

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF KAISER-FRANCIS OIL  
COMPANY COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.**

**Case No. 20293**

**VERIFIED STATEMENT OF MICHAEL MAXEY**

Michael Maxey, being duly sworn upon his oath, deposes and states:

1. I am a landman for Kaiser-Francis Oil Company ("KFOC"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

2. The following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Wolfcamp horizontal spacing unit described below, and in the well to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well.

(c) A Midland Map Co. plat outlining the unit being pooled is attached hereto as Attachment A. KFOC seeks an order approving a 640.00 horizontal spacing unit in the Wolfcamp formation comprised of the N/2 of Section 24, Township 23 South Range 28 East and the N/2 of Section 19, Township 23 South Range 29E East, NMPM. Applicant further seeks the pooling of all mineral interests in:

- (i) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WA No. 1H. The well is a horizontal well with a first take point in NW/4 NW/4 of Section 24 and a final take point in NE/4 NE/4 of Section 19.
- (ii) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WA No. 2H. The well is a horizontal

EXHIBIT /

well with a first take point in SW/4 NW/4 of Section 24 and a final take point in SE/4 NE/4 of Section 19.

- (iii) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WAM No. 1H. The well is a horizontal well with a first take point in NW/4 NW/4 of Section 24 and a final take point in NE/4 NE/4 of Section 19.
- (iv) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WC No. 1H. The well is a horizontal well with a first take point in NW/4 NW/4 of Section 24 and a final take point in NE/4 NE/4 of Section 19.
- (v) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WC No. 2H. The well is a horizontal well with a first take point in SW/4 NW/4 of Section 24 and a final take point in SE/4 NE/4 of Section 19

C-102's for the wells are attached as Attachment B. There is no depth severance in the Wolfcamp formation.

(d) The parties being pooled and their interests are set forth in Attachment C. Their current and correct addresses are also set forth.

(e) There is one unlocatable interest owner.

(f) Attachment D contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.

(g) KFOC has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.

(h) KFOC has the right to pool the overriding royalty owners in the well unit.

(i) Attachment E contains the Authorization for Expenditure for the proposed wells. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the cost of other wells of similar depth and length drilled in this area of Eddy County.

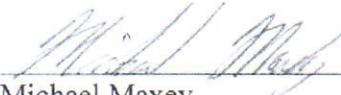
(j) KFOC requests overhead and administrative rates of \$8,000.00/month for a drilling well and \$800.00/month for a producing well. These rates are fair, and are comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. KFOC requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

- (k) KFOC requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) KFOC requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF OKLAHOMA            )  
  ) ss.  
COUNTY OF Tulsa            )

Michael Maxey, being duly sworn upon his oath, deposes and states that: He is a landman for Kaiser-Francis Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

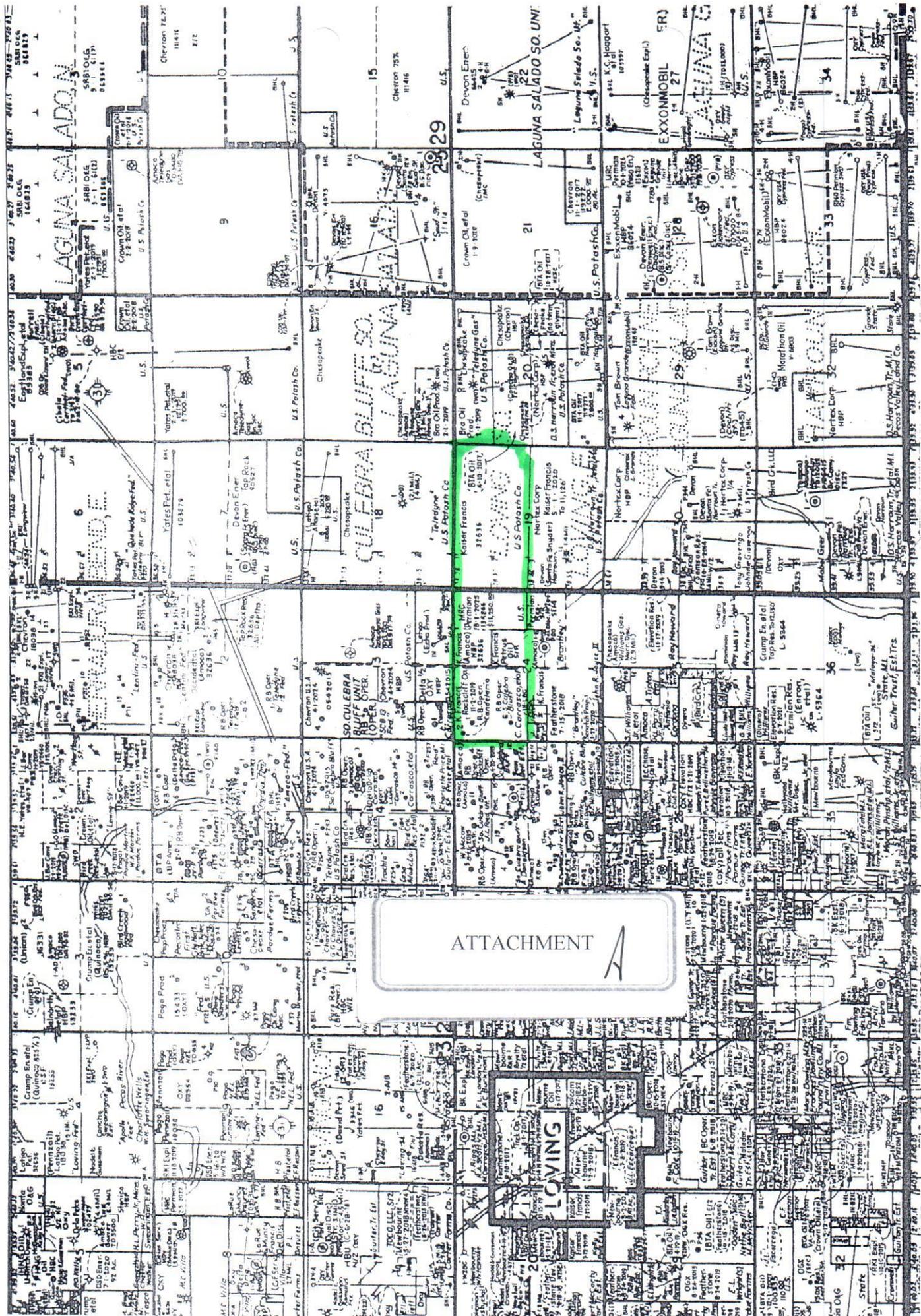
  
\_\_\_\_\_  
Michael Maxey

SUBSCRIBED AND SWORN TO before me this 17<sup>th</sup> day of April, 2019 by Michael Maxey.

My Commission Expires: 12-15-22

  
\_\_\_\_\_  
Notary Public





ATTACHMENT

LOVING

(Municipalidad)

(Municipalidad)

(Municipalidad)

(Municipalidad)

(Municipalidad)

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
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Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name			6 Well Number				
		MOSAIC FED 2419 WA			1H				
7 OGRID No.		8 Operator Name			9 Elevation				
12361		KAISER-FRANCIS OIL CO.			2986.9				
10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	23 S	28 E		1045	NORTH	156	WEST	EDDY
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	23 S	29 E		660	NORTH	330	EAST	EDDY
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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

