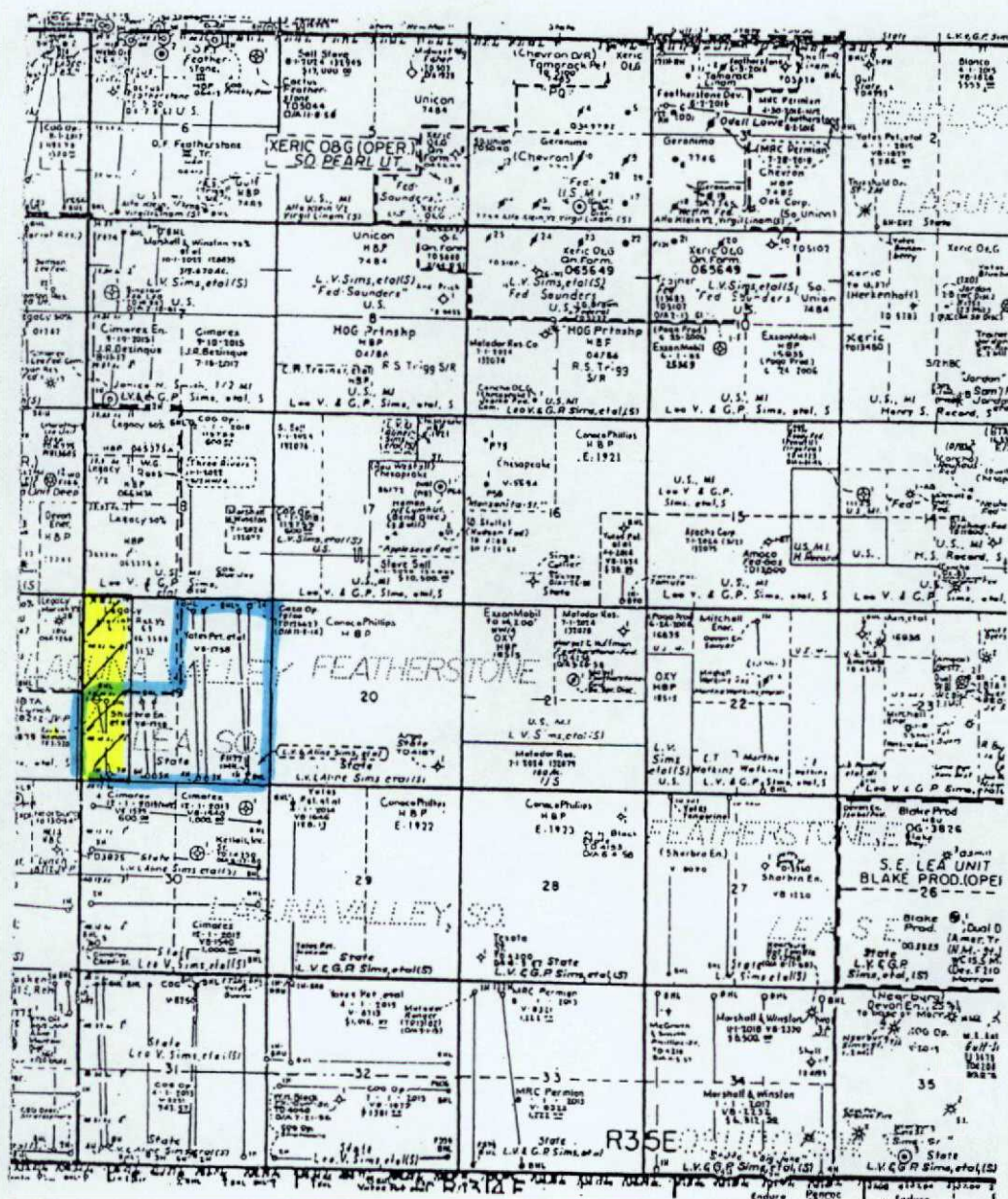
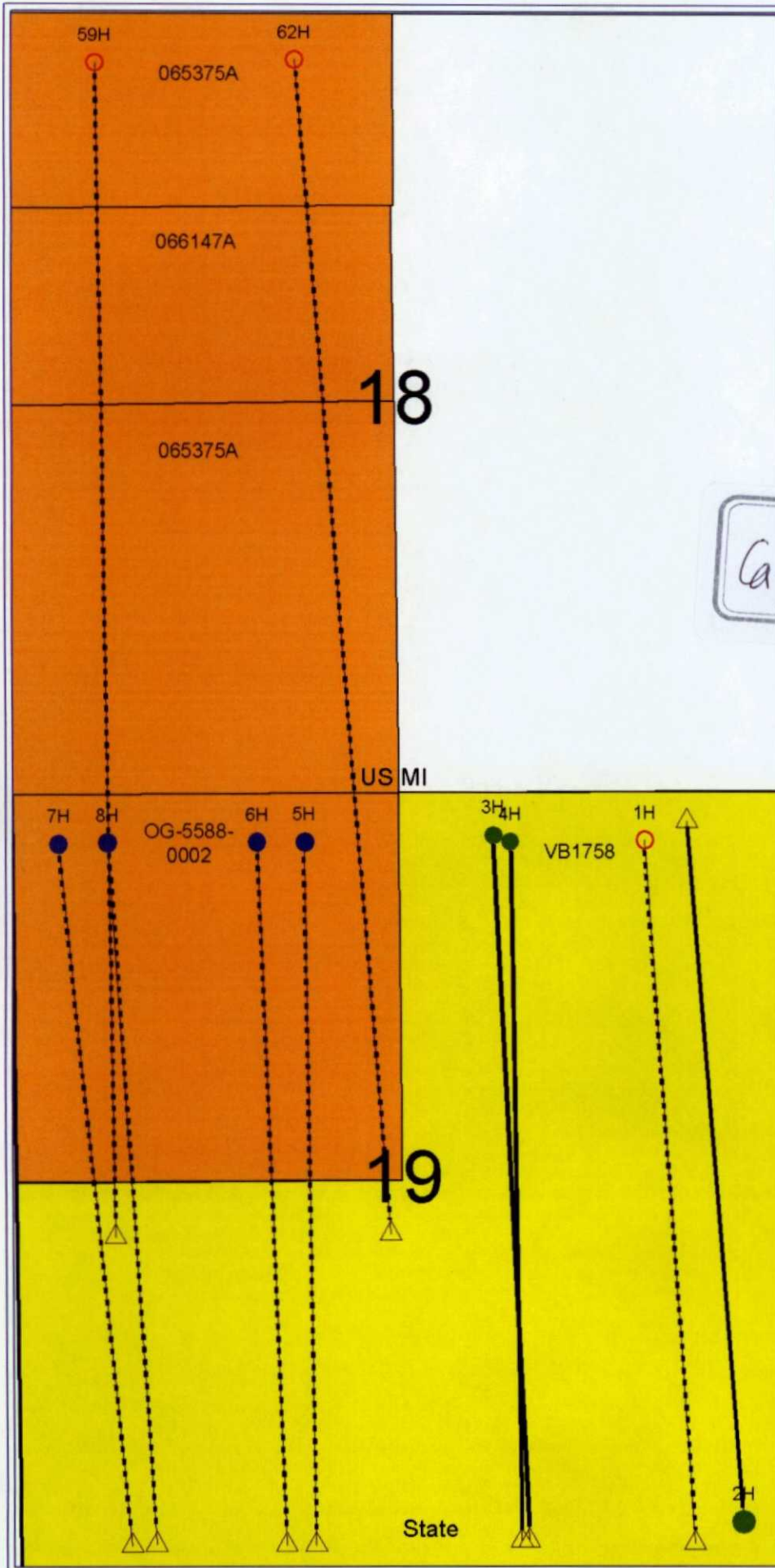


Сөзү





Caza EXHIBIT 2

replaced

LEGEND

- Caza Igloo 1H: permitted
- Caza Igloo 2H: producing
- Caza Igloo 3H: producing
- Caza Igloo 4H: producing
- Caza Igloo 5H: proposed
- Caza Igloo 6H: proposed
- Caza Igloo 7H: proposed
- Caza Igloo 8H: proposed
- Legacy Lea Unit 59H: permitted
- Legacy Lea Unit 62H: permitted
- Caza Leasehold
- Legacy, et al, Leasehold
- Surface location
- Bottomhole location

