Captured
3BS Typecurve	837 MBo	1,008 MMcf	1,005 Mboe	6	6,030 MBoe

Davs

12,500

15,000

10,000



7,500

17,500

20,000

0

2,500

5,000

EXHIBIT D and Sub-Exhibits

NOTICE



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

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

Case No. 24254

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Avant Operating, LLC, the

Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit D-1** and caused the Notice

Letter, along with the Application in this case, to be sent to the parties set out in the chart attached

as Exhibit D-2.

3. Exhibit D-2 also provides the date each Notice Letter was sent and the date each

return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit D**-

3 as supporting documentation for proof of mailing and the information provided on Exhibit D-2.

5. On March 5, 2024, I caused a notice to be published to all interested parties in the

Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along

with a copy of the notice publication, is attached as Exhibit D-4.

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

subject cases. I affirm that my testimony above is true and correct and it 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.

/s/ Dana S. Hardy

Dana S. Hardy

May 20, 2024

Date

Avant Operating, LLC Case No. 24254 Exhibit D



HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

February 27, 2024

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

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24254 – Application of Avant Operating, LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 21**, **2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@emnrd.nm.gov 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.

Please contact Tiffany Sarantinos, Senior Landman at Avant Operating, LLC, at (720) 746-5048, if you have questions regarding these matters.

Sincerely,

/s/ Dana S. Hardy
Dana S. Hardy

Avant Operating, LLC Case No. 24254 Exhibit D-1

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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

Case No. 24254

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Acacia Resources LLC	02/27/24	03/08/24
1500 S Dairy Ashford Rd., Ste. 32		
Houston, TX 77077-3854		
Susannah D. Adelson, Trustee of the	02/27/24	03/05/24
James Adelson & Family 2015 Trusts		
15 E. 5th St., Suite 300		
Tulsa, OK 74103		
Roger John Allen and Nancy Edge	02/27/24	Per USPS Tracking
Jennings Allen, Trustees of The Allen		(Last Checked 05/20/24):
Family Revocable Trust, dated May 19,		
2000		03/01/24 – Delivered to
3623 Overbrook Dr.		individual at the address.
Dallas, TX 75205		
Alpha Energy Partners, LLC	02/27/24	03/11/24
508 W. Wall St., Ste. 1200		
Midland, TX 79701		
Apache 1996 A Trust	02/27/24	03/08/24
2000 Post Oak Blvd., Ste. 100		
Houston, TX 77056-4400		
Apache Corporation	02/27/24	03/18/24
2000 Post Oak Blvd., Suite #100		
Houston, TX 77056-4400		
Apache Corporation	02/27/24	03/04/24
303 Veterans Airpark Ln.		
Midland, TX 79705-4572		
Arrowhead Oil Corp.	02/27/24	03/12/24
PO Box 548		
Artesia, NM 88211		Return to sender.
BP America Production Co	02/27/24	03/05/24
501 Westlake Park Blvd.		
Houston, TX 77079		
BR2 Holdings, LLC	02/27/24	04/02/24
1749 South Blvd.		
Houston, TX 77098		Return to sender.

Avant Operating, LLC Case No. 24254 Exhibit D-2

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

Case No. 24254

Beverly Jean Renfro Barr, Trustee of	02/27/24	03/04/24
Family Trust uwo Richard K. Barr		
8027 Chalk Knoll Dr.		Return to sender.
Austin, TX 78735		
Barstow Energy LLC	02/27/24	03/08/24
PO Box 50880		
Midland, TX 79710-0880		
Bettis Brothers Inc	02/27/24	03/08/24
500 W Texas, #830		
Midland, TX 79701		
Travis and Patricia Bowles	02/27/24	03/05/24
5911 S. Indianapolis Place		
Tulsa, OK 74135		
Bureau of Land Management	02/27/24	03/04/24
301 Dinosaur Trail		
Santa Fe, NM 87508		
Burlington Resources Oil & Gas	02/27/24	04/02/24
Company LP		_
PO Box 51810		Return to sender.
Midland, TX 79710		
COG Operating LLC	02/27/24	03/08/24
600 W Illinois Ave		
Midland, TX 79701		
CXA Oil & Gas Holdings, LP	02/27/24	03/18/24
6000 Legacy Dr.		
Plano, TX 75024-3601		
Callaway Prod Co. Inc.	02/27/24	03/20/24
415 W Wall St., Ste. 205		5
Midland, TX 79701-4417		Return to sender.
Cayuga Royalties, LLC	02/27/24	04/02/24
PO Box 540711		D
Houston, TX 77254	0.0 /0.7 /0.4	Return to sender.
Centennial	02/27/24	03/08/24
PO Box 1837		
Roswell, NM 88202-1837		

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

Case No. 24254

Chase Mack C Trustee	02/27/24	03/06/24
	02/27/24	03/06/24
2103 W Main St.		
Artesia, NM 88210-3701		0.0 (0.5 (0.4
Chase Oil Corp.	02/27/24	03/06/24
11352 Lovington Hwy		
Artesia, NM 88210-9634		
Chevron Midcontinent, L.P.	02/27/24	03/08/24
6001 Bollinger Canyon Rd.		
San Ramon, CA 94583		
Chisos Ltd.	02/27/24	03/08/24
1331 Lamar St., Ste. 1077		
Houston, TX 77010-3135		
Cibolo Oil & Gas, LLC	02/27/24	05/16/24
3600 Bee Cave Rd., Ste. 102		
West Lake Hills, TX 78746		Return to sender.
Cibolo Royalties I, LLC	02/27/24	05/16/24
3600 Bee Cave Rd., Ste. 102		
West Lake Hills, TX 78746		Return to sender.
Cody Energy Inc.	02/27/24	Return card received on
7555 E Hamden Ave #600		03/04/24.
Denver, CO 80231		
Deliver, CO 00231		Return to sender received
		on 03/12/24.
Colgate Energy Management, LLC	02/27/24	03/04/24
300 N. Marienfeld St., Suite 1000		
Midland, TX 79701		
Colgate Opportunistic Investments I, LLC	02/27/24	03/04/24
300 N. Marienfeld St., Suite 1000		
Midland, TX 79701		
Compass Oil & Gas, LP	02/27/24	03/08/24
PO Box 1389		
Midland, TX 79702-1389		
Coterra Energy	02/27/24	03/18/24
1700 Lincoln Street		10.20.2
Denver, CO 80203		
Deliver, CO 60203		

