



Jason A. Levine
Land Representative
713-372-5313
jlevine@chevron.com

Jones
MidContinent Business Unit
Chevron North America Exploration and
Production Company,
a division of Chevron U.S.A. Inc.
1400 Smith Street, Room 40006
Houston, Texas 77002

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

January 26, 2015

State of New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
Attn: Director David R. Catanach

Re: Case No. 15236; Order No. R-13949
Well Proposal for Antelope Ridge 11-24-34 #3H (the "Well")
W/2W/2 of Section 11, T24S, R34E, NMPM Lea County, New Mexico

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Dear Director:

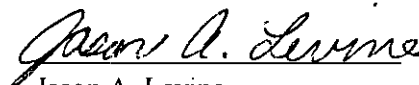
Pursuant to Paragraph 8 of the above-mentioned forced pooling order, Chevron Midcontinent, L.P. submits an itemized schedule of estimated costs of drilling, completing and equipping the Antelope Ridge 11-24-34 #3H. I have enclosed an Authorization for Expenditure ("AFE"), in which the total estimated cost to drill, complete, and equip the Well is **\$7,313,573.00** divided as follows:

- Drilling = \$3,320,436.00
- Completions = \$2,769,046.00
- Facilities = \$1,224,091.00
- **Total = \$7,313,573.00**

I encourage you to contact me at either 713-372-5313 or jlevine@chevron.com if you have any questions about this matter.

Sincerely,

CHEVRON MIDCONTINENT, L.P.


Jason A. Levine
Land Representative

Version 1.4 DRILLING - WELL APPROPRIATION - DETAIL OF COST ESTIMATE					Date: 05/13/2014	
Field / Area	Well Name Antelope Ridge 11-24-34 3H					
Cost Element	Description				Intangible	Tangible
74400001	Rig - Daywork	days 24.93	rate 25000	\$/day	623,365	623,365
74400002	Drilling Rig Footage/Turnkey	feet		rate	0	0
74400003	Rig Up/ Rig Down				0	0
71050200	Fuel-Purchased Natural Gas & Propane				0	0
71290100	Fuel - Diesel / Motor Fuels				120081	120,081
71290300	Utilities - Other (potable water)	5			0	0
74500023	Mobilization / De-Mobilization	Rig Days 4.00	Rig Trucking 90000		190000	190,000
	Rig Costs Total - Intangible				933,445.72	0
66010100	Company Supervision	days 28.93	rate 4500	\$/day	130,206	130,206
70000300	Contract Project Supervision	days 28.93	rate 900	\$/day	26,041	26,041
	Supervision Total - Intangible				156,247	0
68200100	Onshore Catering				0	0
68250100	Offshore Catering				0	0
68730100	Employee Personal and Business Expense				0	0
70000100	Contract Labor Surface				0	0
70000200	Contract Labor Casual				0	0
76150500	Communications - Radio				0	0
76150600	Communications - Telephone -CITC				0	0
76200100	Communications- Cellular				0	0
76200300	Communications-Other				3,360	3,360
	Other People Costs Total - Intangible				3,360	0
74400004	Drilling Fluids				77,804	77,804
71901900	Drill and Completion Fluids (not Service)				0	0
71900500	Materials, Supply, Repair Parts				10,000	10,000
	Mud, Materials Total - Intangible				87,804	0
72300100	Surface Equipment Rentals				329,555	329,555
72300200	Well Service Equipment Rentals				93,396	93,396
72300300	Motor Vehicle Rentals				0	0
73200200	Marine Transportation-Allocated				0	0
73400300	Other Transportation Services				75,000	75,000
73400400	Air Transportation allocated Adj.				0	0
73400700	Hauling Services (Not Freight)				0	0
74400006	Directional Survey and Service Costs				229,287	229,287
74400007	Drill String Rentals and Mills				12,342	12,342
71901800	Drill Bits				73,000	73,000
74400009	Coil Tubing				0	0
74400010	Stimulation / Gravel Pack Materials & Service				0	0
74400011	Pumping Services				0	0
74400014	Perforating & Electric Line Services				0	0
74400015	Stickline Services				0	0
74500100	Contract Equipment & Services				0	0
	Contract Rentals & Services Total - Intangible				612,580	0
74500105	Services- Non Taxable Materials				0	0
74500200	Technical Services				0	0
75100500	HES Permit Costs & Fees				0	0
75100501	Surface Regulatory & HES Inspection				0	0
75590200	Other Professional Services & Fees				0	0
75900600	Misc. Services and Fees				0	0
	Other Services Total - Intangible				0	0
74200300	Solid Waste Disposal				125,000	125,000
74200600	Waste Water Disposal				10,000	10,000
	Waste Disposal Total - Intangible				135,000	0
74400017	Coring				0	0
74400018	Testing				0	0
74400019	Logging Wireline				0	0
74400020	LWD (Logging While Drilling)				0	0
74400021	Logging - Mud	19.58 days @	1250	\$ per day	24,481	24,481
	Formation Evaluation Total - Intangible				24,481	0
71900022	Well Pipe Casing	Size	Feet	\$/foot		513,759
	Conductor					0
	Surface	13-3/8"	1200	33.58		40,296
	Intermediate 1	9-5/8"	5200	27		140,400
	Intermediate 2					0
	Drilling Liner					0
	Production	5-1/2"	15361	16.93		260,062
	Production Liner					0
	Centralizers & Float Equipment					
	Conductor					
	Surface					3000
	Intermediate 1					5000
	Intermediate 2					0
	Whipstock					0
	Production					65000
	Packers/Sleeves					
71900020	Well Pipe - Tubing Under 2" OD	Size	Feet	\$/foot		0
						0
						0
71900021	Well Pipe - Tubing 2" OD and over	Size	Feet	\$/foot		0
						0
						0
71900100	Well Equipment / Materials					0
71900110	Wellhead / Xmas Tree	Size	Cost			110,000
	"A"		110000			110,000
	"B"					0
	"C"					0
	Tubing Head					0
	Xmas Tree					0
71900120	Submersible Pumps & Equipment					0
71500100	Surface Lifting Equipment / Materials					0
	Red String	Size	Feet	\$/foot		0
						0
	Production Pkt.					
	Well Pump					
	Other:					