NW CORNER SEC. 24 LAT. = 32.2991493°N LONG. = 104.0491721°W NWSP EAST (FT) N = 472300.17 E = 587802.40		N/4 CORNER SEC. 24 LAT. = 32.2981153°N LONG. = 104.0404065°W NWSP EAST (FT) N = 472294.89 E = 590510.87		NE CORNER SEC. 24 LAT. = 32.2980805°N LONG. = 104.0318408°W NWSP EAST (FT) N = 472289.73 E = 593219.44		N/4 CORNER SEC. 19 LAT. = 32.2979010°N LONG. = 104.0234363°W NWSP EAST (FT) N = 472231.86 E = 595754.74		NE CORNER SEC. 19 LAT. = 32.2977155°N LONG. = 104.0150405°W NWSP EAST (FT) N = 472171.77 E = 598349.15	
N24°04'03"E 421.29 FT ELEV. = 2086.0'		N24°04'03"E 421.29 FT ELEV. = 2086.0'		N24°04'03"E 421.29 FT ELEV. = 2086.0'		N24°04'03"E 421.29 FT ELEV. = 2086.0'		N24°04'03"E 421.29 FT ELEV. = 2086.0'	
MOSAIC FED 2419 WA 1H LAT. = 32.2952758°N (NAD27) LONG. = 104.0486572°W NWSP EAST (FT) N = 471255.07 E = 587964.28		MOSAIC FED 2419 WA 1H LAT. = 32.2952758°N (NAD27) LONG. = 104.0486572°W NWSP EAST (FT) N = 471255.07 E = 587964.28		MOSAIC FED 2419 WA 1H LAT. = 32.2952758°N (NAD27) LONG. = 104.0486572°W NWSP EAST (FT) N = 471255.07 E = 587964.28		MOSAIC FED 2419 WA 1H LAT. = 32.2952758°N (NAD27) LONG. = 104.0486572°W NWSP EAST (FT) N = 471255.07 E = 587964.28		MOSAIC FED 2419 WA 1H LAT. = 32.2952758°N (NAD27) LONG. = 104.0486572°W NWSP EAST (FT) N = 471255.07 E = 587964.28	
W/4 CORNER SEC. 24 LAT. = 32.2909351°N LONG. = 104.0491464°W NWSP EAST (FT) N = 469677.11 E = 587817.29		E/4 CORNER SEC. 24 LAT. = 32.2907641°N LONG. = 104.0312009°W NWSP EAST (FT) N = 469628.14 E = 593208.37		E/4 CORNER SEC. 19 LAT. = 32.2903789°N LONG. = 104.0150424°W NWSP EAST (FT) N = 468502.90 E = 598356.51		E/4 CORNER SEC. 19 LAT. = 32.2903789°N LONG. = 104.0150424°W NWSP EAST (FT) N = 468502.90 E = 598356.51		E/4 CORNER SEC. 19 LAT. = 32.2903789°N LONG. = 104.0150424°W NWSP EAST (FT) N = 468502.90 E = 598356.51	
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SW CORNER SEC. 24 LAT. = 32.2836823°N LONG. = 104.0489865°W NWSP EAST (FT) N = 467037.37 E = 587873.67		S/4 CORNER SEC. 24 LAT. = 32.2836840°N LONG. = 104.0405276°W NWSP EAST (FT) N = 467045.02 E = 590487.75		SE CORNER SEC. 24 LAT. = 32.2834880°N LONG. = 104.0317543°W NWSP EAST (FT) N = 466960.51 E = 593196.32		S/4 CORNER SEC. 19 LAT. = 32.2832547°N LONG. = 104.0234780°W NWSP EAST (FT) N = 468803.67 E = 595757.28		SE CORNER SEC. 19 LAT. = 32.2830325°N LONG. = 104.0150358°W NWSP EAST (FT) N = 468830.46 E = 598366.47	

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

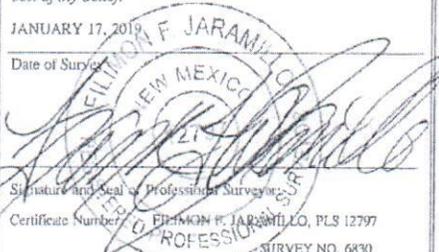
Printed Name: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 17, 2019

Date of Survey: \_\_\_\_\_

Signature and Seal of Professional Surveyor: 

Certificate Number: EDMOND F. JARAMILLO, PLS 12797  
SURVEY NO. 6830

ATTACHMENT B

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 391-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
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District IV  
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
<sup>4</sup> Property Code		<sup>5</sup> Property Name MOSAIC FED 2419 WA			<sup>6</sup> Well Number 2H				
<sup>7</sup> OGRID No. 12361		<sup>8</sup> Operator Name KAISER-FRANCIS OIL CO.			<sup>9</sup> Elevation 2986.8				
<sup>10</sup> Surface Location									
UL, or lot no. D	Section 24	Township 23 S	Range 28 E	Lot Idn	Feet from the 1075	North/South line NORTH	Feet from the 156	East/West line WEST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 19	Township 23 S	Range 29 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

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

<p>NW CORNER SEC. 24 LAT. = 32.2981499°N LONG. = 104.0491721°W NMSP EAST (FT) N = 472300.17 E = 587802.40</p>		<p>N/4 CORNER SEC. 24 LAT. = 32.2981153°N LONG. = 104.0404066°W NMSP EAST (FT) N = 472294.89 E = 590510.87</p>		<p>NE CORNER SEC. 24 LAT. = 32.2880605°N LONG. = 104.0316408°W NMSP EAST (FT) N = 472289.73 E = 593219.44</p>		<p>N/4 CORNER SEC. 19 LAT. = 32.2979010°N LONG. = 104.0234363°W NMSP EAST (FT) N = 472231.65 E = 595754.74</p>		<p>NE CORNER SEC. 19 LAT. = 32.2977155°N LONG. = 104.0150405°W NMSP EAST (FT) N = 472171.77 E = 598349.15</p>	
<p>1075' 156' SHL FT</p>		<p>MOSAIC FED 2419 WA 2H ELEV. = 2986.8' LAT. = 32.2951933°N (NAD27) LONG. = 104.0486567°W NMSP EAST (FT) N = 471225.06 E = 587964.49</p>		<p>2652.26 FT 50114.12°W 2652.26 FT</p>		<p>BOTTOM OF HOLE LAT. = 32.2922975°N LONG. = 104.0161092°W NMSP EAST (FT) N = 470199.87 E = 598024.77</p>		<p>1980' 330' BHL FT</p>	
<p>W/4 CORNER SEC. 24 LAT. = 32.2909391°N LONG. = 104.0491464°W NMSP EAST (FT) N = 469877.11 E = 587817.29</p>		<p>E/4 CORNER SEC. 24 LAT. = 32.2907641°N LONG. = 104.0317009°W NMSP EAST (FT) N = 469828.14 E = 593208.37</p>		<p>50114.12°W 2652.26 FT 50114.12°W 2652.26 FT</p>		<p>899.15 FT E/4 CORNER SEC. 19 LAT. = 32.2903789°N LONG. = 104.0150424°W NMSP EAST (FT) N = 469802.90 E = 598356.51</p>		<p>50114.12°W 2652.26 FT 50114.12°W 2652.26 FT</p>	
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<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD27) BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST (NAD83) COORDINATES ADJUSTED TO THE SURFACE. ELEVATION VALUES ARE NAVD 88.</p>									
<p><sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>					<p>Signature _____ Date _____ Printed Name _____ E-mail Address _____</p>				
<p><sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>					<p>JANUARY 17, 2019 Date of Survey Signature and Seal of Professional Surveyor F. JARAMILLO Certificate Number: _____ SURVEY NO. 6831</p>				

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>4</sup> Property Name MOSAIC FED 2419 WAM			<sup>6</sup> Well Number 1H
<sup>7</sup> OGRID No. 12361		<sup>8</sup> Operator Name KAISER-FRANCIS OIL CO.			<sup>9</sup> Elevation 2986.6

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	23 S	28 E		1075	NORTH	186	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	23 S	29 E		1320	NORTH	330	EAST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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

<sup>16</sup> OPERATOR CERTIFICATION

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Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