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

Case No. 24254

PO Box 1708	Coyote Oil & Gas LLC	02/27/24	03/04/24
Susan Jennings Croft, Katie Elizabeth Croft, and Justin Jennings Croft, Co-Trustees of the Croft Living Trust, dated Sep. 25, 2020	PO Box 1708		
Croft, and Justin Jennings Croft, Co- Trustees of the Croft Living Trust, dated Sep. 25, 2020 03/05/24 - Item in transit 11700 Preston Rd., Suite 660, PMB 390 Dallas, TX 75230 02/27/24 03/20/24 14282 Gillis Rd Farmers Branch, TX 75244-3715 Return to sender. DENM Holdco, LLC 02/27/24 Per USPS Tracking (Last Checked 05/20/24): Total Worth, TX 76107 03/01/24 - Delivered to individual at the address. Delmar Holdings LP 02/27/24 03/12/24 1221 Lamar St., Ste. 1328 Houston, TX 77010-3050 Return to sender. Dixie Lake Operating LLC 02/27/24 03/07/24 Dixie Lake Operating LLC 02/27/24 03/07/24 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2109 Longview, TX 75006-2109 Dosy 2109 Longview, TX 75606-2109 Dosy 2			
Trustees of the Croft Living Trust, dated Sep. 25, 2020 11700 Preston Rd., Suite 660, PMB 390 Dallas, TX 75230 Cross Border Resources Inc. 14282 Gillis Rd Farmers Branch, TX 75244-3715 DENM Holdco, LLC 3724 Hulen St. Fort Worth, TX 76107 Delmar Holdings LP 1221 Lamar St., Ste. 1328 Houston, TX 77010-3050 Dixie Lake Operating LLC PO Box 2109 Longview, TX 75606-2109 Dolugic Late 1070 Literal in transit to the next facility. 03/05/24 – Item in transit to the next facility. 03/20/24 03/20/24 Per USPS Tracking (Last Checked 05/20/24): 03/01/24 – Delivered to individual at the address. 02/27/24 03/12/24 03/07/24 03/07/24		02/27/24	
Sep. 25, 2020			(Last Checked 05/20/24):
11700 Preston Rd., Suite 660, PMB 390 Dallas, TX 75230 Cross Border Resources Inc. 02/27/24 03/20/24 14282 Gillis Rd Farmers Branch, TX 75244-3715 Return to sender. DENM Holdco, LLC 3724 Hulen St. Fort Worth, TX 76107 Case of the present			
Dallas, TX 75230	•		
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Fort Worth, TX 76107 03/01/24 - Delivered to individual at the address.		02/27/24	
Delmar Holdings LP 02/27/24 03/12/24 1221 Lamar St., Ste. 1328 Houston, TX 77010-3050 Return to sender. Dixie Lake Operating LLC PO Box 2109 Longview, TX 75606-2109 03/07/24 03/07/24 03/07/24			(Last Checked 05/20/24):
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Delmar Holdings LP 02/27/24 03/12/24 1221 Lamar St., Ste. 1328 Return to sender. Houston, TX 77010-3050 Return to sender. Dixie Lake Operating LLC 02/27/24 03/07/24 PO Box 2109 02/27/24 03/07/24			
1221 Lamar St., Ste. 1328 Houston, TX 77010-3050 Dixie Lake Operating LLC PO Box 2109 Longview, TX 75606-2109 Return to sender. 02/27/24 03/07/24	Delmon Heldings I D	02/27/24	
Houston, TX 77010-3050 Return to sender. Dixie Lake Operating LLC PO Box 2109 Longview, TX 75606-2109		02/2//24	03/12/24
Dixie Lake Operating LLC PO Box 2109 Longview, TX 75606-2109	· · · · · · · · · · · · · · · · · · ·		Return to sender
PO Box 2109 Longview, TX 75606-2109		02/27/24	
Longview, TX 75606-2109	1 &	02/2//24	03/07/24
1 Dominion Ukianoma Texas Expl & Prod 10///1//4 Per UNEN Tracking		02/27/24	Dan HCDC Treadsing
Inc. (Last Checked 05/20/24):	=	02/2//24	
			(Last Checked 03/20/24):
14000 Quail Springs Pkwy., Ste. 6 Oklahoma City, OK 73124-2600 03/01/24 – Item			03/01/24 Item
Oklahoma City, OK 73124-2600 03/01/24 – Item forwarded to a different	Okianoma City, OK /3124-2600		
address.			
EOG Resources 02/27/24 03/25/24	EOG Resources	02/27/24	
1111 Bagby Street, Sky Lobby 2			03/25/2
Houston, TX 77002			
EOG Resources Inc. 02/27/24 03/08/24		02/27/24	03/08/24
5509 Champions Drive			
Midland, TX 79706	•		

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

Case No. 24254

Endeavor Energy Resources LP	02/27/24	03/04/24
110 N Marienfeld, #200		
Midland, TX 79701-4421		
Endurance Properties Inc.	02/27/24	03/12/24
15455 Dallas Pkwy., Ste. 1050	02/2//21	05/12/2
Addison, TX 75001-6721		Return to sender.
Franklin Mountain Royalty Investments,	02/27/24	03/04/24
LLC	02/27/21	03/01/21
44 Cook St., Suite 1000		
Denver, CO 80206		
G & C Service	02/27/24	03/04/24
2502 Heath St.		
Artesia, NM 88210-9315		
G.P.C. Oil & Gas Corporation	02/27/24	04/02/24
PO Box 50982	02/27/21	0 1/ 02/21
Midland, TX 79710-0982		Return to sender.
Geronimo Holding Corporation	02/27/24	Per USPS Tracking
PO Box 804		(Last Checked 05/20/24):
Midland, TX 79702-0804		,
,		03/06/24 – Item picked
		up at postal facility.
Goodman Energy, LLC	02/27/24	03/04/24
PO Box 2001		
Edmond, OK 73083		
Greenville Partners	02/27/24	03/26/24
PO Box 50612		
Midland, TX 79710-0612		Return to sender.
Roy Edward Guinnup	02/27/24	03/14/24
301 Commerce St., Suite 1830		
Fort Worth, TX 76102-4189		Return to sender.
H and S Drilling Co.	02/27/24	Per USPS Tracking
PO Box 701620		(Last Checked 05/20/24):
Tulsa, OK 74170-1620		
		03/05/24 – Item in transit
		to next facility.

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

Case No. 24254

H M Bettis Inc	02/27/24	03/14/24
PO Box 1240		
Graham, TX 76046		
Hanesco Inc.	02/27/24	03/06/24
PO Box 2588		
Roswell, NM 88202		
Headington Royalty Inc	02/27/24	03/07/24
1501 N Hardin Blvd., Ste. 100		
McKinney, TX 75071		
Hopper-Barnett Inc.	02/27/24	04/02/24
PO Box 1706		
Hobbs, NM 88241-1706		Return to sender.
Hunt Oil Co.	02/27/24	03/04/24
1900 N Akard St.		
Dallas, TX 75201-2300		
Jamie E. Jennings and George J. Lee,	02/27/24	03/07/24
Trustees of the Jennings-Lee Trust, dated		
Sep. 18, 2017		
PO Box 670326		
Dallas, TX 75367-0326		
John H Hendrix Corp.	02/27/24	03/05/24
110 N Marienfeld, #400		
Midland, TX 79701		Return to sender.
Sam H. Jolliffe, IV	02/27/24	03/20/24
3150 McMasters Rd.		
Billings, MT 59101		Return to sender.
Teresa H. Jolliffe	02/27/24	03/25/24
1610 North N St.		
Midland, TX 79701		Return to sender.
LNV Corporation	02/27/24	03/04/24
1970 Village Center Circle, Suite 1		
Las Vegas, NV 89134		
LOSB, Inc.	02/27/24	03/25/24
P.O. Box 158		
Pampa, TX 79066		Return to sender.