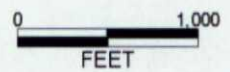


Caza
Petroleum

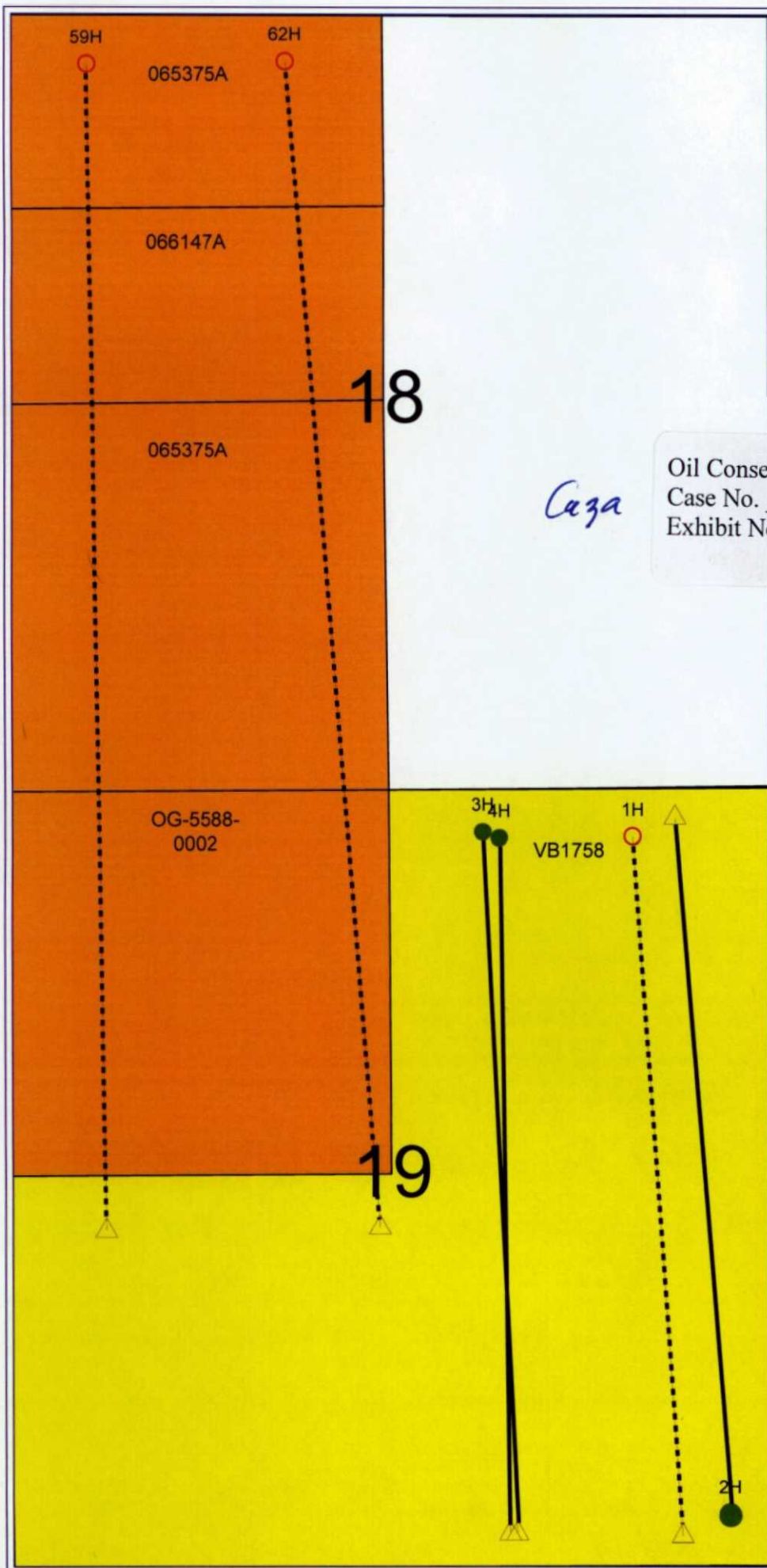
Exhibit 2

East Marathon Road Prospect

Lea County, New Mexico



November 2, 2016



Caza

Oil Conservation Commission
Case No. 15437
Exhibit No. 2

LEGEND

- Caza Igloo 1H: permitted
- Caza Igloo 2H: producing
- Caza Igloo 3H: producing
- Caza Igloo 4H: producing
- Legacy Lea Unit 59H: permitted
- Legacy Lea Unit 62H: permitted
- Caza Leasehold
- Legacy, et al, Leasehold
- Surface location
- Bottomhole location



**Caza
Petroleum**

Exhibit

East Marathon Road
Lea County, New Mexico

0 1,000
FEET

November 4, 2016

Caza EXHIBIT 3

IGLOO 19 STATE COM 7H WELL

	DESCRIPTION	ACREAGE	OWNERSHIP
Caza	E/2 SW/4	80	50%
Legacy, et al	E/2 NW/4	80	50%
totals		160	100%



VIA CERTIFIED MAIL-RETURN RECEIPT REQUESTED

November 5, 2015

Legacy Reserves, L.P.
303 W. Wall Street, Suite 1800
Midland, Texas 79701

Attn: Mr. Shad Frazier

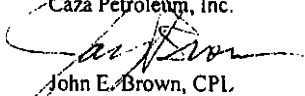
Re: Well Proposal
Igloo 19 State #7H Well
Section 19, T20S-R35E
E. Marathon Road Prospect
Lea County, New Mexico

Gentlemen:

Caza Petroleum, Inc. is the owner of New Mexico State Lease No. VB 1758 covering the E/2 and SW/4 of Section 19, T20S-R35E, Lea County, New Mexico. Our title information indicates that Legacy Resources, L.P. owns an interest in the BLM lease covering the NW/4 of Section 19. Caza hereby proposes to drill a 10,800' TVD, 15,600' MD, 4,188' lateral horizontal 2nd Bone Spring test from a surface location approximately 200' FSL and 750' FWL to a bottom hole location 330' FNL and 750' FWL in Section 19. Caza proposes the well to be on a 160 acre unit comprised of the W/2 of the W/2 of Section 19. Enclosed is Caza's AFE dated November 2, 2015, estimating the dry hole cost to be \$1,974,879 and the completed well cost to be \$5,019,052. Costs will be shared on a proportionate unit acre basis.

If Legacy wishes to participate for its proportionate working interest in such well, please so indicate by signing in the space below and returning to me one executed copy of this letter and an executed AFE. We appreciate your cooperation in this regard and should you have any questions, please do not hesitate to call me at 832-381-3854.

Very truly yours,
Caza Petroleum, Inc.


John E. Brown, CPL.
Land Manager

We hereby elect as follows this ___ day of November, 2015:

___ PARTICIPATE in the drilling and completion of the Igloo 19 State #7H well.

___ NOT PARTICIPATE in the drilling and completion of the Igloo 19 State #7H well.

Legacy Resources, L.P.

By: _____
Printed Name: _____
Title: _____

Caza Petroleum, Inc. is not responsible for the accuracy of the information provided by Legacy Resources, L.P. in this letter and the AFE. Caza Petroleum, Inc. is not responsible for the accuracy of the information provided by Legacy Resources, L.P. in this letter and the AFE.

Caza

EXHIBIT 4

AUTHORITY FOR EXPENDITURE
New Drilling, Recompletion & Re-Entry

AFE Number: 63891
AFE Date: 11/2/15

Well Name: Igloo 19 State # 7H Lea County, State: Lea, New Mexico
Location: 200' FSL, 750' FWL, Section 13-203-33E Field: Lea-Bonne Spring South
SHL: 200' FSL - 750' FWL Horizon: 2nd Bone Spring Sand
BHL: 330' FSL - 350' FWL Projected Depth: 15000 MD/10000 TVD

☒ New Drill ☒ Oil
☐ Recompletion ☐ Gas
☐ Re-Entry ☐ Injector
☒ Development ☐ Exploratory