<sup>18</sup> SURVEYOR CERTIFICATION

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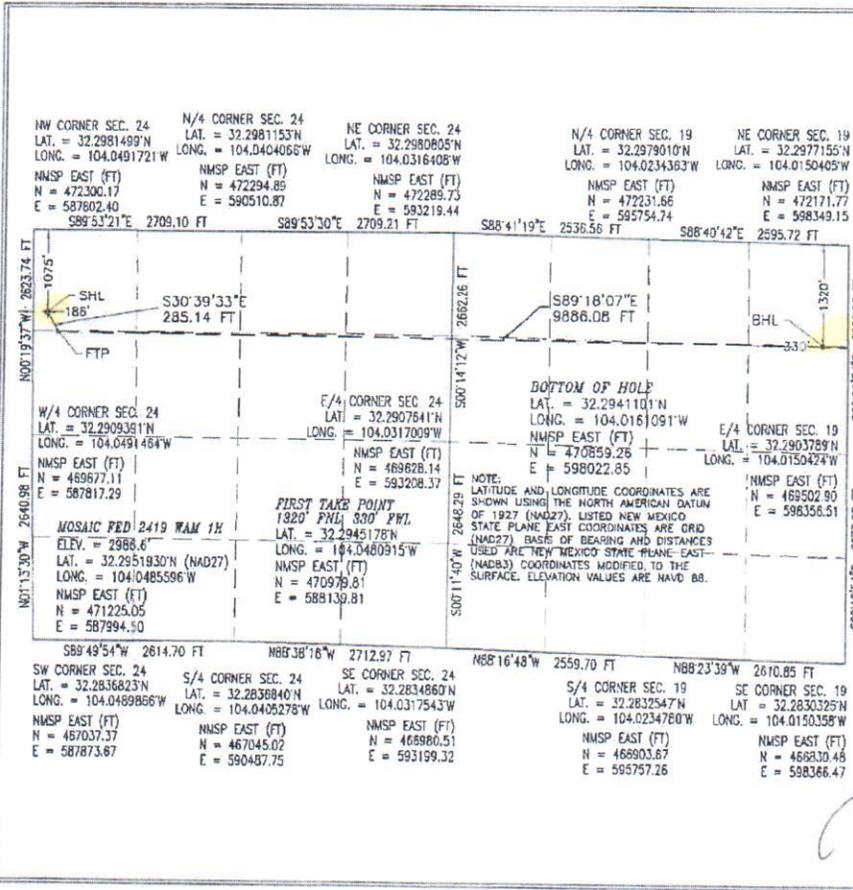
JANUARY 30, 2019

Date of Survey \_\_\_\_\_

Signature and Seal of Professional Surveyor:

Certificate Number: VC FELIMON F. JARAMILLO, PLS 12797

SURVEY NO. 6880



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
<sup>4</sup> Property Code		<sup>5</sup> Property Name						<sup>6</sup> Well Number	
		MOSAIC FED 2419 WC						1H	
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name						<sup>9</sup> Elevation	
12361		KAISER-FRANCIS OIL CO.						2986.9	
<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	23S	28E		985	NORTH	156	WEST	EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	23S	29E		660	NORTH	330	EAST	EDDY
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**12 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 17, 2019

Date of Survey: \_\_\_\_\_

Signature and Seal of Professional Surveyor:

Certificate Number: FILIMON F. JARAMILLO, PLS 12797

SURVEY NO. 6828

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
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Revised August 1, 2011  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name	
	MOSAIC FED 2419 WC	
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name	<sup>6</sup> Well Number
12361	KAISER-FRANCIS OIL CO.	2H
		<sup>9</sup> Elevation
		2986.9

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	23 S	28 E		1015	NORTH	156	WEST	EDDY

<sup>10</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	23 S	29 E		1980	NORTH	330	EAST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unassessed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 17, 2011  
Date of Survey

PHILIP F. JARAMILLO  
Signature and Seal of Professional Surveyor  
Certificate Number: PHILIP F. JARAMILLO, PLS 12797  
SURVEY NO. 6829

N/2 of Section 24-23S-28E and N/2 of Section 19-23S-29E Eddy Co., NM

Mosaic Federal 2419 WA #1H and #2H

Mosaic Federal 2419 WAM #1H

Mosaic Federal 2419 WC #1H and 2H

Chevron North America Exploration and Production Co.

59 acres

Attn: Mr. Irvin R. Gutierrez

1400 Smith Street

Houston, Texas 77002

MRC Permian LKE Company, LLC

Dismiss

Attn: Mr. Chris Carlton

5400 LBJ Freeway, Suite 1500

Dallas, TX 75240

TLW Investments, LLC

1 acre

1601 NW Expressway

Oklahoma City, OK 73118

(came back undeliverable / address unknown)

ATTACHMENT

C

February 1, 2019

Sent by Certified Mail

MRC Permian LKE Company, LLC  
Attn: Mr. Chris Carlton  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

Re: Mosaic Fed 2419 WA #1H  
N/2 Section 24-23S-28E and N/2 Section 19-23S-29E  
Eddy Co., NM

Chris:

Kaiser-Francis Oil Company hereby proposes the drilling of a 20,143' MD / 9716' TVD horizontal Wolfcamp "A" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,045' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 660' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$3,908,954 DHC and \$11,328,359 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,



Michael D. Maxey, Landman  
Kaiser-Francis Oil Company

ATTACHMENT D

KAISER-FRANCIS OIL COMPANY

P.O. BOX 21668

TULSA, OKLAHOMA 74121-1668  
918-584-0000

February 1, 2019

Sent by Certified Mail

MRC Permian LKE Company, LLC  
Attn: Mr. Chris Carlton  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

Re: Mosaic Fed 2419 WA #2H  
N/2 Section 24-23S-28E and N/2 Section 19-23S-29E  
Eddy Co., NM

Chris:

Kaiser-Francis Oil Company hereby proposes the drilling of a 20,143' MD / 9716' TVD horizontal Wolfcamp "A" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,075' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 1,980' FNL and 330' FEL of Section 19-23S-29E.

AFF costs are estimated to be \$3,908,954 DHC and \$11,328,359 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,



Michael D. Maxey, Landman  
Kaiser-Francis Oil Company

February 1, 2019

Sent by Certified Mail

MRC Permian LKE Company, LLC  
Attn: Mr. Chris Carlton  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

Re: Mosaic Fed 2419 WAM #1H  
N/2 Section 24-23S-28E and N/2 Section 19-23S-29E  
Eddy Co., NM

Chris:

Kaiser-Francis Oil Company hereby proposes the drilling of a 20,143' MD / 9716' TVD horizontal Wolfcamp "A-Mid" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,075' FNL and 186' FWL of Section 24-23S-28E, and a terminus of approximately 1,320' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$3,938,856 DHC and \$11,358,261 CVC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

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Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,



Michael D. Maxey, Landman  
Kaiser-Francis Oil Company

February 1, 2019

Sent by Certified Mail

MRC Permian LKE Company, LLC  
Attn: Mr. Chris Carlton  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240

Re: Mosaic Fed 2419 WC #1H  
N/2 Section 24-23S-28E and N/2 Section 19-23S-29E  
Eddy Co., NM

Chris:

Kaiser-Francis Oil Company hereby proposes the drilling of a 21,000' MD / 10,686' TVD horizontal Wolfcamp "C" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 985' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 660' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$4,063,956 DHC and \$11,486,249 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

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Respectfully,



Michael D. Maxey, Landman  
Kaiser-Francis Oil Company

February 1, 2019

Sent by Certified Mail

MRC Permian LKE Company, LLC  
Attn: Mr. Chris Carlton  
5400 IBJ Freeway, Suite 1500  
Dallas, TX 75240

Re: Mosaic Fed 2419 WC #2H  
N/2 Section 24-23S-28E and N/2 Section 19-23S-29E  
Eddy Co., NM

Chris:

Kaiser-Francis Oil Company hereby proposes the drilling of a 21,000' MD / 10,686' TVD horizontal Wolfcamp "C" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,015' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 1980' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$4,063,956 DHC and \$11,486,249 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCED soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,



Michael D. Maxey, Landman  
Kaiser-Francis Oil Company

**Kaiser-Francis Oil Company**  
Authority for Expenditure

Operator: Kaiser-Francis Oil Company Date: 7/18/2019  
 Well Name: Mosaic Fed 2413 WA RH Field:  
 Prospect: Mosaic Fed 2413 WA RH County / Psk: Early County  
 Location: State: New Mexico  
 Property: Well Name & 20143 MD 971L TVD Preparer: RSC/JDZ  
 Objective: Well and Equipment Well Name &