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

Case No. 24254

L T Lewis Estate PO Box 1738 Roswell, NM 88202-1738 Lanexco Inc. PO Box 2730 Midland, TX 79702 Lean Dog Limited Partnership No 1 PO Box 25203 Dallas, TX 75225-1203 Crystal Van Lom 3/227/24 303/04/24 O3/04/24 O3/08/24			
Return to sender.	L T Lewis Estate	02/27/24	03/12/24
Lanexco Inc. PO Box 2730 Midland, TX 79702 Lean Dog Limited Partnership No 1 PO Box 25203 Dallas, TX 75225-1203 Crystal Van Lom 3427 E. Woodland Dr. Phoenix, AZ 85048 Lothian Oil Inc. 303 W Wall, #500 Midland, TX 79701 Lynx Petro Consultants Inc. PO Box 1708 Hobbs, NM 88241-1708 MEC Development Ltd. PO Box 4000 The Woodlands, TX 77380-4000 Mack Energy Corp. PO Box 960 Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Resum to sender. 02/27/24 03/14/24 03/08/24 03/08/24 03/08/24 03/08/24 03/08/24 03/08/24 03/08/24 03/08/24 03/08/24	PO Box 1738		
PO Box 2730 Return to sender.	Roswell, NM 88202-1738		Return to sender.
Midland, TX 79702 Return to sender.	Lanexco Inc.	02/27/24	03/25/24
Can Dog Limited Partnership No 1 O2/27/24 O3/04/24 PO Box 25203 Dallas, TX 75225-1203 O2/27/24 O3/14/24 Available Partnership No 1 O2/27/24 O3/20/24 Available Partnership No 1 O2/27/24 O3/20/24 Available Partnership No 1 O2/27/24 O3/04/24 Available Partnership No 1 O2/27/24 O3/04/24 Available Partnership No 1 O2/27/24 O3/12/24 Available Partnership No 1 O2/27/24 O3/12/24 Available Partnership No 1 O2/27/24 O3/04/24 Available Partnership No 1 O2/27/24 O3/08/24 Available Part	PO Box 2730		
PO Box 25203 Dallas, TX 75225-1203 Crystal Van Lom 3427 E. Woodland Dr. Phoenix, AZ 85048 Lothian Oil Inc. 303 W Wall, #500 Midland, TX 79701 Lynx Petro Consultants Inc. PO Box 1708 Hobbs, NM 88241-1708 HEC Development Ltd. PO Box 4000 The Woodlands, TX 77380-4000 Mack Energy Corp. PO Box 960 Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Resurn to sender. Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 02/27/24 03/08/24 03/08/24 03/08/24 03/08/24 03/08/24	Midland, TX 79702		Return to sender.
Dallas, TX 75225-1203 Crystal Van Lom	Lean Dog Limited Partnership No 1	02/27/24	03/04/24
Crystal Van Lom 3427 E. Woodland Dr. Phoenix, AZ 85048 Return to sender.	PO Box 25203		
3427 E. Woodland Dr. Phoenix, AZ 85048 Return to sender.	Dallas, TX 75225-1203		
Phoenix, AZ 85048 Return to sender.	Crystal Van Lom	02/27/24	03/14/24
Lothian Oil Inc. 02/27/24 03/20/24 303 W Wall, #500 Midland, TX 79701 Return to sender.	3427 E. Woodland Dr.		
303 W Wall, #500 Midland, TX 79701 Return to sender.	Phoenix, AZ 85048		Return to sender.
Midland, TX 79701 Return to sender. Lynx Petro Consultants Inc. 02/27/24 03/04/24 PO Box 1708 03/04/24 03/04/24 Hobbs, NM 88241-1708 02/27/24 03/12/24 MEC Development Ltd. 02/27/24 03/12/24 PO Box 4000 Return to sender. Mack Energy Corp. 02/27/24 03/04/24 PO Box 960 Artesia, NM 88211-0960 02/27/24 03/14/24 Manzano LLC 02/27/24 03/14/24 03/14/24 121 W 3RD St. Return to sender. Roswell, NM 88201-4707 Return to sender. Marathon Oil Permian LLC 02/27/24 03/08/24 990 Town and Country Blvd. 02/27/24 03/08/24 Houston, TX 77024 03/08/24 03/08/24 Marbob Energy Corp. 02/27/24 03/08/24 808 W Main St. 02/27/24 03/08/24 Artesia, NM 88210-1963 02/27/24 03/08/24 Marshall & Winston 02/27/24 03/08/24	Lothian Oil Inc.	02/27/24	03/20/24
Lynx Petro Consultants Inc. O2/27/24 O3/04/24	303 W Wall, #500		
PO Box 1708 Hobbs, NM 88241-1708 MEC Development Ltd. PO Box 4000 The Woodlands, TX 77380-4000 Mack Energy Corp. PO Box 960 Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Roswell, NM 88201-4707 Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. Marbob Energy Corp. Marshall & Winston PO Box 50880 02/27/24 03/14/24 03/14/24 03/08/24 03/08/24 03/08/24 03/08/24	Midland, TX 79701		Return to sender.
Hobbs, NM 88241-1708		02/27/24	03/04/24
MEC Development Ltd. 02/27/24 03/12/24 PO Box 4000 Return to sender. Mack Energy Corp. 02/27/24 03/04/24 PO Box 960 02/27/24 03/04/24 Artesia, NM 88211-0960 02/27/24 03/14/24 Manzano LLC 02/27/24 03/14/24 121 W 3RD St. Return to sender. Roswell, NM 88201-4707 Return to sender. Marathon Oil Permian LLC 02/27/24 03/08/24 990 Town and Country Blvd. 02/27/24 03/08/24 Houston, TX 77024 03/08/24 03/08/24 Marbob Energy Corp. 02/27/24 03/08/24 808 W Main St. 02/27/24 03/08/24 Artesia, NM 88210-1963 02/27/24 03/08/24 Marshall & Winston 02/27/24 03/08/24	PO Box 1708		
PO Box 4000 The Woodlands, TX 77380-4000 Mack Energy Corp. PO Box 960 Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Roswell, NM 88201-4707 Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 Return to sender. 02/27/24 03/08/24 03/08/24 03/08/24 03/08/24	Hobbs, NM 88241-1708		
The Woodlands, TX 77380-4000 Mack Energy Corp. PO Box 960 Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Roswell, NM 88201-4707 Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 Return to sender. 02/27/24 03/14/24 03/14/24 03/14/24 03/08/24 03/08/24 03/08/24 03/08/24	MEC Development Ltd.	02/27/24	03/12/24
Mack Energy Corp. PO Box 960 Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Roswell, NM 88201-4707 Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 02/27/24 03/04/24 03/04/24 03/14/24 03/14/24 03/08/24 03/08/24 03/08/24 03/08/24	PO Box 4000		
PO Box 960 Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Roswell, NM 88201-4707 Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 02/27/24 03/08/24 03/08/24 03/08/24	The Woodlands, TX 77380-4000		Return to sender.
Artesia, NM 88211-0960 Manzano LLC 121 W 3RD St. Roswell, NM 88201-4707 Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 02/27/24 03/14/24 03/14/24 03/08/24 03/08/24 03/08/24 03/08/24	Mack Energy Corp.	02/27/24	03/04/24
Manzano LLC 02/27/24 03/14/24 121 W 3RD St. Return to sender. Roswell, NM 88201-4707 Return to sender. Marathon Oil Permian LLC 02/27/24 03/08/24 990 Town and Country Blvd. 02/27/24 03/08/24 Houston, TX 77024 03/08/24 03/08/24 808 W Main St. 03/08/24 03/08/24 Artesia, NM 88210-1963 02/27/24 03/08/24 Marshall & Winston 02/27/24 03/08/24	PO Box 960		
121 W 3RD St. Return to sender. Return to sender.	Artesia, NM 88211-0960		
Roswell, NM 88201-4707 Return to sender. Marathon Oil Permian LLC 02/27/24 03/08/24 990 Town and Country Blvd. 02/27/24 03/08/24 Houston, TX 77024 02/27/24 03/08/24 Marbob Energy Corp. 02/27/24 03/08/24 808 W Main St. 02/27/24 03/08/24 Artesia, NM 88210-1963 02/27/24 03/08/24 PO Box 50880 02/27/24 03/08/24	Manzano LLC	02/27/24	03/14/24
Marathon Oil Permian LLC 990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 02/27/24 03/08/24 03/08/24 03/08/24	121 W 3RD St.		
990 Town and Country Blvd. Houston, TX 77024 Marbob Energy Corp. 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 02/27/24 03/08/24 03/08/24	Roswell, NM 88201-4707		Return to sender.
Houston, TX 77024 Marbob Energy Corp. 02/27/24 03/08/24 808 W Main St. Artesia, NM 88210-1963 Marshall & Winston 02/27/24 03/08/24 PO Box 50880	Marathon Oil Permian LLC	02/27/24	03/08/24
Marbob Energy Corp. 02/27/24 03/08/24 808 W Main St. 02/27/24 03/08/24 Artesia, NM 88210-1963 02/27/24 03/08/24 Marshall & Winston 02/27/24 03/08/24 PO Box 50880 02/27/24 03/08/24	990 Town and Country Blvd.		
808 W Main St. Artesia, NM 88210-1963 Marshall & Winston PO Box 50880 02/27/24 03/08/24	Houston, TX 77024		
Artesia, NM 88210-1963 Marshall & Winston 02/27/24 03/08/24 PO Box 50880	Marbob Energy Corp.	02/27/24	03/08/24
Marshall & Winston 02/27/24 03/08/24 PO Box 50880	808 W Main St.		
PO Box 50880	Artesia, NM 88210-1963		
	Marshall & Winston	02/27/24	03/08/24
Midland, TX 79710	PO Box 50880		
	Midland, TX 79710		

