

Additional Information

2/6/2020

Exhibit "A"

Applicant: ImPetro Oil & Gas, LLC
Operator: ImPetro Oil & Gas, LLC (OGRID 373281)

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter sections
Unit Size: 639.04 acres more or less
Orientation of Unit: North to South

Spacing Unit Description:
W/2 Section 18 (319.44) and W/2 of Section 19 (319.6),
Township 25 South, Range 36 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: Jal; Wolfcamp, West (Pool No. 33813)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

There are two proposed wells:

Blue Marlin Fed Com #1H, API No. 30-025-Pending

SHL: 120 feet from the North line and 1330 feet from the West line,
(Unit C) of Section 18, Township 25 South, Range 36 East, NMPM
BHL: 100 feet from the South line and 1120 feet from the West line,
(Unit M) of Section 19, Township 25 South, Range 36 East, NMPM

Completion Target: Wolfcamp formation at approx 12,500 feet TVD.
Well Orientation: North to South
Completion Location expected to be: standard

Blue Marlin Fed Com #2H, API No. 30-025-Pending

SHL: 120 feet from the North line and 1300 feet from the West line,
(Unit D) of Section 18, Township 25 South, Range 36 East, NMPM
BHL: 100 feet from the South line and 330 feet from the West line,
(Unit M) of Section 19, Township 25 South, Range 36 East, NMPM

Completion Target: Wolfcamp formation at approx 12,500 feet TVD.
Well Orientation: North to South
Completion Location expected to be: standard

Garcia, John A, EMNRD

From: Moellenberg, Dalva L. <DLM@gknet.com>
Sent: Thursday, February 6, 2020 1:51 PM
To: Garcia, John A, EMNRD
Subject: [EXT] RE: Case Number 20790 / 20791 _ Impetro Operating, LLC
Attachments: Exhibit_A_Case_20791.pdf; Exhibit_A_Case_20790.pdf

John,

My apologies for the error, attached are corrected Exhibit A documents.

Best Regards,

Dal



1239 Paseo de Peralta
Santa Fe, New Mexico 87501-2758
505-982-9523 | www.gknet.com

Dalva L. Moellenberg
Attorney Profile
DLM@gknet.com
505-989-7278

From: Garcia, John A, EMNRD [<mailto:JohnA.Garcia@state.nm.us>]
Sent: Thursday, February 06, 2020 1:15 PM
To: Moellenberg, Dalva L. <DLM@gknet.com>
Subject: RE: Case Number 20790 / 20791 _ Impetro Operating, LLC

Dalva,

For case 20790 and 20791 the Exhibit A shows the BHL located in T20S R29E where the C-102 for each well shows it in T25S R36E. Can you let me know which one is the correct location so it may be reflected accurately in the order.

John Garcia

Petroleum Specialist
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505-476-3441

IMPETRO OPERATING, LLC
 Authority For Expenditure - Cost Estimate

Date Prepared:	1/7/2020	Proposed TD:	22,390'
Operator:	IMPETRO OPERATING, LLC	Proposed TVD:	12,175'
County / State:	Lea, NM	Spud-TD	22.25
Prospect / Field:	(PS) Pre-Spud	Spud-RR	25.75
Well Name:	Blue Marlin Fed Com 1H	Stages:	57
Formation:	Wolfcamp	Stages per Day:	4
Comments:	Blue Marlin Fed Com 1H. Wolfcamp 4 string design. Subject to BLM requirements. OBM system in lateral. Closed loop system. 2.0 mile lateral. 57 stages. Spud to RR in 25.75 days. Updated surface location on SW corner of Sec 19, 25S, 36E		