JOB Code	Description	Drilling	Completion	Equip/Cont	Total
500/600	Location / Road Expense / Frac PK Construction	\$65,000	\$14,000	\$40,000	\$119,000
501/700	Cond. Rat. Hole, Mouse Hole Services	\$40,000			\$40,000
502/602	Location Damages		\$8,000		\$8,000
504/604	Turnkey			\$8,000	\$8,000
505/605	Daywork	\$776,000			\$776,000
509/609	Coiled Tubing & Related Services	\$11,000	\$240,000		\$251,000
509/609	Rig Move / Demob	\$302,000			\$302,000
509/609	Regional Drilling Services	\$57,000			\$57,000
509/609	Blitz & Benders	\$3,000			\$3,000
510/610	Fuel/Power	\$3,000			\$3,000
512/612	Drilling Water / Completion Fluid	\$185,000	\$781,350		\$966,350
514/614	Mud & Chemicals	\$160,000	\$30,000		\$190,000
515/615	Closed Loop System / Mud & Comp. Disposal / SWD	\$160,000	\$37,500		\$197,500
516/616	Surface Equipment Rental / Inspection	\$11,884	\$88,300		\$100,184
517/617	Downhole Equipment Rental / Inspection	\$132,500	\$106,500		\$239,000
518/618	Transportation & Loading	\$15,000	\$50,000		\$65,000
520/620	DST, Coring & Analysis				\$0
522/622	OH Logs / OH Logs / Performing / Slickens / Plugs	\$36,000	\$380,000		\$416,000
523/623	Mud Logging / Geosteering / LWD	\$21,000			\$21,000
524/624	Cementing & Spuzzing	\$71,000			\$71,000
526/626	Casing Crews & Equipment				\$0
526/626	Rig & Platform				\$0
527/627	Stimulation		\$4,680,000		\$4,680,000
532/632	Geological & Engineering	\$136,000	\$51,700		\$187,700
534/634	Supervision	\$20,000	\$42,500	\$15,000	\$77,500
536/636	Miscellaneous Contract Labor				\$0
538/638	Prof. Fees & Abstracts				\$0
541/641	Liability Insurance / Bonds				\$0
542/642	Drilling Overhead / Completion Overhead	\$11,200	\$6,300		\$17,500
544/644	Miscellaneous & Unforeseen	\$122,655	\$324,955	\$3,750	\$451,360
	Total Intangible Drilling & Completion	\$7,807,839	\$6,204,055	\$18,750	\$14,030,644
JOB Code	Description	Drilling	Completion	Equip/Cont	Total
700	Conductor				\$0
701	Surface Casing	500	\$22,500		\$22,500
702	Intermediate Casing	2700	\$81,200		\$81,200
703	Production Casing	9127	\$281,302		\$281,302
704	Drilling Liner (BOP)				\$0
705	Production Liner (ACP)				\$0
706	Production Casing (ACP)	20143	\$545,718		\$545,718
710	Tubing	10000	\$55,000		\$55,000
721/720	Wellhead Equip. BOP/ACP		\$45,000		\$45,000
724	Packers & Downhole Equipment				\$0
726	Rods & Pumps				\$0
737	Line Pipe / Fittings / Pipeline			\$30,000	\$30,000
747	Valves			\$30,000	\$30,000
752	Tanks & Walkways			\$120,000	\$120,000
765	Heaters / Treaters / Separator / VRU			\$75,000	\$75,000
768	Artificial Lift / Compressor			\$85,000	\$85,000
770	Gas Sales Unit / Dally / Line Heater / Flare			\$5,000	\$5,000
752/774	Transportation and Freight BOP/ACP			\$45,000	\$45,000
775/778	Inspect/Test Lubrants BOP/ACP			\$8,900	\$8,900
775/778	Non-Complable Equipment BOP/ACP			\$15,500	\$15,500
	Total Well and Lease Equipment	\$1,021,213	\$5,100	\$489,500	\$1,515,813
	Total Drilling and Completion Cost	\$9,209,652	\$6,831,155	\$489,250	\$11,530,057

**RSC APPROVALS**

Drilling: \_\_\_\_\_  
 Completion: \_\_\_\_\_  
 Well: \_\_\_\_\_  
 Safety: \_\_\_\_\_  
 Rental: \_\_\_\_\_  
 Asset Manager: \_\_\_\_\_  
 Chief Operating Officer: \_\_\_\_\_

**PARTNER APPROVAL**

Signature: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Position: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Date: \_\_\_\_\_



**Kaiser-Francis Oil Company**  
Authority for Expenditure

Operator: Kaiser-Francis Oil Company      Date: 1/18/2013  
 Well Name: Mosak Fed 2413 WA RH      Field:  
 Prospect:      County / Ph: Eddy County  
 Location:      State: New Mexico  
 Operator: 8624896      20141 MID      9716 TVD      Preparer: RS/C/TOZ  
 Location:      Completion Rig  
 Objectives: Drill and complete well