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

Case No. 24254

7. C 1 7 7.	00/07/04	100/44/04
McCombs Energy, Ltd.	02/27/24	03/14/24
5599 San Felipe St., Suite 1220		
Houston, TX 77056-2724		Return to sender.
McKay Oil Corporation	02/27/24	03/04/24
P.O. Box 2014		
Roswell, NM 88202		
McKay Petroleum Corp.	02/27/24	03/04/24
PO Box 2014		
Roswell, NM 88202		
Roy L. McKay and Charolette M. McKay,	02/27/24	03/04/24
Trustees of the McKay Living Trust dtd		
July 2, 1982		
6204 North Main St.		
Roswell, NM 88201		
Mewbourne Oil	02/27/24	03/11/24
P.O. Box 7698		
Tyler, TX 75711		
Monticello Minerals LLC	02/27/24	03/05/24
5528 Vickery Blvd.		
Dallas, TX 75206		
Moriah Oil and Gas LLC	02/27/24	04/16/24
PO Box 50465		
Midland, TX 79710-0465		Return to sender.
Nadel and Gussman Permian, L.L.C.	02/27/24	03/05/24
15 East 5th St., Suite 3300		
Tulsa, OK 74103-4340		
New Mexico State Land Office	02/27/24	03/06/24
310 Old Santa Fe Trail		
Santa Fe, NM 87504-1148		
Nortex Corp.	02/27/24	03/12/24
1415 Louisiana St., Ste. 3100		
Houston, TX 77002-7353		Return to sender.
Northern Oil and Gas, Inc.	02/27/24	03/07/24
4350 Baker Road, Ste. 400		
Minnetonka, MN 55343		

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

Case No. 24254

Nuevo Seis Inc.	02/27/24	03/06/24
PO Box 182	02/2//24	03/00/24
Roswell, NM 88202		
Osprey Oil & Gas	02/27/24	03/26/24
2400 Humble Ave.	02/2//24	03/20/24
Midland, TX 79705		Return to sender.
Paper Time Inc.	02/27/24	03/20/24
119 N Colorado, #505	02/2//24	03/20/24
Midland, TX 79701		Return to sender.
Pegasus Resources II, LLC	02/27/24	03/11/24
PO Box 470698	02/2//24	03/11/24
Fort Worth, TX 76147		
Permian Resources	02/27/24	03/04/24
300 N. Marienfeld Street, #1000	02/2//24	03/04/24
Midland, TX 79701		
Permian Resources Operating LLC	02/27/24	03/04/24
1012 Stuart Rd. NW	02/2//24	03/04/24
Albuquerque, NM 87114		
Prevail Energy LLC	02/27/24	03/15/24
521 Dexter St.	02/2//24	03/13/24
Denver, CO 80220		
Pride Energy Company	02/27/24	03/04/24
4641 E 91st St.	\(\sigma \) \(\frac{1}{2} \) \(\frac{1}{	0070 112 1
Tulsa, OK 74137		
Pruet Family Management, LLC	02/27/24	Per USPS Tracking
217 W. Capitol St., Suite 201	\(\sigma \) \(\frac{1}{2} \) \(\frac{1}{	(Last Checked 05/20/24):
Jackson, MS 39201		(======================================
,		03/06/24 – Item awaiting
		delivery.
Ray Westall Operating Inc.	02/27/24	03/07/24
PO Box 4		
Loco Hills, NM 88255-0004		
Red Bird Ventures, Inc.	02/27/24	Per USPS Tracking
15814 Champion Forest Dr., PMB 250		(Last Checked 05/20/24):
Houston, TX 77379		
		03/04/24 – Delivered to
		individual at the address.

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

Case No. 24254

Rice Brothers	02/27/24	03/04/24
5725 Ridgemont Pl.		
Midland, TX 79707-5010		
Rock Products, Inc.	02/27/24	03/04/24
1012 Stuart Rd. NW		
Albuquerque, NM 87114		
S & C Construction Inc.	02/27/24	04/02/24
202 Sawgrass Ln.		
Broussard, LA 70518		Return to sender.
Saber Oil & Gas Ventures LLC	02/27/24	03/07/24
1031 Andrews Hwy., Ste. 310		
Midland, TX 79701		
Sabine Holdings LP	02/27/24	03/04/24
312 W Sabine St.		
Carthage, TX 75633-2519		
James G. Smith and Alyssa C. Smith, as	02/27/24	03/11/24
Co-Trustees of the Smith Family		
Irrevocable Trust U/A/D 2/20/2018		
26750 McLaughlin Blvd.		
Bonita Springs, FL 34134		
Solis Partners LLC	02/27/24	03/07/24
4501 Santa Rosa Dr.		
Midland, TX 79707-2260 0		
Sonic Oil & Gas Inc.	02/27/24	03/12/24
PO Box 1240		
Graham, TX 76540-1240		
Kay Sweaney Sorvillo	02/27/24	03/08/24
3507 Stonehaven Rd.		
San Antonio, TX 78230		
Southwest Royalties, Inc.	02/27/24	03/04/24
200 N Loraine St., Ste. 400		
Midland, TX 79701		
Gary W. Sweaney	02/27/24	03/08/24
12938 King Circle		
Cypress, TX 77429		