Equipment Total - Tangible					0	623,758	623,758
74400024	Cement & Cementing						158,000
	Conductor	Size	Sacks	Cost	0		
	Surface	Size 13-3/8"	Sacks	Cost 18000	18000		
	Intermediate 1	Size 9-5/8"	Sacks	Cost 45000	45000		
	Intermediate 2	Size	Sacks	Cost	0		
	Pilot Plug Back	Size	Sacks	Cost 0	0		
	Production	Size 5-1/2"	Sacks	Cost 95000	95000		
	Production Liner	Size	Sacks	Cost	0		
	Squeeze Jobs	Size	Sacks	Cost	0		
	Squeeze Jobs	Size	Sacks	Cost	0		
	Squeeze Jobs	Size	Sacks	Cost	0		
	Cement Total - Intangible				158,000	0	158,000
74400013	Equipment Lost in Hole				0		0
74400025	Fishing Costs				0		0
74500021	Site Work / Roads / Locations				30,000		30,000
	Unanticipated & Location Total - Intangible				30,000	0	30,000
	Sub Total Cost Estimate				2,340,917	623,758	2,964,675
94100700	Contingency 0.0%				0	0	0
	Sub Total Cost Estimate w/ G&A				2,340,917	623,758	2,964,675
94100700	Capitalized G&A 12.0%				280,910	74,851	355,761
	TOTAL COST ESTIMATE w/ Contingencies				2,621,827	698,609	3,320,436