Frigate: Drill, Complete Horizontal 2nd Bone Spg, 200 FSL & 750 FWL, Sec 13, T203, 33SE				
SOR ± 18,280 R. COC 11380. TVD 10,800 ft. Measured Depth ± 15,900 ft. Lateral 4188 ft. BHL ± 330 FSL & 350 FWL				
	Code	Drilling Intangibles	Completion Intangibles	Total Cost
Permit Well Sign	1-01	7,385	3-02	7,385
Damages/Right of Way	1-02	10,550	3-02	10,550
Locations and Roads	1-04	89,875	3-78	105,500
Pits and Leans	1-06	0	3-74	0
Drilling Day Work	1-09	407,245	3-28	446,944
Completion Work	1-10	0	3-38	21,100
Sits	1-18	59,500	1-06	63,820
Installation/Commissioning	1-11	163,525	0	163,525
Drill Stem Test	1-12	0	0	0
Coring	1-13	0	0	0
Mud Logging	1-14	24,917	0	24,917
Open Hole Survey/ Oyo	1-18	6,850	0	6,850
Water	1-19	14,582	3-72	151,854
Fuel	1-17	136,230	1-46	150,118
Mud & Chemicals	1-18	73,450	3-71	76,488
Tubular Inspection	1-19	5,375	3-68	9,495
Plant Equipment	1-01	4,220	3-61	12,660
Casing Cuts	1-21	14,243	3-71	23,738
Welding	1-22	6,836	3-71	6,836
Cement Surface	1-23	12,961	0	12,961
Directional Drilling Pkg. GRUWVDAWD, PDM	1-24	163,762	0	163,762
Drilling Supervision (Engineers)	1-25	83,057	0	83,057
Geologist	1-26	11,605	0	11,605
Insurance	1-27	7,800	3-67	7,800
Drilling Consultants	1-28	38,097	0	38,097
Completion Consultants	1-29	0	3-62	26,821
Miscellaneous	1-30	6,000	0	6,000
Plugging and Abandon	1-31	0	0	0
Survey and Stake Location	1-32	5,275	0	5,275
Cement Intermediate	1-33	19,493	0	19,493
Cement Production	1-34	0	3-37	77,518
Wireline & Cased Tubing Services	1-35	6,330	3-41	258,475
Open Hole Logs	1-36	0	3-43	0
Fishing Services	1-38	0	0	0
Formation	1-39	0	3-66	0
Whipstock	1-40	0	0	0
Closed Loop Solids Control Equipment	1-45	0	3-67	0
Shut Up ABOP Test	1-61	10,550	3-58	10,550
Contract Services and Equipment	1-66	50,183	3-21	53,322
Telecom	1-67	11,581	3-08	14,654
Simulation	1-68	0	3-68	1,516,709
Stand Leg, Porting	1-69	0	3-63	0
Drill Hoisting	1-81	26,274	0	26,274
Trucking	1-82	51,665	3-40	63,737
Closed Loop Hoist - off/On	1-85	94,710	3-14	125,276
Partial Surface Drilling Equipment	1-89	3,165	0	3,165
Other Spec Equip & Services	1-95	0	3-60	56,179
Surface Equipment	1-97	0	0	0
Drillage and well cleaning	1-98	14,451	0	14,451
Photo & Laydown, Reelabout Labor, Water	1-99	7,385	3-60	7,385
Title & Abstracts, Drilling Title Option	1-31	0	0	0
Contingency 5%	1-40	82,628	3-30	114,324
TOTAL INTANGIBLES		1,741,880	2,378,793	4,121,203

	Code	Drilling Tangibles	Completion Tangibles	Total Cost
Wellhead	2-06	8,335	4-03	14,222
Conductor	2-02	5,824	0	5,824
Casing 15-3/8" 54.5k, 3-56, BTC - 1904.181 @25.7m	2-03	51,629	0	51,629
6-5/8" 40k, 3-55, LTC - 1423m @25.3m	2-04	155,476	0	155,476
7" 20k, P-110, BTC - 0m @15.25m		0	0	0
9-1/2" 20k, P-110, BTC - 470m @12.5m		0	235,845	235,845
Tubing 2-7/8" 8.5k, L-80, EUE SRD - 1050m @3.25m		0	37,816	37,816
Inner Hanger & Horizontal Completion System, Packers		0	28,485	28,485
Flowlines, Valves, Flanges		0	26,375	26,375
Meters/Control/Storage Facilities/Electrical Equipment		0	122,380	122,380
Separation Equipment		0	29,540	29,540
Miscellaneous Tangible Equipment		0	23,210	23,210
Pumping Equipment		0	94,950	94,950
Compressors/Dehydrators		0	29,540	29,540
Contingency 5%	1-40	11,112	31,841	42,955
TOTAL TANGIBLES		233,375	684,476	897,849
TOTAL WELL COST		1,974,875	3,064,173	5,019,052

Prepared By: Tany B. Sam Date: 11/2/2015

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner: _____ Joint Owner Approval: _____

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the terms within and carrier as such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to sign date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By: _____ Date: _____

From: Jay Brown <jbrown@cazapetro.com>

To: Clay Roberts <croberts@legacylp.com>; jfitzgerald <jfitzgerald@legacylp.com>

Cc: Randy Nickerson <rnickerson@cazapetro.com>; Rich Albro <ralbro@cazapetro.com>; jamesbruc <jamesbruc@aol.com>

Subject: Igloo 19 7H Well, Section 20, T20S-R35E, Lea Co, NM

Date: Thu, Feb 25, 2016 3:42 pm

Clay,

Reference is made to Caza's well proposal of November 5, 2015, for the drilling of the Igloo 19 State/Fed 7H well in Sec 19, T20S-R35E, Lea Co., NM. After Legacy was in receipt of the well proposal, Rich Albro and I had a phone conference with you, Jim Fitzgerald and Randy Hutton of Legacy in which various options for Legacy's participation in the well were discussed. As you are aware, the force pooling hearing regarding this matter is scheduled for next month. As stated in our previous conversation, Caza would prefer to agree on a mutually beneficial solution ahead of the hearing and would welcome further discussions with Legacy to that end.

Accordingly, Caza would be open to discuss any concerns that Legacy may have in order to reach a mutual understanding and, if possible, avoid the hearing. Please give me a call at 832-381-3854.

Thanks, Jay

Jay Brown

Land Manager

Caza Petroleum, Inc.

Direct: 832-381-3854

Main: 281-363-4442 Ext. 1104

Fax: 281-363-4454

Caza

EXHIBIT

5

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

APPLICATION OF CAZA PETROLEUM, INC.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

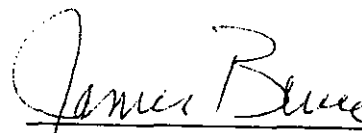
Case No. 15,437

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Caza Petroleum, Inc.
3. Caza Petroleum, Inc has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owner, at its last known address, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.


James Bruce

SUBSCRIBED AND SWORN TO before me this 1st day of March, 2016 by James Bruce.

My Commission Expires:




Notary Public

Caza

EXHIBIT

6

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

January 8, 2016

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

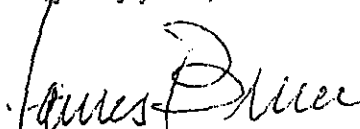
Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, *etc.* filed with the New Mexico Oil Conservation Division by Caza Petroleum, Inc., regarding a Bone Spring well the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 19, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, February 4, 2016, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, January 28, 2016. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Caza Petroleum, Inc.

Attachment

A

Exhibit A

Legacy Reserves, L.P.
Suite 1800
303 West Wall Street
Midland, Texas 79701

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

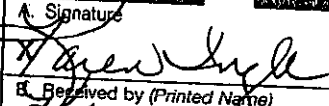
For delivery information visit our website at www.usps.com

7012 0470 0001 5955 0080

Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Sent To
 Legacy Reserves, L.P.
 Suite 1800
 303 West Wall Street
 Midland, Texas 79701

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
- Complete items 1, 2, and 3. - Print your name and address on the reverse so that we can return the card to you. - Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature  B. Received by (Printed Name) KAREN INGLE C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No		
1. Article Addressed to: Legacy Reserves, L.P. Suite 1800 303 West Wall Street Midland, Texas 79701	3. Service Type <table border="0"> <tr> <td> ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Mail ☐ Mail Restricted Delivery </td> <td> ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery </td> </tr> </table>	☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Mail ☐ Mail Restricted Delivery	☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery
☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Mail ☐ Mail Restricted Delivery	☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery		
2. Article Number (Transfer from service label) 9590 9402 1240 5246 2009 63 7012 0470 0001 5955 0080			

PS Form 3811, July 2015 PSN 7530-02-000-9053

CZ

Domestic Return Receipt

Offset Operators/Working Interest Owners

SW/4 Section 218-20S-35E

Legacy Reserves Operating LP
Jupiter JV LP

E/2NW/4 Section 19-20S-35E

Legacy Reserves Operating LP

E/2SW/4 Section 19-20S-35E

Caza Operating, LLC
Caza Petroleum, Inc.