JOB Code	Description	Drilling	Completion	Equip/Cont	Total
500/600	Location / Road Expense / Face Pk Construction	\$17,000	\$40,000		\$57,000
501/600	Cont. Rat Hole, Mouse Hole Services	\$40,000			\$40,000
502/600	Location Damages		\$8,000		\$8,000
503/600	Turnkey @				\$0
504/600	Daywork	\$76,000			\$76,000
505/600	Coiled Tubing & Related Services		\$2,400,000		\$2,400,000
506/600	Rig Job / Dismob	\$11,800			\$11,800
507/600	Directional Drilling Services	\$302,600			\$302,600
508/600	RTS & Rebars	\$92,700			\$92,700
509/600	Flowback	\$136,000			\$136,000
510/600	Drilling Water / Completion Fluid	\$33,000			\$33,000
511/600	Mud & Chemicals	\$195,000			\$195,000
512/600	Closed Loop System / Mud & Cements Disposal / SWD	\$43,000			\$43,000
513/600	Surface Equipment Rental / Inspection	\$48,300			\$48,300
514/600	Downhole Equipment Rental / Inspection	\$131,884			\$131,884
515/600	Transportation & Loading	\$182,500			\$182,500
516/600	DST, Coring & Analysis	\$35,000			\$35,000
517/600	OH Logs / CH Logs / Performance / Slickline / Plugs		\$550,000		\$550,000
518/600	Mud Logging / Geosteering / LWD	\$36,000			\$36,000
519/600	Cementing & Squeezing	\$212,500			\$212,500
520/600	Casing Crews & Equipment	\$73,000			\$73,000
521/600	Rig & Abandon				\$0
522/600	Supervision	\$4,000,000			\$4,000,000
523/600	Miscellaneous Contract Labor	\$11,000			\$11,000
524/600	Prof. Fees & Abstracts	\$51,750			\$51,750
525/600	Liability Insurance / Bonds	\$42,300			\$42,300
526/600	Drilling Overhead / Completion Overhead		\$35,000		\$35,000
527/600	Miscellaneous & Unforeseen	\$11,200			\$11,200
528/600	Total Intangible Drilling & Completion	\$121,255	\$334,955	\$1,750	\$457,960
529/600	Intangible Well and Lease Equipment Costs	\$1,507,659	\$78,750		\$1,586,409
700	Conductor				\$0
701	Surface Casing	\$25,500			\$25,500
702	Intermediate Casing	\$81,200			\$81,200
703	Intermediate Casing	\$251,302			\$251,302
704	Drilling Liner (BCP)				\$0
705	Production Liner (ACP)				\$0
706	Production Casing (ACP)	\$546,718			\$546,718
707	Drilling	\$55,000			\$55,000
708	Well Equip. BCP/ACP	\$43,000			\$43,000
709	Well Equip. BCP/ACP	\$43,000			\$43,000
710	Well Equip. BCP/ACP	\$43,000			\$43,000
711	Well Equip. BCP/ACP	\$43,000			\$43,000
712	Well Equip. BCP/ACP	\$43,000			\$43,000
713	Well Equip. BCP/ACP	\$43,000			\$43,000
714	Well Equip. BCP/ACP	\$43,000			\$43,000
715	Well Equip. BCP/ACP	\$43,000			\$43,000
716	Well Equip. BCP/ACP	\$43,000			\$43,000
717	Well Equip. BCP/ACP	\$43,000			\$43,000
718	Well Equip. BCP/ACP	\$43,000			\$43,000
719	Well Equip. BCP/ACP	\$43,000			\$43,000
720	Well Equip. BCP/ACP	\$43,000			\$43,000
721	Well Equip. BCP/ACP	\$43,000			\$43,000
722	Well Equip. BCP/ACP	\$43,000			\$43,000
723	Well Equip. BCP/ACP	\$43,000			\$43,000
724	Well Equip. BCP/ACP	\$43,000			\$43,000
725	Well Equip. BCP/ACP	\$43,000			\$43,000
726	Well Equip. BCP/ACP	\$43,000			\$43,000
727	Well Equip. BCP/ACP	\$43,000			\$43,000
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729	Well Equip. BCP/ACP	\$43,000			\$43,000
730	Well Equip. BCP/ACP	\$43,000			\$43,000
731	Well Equip. BCP/ACP	\$43,000			\$43,000
732	Well Equip. BCP/ACP	\$43,000			\$43,000
733	Well Equip. BCP/ACP	\$43,000			\$43,000
734	Well Equip. BCP/ACP	\$43,000			\$43,000
735	Well Equip. BCP/ACP	\$43,000			\$43,000
736	Well Equip. BCP/ACP	\$43,000			\$43,000
737	Well Equip. BCP/ACP	\$43,000			\$43,000
738	Well Equip. BCP/ACP	\$43,000			\$43,000
739	Well Equip. BCP/ACP	\$43,000			\$43,000
740	Well Equip. BCP/ACP	\$43,000			\$43,000
741	Well Equip. BCP/ACP	\$43,000			\$43,000
742	Well Equip. BCP/ACP	\$43,000			\$43,000
743	Well Equip. BCP/ACP	\$43,000			\$43,000
744	Well Equip. BCP/ACP	\$43,000			\$43,000
745	Well Equip. BCP/ACP	\$43,000			\$43,000
746	Well Equip. BCP/ACP	\$43,000			\$43,000
747	Well Equip. BCP/ACP	\$43,000			\$43,000
748	Well Equip. BCP/ACP	\$43,000			\$43,000
749	Well Equip. BCP/ACP	\$43,000			\$43,000
750	Well Equip. BCP/ACP	\$43,000			\$43,000
751	Well Equip. BCP/ACP	\$43,000			\$43,000
752	Well Equip. BCP/ACP	\$43,000			\$43,000
753	Well Equip. BCP/ACP	\$43,000			\$43,000
754	Well Equip. BCP/ACP	\$43,000			\$43,000
755	Well Equip. BCP/ACP	\$43,000			\$43,000
756	Well Equip. BCP/ACP	\$43,000			\$43,000
757	Well Equip. BCP/ACP	\$43,000			\$43,000
758	Well Equip. BCP/ACP	\$43,000			\$43,000
759	Well Equip. BCP/ACP	\$43,000			\$43,000
760	Well Equip. BCP/ACP	\$43,000			\$43,000
761	Well Equip. BCP/ACP	\$43,000			\$43,000
762	Well Equip. BCP/ACP	\$43,000			\$43,000
763	Well Equip. BCP/ACP	\$43,000			\$43,000
764	Well Equip. BCP/ACP	\$43,000			\$43,000
765	Well Equip. BCP/ACP	\$43,000			\$43,000
766	Well Equip. BCP/ACP	\$43,000			\$43,000
767	Well Equip. BCP/ACP	\$43,000			\$43,000
768	Well Equip. BCP/ACP	\$43,000			\$43,000
769	Well Equip. BCP/ACP	\$43,000			\$43,000
770	Well Equip. BCP/ACP	\$43,000			\$43,000
771	Well Equip. BCP/ACP	\$43,000			\$43,000
772	Well Equip. BCP/ACP	\$43,000			\$43,000
773	Well Equip. BCP/ACP	\$43,000			\$43,000
774	Well Equip. BCP/ACP	\$43,000			\$43,000
775	Well Equip. BCP/ACP	\$43,000			\$43,000
776	Well Equip. BCP/ACP	\$43,000			\$43,000
777	Well Equip. BCP/ACP	\$43,000			\$43,000
778	Well Equip. BCP/ACP	\$43,000			\$43,000
779	Well Equip. BCP/ACP	\$43,000			\$43,000
780	Well Equip. BCP/ACP	\$43,000			\$43,000
781	Well Equip. BCP/ACP	\$43,000			\$43,000
782	Well Equip. BCP/ACP	\$43,000			\$43,000
783	Well Equip. BCP/ACP	\$43,000			\$43,000
784	Well Equip. BCP/ACP	\$43,000			\$43,000
785	Well Equip. BCP/ACP	\$43,000			\$43,000
786	Well Equip. BCP/ACP	\$43,000			\$43,000
787	Well Equip. BCP/ACP	\$43,000			\$43,000
788	Well Equip. BCP/ACP	\$43,000			\$43,000
789	Well Equip. BCP/ACP	\$43,000			\$43,000
790	Well Equip. BCP/ACP	\$43,000			\$43,000
791	Well Equip. BCP/ACP	\$43,000			\$43,000
792	Well Equip. BCP/ACP	\$43,000			\$43,000
793	Well Equip. BCP/ACP	\$43,000			\$43,000
794	Well Equip. BCP/ACP	\$43,000			\$43,000
795	Well Equip. BCP/ACP	\$43,000			\$43,000
796	Well Equip. BCP/ACP	\$43,000			\$43,000
797	Well Equip. BCP/ACP	\$43,000			\$43,000
798	Well Equip. BCP/ACP	\$43,000			\$43,000
799	Well Equip. BCP/ACP	\$43,000			\$43,000
800	Well Equip. BCP/ACP	\$43,000			\$43,000

<b>Total Drilling and Completion Cost</b>	\$3,908,854	\$6,931,155	\$488,200	\$11,328,209
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PARTNER APPROVAL

Drilling	Signature
Completion	Printed Name
Liner	Position
Geology	Company
Reservoir	Date
Asset Manager	
Chief Operating Officer	