Version 1.1	COMPANY - WELL OPERATIONS - RETAIL ESTIMATE					Date	CP21 3-21-18
Job #/ Job	Client Name	ANALYSIS TYPE 11 24 14 21					
Est. Number	Description	Volume	Weight	Length	Diameter		
14400001	1st Layer	100000	100000	100000	100000		
14400002	2nd Layer	100000	100000	100000	100000		
14400003	3rd Layer	100000	100000	100000	100000		
14400004	4th Layer	100000	100000	100000	100000		
14400005	5th Layer	100000	100000	100000	100000		
14400006	6th Layer	100000	100000	100000	100000		
14400007	7th Layer	100000	100000	100000	100000		
14400008	8th Layer	100000	100000	100000	100000		
14400009	9th Layer	100000	100000	100000	100000		
14400010	10th Layer	100000	100000	100000	100000		
14400011	11th Layer	100000	100000	100000	100000		
14400012	12th Layer	100000	100000	100000	100000		
14400013	13th Layer	100000	100000	100000	100000		
14400014	14th Layer	100000	100000	100000	100000		
14400015	15th Layer	100000	100000	100000	100000		
14400016	16th Layer	100000	100000	100000	100000		
14400017	17th Layer	100000	100000	100000	100000		
14400018	18th Layer	100000	100000	100000	100000		
14400019	19th Layer	100000	100000	100000	100000		
14400020	20th Layer	100000	100000	100000	100000		
14400021	21st Layer	100000	100000	100000	100000		
14400022	22nd Layer	100000	100000	100000	100000		
14400023	23rd Layer	100000	100000	100000	100000		
14400024	24th Layer	100000	100000	100000	100000		
14400025	25th Layer	100000	100000	100000	100000		
14400026	26th Layer	100000	100000	100000	100000		
14400027	27th Layer	100000	100000	100000	100000		
14400028	28th Layer	100000	100000	100000	100000		
14400029	29th Layer	100000	100000	100000	100000		
14400030	30th Layer	100000	100000	100000	100000		
14400031	31st Layer	100000	100000	100000	100000		
14400032	32nd Layer	100000	100000	100000	100000		
14400033	33rd Layer	100000	100000	100000	100000		
14400034	34th Layer	100000	100000	100000	100000		
14400035	35th Layer	100000	100000	100000	100000		
14400036	36th Layer	100000	100000	100000	100000		
14400037	37th Layer	100000	100000	100000	100000		
14400038	38th Layer	100000	100000	100000	100000		
14400039	39th Layer	100000	100000	100000	100000		
14400040	40th Layer	100000	100000	100000	100000		
14400041	41st Layer	100000	100000	100000	100000		
14400042	42nd Layer	100000	100000	100000	100000		
14400043	43rd Layer	100000	100000	100000	100000		
14400044	44th Layer	100000	100000	100000	100000		
14400045	45th Layer	100000	100000	100000	100000		
14400046	46th Layer	100000	100000	100000	100000		
14400047	47th Layer	100000	100000	100000	100000		
14400048	48th Layer	100000	100000	100000	100000		
14400049	49th Layer	100000	100000	100000	100000		
14400050	50th Layer	100000	100000	100000	100000		
14400051	51st Layer	100000	100000	100000	100000		
14400052	52nd Layer	100000	100000	100000	100000		
14400053	53rd Layer	100000	100000	100000	100000		
14400054	54th Layer	100000	100000	100000	100000		
14400055	55th Layer	100000	100000	100000	100000		
14400056	56th Layer	100000	100000	100000	100000		
14400057	57th Layer	100000	100000	100000	100000		
14400058	58th Layer	100000	100000	100000	100000		
14400059	59th Layer	100000	100000	100000	100000		
14400060	60th Layer	100000	100000	100000	100000		
14400061	61st Layer	100000	100000	100000	100000		
14400062	62nd Layer	100000	100000	100000	100000		
14400063	63rd Layer	100000	100000	100000	100000		
14400064	64th Layer	100000	100000	100000	100000		
14400065	65th Layer	100000	100000	100000	100000		
14400066	66th Layer	100000	100000	100000	100000		
14400067	67th Layer	100000	100000	100000	100000		
14400068	68th Layer	100000	100000	100000	100000		
14400069	69th Layer	100000	100000	100000	100000		
14400070	70th Layer	100000	100000	100000	100000		
14400071	71st Layer	100000	100000	100000	100000		
14400072	72nd Layer	100000	100000	100000	100000		
14400073	73rd Layer	100000	100000	100000	100000		
14400074	74th Layer	100000	100000	100000	100000		
14400075	75th Layer	100000	100000	100000	100000		
14400076	76th Layer	100000	100000	100000	100000		
14400077	77th Layer	100000	100000	100000	100000		
14400078	78th Layer	100000	100000	100000	100000		
14400079	79th Layer	100000	100000	100000	100000		
14400080	80th Layer	100000	100000	100000	100000		
14400081	81st Layer	100000	100000	100000	100000		
14400082	82nd Layer	100000	100000	100000	100000		
14400083	83rd Layer	100000	100000	100000	100000		
14400084	84th Layer	100000	100000	100000	100000		