N/2NW/4 Section 30-20S-35E

Cimarex Energy Co. of Colorado

NE/4NE/4 Section 25-20S-34E

Nearburg Producing Company

E/2SE/4 Section 24-20S-34E

BTA Oil Producers, LLC

E/2NE/4 Section 24-20S-34E

Legacy Reserves Operating LP

S/2SE/4 Section 13-20S-34E

Legacy Reserves Operating LP

Caza

EXHIBIT

7

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

APPLICATION OF CAZA PETROLEUM, INC.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

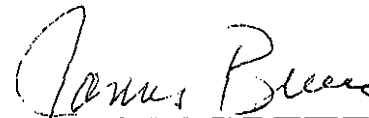
Case 15,437

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

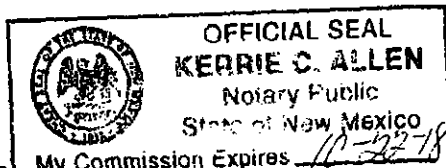
James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Caza Petroleum, Inc.
3. Caza Petroleum, Inc. has conducted a good faith, diligent effort to find the names and correct addresses of the offset operators or working interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the offsets by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

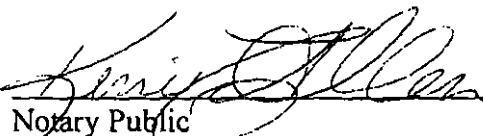


James Bruce

SUBSCRIBED AND SWORN TO before me this 1st day of March, 2016 by James Bruce.



My Commission Expires: _____


Notary Public

EXHIBIT 

Caza

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

January 8, 2016

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

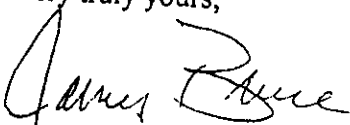
To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit, *etc.*, filed with the New Mexico Oil Conservation Division by Caza Petroleum, Inc., regarding a Bone Spring well in the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 19, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This matter is scheduled for hearing at 8:15 a.m. on Thursday, February 4, 2016, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset operator or lessee, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date.

You are required to notify (in writing) the Division, and the undersigned, by Thursday, January 28, 2016 if you intend to participate in the hearing.

Very truly yours,



James Bruce

Attorney for Caza Petroleum, Inc.

Attachment A

EXHIBIT A

Jupiter JV LP
Suite 3300
301 Commerce Street
Fort Worth, Texas 76102

Legacy Reserves Operating LP
Suite 1800
303 West Wall Street
Midland, Texas 79701

Cimarex Energy Co. of Colorado
Suite 600
600 North Marienfeld
Midland, Texas 79701

Nearburg Producing Company
Building 2, Suite 120
3300 North "A" Street
Midland, Texas 79705

BTA Oil Producers, LLC
104 South Pecos
Midland, Texas 79701

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Legacy Reserves Operating LP
Suite 1800
303 West Wall Street
Midland, Texas 79701

9590 9402 1240 5246 2009 49

2. Article Number (Transfer from service label)

7012 0470 0001 5955 0066

COMPLETE THIS SECTION ON DELIVERY

A. Signature

*Hagen Ingle

☐ Agent
☐ Addressee

B. Received by (Printed Name)

HAGEN INGLE

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☐ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Mail Restricted Delivery | |

(over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

7012 0470 0001 5955 0042

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$

Postmark Here

Sent To

Nearburg Producing Company

Building 2, Suite 120

3300 North "A" Street

Midland, Texas 79705

City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for instructions

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

7012 0470 0001 5955 0066

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$

Postmark Here

Sent To

Legacy Reserves Operating LP

Suite 1800

303 West Wall Street

Midland, Texas 79701

City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nearburg Producing Company
Building 2, Suite 120
3300 North "A" Street
Midland, Texas 79705

9590 9402 1240 5246 2009 25

2. Article Number (Transfer from service label)

7012 0470 0001 5955 0042

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X He'sale

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☐ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |

Restricted Delivery

(over \$500)

Domestic Return Receipt

2072 0470 0001 5955 0073

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: **Jupiter JV LP**
Suite 3300
301 Commerce Street
Fort Worth, Texas 76102

Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4

Postmark
 Here

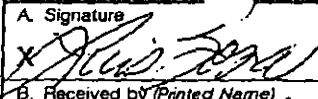
PS Form 3800, August 2006

See Reverse for Instructions

2012 0470 0001 5' : 0059

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature ☐ Agent ☐ Addressee X <i>[Signature]</i>
1. Article Addressed to: Jupiter JV LP Suite 3300 301 Commerce Street Fort Worth, Texas 76102	B. Received by (Printed Name) C. Date of Delivery <i>OVERBACK</i> JAN 12 2016
2. Article Number: (Transfer from service label) 9590 9402 1240 5246 2009 56	D. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:
3. Article Number: (Transfer from service label) 7012 0470 0001 5955 0073	3. Service Type ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery Restricted Delivery
(over 3500)	

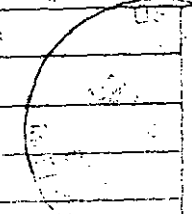
Domestic Return Receipt

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature  ☐ Agent ☐ Addressee	
1. Article Addressed to: BTA Oil Producers, LLC 104 South Pecos Midland, Texas 79701		B. Received by (Printed Name) LUISSOSA	C. Date of Delivery 1-12-16
2. Article Number (Transfer from service label) 9590 9402 1240 5246 2009 18 7012 0470 0001 5955 0035		D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery		☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery	

PS Form 3811, July 2015 PSN 7530-02-000-9053 CZ Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: BTA Oil Producers, LLC
104 South Pecos
Midland, Texas 79701

Street Apt. No. or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2005 See Reverse for Instructions

MARTIN YATES, III
1912-1983

FRANK W. YATES
1926-1988

S.P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2110

TELEPHONE (505) 748-1471

www.yatespetroleum.com

JOHN A. YATES
CHAIRMAN EMERITUS

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD

DOUGLAS E. BROOKS
PRESIDENT
CHIEF EXECUTIVE OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

March 2, 2016

David Catanach, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case 15437
Application of Caza Petroleum, Inc.

Dear Mr. Catanach:

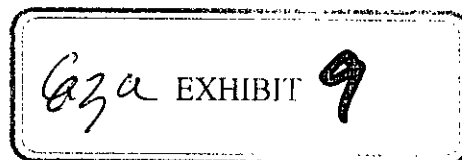
Yates Petroleum Corporation is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the W/2W/2 Sec. 19-20S-35E well proposed by Caza. Yates supports Caza in this case, for the following reasons:

1. Yates' geologists and engineers believe that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.
2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.
3. Caza cannot drill a lateral including lands to the south because Second Bone Spring wells have already been drilled in Section 30.
4. The correlative rights of the interest owners in the NW/4 of Section will be protected by a 160 acre standup well unit.

Very truly yours,

YATES PETROLEUM CORPORATION

Kathy H. Porter
Kathy H. Porter
Attorney-in-Fact
HHP



KATHY H. PORTER
SECRETARY

JAMES D. SCHAFER
TREASURER



ABO PETROLEUM CORPORATION

OIL PRODUCERS

PO BOX 900 • ARTESIA, NM 88211-0900 • PHONE (575) 748-4250

March 2, 2016

David Catanach, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case 15437
Application of Caza Petroleum, Inc.

Dear Mr. Catanach:

Yates Petroleum Corporation is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the W/2W/2 Sec. 19-20S-35E well proposed by Caza. Abo supports Caza's efforts in this case, for the following reasons:

1. Abo's management believes that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.
2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.
3. Caza cannot drill a lateral including lands to the south because second Bone Spring wells have already been drilled in Section 30.
4. The correlative rights of the interest owners in the NW/4 of Section will be protected by a 160 acre standup well unit.

Very truly yours,

Abo Petroleum Corporation



MYCO INDUSTRIES, INC.
OIL PRODUCERS
POST OFFICE BOX 840
ARTESIA, NEW MEXICO 88211-0840
Phone (575) 748-4280

March 2, 2016

David Catanach, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case 15437
Application of Caza Petroleum, Inc.

Dear Mr. Catanach:

MYCO Industries, Inc. is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the well proposed by Caza. MYCO supports Caza in this case, for the following reasons:

1. MYCO's geologist and engineer believe that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.
2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.
3. Caza cannot drill a lateral including lands to the south because second Bone Spring wells have already been drilled in Section 30.
4. The correlative rights of the interest owners in the NW/4 of Section 19 will be protected by a 160 acre standup well unit.

Very truly yours,

MYCO INDUSTRIES, INC.


Scott Yates
President

SHARBRO ENERGY, LLC

Post Office Box 840
Artesia, New Mexico 88211-0840
(575) 748-4280

March 2, 2016

David Catanach, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case 15437
Application of Caza Petroleum, Inc.