Kaiser-Francis Oil Company  
Authority for Expenditure

Operator:	Kaiser-Francis Oil Company	Date:	1/14/2013	
Well Name:	Mosac Fed 2413 WAM #1H	Field:	Eddy County	
Project:		County / Ph:	New Mexico	
Location:		State:	RS/C/DL	
Depth:	20315 MD	Preparer:		
Division:	Wellbore A			
Objective:	Drill and complete Wellbore A 6'6"			
506/600	Location / Road Expense / Frac Pit Construction	Completion	Equip/Cont	Total
507/600	Cond. Bar/Bite, Movers Hole Services	\$14,000	\$40,000	\$110,000
508/600	Drill Bit			\$24,000
509/600	Drill Bit Damages			\$8,000
509/604	Turnover	\$8,000		\$8,000
509/604	Completion Rig			\$0
509/604	Fracture @ 33 days at			\$0
509/605	Daywork	\$788,125		\$788,125
509/606	Colled Tubing & Related Services	\$240,000		\$240,000
509/606	Rig Job / Demob	\$311,800		\$311,800
509/606	Directional Drilling Services	\$307,000		\$307,000
509/608	Bits & Reamers	\$94,000		\$94,000
510/610	Fuel/Power	\$18,125		\$18,125
512/612	Drilling Water / Completion Fluid	\$195,000	\$781,250	\$976,250
514/614	Mud & Chemicals	\$410,000		\$410,000
515/615	Washed Loop System / Misc. & Cuttings Disposal / SWD	\$48,300		\$48,300
516/616	Specialty Services / Misc. / Frac Pit	\$313,500		\$313,500
517/617	Downhole Equipment Rental / Inspection	\$106,500		\$106,500
518/618	Transportation & Loading	\$55,000		\$55,000
520/620	DST, Coring & Analysis			\$0
521/621	OH Logs / CH Logs / Performance / Slickline / Plug	\$350,000		\$350,000
523/623	Mud Logging / Geosteering / LWD	\$36,000		\$36,000
524/624	Cementing & Squeezing	\$213,500		\$213,500
525/625	Casing Crews & Equipment	\$73,300		\$73,300
526/626	Plug & Abandon			\$0
527/627	Stimulation	\$1,680,000		\$1,680,000
527/632	Geological & Engineering	\$15,000		\$15,000
534/634	Supervision	\$51,700		\$51,700
535/635	Miscellaneous Contract Labor	\$47,500	\$35,000	\$92,500
538/638	Profit Fees & Abstracts			\$0
539/639	Insurance / Lease			\$0
542/642	Drilling Overhead / Completion Overhead	\$11,200		\$11,200
544/644	Miscellaneous & Underscan	\$314,955	\$3,750	\$418,705
544/644	Total Intangible Drilling & Completion	\$2,824,255	\$78,750	\$3,303,005
700	Conductor	Drilling	Equip/Cont	Total
701	Surface Casing	\$21,500		\$21,500
702	Intermediate Casing	\$81,200		\$81,200
703	Production Liner (ACP)	\$246,368		\$246,368
704	Production Liner (ACP)			\$0
705	Production Casing (ACP)	\$547,500		\$547,500
710	Tubing	\$55,000		\$55,000
711/720	Wellhead Equip. BCP/ACP	\$46,000		\$46,000
724	Packers & Downhole Equipment			\$0
725	Rods & Pumps			\$0
737	Line Pipe / Fittings / Pipeline	\$30,000		\$30,000
740	Trucks	\$10,000		\$10,000
741	Trenches & Walkways	\$120,000		\$120,000
745	Heaters / Treaters / Separator / VRU	\$75,000		\$75,000
746	Artificial Lift / Compressor	\$85,000		\$85,000
770	Gas Sales Unit / Dehy / Line Heater / Flare	\$5,000		\$5,000
775/774	Transportation and Freight BCP/ACP	\$2,000		\$2,000
777/776	Inspect/Test Tubular BCP/ACP	\$8,800		\$8,800
779/778	Non-Controllable Equipment BCP/ACP	\$21,843		\$21,843
	Total Well and Lease Equipment	\$1,008,401	\$400,500	\$1,808,901
	<b>Total Drilling and Completion Cost</b>	<b>\$5,938,856</b>	<b>\$6,931,155</b>	<b>\$11,870,011</b>

RIG APPROVALS		PARTNER APPROVAL	
Drilling	Completion	Signature	Printer Name
Land	Geology	Position	
Remwell	Asset Manager	Company	
Chief Operating Officer		Date	

**Kaiser-Francis Oil Company**  
Authority for Expenditure

Operator: Kaiser-Francis Oil Company Date: 1/18/2019  
Well Name: Mosaic Fed 2419 WCFH Field:  
Location: 24100 MD County/PH: Ledy County  
State: New Mexico  
Preparer: RSC/IDZ

Objective: 5011 and complete Wellbore  
10686 TVD  
Completion Rig  
34 days at  
per foot

JOB CODE	Description	Drilling	Completion	Equip/Cont	Total
530/600	Location / Road Expense / Frac Pt Construction	\$14,000	\$40,000	\$40,000	\$114,000
501/700	Cond. Ref Hole, Mosaic Hole Services	\$26,000			\$26,000
502/602	Location Damages		\$4,000		\$4,000
504/604	Turnkey		\$4,000		\$4,000
505/605	Daywork	\$824,500			\$824,500
506/606	Coil Tubing & Related Services	\$240,000			\$240,000
507/607	Rig Jobs / Demos	\$11,000			\$11,000
508/608	Drilling Services	\$30,000			\$30,000
509/609	Rts & Reversals	\$92,000			\$92,000
510/610	Fuel/Power	\$14,000			\$14,000
511/611	Drilling Water / Completion Fluid	\$98,750			\$98,750
514/614	Mud & Chemicals	\$32,000			\$32,000
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$12,000			\$12,000
516/616	Surface Equipment Rental / Inspection	\$10,000			\$10,000
517/617	Downhole Equipment Rental / Inspection	\$219,988			\$219,988
518/618	Transportation & Loading	\$241,500			\$241,500
520/700	Ost, Coring & Analysis	\$35,000			\$35,000
521/621	OH Logs / CH Logs / Perforating / Slickline / Pwgs		\$350,000		\$350,000
522/622	Mud Logging / Geosteering / LWD	\$38,400			\$38,400
523/623	Logging Services	\$213,500			\$213,500
526/626	Comming & Squeezing				
528/628	Rigs & Equipment	\$74,500			\$74,500
529/629	Rts & Reversals				
531/631	Stimulation	\$4,000,000			\$4,000,000
532/632	Geological & Engineering	\$11,000			\$11,000
534/634	Supervision	\$14,000			\$14,000
535/635	Miscellaneous Contract Labor	\$17,900			\$17,900
536/636	Prof. Fees & Abstracts	\$30,000			\$30,000
542/642	Liability, Insurance / Bonds	\$4,700			\$4,700
543/643	Drilling Overhead / Completion Overhead	\$11,200	\$6,300		\$17,500
544/644	Miscellaneous & Unforeseen	\$116,430	\$324,955	\$3,750	\$445,135
	<b>Total Intangible Drilling &amp; Completion</b>	<b>\$3,316,219</b>	<b>\$6,282,955</b>	<b>\$78,750</b>	<b>\$8,277,924</b>
	<b>Tangible Well and Lease Equipment Costs</b>				
700	Conductor				
701	Surface Casing	\$22,500			\$22,500
702	Intermediate Casing	\$81,200			\$81,200
703	Intermediate Casing	\$1,000			\$1,000
704	Drilling Liner (BCP)	\$2,000			\$2,000
705	Production Liner (ACP)				
706	Production Casing (ACP)	\$568,000			\$568,000
710	Tubing	\$60,000			\$60,000
721/720	Wellhead Equip. BC/AEP		\$57,750		\$57,750
724	Packers & Downhole Equipment		\$45,000		\$45,000
726	Rods & Pumps				
737	Line Pipe / Fittings / Pipeline				
747	Valves				
752	Tanks & Walkways				
765	Heaters / Treaters / Separator / WU				
768	Artificial Lift / Compressor				
770	Gas Sales Unit / Dehy / Line Heater / Fire				
775/774	Transportation and Freight BC/AEP	\$10,000	\$2,000		\$12,000
777/776	Inspect Test Tubulars BC/AEP	\$4,900			\$4,900
778/778	Non-Controllable Equipment BC/AEP	\$72,830	\$5,238		\$78,068
	<b>Total Well and Lease Equipment</b>	<b>\$1,247,430</b>	<b>\$109,988</b>		<b>\$1,357,418</b>
	<b>Total Drilling and Completion Cost</b>	<b>\$4,563,649</b>	<b>\$6,392,943</b>	<b>\$482,250</b>	<b>\$11,438,842</b>

**RTOC APPROVALS**

Drilling: \_\_\_\_\_  
Completion: \_\_\_\_\_  
Well: \_\_\_\_\_  
Geology: \_\_\_\_\_  
Retrofit: \_\_\_\_\_  
Asset Manager: \_\_\_\_\_  
Chief Operating Officer: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Company: \_\_\_\_\_  
Date: \_\_\_\_\_

Kaiser-Francis Oil Company  
Authority for Expenditure

Operator: Kaiser-Francis Oil Company Date: 1/18/2019  
 Well Name: Mosaic Fed 2419 WC PCH Field:  
 Prospect: County / Pch: Esby County  
 Location: State: New Mexico  
 Well: Preparer: RUC/UCZ  
 License: 21000 MAD  
 Lease: 10566 TVD  
 Objective: Drill and Complete Vohkamp C