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

Case No. 24254

Richard H. Sweaney, III	02/27/24	04/02/24
P.O. Box 1803		
Forney, TX 75126		Return to sender.
Sydhan, LP	02/27/24	03/08/24
P.O. Box 92349		
Austin, TX 78709		
TJG Energy LLC	02/27/24	Per USPS Tracking
3402 E Anderson Dr.		(Last Checked 05/20/24):
Lovington, NM 88260-9406		
		03/01/24 – Delivered to
		individual at the address.
TWR IV, LLC	02/27/24	Per USPS Tracking
3724 Hulen St.		(Last Checked 05/20/24):
Fort Worth, TX 76107		
		03/01/24 – Delivered to
		individual at the address.
Tandem Energy Corp.	02/27/24	03/11/24
5065 Westheimer Rd., Ste. 920		
Houston, TX 77056-5605		
Taylor Neal A Estate	02/27/24	03/14/24
PO Box 406		
Terlingua, TX 79852-0406		
Three Lain Corp.	02/27/24	Per USPS Tracking
2200 Scurry St.		(Last Checked 05/20/24):
Big Spring, TX 79720-5551		
		03/06/24 – Delivery
		attempted.
Tritex Energy A LP	02/27/24	Per USPS Tracking
15455 Dallas Pkwy., Ste. 600		(Last Checked 05/20/24):
Addison, TX 75001-6760		
		03/13/24 – Delivered to
		front desk, reception
		area, or mail room.
Turnco Inc.	02/27/24	03/15/24
PO Box 1240		
Graham, TX 76046		

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

Case No. 24254

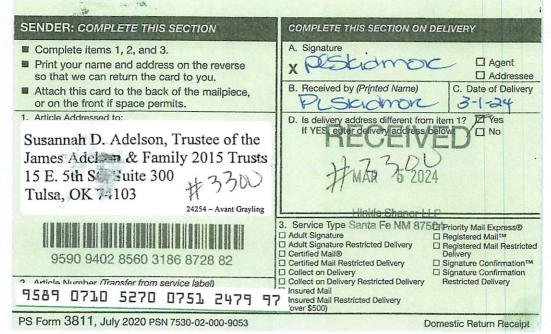
Upland Production Co.	02/27/24	03/25/24
PO Box 481	02/21/24	03/23/24
		Return to sender.
Midland, TX 79702-0481	02/27/24	
WPX Energy Permian LLC	02/27/24	03/05/24
333 W Sheridan Avenue		
Oklahoma City, OK 73102		
Wadi Petroleum, Inc.	02/27/24	03/14/24
4355 Sylvanfield Dr., Ste. 200		
Houston, TX 77014-1649		Return to sender.
Walsh & Watts Inc	02/27/24	Per USPS Tracking
155 Walsh Dr.		(Last Checked 05/20/24):
Aledo, TX 76008		
		03/01/24 – Delivered to
		individual at the address.
Ray Westall and wife, Karen Westall	02/27/24	03/07/24
PO Box 4		
Loco Hills, NM 88255		
White Rock Royalty Partners No 1	02/27/24	03/25/24
427 S Boston Ave,. Ste. 711		
Tulsa, OK 74103-4112		Return to sender.
Wilma Donohue Moleen Foundation	02/27/24	03/22/24
10 S. Dearborn St.		
Chicago, IL 60603		
Cynthia Mae Wilson, Trustee	02/27/24	03/11/24
4601 Mirador Dr.		
Austin, TX 78735-1554		
XTO Holdings LLC	02/27/24	03/08/24
22777 Springwoods Village Pkwy.		
Spring, TX 77389-1425		
ZPZ Delaware I, LLC	02/27/24	03/04/24
303 Veterans Airpark Lane, Suite 1000		
Midland, Texas 79705		
Zunis Energy, LLC	02/27/24	03/08/24
15 E. 5th St., Suite 300	02/2//27	03/00/27
Tulsa, OK 74103		
1 uisa, OK /7103		





Avant Operating, LLC Case No. 24254 Exhibit D-3

















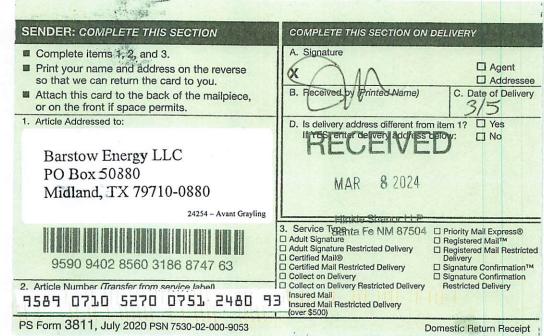








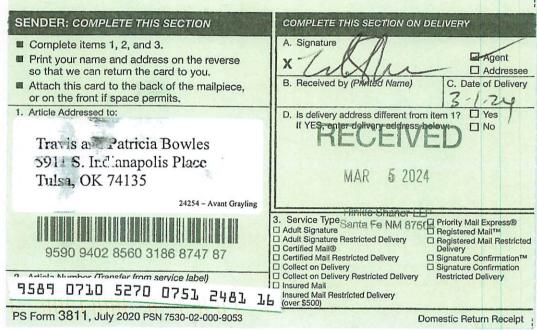








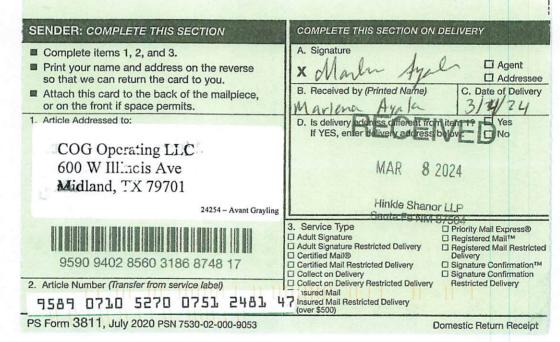




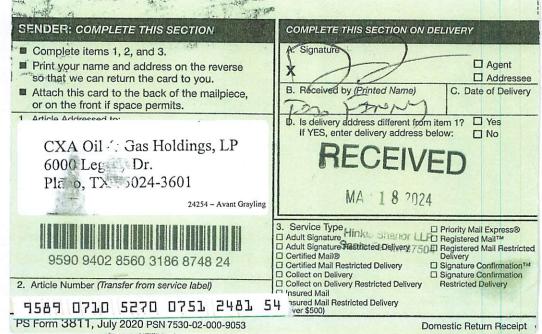




















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956	Street and Aj Chase Oil Corp. 11352 Lovington Hwy Artesia, NM 88210-9634 24254 - Avant Grayling	
1	PS Form 3800, January 2023 PSN 7530-02-000-9047	See Reverse for Instructions