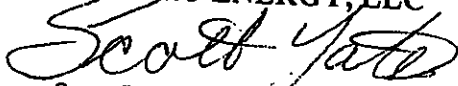
Dear Mr. Catanach:

Sharbro Energy, LLC is an interest owner in the SW/4 of Section 19, Township 20 South, Range 35 East, NMPM, and thus owns an interest in the well proposed by Caza. Sharbro supports Caza in this case, for the following reasons:

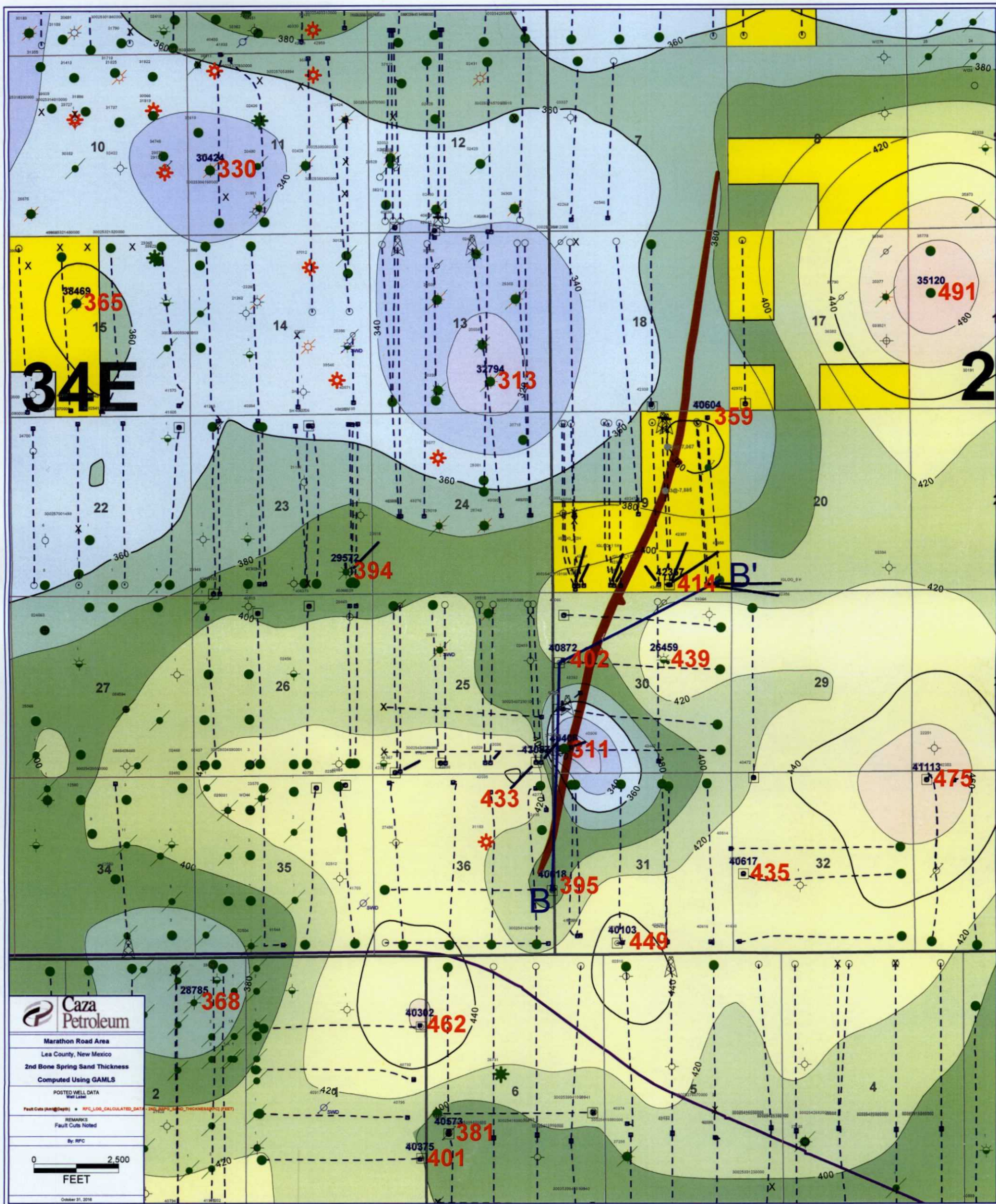
1. Sharbro's geologist and engineer believe that Second Bone Spring wells in this area should be drilled on a standup basis to recover the maximum amount of reserves.
2. If Caza's application is not granted, the only options are to form and drill a standup 80 acre horizontal well unit, or drill a laydown unit. Either option will lead to a loss of reserves and impair correlative rights.
3. Caza cannot drill a lateral including lands to the south because second Bone Spring wells have already been drilled in Section 30.
4. The correlative rights of the interest owners in the NW/4 of Section 19 will be protected by a 160 acre standup well unit.