JOB Code	Description	Drilling	Completion	Equip/Lease	Total
500/600	Location / Road Expense / Frac Pt Construction	\$65,000	\$14,000	\$45,000	\$124,000
501/600	Cond. Rat Hole, Mouse Hole Services	\$26,000			\$26,000
502/602	Location Damaget				\$0
504/604	Turnkey		\$8,000		\$8,000
	Footage @				\$0
	Daywork	\$24,250			\$24,250
	Coiled Tubing & Related Services				\$0
506/606	Log/Log/ Drags	\$13,000			\$13,000
506/606	Log/Log/ Drags	\$30,000			\$30,000
507/607	Drilling Services	\$14,500			\$14,500
508/608	Bits & Reamers	\$14,500			\$14,500
510/610	Fuel/Power	\$14,500			\$14,500
512/612	Drilling Water / Completion Fluid	\$19,000			\$19,000
514/614	Mud & Chemicals	\$19,000			\$19,000
515/615	Closed Loop System / Mud & Cuttings Disposal / BWD	\$19,000			\$19,000
516/616	Surface Equipment Rental / Inspection	\$19,000			\$19,000
517/617	Downhole Equipment Rental / Inspection	\$19,000			\$19,000
518/618	Transportation & Loading	\$19,000			\$19,000
520/620	DST Coring & Analysis	\$19,000			\$19,000
521/621	OH Log/ OH Log/ Perforating / Stickline / Plugs	\$19,000			\$19,000
522/622	Wire Logging / Cementing / LWD	\$19,000			\$19,000
524/624	Control & Reporting	\$19,000			\$19,000
526/626	Casing Casing & Equipment	\$19,000			\$19,000
528/628	Plug & Abandon	\$19,000			\$19,000
530/630	Stimulation	\$19,000			\$19,000
532/632	Geological & Engineering	\$19,000			\$19,000
534/634	Supervision	\$19,000			\$19,000
536/636	Miscellaneous Contract Labor	\$19,000			\$19,000
538/638	Prof Fees & Abstracts	\$19,000			\$19,000
541/641	Liability Insurance / Bonds	\$19,000			\$19,000
542/642	Drilling Overhead / Completion Overhead	\$19,000			\$19,000
544/644	Miscellaneous & Unforeseen	\$19,000			\$19,000
	Total Intangible Drilling & Completion	\$5,316,576	\$6,207,085	\$1,790	\$11,524,351
	Intangible Well and Lease Equipment Costs				\$0
700	Conductor				\$0
701	Surface Casing	13-3/8" 140 48 spf 5TC	500	\$2,500	\$2,500
702	Intermediate Casing	10-3/4" 155 40.5 spf 8TC (TD to 11.35')	2700	\$8,100	\$8,100
703	Intermediate Casing	7-5/8" 131.0 28.7 spf 8TC	10000	\$27,000	\$27,000
704	Drilling Liner (BCF)				\$0
705	Production Liner (PCL)				\$0
706	Production Casing (ACP)	5-3/2" 108 61.0 spf 8TC	20000	\$58,000	\$58,000
710	Tubing	2 7/8" 6.31 180 EUE to BC/P	10000	\$60,000	\$60,000
711/720	Wellhead Equip/ BC/P/ACP				\$0
724	Packers & Downhole Equipment				\$0
726	Rods & Pumps				\$0
737	Line Pipe / Fittings / Pipeline				\$0
747	Valves				\$0
752	Tanks & Walkways				\$0
765	Heaters / Treaters / Separator / VLU				\$0
768	Artificial Lift / Compressor				\$0
770	Gas Slat Unit / Doby / Line Heater / Flare				\$0
771/776	Transportation and Freight BC/P/ACP				\$0
772/776	Intangible BC/P/ACP				\$0
773/776	Non-Correlatable Equipment BC/P/ACP				\$0
779/778	Total Well and Lease Equipment				\$0
	Total Drilling and Completion Cost	\$5,321,892	\$6,213,085	\$488,250	\$11,983,227

MDC APPROVALS		PARTNER APPROVAL	
Drilling		Signature	
Completion		Printed Name	
Leak		Position	
Energy		Company	
Reform		Date	
Asset Manager			
Chief Operating Officer			

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

**APPLICATION OF KAISER-FRANCIS OIL  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

Case No. 20293

**VERIFIED STATEMENT OF LEE LINDMAN**

COUNTY OF TULSA                    )  
  ) ss.  
STATE OF OKLAHOMA                )

Lee Lindman, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the geological matters stated herein. I am a geologist for Kaiser-Francis Oil Company ("KFOC").

2. I have been qualified by the Division as an expert petroleum geologist.

My area of responsibility at KFOC includes this portion of Southeast New Mexico.

3. The following geological plats are attached hereto:

(a) Attachment A is a structure map on the Base of the Wolfcamp C zone. It shows that structure dips gently to the East. It also shows, in green filled circles, Wolfcamp wells producing in the vicinity of the proposed Mosaic Fed 2419 WA #1H, Mosaic Fed 2419 WA #2H, Mosaic Fed 2419 WAM #1H, Mosaic Fed 2419 WC #1H, Mosaic Fed 2419 WC #2H. Lastly, it shows a line of cross-section thru the Penroc – Brantley B #1 and the Devon – Harroun Trust 19 #1 wells.

(b) Attachment B is a Gross Isopach of the Wolfcamp C zone from the Top of the Wolfcamp C to the Base of the Wolfcamp C. The Wolfcamp C shows a uniform thickness across the proposed well unit.

(b) Attachment C is the A – A' cross section. The well logs on the cross-section give a representative sample of the Wolfcamp C formation in this area. The target zone for the wells, as indicated by the red arrow, is the Wolfcamp C zone, and is continuous across the well unit.

4. I conclude from the maps that:

(a) The horizontal spacing unit is justified from a geologic standpoint.

EXHIBIT 4

(b) Each quarter section in the well unit will contribute more or less equally to production from the wells.

(c) There is no faulting or other geologic impediment which will adversely affect the drilling of the subject wells.

5. KFOC sees no difference for standup wells in this area.

6. The producing interval of the wells will be orthodox, and will comply with Division setback requirements.

VERIFICATION

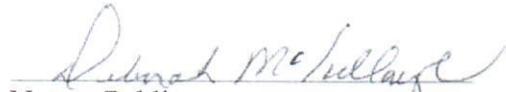
STATE OF OKLAHOMA            )  
  ) ss.  
COUNTY OF TULSA            )

Lee Lindman, being duly sworn upon his oath, deposes and states that: He is a geologist for Kaiser-Francis Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Lee Lindman