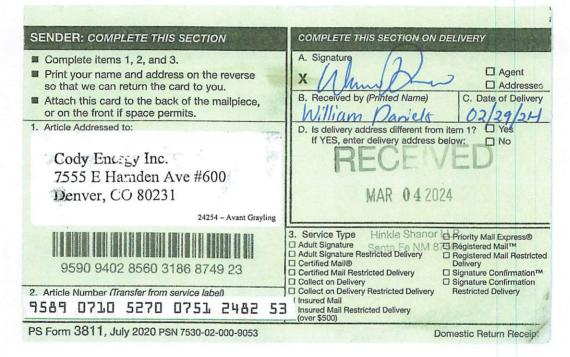












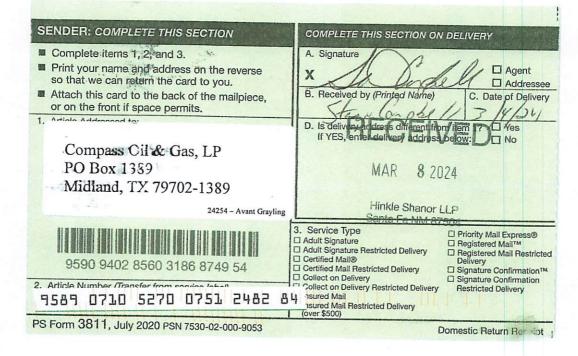




















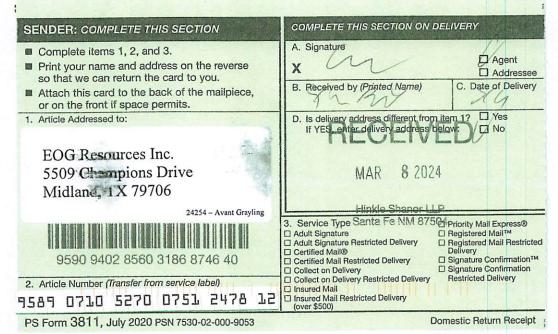




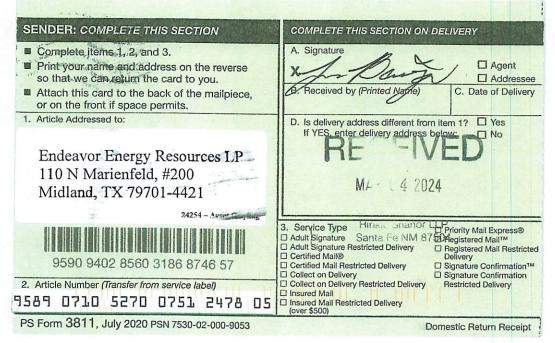












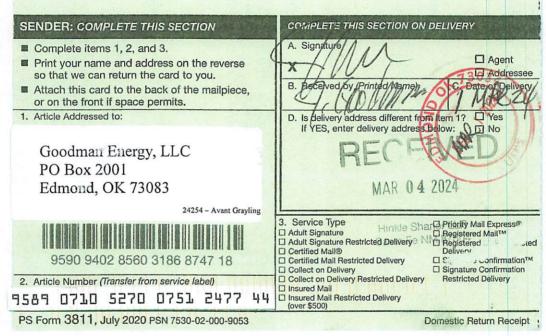
















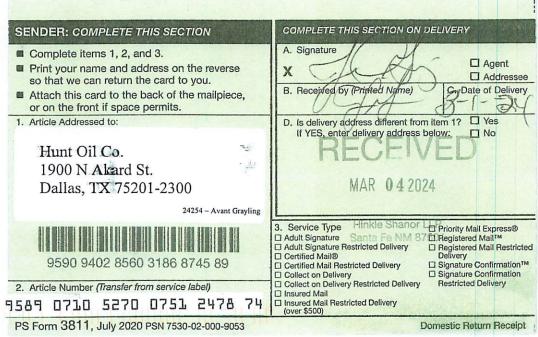




























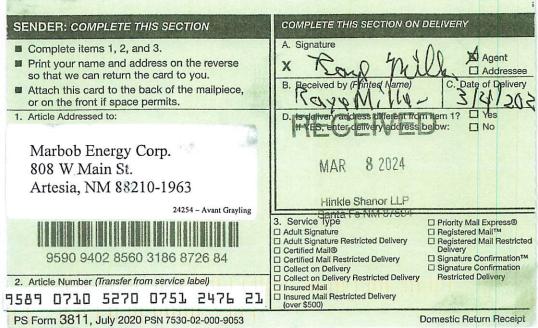




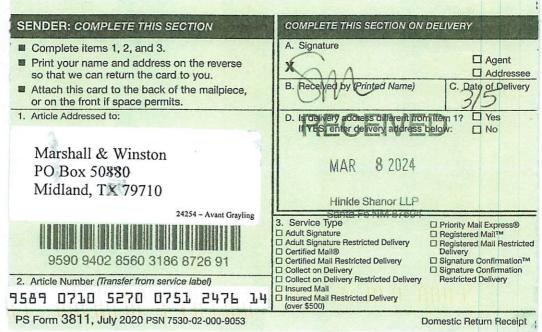




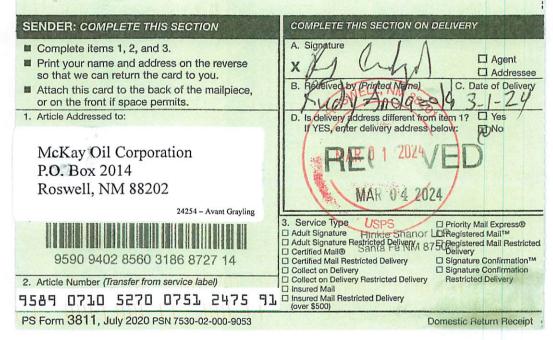




























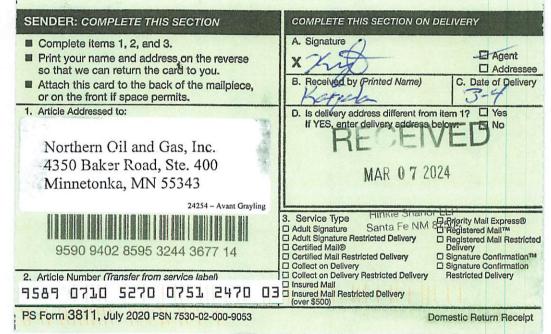
























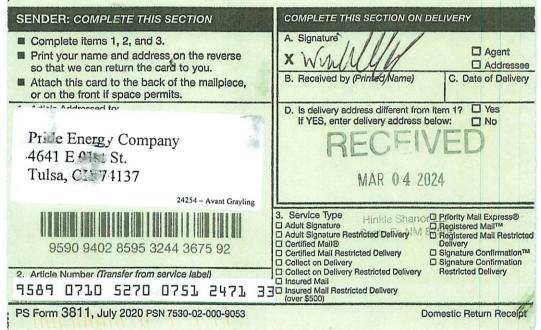
















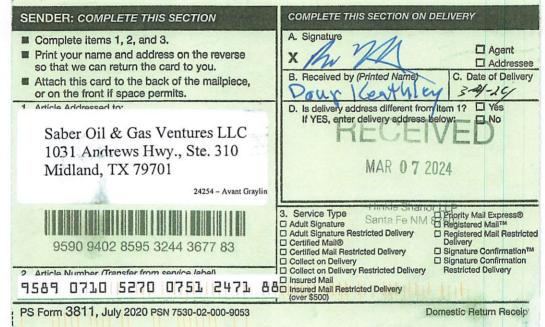








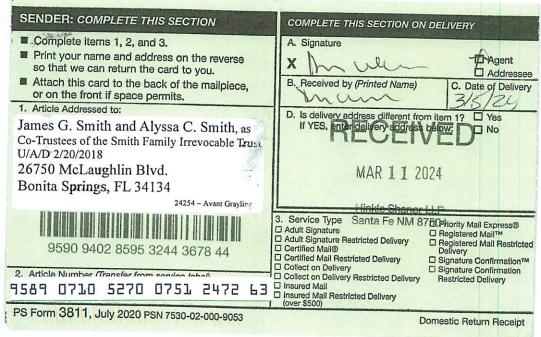




















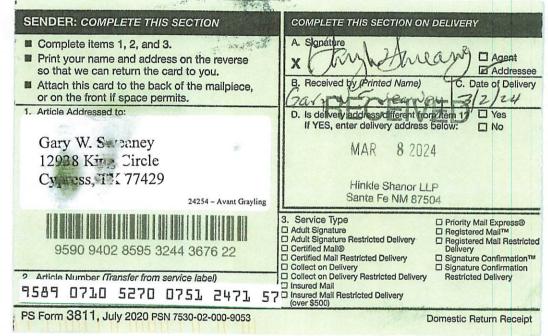




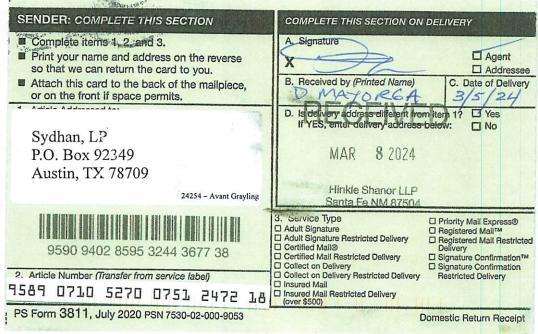




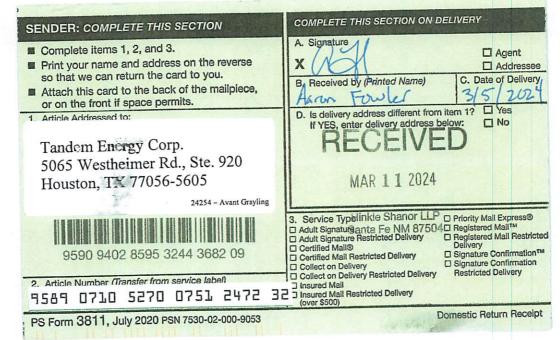












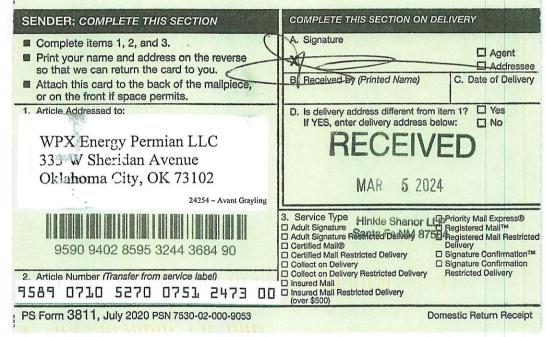












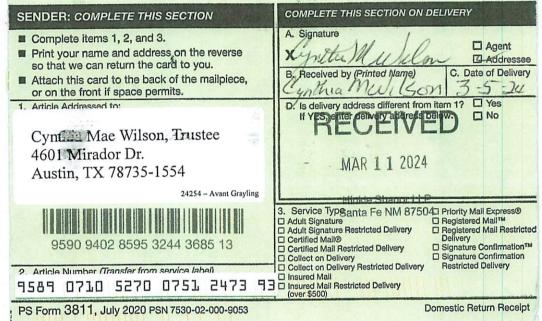




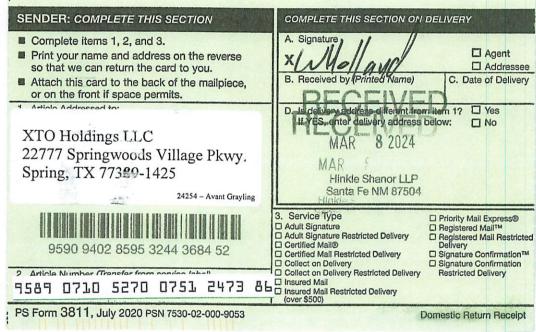








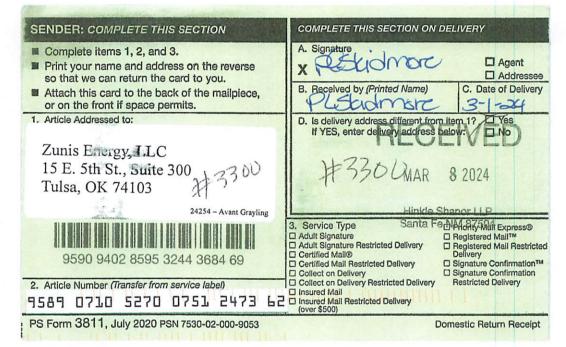














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HINKLE SHANOR LLP ATTORNEYS AT LAW POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504



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Hinkle Shanor LLP Santa Fe NM 87504

Arrowhead Oil Corp. PO Box 548 Artesia, NM 88211

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BR2 Holdings, LLC 1749 South Blvd. Houston, TX 77098

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Hinkle Shanor LLP Santa Fe NM 87504

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Beverly Jean Renfro Barr, Trustee of Family Trust uwo Richard K. Barr 8027 Chalk Knoll Dr.

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Hinkie Shanor LLP Santa Fe NM 87504 Burlington Resources Oil & Gas Co. LP PO Box 51810 Midland, TX 79710



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Hinkle Shanor LLP Santa Fe NM 87504

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Cibolo Oil & Gas, LLC 3600 Bee Cave Rd., Ste. 102 West Lake Hills, TX 78746