Very truly yours,

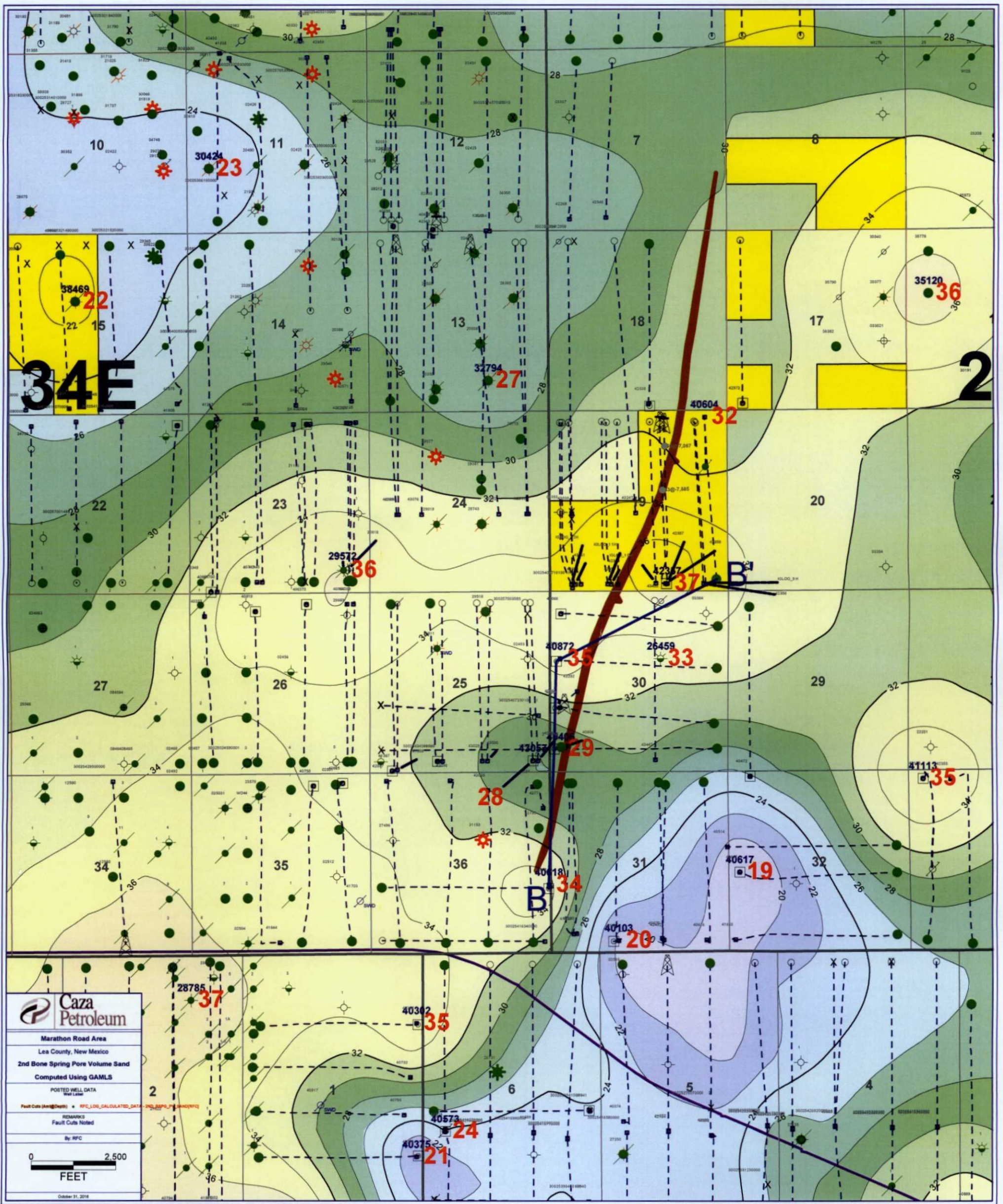
SHARBRO ENERGY, LLC



Scott Yates
Managing Member



15437 (Caza)
Caza EXHIBIT
10



PETRA 10/31/2016 4:56:15 PM

EXHIBIT
11

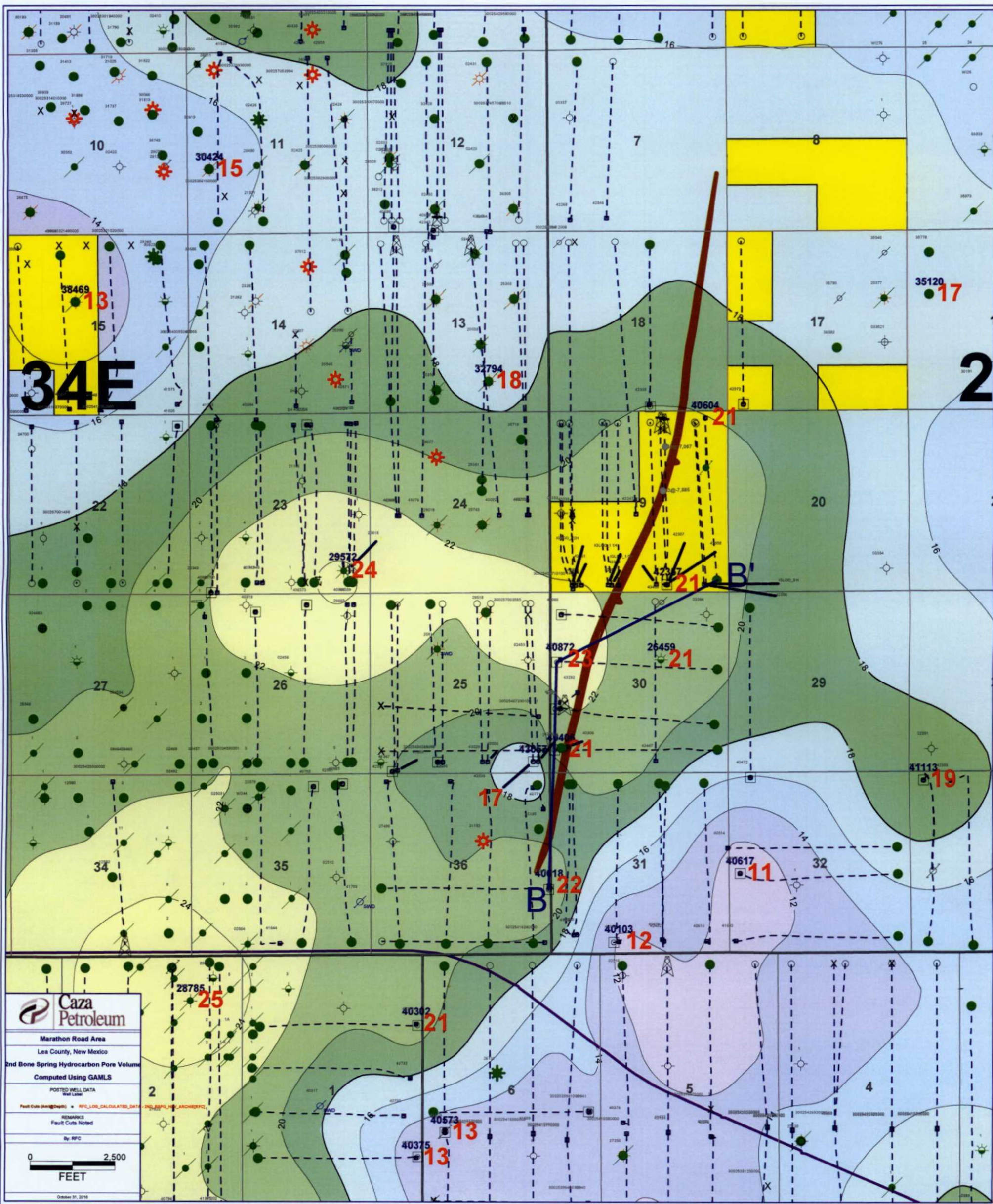
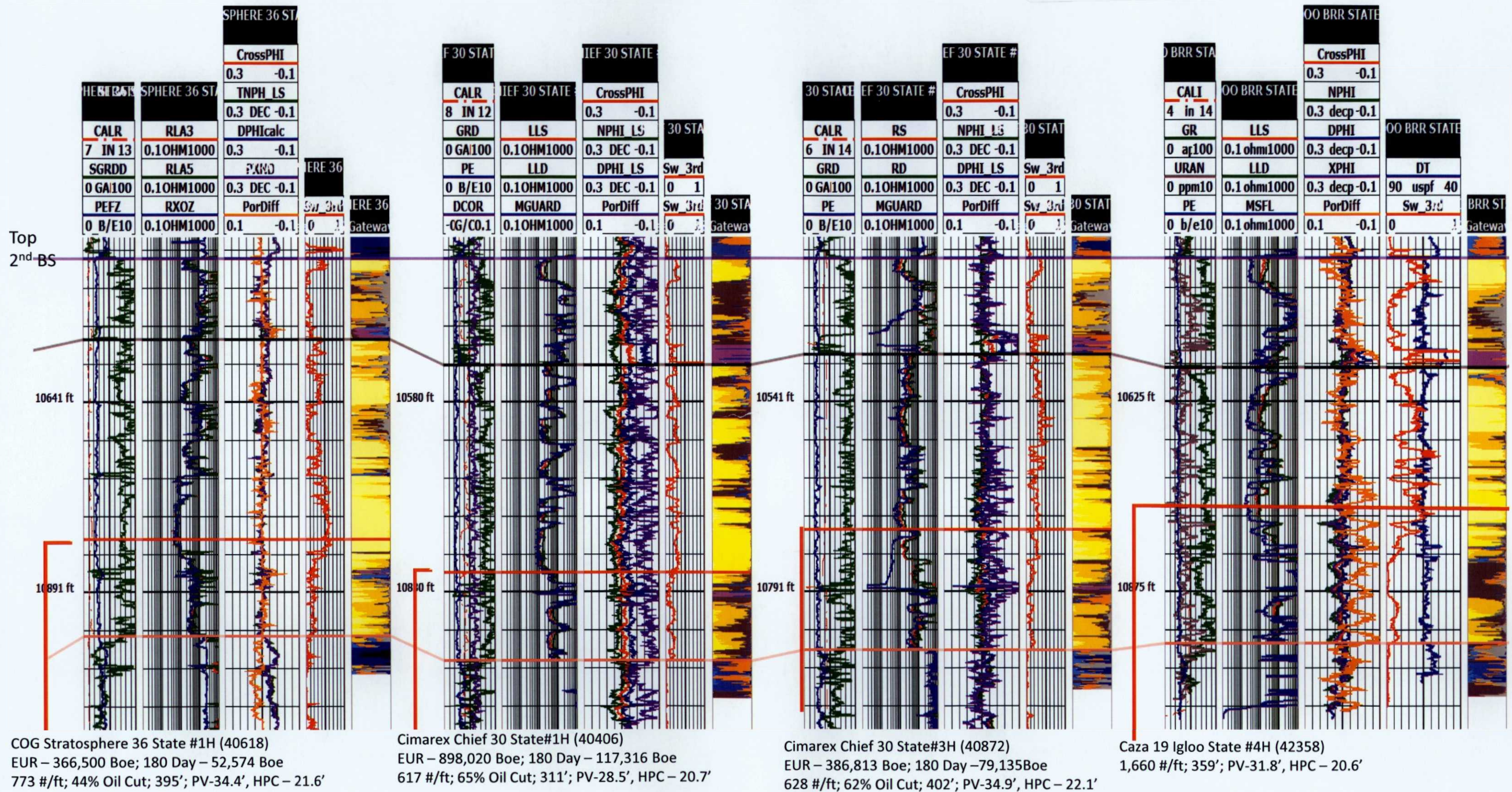


