

SOVEREIGN EAGLE, LLC

AUTHORITY FOR EXPENDITURE ESTIMATED WELL COSTS

WELL NAME AND NUMBER Stoltenberg #2	APE VERSION SE-26-2-29-2F-1014	DATE 10/28/2014
LOCATION: SHL 1650' FNL & 2260' FWL Sec 26-T2S-R29E	PROSPECT TULE MONTOYA/PENN	
WELL NAME AND NUMBER Sovereign Eagle, LLC	COUNTY OR PARISH ROOSEVELT	STATE New Mexico
PROJECT DESCRIPTION AND LOCATION DRILL A NEW VERTICAL WELL TO 7290', offsetting the original Stoltenberg #1.	SECTION 26	TOWNSHIP 2S
	RANGE 29E	
	PROPOSED FORMATION Montoya/Penn	PROPOSED DEPTH 7290'

ACCT CODE	INTANGIBLES (160 Accounts)	DRY HOLE	RUN CSG	TOTAL
	Drilling - Footage Ft. @ \$ /Ft.			
	Drilling - Day Work - BCP 24 Days @ \$ 15500 /Day	\$372,000		\$372,000
	Drilling - Day Work - ACP Days @ \$ 19000 /Day			
	Completion Rig & Coiled Tubing Unit		\$47,500	\$47,500
	Mobilization - Other Contractors Charges	\$130,000		\$130,000
	Location, Roads, Pits, Survey, Permits, Cleanup, Damages & Title Opinion	\$100,500	\$30,000	\$130,500
	Drill Bits, Coring & DST	\$35,000	\$2,500	\$37,500
	Transportation and Hauling	\$50,000	\$5,000	\$55,000
	Drilling Mud, Chemicals & Completion Fluids	\$56,000	\$2,500	\$58,500
	Fuel, Power, Water	\$40,400	\$55,000	\$95,400
	Cementing Services, Cementing Equipment, Hangers, Packers	\$86,000	\$40,000	\$126,000
	Mud Logging	\$73,500		\$73,500
	Open Hole Logging and Side Wall Coring	\$65,000		\$65,000
	Cased Hole Logging and Perforating		\$14,000	\$14,000
	Equipment Rental Including Solids Control, Closed loop & Directional Services	\$52,700	\$7,000	\$59,700
	Insurance	\$1,000		\$1,000
	Other Well Services, NU/BOP, Casing Inspection	\$22,000	\$20,000	\$42,000
	Overhead	\$8,500	\$2,500	\$11,000
	Supervision: Wellsite, Engineering, Geological, Consultants	\$49,000	\$30,000	\$79,000
	Contract Services	\$6,250	\$17,500	\$23,750
	Fluids & Cuttings Disposal	\$37,000	\$6,000	\$43,000
	Environmental Charges			
	Stimulation Treatment		\$25,000	\$25,000
	Plugging Costs			
	Miscellaneous Costs, Tax and Contingencies	\$86,438	\$44,028	\$130,466
	TOTAL INTANGIBLES	\$1,271,288	\$348,528	\$1,619,816

ACCT CODE	TANGIBLES(200 Accounts)						DRY HOLE	COMPLETION	TOTAL
	CASING	FOOTAGE	SIZE	WEIGHT	GRADE	COST/FT			
	Conductor								
	Surface	330	13 1/2"	48	H40	31.00	\$10,230		\$10,230
	Surface								
	Intermediate	2450	8 5/8"	24#	J55	15.00	\$36,750		\$36,750
	Intermediate								
	Liner								
	Production	7290	5 1/2"	17#	J55	12.15		\$88,574	\$88,574
	Production								
	Tubing	7300	2 7/8"	6.5	N80	8.00		\$58,400	\$58,400
	Subsurface Well Equipment (Packers/Bottom Hole Pump)							\$5,000	\$5,000
	Rods, etc							\$2,500	\$2,500
	Wellhead Equipment (Casing Head/Christmas Tree)						\$3,000	\$5,000	\$8,000
	Pumping Equipment (Pumping Unit/Engine/Installation)							\$100,000	\$100,000
	Flowlines							\$30,000	\$30,000
	Tanks								
	Sales Line Equipment							\$3,000	\$3,000
	Separator-Prod. Equip.							\$15,500	\$15,500
	Valves, Fittings etc.							\$4,000	\$4,000
	Installation of Surface Lease Equipment							\$11,500	\$11,500
	Other Lease & Well Equip.							\$1,000	\$1,000
	TOTAL TANGIBLES						\$49,980	\$324,474	\$374,454
	TOTAL WELL COSTS						\$1,321,268	\$673,002	\$1,994,270
	ROUNDED PROJECT COST						\$1,321,000	\$673,000	\$1,994,000

Sovereign Eagle, LLC	SOVEREIGN-- DRY HOLE	SOVEREIGN - COMPLETED
WI 92.69% NRI	\$1,224,372	\$1,848,144
JOINT INTEREST SHARE		
COMPANY NAME	Signature	DATE
	BY:	
COMPANY OWNERSHIP-%	COMPANY COST-DRY HOLE	COMPANY COST-COMPLETED
WI NRI		

NMOCD CASE NO. 15224
 December 4, 2014
 Sovereign Eagle, LLC
 Exhibit No. 4