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BC: 87504206868

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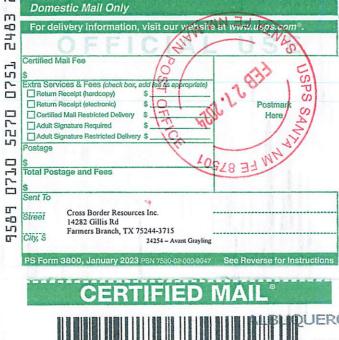
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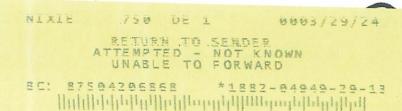
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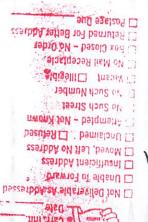
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Preparing for Delivery

Moving Through Network

In Transit to Next Facility

March 5, 2024

Departed USPS Regional Facility

TULSA OK DISTRIBUTION CENTER February 29, 2024, 8:33 pm

Arrived at USPS Regional Facility

TULSA OK DISTRIBUTION CENTER February 29, 2024, 1:51 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:50 pm Feedback

Arrived at USPS Facility
ALBUQUERQUE, NM 87101
February 27, 2024, 9:03 pm

Hide Tracking History

What Do USPS Tracking Statuse	s Mean? (https://faq.usps.coi	m/s/article/Where-is-my-package)
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Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
rack Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

Tracking Number:

9589071052700751247126

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

We now anticipate delivery of your package the next business day. We apologize for the delay.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Alert

Awaiting Delivery

March 6, 2024, 12:10 am

Out for Delivery

JACKSON, MS 39201 March 5, 2024, 6:10 am

Arrived at Post Office

JACKSON, MS 39206 March 5, 2024, 4:32 am

In Transit to Next Facility

March 4, 2024

Arrived at USPS Regional Facility

JACKSON MS DISTRIBUTION CENTER March 2, 2024, 4:37 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101

Feedback

February 27, 2024, 9:50 pm

Arrived at USPS Facility
ALBUQUERQUE, NM 87101
February 27, 2024, 9:04 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

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USPS Tracking Plus®	~
Product Information	~
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Need More Help?

