



March 14, 2018

Florene Davidson, Hearing Clerk
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

MAR 14 2018 PM 12:51

**Re: NMOCD Orders
R-14419 and R-14420**

Dear Ms. Davidson:

Enclosed for your review are two lists detailing actual costs incurred in relation to the drilling and completing of the Jenna 1-H (Order No. R-14420) and the Decker 1-H (Order No. R-14419). Copies of each itemized list were also provided to all Pooled Working Interest Owners subject to these Orders.

Should you have any questions, please feel free to contact me at the number below.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ashley Tynes', is written over the typed name.

Ashley Tynes
Land Administrator

Enclosures



ACTUAL COST

Operator: Special Energy Corporation
 Prepared By: Special Energy Corporation
 Location: Lea County, New Mexico
 Formation: San Andres

Well Name: Jenna 1-H
 SHL: 2205' FEL & 290' FSL
 BHL: 2122' FEL & 344' FSL
 Spacing: W/2E/2 Sec. 31-11S-38E

Acct Code	Intangibles Description	Drilling	Completion	Total Well Cost
205, 308	Casing Crews / Tongs	\$4,444.19	\$14,038.43	\$18,482.62
210, 310	Cement / Float Equipment	\$34,504.35	\$72,721.35	\$107,225.70
226	ROW (Damages)	\$37,800.00	\$0.00	\$37,800.00
233	Directional Services	\$93,619.07	\$0.00	\$93,619.07
227	Drill Bits - Reamers - Stabilizers	\$12,965.91	\$0.00	\$12,965.91
228	Drilling Rig - Daywork	\$177,921.25	\$41,719.09	\$219,640.34
202	Drilling Overhead	\$5,000.00	\$0.00	\$5,000.00
235, 335	Tool Rentals & Services	\$184,964.26	\$114,077.62	\$299,041.88
237, 250	Logging - DST - Includes Mud Logging	\$14,295.00	\$0.00	\$14,295.00
240	Geological Supervision	\$1,797.00	\$0.00	\$1,797.00
242	Permits - Location	\$85,794.11	\$0.00	\$85,794.11
231	Water - Mud - Mud Hauling	\$128,815.77	\$0.00	\$128,815.77
275, 380	Rentals	\$0.00	\$0.00	\$0.00
265	Rig Fuel	\$15,596.30	\$31,426.14	\$47,022.44
294	Transportation	\$0.00	\$0.00	\$0.00
241	Insurance - Well Control - Inspection	\$4,483.00	\$0.00	\$4,483.00
302	Completion Overhead	\$0.00	\$5,000.00	\$5,000.00
315	Completion Rig	\$0.00	\$92,312.50	\$92,312.50
316	Bond Log - Perforations	\$0.00	\$0.00	\$0.00
338	Stimulation - Acidizing - Fracturing - Plugs	\$0.00	\$1,352,178.32	\$1,352,178.32
320	Engineering Supervision - Consulting - Inspection	\$48,581.94	\$68,679.00	\$117,260.94
310	Repairs - Safety	\$0.00	\$0.00	\$0.00
370	Power - Fuel & Water	\$0.00	\$0.00	\$0.00
394	Labor & Trucking	\$176,986.35	\$159,220.37	\$336,206.72
396	Disposal - Production Testing - Flowback	\$0.00	\$0.00	\$0.00
260,360	Miscellaneous & Contingencies	\$1,489.11	\$936.70	\$2,425.81
Total Intangibles Estimated Cost:		\$1,029,057.61	\$1,952,309.52	\$2,981,367.13
Acct Code	Tangibles Description	Drilling	Completion	Total
410, 510	Rathole/Mousehole/Conductor			\$0.00
410, 510	9 5/8" Casing - 1,500 feet @ 13.50/ft	\$35,795.28		\$35,795.28
410, 510	5.5" Casing - 10,000 feet @ 5.50/ft		\$170,569.86	\$170,569.86
580	2 7/8" Tubing - 5,200 feet @ 3.75/ft		\$28,846.73	\$28,846.73
513	Electrical System		\$102,987.56	\$102,987.56
642	Subsurface Equipment		\$121,481.94	\$121,481.94
527	Packers - Sleeves			\$0.00
530	Meters - Level Control			\$0.00
560	Production Tanks (Installed)		\$4,750.00	\$4,750.00
560	Separation Equipment		\$28,538.53	\$28,538.53
564	Water Tanks - Installed - 300bbl		\$16,098.69	\$16,098.69
515	Valves - Connections - Flow Lines		\$58,076.64	\$58,076.64
581	Well Head		\$18,060.40	\$18,060.40
Total Well Equipment Estimated Cost:		\$35,795.28	\$549,410.35	\$585,205.63
Total AFE Estimated Cost:		\$1,064,852.89	\$2,501,719.87	\$3,566,572.76