14400085	85th Layer	100000	100000	100000	100000		
14400086	86th Layer	100000	100000	100000	100000		
14400087	87th Layer	100000	100000	100000	100000		
14400088	88th Layer	100000	100000	100000	100000		
14400089	89th Layer	100000	100000	100000	100000		
14400090	90th Layer	100000	100000	100000	100000		
14400091	91st Layer	100000	100000	100000	100000		
14400092	92nd Layer	100000	100000	100000	100000		
14400093	93rd Layer	100000	100000	100000	100000		
14400094	94th Layer	100000	100000	100000	100000		
14400095	95th Layer	100000	100000	100000	100000		
14400096	96th Layer	100000	100000	100000	100000		
14400097	97th Layer	100000	100000	100000	100000		
14400098	98th Layer	100000	100000	100000	100000		
14400099	99th Layer	100000	100000	100000	100000		
14400100	100th Layer	100000	100000	100000	100000		
14400101	101st Layer	100000	100000	100000	100000		
14400102	102nd Layer	100000	100000	100000	100000		
14400103	103rd Layer	100000	100000	100000	100000		
14400104	104th Layer	100000	100000	100000	100000		
14400105	105th Layer	100000	100000	100000	100000		
14400106	106th Layer	100000	100000	100000	100000		
14400107	107th Layer	100000	100000	100000	100000		
14400108	108th Layer	100000	100000	100000	100000		
14400109	109th Layer	100000	100000	100000	100000		
14400110	110th Layer	100000	100000	100000	100000		
14400111	111th Layer	100000	100000	100000	100000		
14400112	112th Layer	100000	100000	100000	100000		
14400113	113th Layer	100000	100000	100000	100000		
14400114	114th Layer	100000	100000	100000	100000		
14400115	115th Layer	100000	100000	100000	100000		
14400116	116th Layer	100000	100000	100000	100000		
14400117	117th Layer	100000	100000	100000	100000		
14400118	118th Layer	100000	100000	100000	100000		
14400119	119th Layer	100000	100000	100000	100000		
14400120	120th Layer	100000	100000	100000	100000		
14400121	121st Layer	100000	100000	100000	100000		
14400122	122nd Layer	100000	100000	100000	100000		
14400123	123rd Layer	100000	100000	100000	100000		
14400124	124th Layer	100000	100000	100000	100000		
14400125	125th Layer	100000	100000	100000	100000		
14400126	126th Layer	100000	100000	100000	100000		
14400127	127th Layer	100000	100000	100000	100000		
14400128	128th Layer	100000	100000	100000	100000		
14400129	129th Layer	100000	100000	100000	100000		
14400130	130th Layer	100000	100000	100000	100000		
14400131	131st Layer	100000	100000	100000	100000		
14400132	132nd Layer	100000	100000	100000	100000		
14400133	133rd Layer	100000	100000	100000	100000		
14400134	134th Layer	100000	100000	100000	100000		
14400135	135th Layer	100000	100000	100000	100000		
14400136	136th Layer	100000	100000	100000	100000		
14400137	137th Layer	100000	100000	100000	100000		
14400138	138th Layer	100000	100000	100000	100000		
14400139	139th Layer	100000	100000	100000	100000		
14400140	140th Layer	100000	100000	100000	100000		
14400141	141st Layer	100000	100000	100000	100000		
14400142	142nd Layer	100000	100000	100000	100000		
14400143	143rd Layer	100000	100000	100000	100000		
14400144	144th Layer	100000	100000	100000	100000		
14400145	145th Layer	100000	100000	100000	100000		
14400146	146th Layer	100000	100000	100000	100000		
14400147	147th Layer	100000	100000	100000	100000		
14400148	148th Layer	100000	100000	100000	100000		
14400149	149th Layer	100000	100000	100000	100000		
14400150	150th Layer	100000	100000	100000	100000		
14400151	151st Layer	100000	100000	100000	100000		
14400152	152nd Layer	100000	100000	100000	100000		
14400153	153rd Layer	100000	100000	100000	100000		
14400154	154th Layer	100000	100000	100000	100000		
14400155	155th Layer	100000	100000	100000	100000		
14400156	156th Layer	100000	100000	100000	100000		

Antelope Ridge 11-24-34 #3H

	Quant	Cost
GRAND-TOTAL (for all items)		\$ 1,224,091.00
SUB-TOTAL (for all items)	---	\$ 1,028,000.00
Contingency	10%	\$ 102,800.00
Tax	8.25%	\$ 93,291.00
Battery	1	\$ -
- Civil	---	\$ -
- Equipment	---	\$ -
- Installation	---	\$ -
- Electrical (EDS)	---	\$ -
Site Work	1	\$ 882,960.00
- Commingle Mods	---	\$ 300,000.00
- Supervision	---	\$ 75,000.00
- Well Pad	---	\$ 70,000.00
- Roads	---	\$ 40,000.00
- Cattleguards	---	\$ 25,000.00
- Frac Pond	---	\$ -
- Land Damages	---	\$ 40,000.00
- Mechanical	---	\$ 20,000.00
- Flowline	---	\$ 300,960.00
- POC/Well Kill	---	\$ 12,000.00
Electrical Distribution	---	\$ 145,040.00
- Feed to Sections	1	\$ 95,040.00
- Transformer Bank	---	\$ -
- Generator Contingency	1	\$ 50,000.00