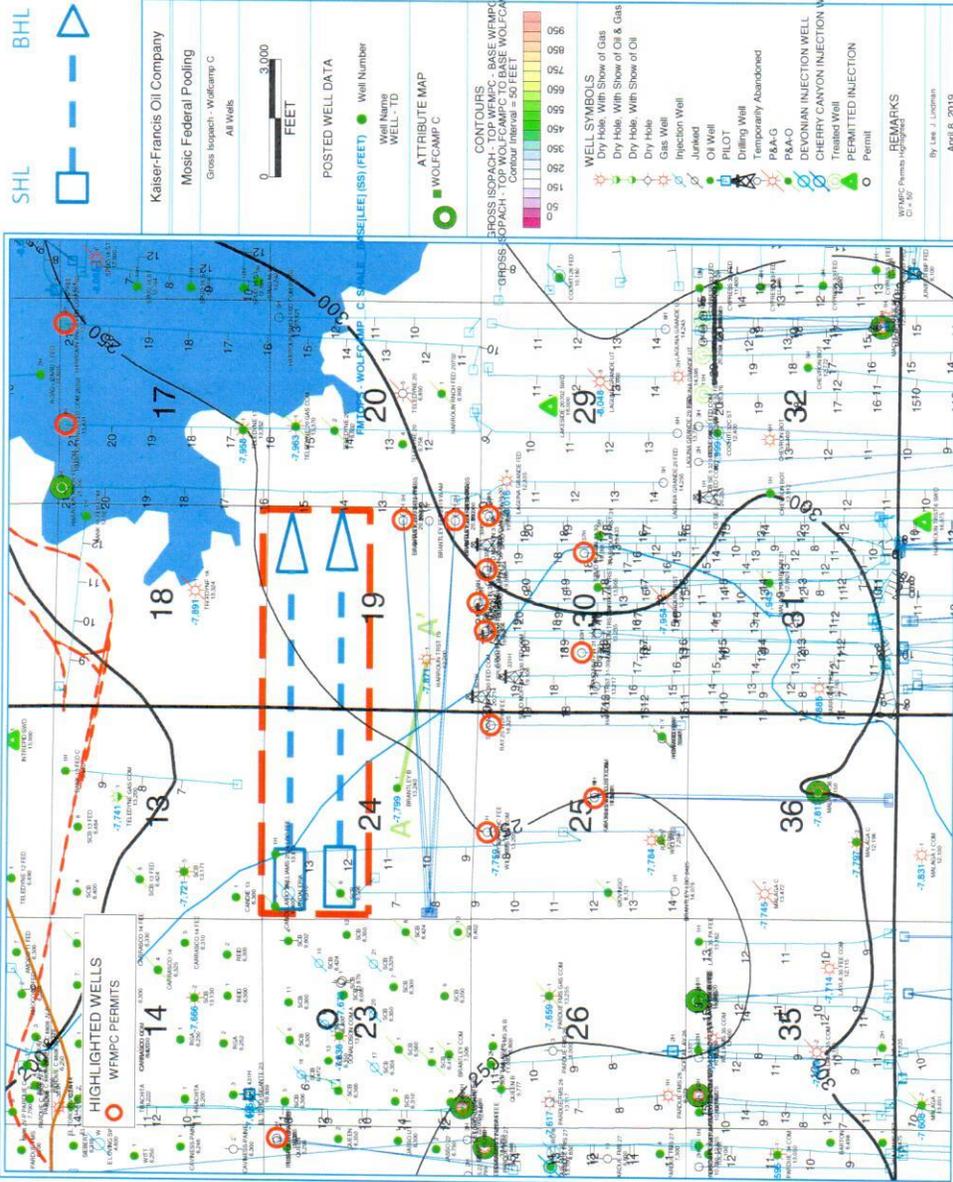
SUBSCRIBED AND SWORN TO before me this 17th day of April, 2019 by Lee Lindman.

My Commission Expires: 12-15-22

  
\_\_\_\_\_  
Notary Public







SHL BHL



Kaiser-Francis Oil Company  
 Mosaic Federal Pooling  
 Gross Isopach - Wolfcamp C  
 All Wells

0 3,000  
 FEET

POSTED WELL DATA  
 Well Name  
 Well-ID  
 WOLF-CAMP C

ATTRIBUTE MAP  
 WOLF-CAMP C

CONTOURS  
 CROSS ISOPACH - TOP WOLF-CAMP C TO BASE WFMPC  
 CROSS ISOPACH - TOP WOLF-CAMP C TO BASE WOLF-CAMP C  
 Contour Interval = 50 FEET

WELL SYMBOLS  
 Dry Hole, With Show of Gas  
 Dry Hole, With Show of Oil & Gas  
 Dry Hole, With Show of Oil  
 Gas Well  
 Injection Well  
 Junked  
 Oil Well  
 PILOT  
 Drilling Well  
 Temporarily Abandoned  
 P&A-G  
 DEVONIAN INJECTION WELL  
 CHERRY CANYON INJECTION WELL  
 Treated Well  
 PERMITTED INJECTION  
 Permit

REMARKS  
 WFMPC Permits  
 C: 4.0P  
 By: Lee J. Lindner  
 April 8, 2019

ATTACHMENT

Project Area

Isopach Map (Wolfcamp C)

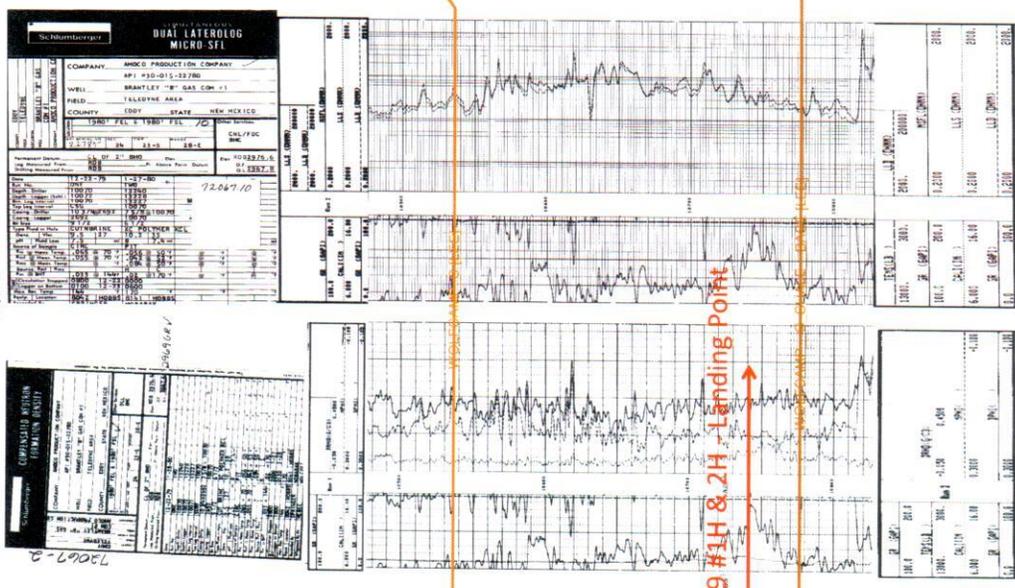
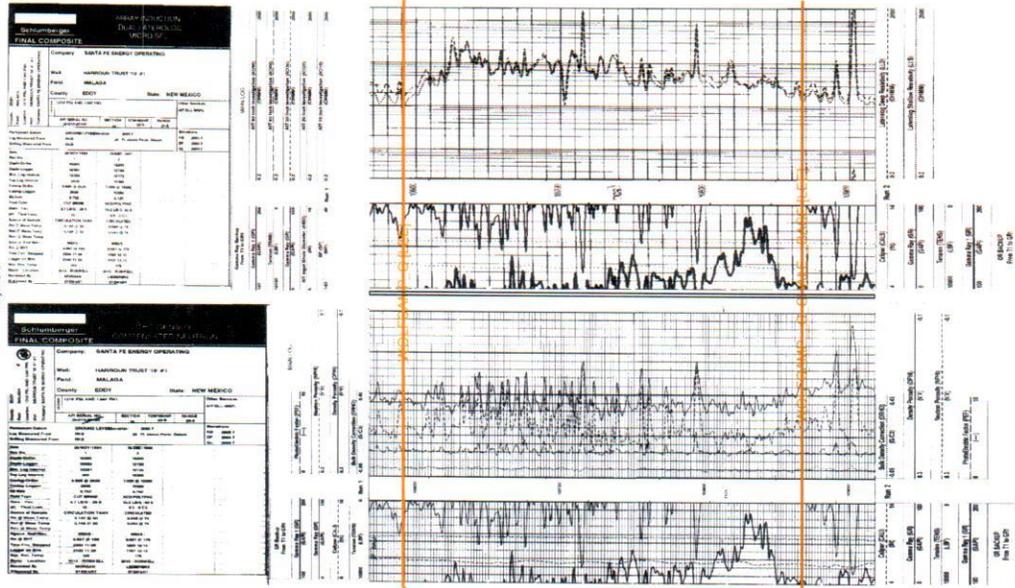
A'

1  
DEVON  
HARROUN TRST 19  
12,200

1  
PENROC OPER  
BRANTLEY B  
13,240

A

ATTACHMENT C



Rel Depth(ft) -300 -250 -200 -150 -100 -50 0 50

Rel Depth(ft) -300 -250 -200 -150 -100 -50 0 50

Mosaic Fed WC 2419 #1H & 2H - Landing Point

Datum

Stratigraphic Cross Section A - A'