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FAQs >

Remove X

Tracking Number:

9589071052700751247102

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 10:29 am on March 4, 2024 in SPRING, TX 77379.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Left with Individual

SPRING, TX 77379 March 4, 2024, 10:29 am

Redelivery Scheduled for Next Business Day

SPRING, TX 77379 March 2, 2024, 10:32 am

Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER March 1, 2024, 8:28 am

In Transit to Next Facility

February 29, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:50 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:04 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Frack Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

Tracking Number:

9589071052700751247225

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 7:12 am on March 1, 2024 in LOVINGTON, NM 88260.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Left with Individual

LOVINGTON, NM 88260 March 1, 2024, 7:12 am

Departed USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER February 29, 2024, 10:15 pm

Arrived at USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER February 29, 2024, 6:17 am

In Transit to Next Facility

February 28, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:50 pm

Arrived at USPS Facility

Feedback

ALBUQUERQUE, NM 87101 February 27, 2024, 9:04 pm

Hide Tracking History

What Do USPS	Tracking	Statuses Mean?	(https://faq.ι	usps.com/s/artic	le/Where-is-my	y-package)
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Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
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rack Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

Tracking Number:

9589071052700751247249

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 10:43 am on March 1, 2024 in FORT WORTH, TX 76107.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Left with Individual

FORT WORTH, TX 76107 March 1, 2024, 10:43 am

Departed USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER February 29, 2024, 9:30 pm

Arrived at USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER February 29, 2024, 3:25 am

In Transit to Next Facility

February 28, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:50 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:01 pm

Hide Tracking History

What Do USPS Trackin	g Statuses Mean?	https://faq.us	sps.com/s/article/Where-i	s-my-package)
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Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
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rack Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.



FAQs >

Tracking Number:

Remove X

9589071052700751247348

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivery Attempt

Reminder to Schedule Redelivery of your item

March 6, 2024

Notice Left (No Authorized Recipient Available)

BIG SPRING, TX 79720 March 1, 2024, 11:26 am

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER February 29, 2024, 9:58 pm

In Transit to Next Facility

February 29, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:50 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101

February 27, 2024, 9:02 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	~
USPS Tracking Plus®	
Product Information	~
See Less ^	
Frack Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

Tracking Number:

9589071052700751247331

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to the front desk, reception area, or mail room at 2:55 pm on March 13, 2024 in ADDISON, TX 75001.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Front Desk/Reception/Mail Room

ADDISON, TX 75001 March 13, 2024, 2:55 pm

Notice Left (No Authorized Recipient Available)

ADDISON, TX 75001 March 11, 2024, 12:00 pm

In Transit to Next Facility

March 9, 2024

Addressee Unknown

ADDISON, TX 75001 March 1, 2024, 3:18 pm

Arrived at USPS Regional Facility

COPPELL TX DISTRIBUTION CENTER February 29, 2024, 9:54 am

Departed USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:50 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:03 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ∧	
Track Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

Tracking Number:

9589071052700751247430

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 12:06 pm on March 1, 2024 in ALEDO, TX 76008.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Left with Individual

ALEDO, TX 76008 March 1, 2024, 12:06 pm

Departed USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER February 29, 2024, 9:30 pm

Arrived at USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER February 29, 2024, 3:25 am

In Transit to Next Facility

February 28, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 February 27, 2024, 9:50 pm

Arrived at USPS Facility

Feedbac

ALBUQUERQUE, NM 87101 February 27, 2024, 9:01 pm

Hide Tracking History

What Do USPS	Tracking	Statuses Mean?	(https://faq.ι	usps.com/s/artic	le/Where-is-my	y-package)
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Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
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rack Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.

Affidavit of Publicatio

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 publishe in the regular and entire issue of said newspaper, and not a supplement thereo for a period of 1 issue(s).

> Beginning with the issue dated March 05, 2024 and ending with the issue dated March 05, 2024.

Publisher

Sworn and subscribed to before me this 5th day of March 2024.

Business Manager

My commission expires January 29, 2027

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

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

LEGAL NOTICE March 5, 2024

This is to notify all interested parties, including Acacia Resources LLC; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts; Roger John Allen and Nancy Edge Jennings Allen, Trustees of The Allen Family Revocable Trust, dated May 19, 2000; Alpha Energy Partners, LLC; Apache 1996 A Trust, Apache Corporation; Arrowhead Oil Corp, BP America Production CO; BR2 Holdings, LLC; Beverly Jean Renfro Barr, Trustee of Family Trust uwo Richard K. Barr; Barstow Energy LLC; Bettis Brothers Inc; Travis and Patricia Bowles; Bureau of Land Management; Burlington Resources Oil & Gas Company LP; COG Operating LLC; CXA Oil & Gas Holdings, LP; Callaway Prod Co Inc; Cayuga Royalties, LLC; Centennial; Chase Mack C Trustee; Chase Oil Corp; Chevron Midcontinent, L.P.; Chisos Ltd; Cibolo Oil & Gas, LLC; Cibolo Royalties I, LLC; Cody Energy Inc; Colgate Energy Management, Burlington Resources Oil & Gas, LLC; Cibolo Royalties I, LLC; Compass Oil & Gas, LP; Coterra Energy; Coyote Oil & Gas LLC; Susan Jennings Croft, Katle Elizabeth Croft, and Justin Jennings Croft, Co-Trustees of the Croft Living Trust, dated Sep. 25, 2020; Cross Border Resources Inc; DENM Holdco, LLC; Delmar Holdings LP; Dixle Lake Operating LLC; Dominion Oklahoma Texas Expl & Prod Inc; EOG Resources Inc; Endeavor Energy Resources LP; Endurance Properties Inc; Franklin Mountain Royalty Investments, LLC; G & C Service; G. P.C. Oil & Gas Corporation; Geronimo Holding Corporation; Goodman Energy, LLC; Greenville Partners; Roy Edward Guinnup; H and S Drilling Co; H M Bettis Inc; Hanesco Inc; Headington Royalty Inc; Hopper-Barnet Inc; Hunt Oil Co; Jamle E, Jennings and George J. Lee, Trustees of the Jennings-Lee Trust, dated Sep. 18, 2017; John H Hendrix Corp; Sam H. Jolliffe; I. T Lewis Estate; LNV Corporation, LOSB, Inc; Lanexoco Inc; Lean Dog Limited Partnership No 1; Crystal Van Lom; Lothian Oil Inc; Lynx Petro Consultants Inc; MEC Development Ltd; Mack Energy Corp; Manzano LLC; Marathon Oil Permian LLC; Marbob Energy, Ltd.; McKay and Charolette M. McKa assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Avant Operating, LLC (Case No. 24254). The hearing will be conducted on March 21, 2024 in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. Avant Operating, LLC ("Applicant") applies for an order: (1) establishing a 1,280-acre, more or less, non-standard horizontal spacing unit comprised of Sections 11 and 14, Township 19 South, Range 32 East, Lea County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit. The Unit will be dedicated to the following wells ("Wells"): Grayling 14 Fed Com #305H, Grayling 14 Fed Com #306H, Grayling 14 Fed Com #606H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 11; Grayling 14 Fed Com #304H, and Grayling 14 Fed Com #604H, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 11; Grayling 14 Fed Com #304H, Will be drilled from surface hole locations in the SW/4 SW/4 (Unit O) of Section 11; Grayling 14 Fed Com #304H, Grayling 14 Fed Com #304H, Grayling 14 Fed Com #304H, Will be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11; Grayling 14 Fed Com #304H, Grayling 14 Fed Com #304H, which will be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11; Grayling 14 Fed Com #302H, and Grayling 14 Fed Com #302H, and Grayling 14 Fed Co Section 11; Grayling 14 Fed Com # 302H, Grayling 14 Fed Com #502H, and Grayling 14 Fed Com #602H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11; and Grayling 14 Fed Com # 303H, Grayling 14 Fed Com #503H, and Grayling 14 Fed Com #603H, which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 14 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 11. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 33 miles west of Hobbs, New Mexico. #00288085

02107475

00288085

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504

Avant Operating, LLC Case No. 24254 Exhibit D-4