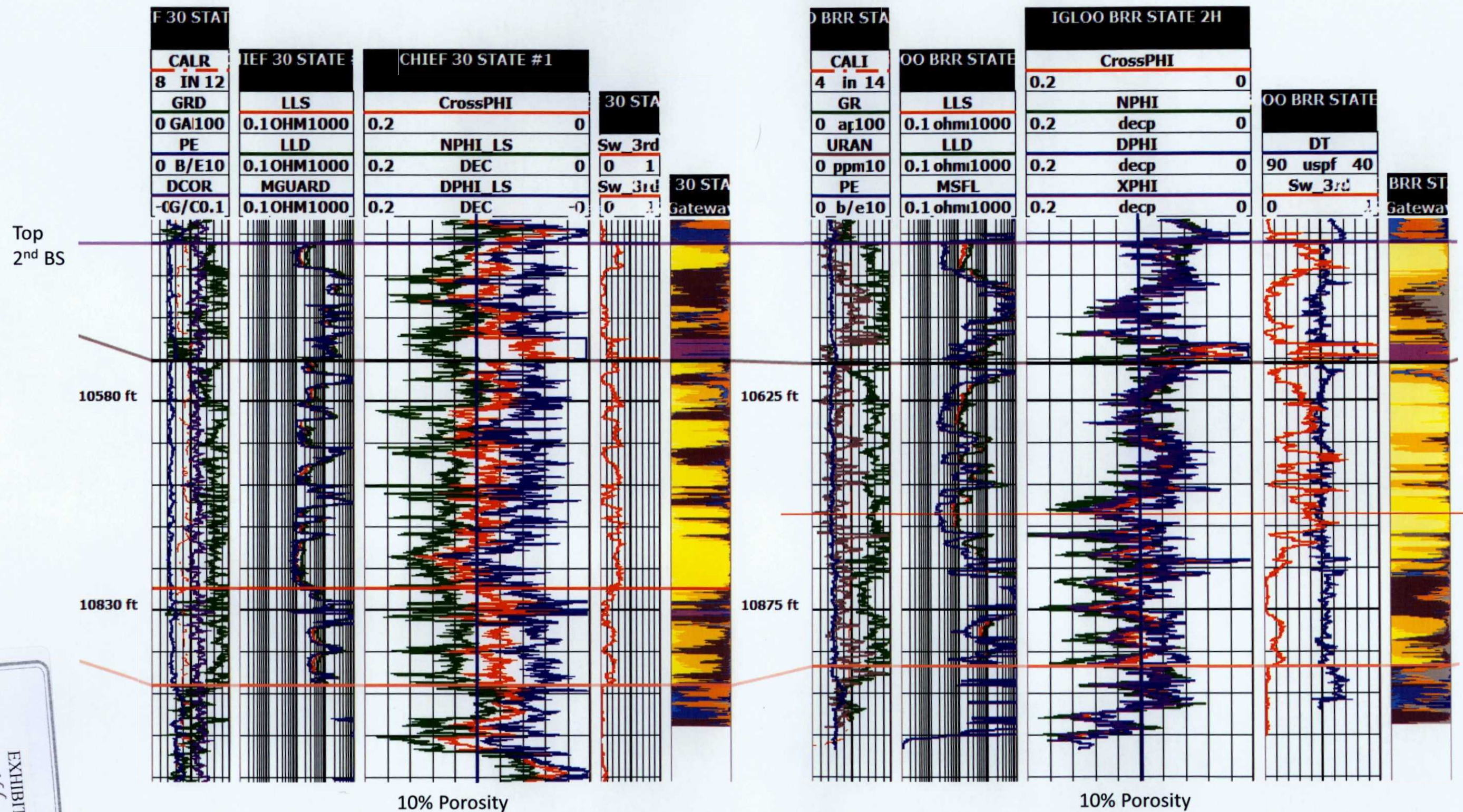
EXHIBIT
12

Cross Section A – A' – 2nd Bone Spring Sand – Stratigraphic Section

EXHIBIT
13



Cross Section A – A'' – 2nd Bone Spring Sand – Chief to Igloo Section

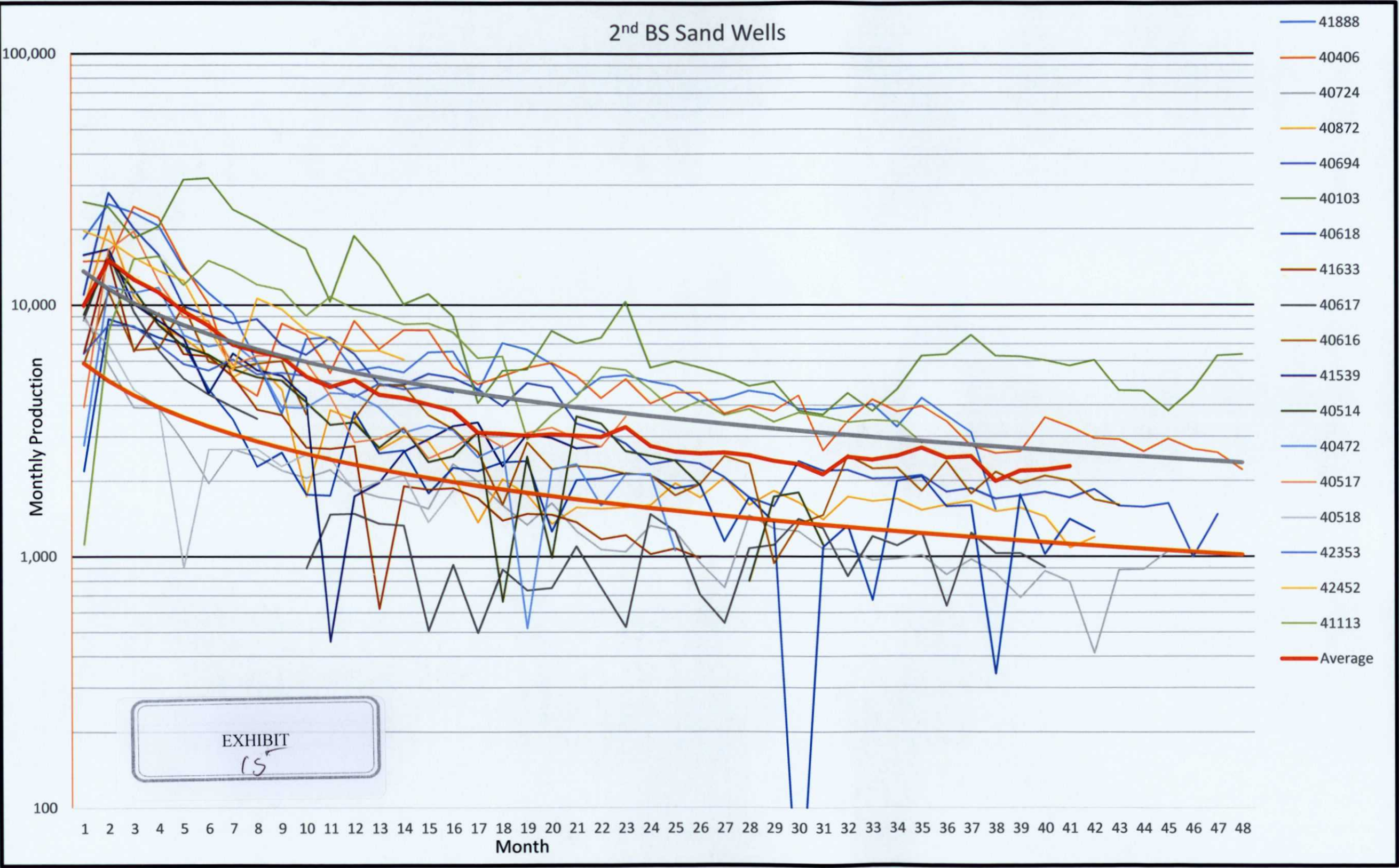


Cimarex Chief 30 State#1H (40406)
 EUR – 898,020 Boe; 180 Day – 117,316 Boe
 617 #/ft; 65% Oil Cut; 311'; PV-28.5', HPC – 20.7'

Caza 19 Igloo State #4H (42358)
 1,660 #/ft; 62% Oil Cut; 359'; PV-31.8', HPC – 20.6'