ACTUAL COST

Operator: Special Energy Corporation
 Prepared By: Special Energy Corporation
 Location: Lea County, New Mexico
 Formation: San Andres

Well Name: Decker 1-H
 SHL: 250' FSL & 640' FWL
 BHL: 335' FSL & 710' FWL
 Spacing: W/2W/2 Sec. 20-12S-38E

Acct Code	Intangibles Description	Drilling	Completion	Total Well Cost
205, 308	Casing Crews / Tongs	\$6,894.43	\$11,563.33	\$18,457.76
210, 310	Cement / Float Equipment	\$50,432.93	\$91,283.25	\$141,716.18
226	ROW (Damages)	\$43,980.00	\$0.00	\$43,980.00
233	Directional Services	\$92,659.80	\$0.00	\$92,659.80
227	Drill Bits- Reamers - Stabilizers	\$45,453.22	\$0.00	\$45,453.22
228	Drilling Rig - Daywork	\$165,832.50	\$28,152.53	\$193,985.03
202	Drilling Overhead	\$5,000.00	\$0.00	\$5,000.00
235, 335	Tool Rentals & Services	\$197,403.90	\$107,152.34	\$304,556.24
237, 250	Logging - DST - Includes Mud Logging	\$14,442.75	\$0.00	\$14,442.75
240	Geological Supervision	\$2,114.96	\$0.00	\$2,114.96
242	Permits - Location	\$111,332.19	\$51,106.16	\$162,438.35
231	Water - Mud - Mud Hauling	\$140,385.24	\$0.00	\$140,385.24
275, 380	Rentals	\$0.00	\$0.00	\$0.00
265	Rig Fuel	\$6,663.65	\$240.33	\$6,903.98
294	Transportation	\$0.00	\$0.00	\$0.00
241	Insurance - Well Control - Inspection	\$4,484.00	\$0.00	\$4,484.00
302	Completion Overhead	\$0.00	\$5,000.00	\$5,000.00
315	Completion Rig	\$0.00	\$90,782.50	\$90,782.50
316	Bond Log - Perforations	\$0.00	\$0.00	\$0.00
338	Stimulation - Acidizing - Fracturing - Plugs	\$0.00	\$1,321,018.43	\$1,321,018.43
320	Engineering Supervision - Consulting - Inspection	\$47,418.21	\$55,136.03	\$102,554.24
310	Repairs - Safety	\$0.00	\$0.00	\$0.00
370	Power - Fuel & Water	\$0.00	\$0.00	\$0.00
394	Labor & Trucking	\$122,083.54	\$164,527.83	\$286,611.37
396	Disposal - Production Testing - Flowback	\$0.00	\$0.00	\$0.00
260,360	Miscellaneous & Contingencies	\$8,181.53	\$900.00	\$9,081.53
Total Intangibles Estimated Cost:		\$1,064,762.85	\$1,926,862.73	\$2,991,625.58
Acct Code	Tangibles Description	Drilling	Completion	Total
410, 510	Rathole/Mousehole/Conductor	\$0.00		\$0.00
410, 510	9 5/8" Casing - 1,500 feet @ 13.50/ft	\$31,511.63		\$31,511.63
410, 510	5.5" Casing - 10,000 feet @ 5.50/ft		\$170,569.70	\$170,569.70
580	2 7/8" Tubing - 5,200 feet @ 3.75/ft		\$28,865.06	\$28,865.06
513	Electrical System		\$170,937.57	\$170,937.57
642	Subsurface Equipment		\$103,488.63	\$103,488.63
527	Packers - Sleeves			\$0.00
530	Meters - Level Control		\$0.00	\$0.00
560	Production Tanks (Installed)		\$29,000.00	\$29,000.00
560	Separation Equipment		\$44,360.34	\$44,360.34
564	Water Tanks - Installed - 300bbl		\$0.00	\$0.00
515	Valves - Connections - Flow Lines		\$27,735.23	\$27,735.23
581	Well Head		\$18,060.40	\$18,060.40
Total Well Equipment Estimated Cost:		\$31,511.63	\$593,016.93	\$624,528.56
Total AFE Estimated Cost:		\$1,096,274.48	\$2,519,879.66	\$3,616,154.14