ACCT #	DESCRIPTION	RATE	DAYS/STAGE	TOTAL
Drilling Cost:				
9103	LH-DEV-Broker & Landman - Proved (PS)			\$ 80,000.00
9104	LH-DEV-Legal Fees - Proved (PS)			\$ 5,000.00
9232	IDC-Mobilization/Demobilization			\$ 247,225.00
9202	IDC-Drilling - Daywork			\$ 691,514.00
9204	IDC-Drilling Directional			\$ 307,065.00
9205	IDC-Drilling Overhead	\$ 20,000.00	0.86	\$ 17,166.67
9206	IDC-Contract Labor			\$ 62,417.00
9207	IDC-Surveys/Permits/Legal (PS)			\$ 20,000.00
9208	IDC-Cementing & Services			\$ 190,000.00
9209	IDC-Mud / Chemicals / Water Purchases			\$ 290,000.00
9211	IDC-Roads & Location (PS)			\$ 150,000.00
9212	IDC-Equipment Rental Surface			\$ 287,500.00
9213	IDC-Open Hole Logging			\$ -
9215	IDC-Transportation			\$ -
9217	IDC-Inspection/Testing BOP's			\$ -
9218	IDC-Casing Crew / Tongs / Roustabouts			\$ 93,000.00
9219	IDC-Drill Bits			\$ 140,000.00
9220	IDC-Insurance			\$ 10,000.00
9222	IDC-Consulting; Service Companies			\$ -
9224	IDC-Fuel			\$ 111,240.00
9226	IDC-Wireline Service			\$ -
9227	IDC-Flow Testing			\$ -
9228	IDC-Engineering/Geological Service			\$ -
9229	IDC-Downhole Logging			\$ -
9231	IDC-Trailer Rental/Communication Packages			\$ -
9234	IDC-Property Damages (PS)			\$ 10,000.00
9236	IDC-Rental-Downhole/Drill Pipe			\$ -
9243	IDC-Water / Mud/ Well Waste Disposal			\$ 330,000.00
9244	IDC-Auto Drill PVT's - Rental			\$ -
9246	IDC-Mud logging			\$ 22,437.00
9247	IDC-Solids Control			\$ -
9249	IDC-GeoSteering	\$ 1,250.00	22.25	\$ 27,812.50
9250	IDC-Equipment Repairs			\$ -
9251	IDC-Rig Supervision			\$ 240,500.00
9258	IDC-Vacuum Trucking			\$ 75,000.00
9260	IDC-Environmental/Safety			\$ -
9263	IDC-Pipe Inspection			\$ 30,000.00
9265	IDC-Materials & Supplies(Whipstock, DV tool)			\$ -
9271	CASING-Surface Casing/Conductor/Rat Hole			\$ 35,000.00
9272	CASING-Intermediate Casing Strings			\$ 474,400.00
9273	CASING-Production Casing			\$ 443,630.00
9274	CASING-Float Equipment / Centralizers			\$ 30,000.00
9239	IDC-Contingency	\$ 4,420,907.17	5%	\$ 221,045.36
Total Drilling Costs				\$ 4,641,952.53

ACCT #	DESCRIPTION	RATE	DAYS/STAGE	TOTAL
Completion Costs				
9302	ICC-Mobilization / Demobilization			\$ -
9304	ICC-Rig Daywork	\$ 9,000.00	2	\$ 18,000.00
9305	ICC-Completion Overhead	\$ 20,000.00	2	\$ 40,000.00
9306	ICC-Contract Labor			\$ 100,000.00
9307	ICC-Surveys / Permits / Bonds			\$ -
9308	ICC-Cementing & Services			\$ -
9309	ICC-Mud / Chemicals / Water Purchases	\$ 15,000.00	57	\$ 855,000.00
9311	ICC-Roads & Location			\$ -
9312	ICC-Surface Equipment Rental			\$ 266,716.00
9314	ICC-Acidizing/Fracturing/Stimulation	\$ 48,000.00	57	\$ 2,736,000.00
9315	ICC-Transportation			\$ 10,000.00
9317	ICC-Inspection/Testing/Tubing			\$ 10,000.00
9318	ICC-Casing Crew / Tongs			\$ -
9319	ICC-Drill Bits			\$ -
9322	ICC-Consulting Services Service Companies			\$ -
9324	ICC-Fuel			\$ -
9325	ICC-Cased Hole Wireline Services			\$ 537,500.00
9326	ICC-Wireline Service/Open Hole Log			\$ -
9327	ICC-Flow Testing	\$ 5,000.00	30	\$ 150,000.00
9328	ICC-Engineering/Geological Service			\$ -
9329	ICC-Mud Logging			\$ -
9330	ICC-Repairs			\$ -
9331	ICC-Trailer Rental / Camp Rentals			\$ 19,000.00
9332	ICC-Miscellaneous			\$ -
9333	ICC-Fluid Disposal			\$ -
9336	ICC-Rentals-Downhole/Drill Pipe			\$ 75,000.00
9337	ICC-Vacuum Trucking			\$ 60,000.00
9342	ICC-Plugging Costs			\$ -
9343	ICC-Water / Mud / Well Waste Disposal	\$ 0.50	100000	\$ 50,000.00
9345	ICC-Communications			\$ -
9346	ICC-Environmental/Safety	\$ 300.00	60	\$ 18,000.00
9351	ICC-Wellsite Supervision			\$ 95,000.00
9352	ICC-Well Servicing/Coil Tubing			\$ 170,000.00
9360	ICC- Frac Plugs/Downhole Frac Equipment	\$ 1,700.00	56	\$ 95,200.00
9361	ICC- Frac Flow Iron			\$ -
9365	ICC-Materials & Supplies			\$ -
9339	ICC-Contingency	\$ 5,305,416.00	5%	\$ 265,270.80
Total Completion Costs				\$ 5,570,686.80

ACCT #	DESCRIPTION	RATE	DAYS/STAGE	TOTAL
Equipment & Facilities Cost:				
9403	EQUIP-Production Tubing			\$ 54,000.00
9404	EQUIP-Wellhead Equipment			\$ 140,000.00
9405	EQUIP-Artificial Lift			\$ 16,250.00
9407	EQUIP-Tank Battery/ Tanks / Containment			\$ 95,000.00
9408	EQUIP-Heater Treater/Separator			\$ 185,000.00
9409	EQUIP-Dehydrator / Flare Stack			\$ 70,000.00
9410	EQUIP-Flowlines			\$ 150,000.00
9411	EQUIP-Compressor			\$ 20,000.00
9413	EQUIP-Packer/Tubing Anchor			\$ 10,075.00
9415	EQUIP-Miscellaneous			\$ 7,500.00
9422	EQUIP-Structure & Improvements			\$ 2,000.00
9426	EQUIP-Electrical Service/ Equipment/SCADA			\$ 178,000.00
9427	EQUIP-Metering Equipment			\$ 70,000.00
9429	EQUIP-Pipe, Valves & Fittings			\$ 91,000.00
9430	IFC-Contract Labor (Facilities & Construction)			\$ 450,000.00
9416	EQUIP & FACILITY-Contingency	\$ 1,538,825.00	5%	\$ 76,941.25
Total Equipment & Facility Costs				\$ 1,615,766.25

Total Costs		\$ 11,828,405.58
Summary of Well and Facility Costs		
		Total
Drilling Costs		\$ 4,641,952.53
Completion Costs		\$ 5,570,686.80
Equipment & Facility Costs		\$ 1,615,766.25
TOTAL WELL & FACILITY COST		\$ 11,828,405.58

Prepared by COO:		Approved by CEO:	
Date:		Date:	
Approved by EVP:		Approved by CFO:	
Date:		Date:	



From: Moellenberg, Dalva L. <DLM@gknet.com>
Sent: Thursday, February 6, 2020 9:59 AM
To: Garcia, John A, EMNRD <JohnA.Garcia@state.nm.us>
Subject: [EXT] RE: Case Number 20790 / 20791 _ Impetro Operating, LLC

John,

Thank you for the response, attached are copies of the recently updated AFEs.

Best Regards,

Dal



1239 Paseo de Peralta
Santa Fe, New Mexico 87501-2758
505-982-9523 | www.gknet.com

Dalva L. Moellenberg
Attorney Profile
DLM@gknet.com
505-989-7278

From: Garcia, John A, EMNRD [<mailto:JohnA.Garcia@state.nm.us>]
Sent: Thursday, February 06, 2020 9:56 AM
To: Moellenberg, Dalva L. <DLM@gknet.com>
Subject: RE: Case Number 20790 / 20791 _ Impetro Operating, LLC

Dalva,

Yes, I can take copies of the AFE, I will have to attach them to the case file.

From: Moellenberg, Dalva L. <DLM@gknet.com>
Sent: Thursday, February 6, 2020 9:20 AM
To: Garcia, John A, EMNRD <JohnA.Garcia@state.nm.us>
Subject: [EXT] RE: Case Number 20790 / 20791 _ Impetro Operating, LLC

John,

Exhibit "A"

Applicant: ImPetro Oil & Gas, LLC
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Well Orientation: North to South
Completion Location expected to be: standard

I have confirmed that the Orders are still needed, as there have been no changes with regard to agreements reached since the hearing.

I also have received an AFE for Case 20790, which is updated since the hearing and shows lower costs for the well. There are also is an updated AFE for Case 20791. Before I send those, however, I want to make sure that you can use copies of the AFE's updated after the hearing. Please confirm that will work for you.

You should have the Exhibit A documents from my email yesterday.

Best Regards,

Dal



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Santa Fe, New Mexico 87501-2758
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Dalva L. Moellenberg
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DLM@gknet.com
505-989-7278

From: Garcia, John A, EMNRD [<mailto:JohnA.Garcia@state.nm.us>]

Sent: Wednesday, February 05, 2020 1:08 PM

To: Moellenberg, Dalva L. <DLM@gknet.com>

Subject: Case Number 20790 / 20791 _ Impetro Operating, LLC

Dalva,

I am attempting to draft the Hearing Orders in the above captioned cases and have a couple questions.

1. Have the parties reached an agreement between themselves, obviating the need for an orders?
2. If not, can you please provide a copy of Exhibit A for each case number, so the order can be drafted and sent up for signature?
3. Can you attach the AFE for case 20790 as discussed at hearing?

Thank you,

John Garcia

Petroleum Specialist

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505-476-3441