EXHIBIT
 14

Monthly Production – 2nd Bone Spring Wells

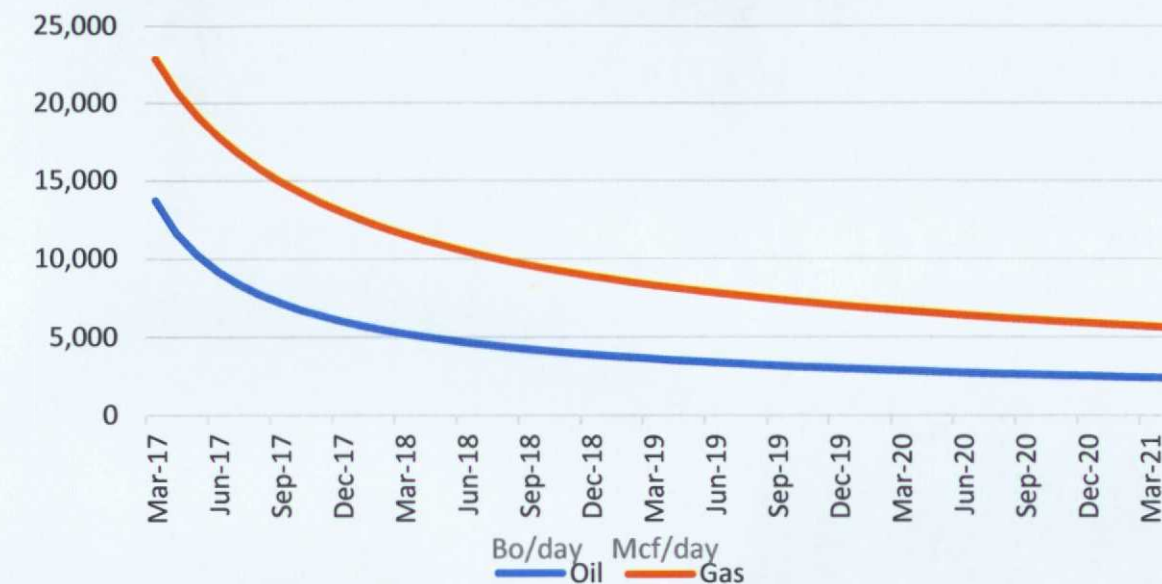


2nd Bone Spring Recovery

• Typical Bone Spring Producing Zone |

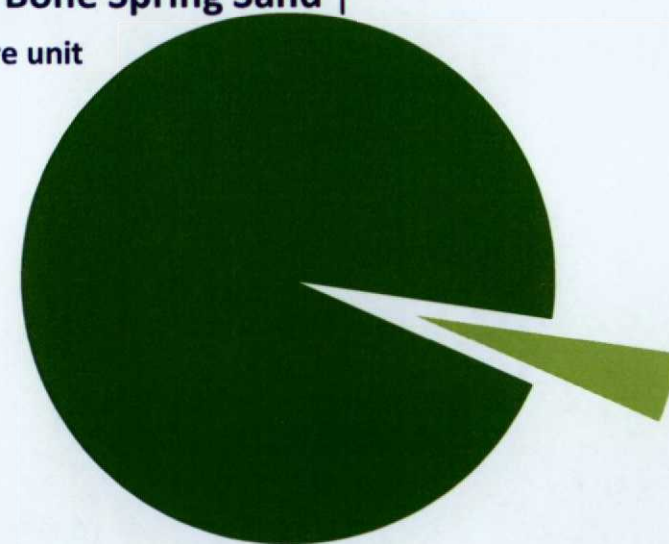
- 160 acres Production Unit per Zone (400 Total) 200' per lateral Thickness
- 8.0% Porosity
- 40% Water Saturation
- 19.2' Total (9.6' per lateral) Hydrocarbon Pore volume
- Combination of Conventional and Unconventional Reservoir
- Approximately 6% Oil in Place Recovered (*Each Lateral not accessing full column- only ~ 200')
- First 180 days recover approximately 1/7 of Ultimate Oil & Gas Reserves
- Bo – 1.35
- 17,650 Mbo in place (8,825 Per lateral)

▪ Typical 2nd Bone Spring Sand Decline Curve | 2nd Bone Spring Type Well



• Average 2nd Bone Spring Sand |

- 160 acre unit



■ Oil in Place
 17,650 Mbo in 160 acres

■ EUR Oil
 513 Mbo Per Lateral

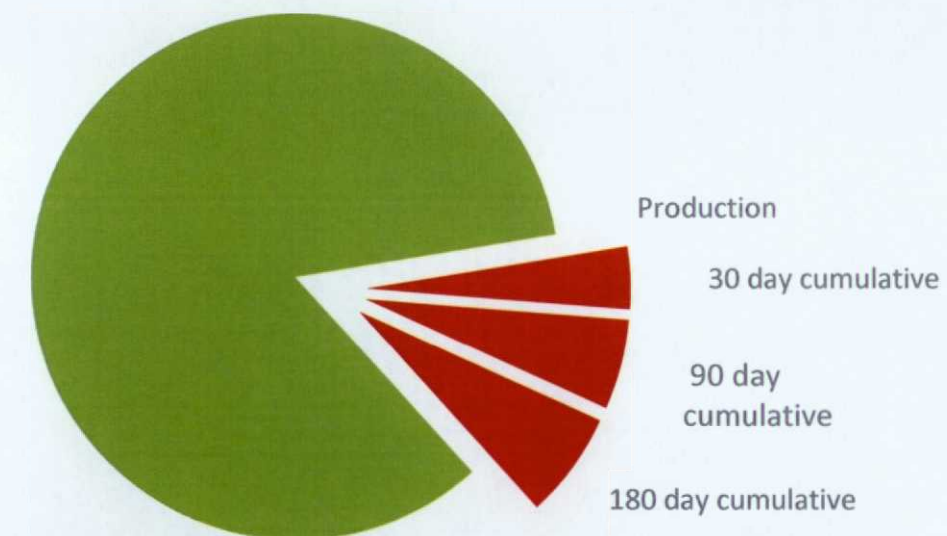
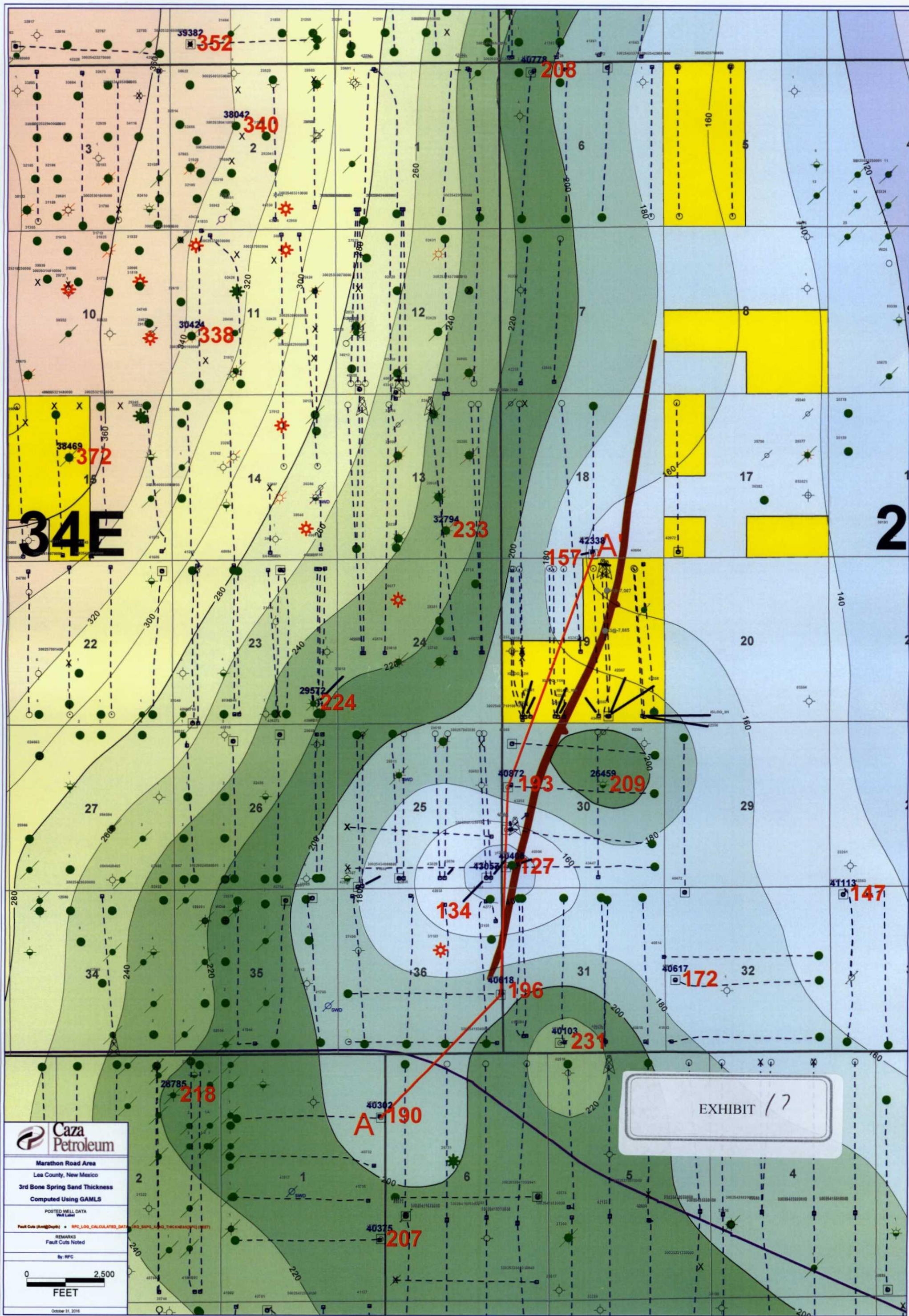


EXHIBIT 16



Marathon Road Area
Lea County, New Mexico

3rd Bone Spring Sand Thickness
Computed Using GAMLS

POSTED WELL DATA
NEW LOGS

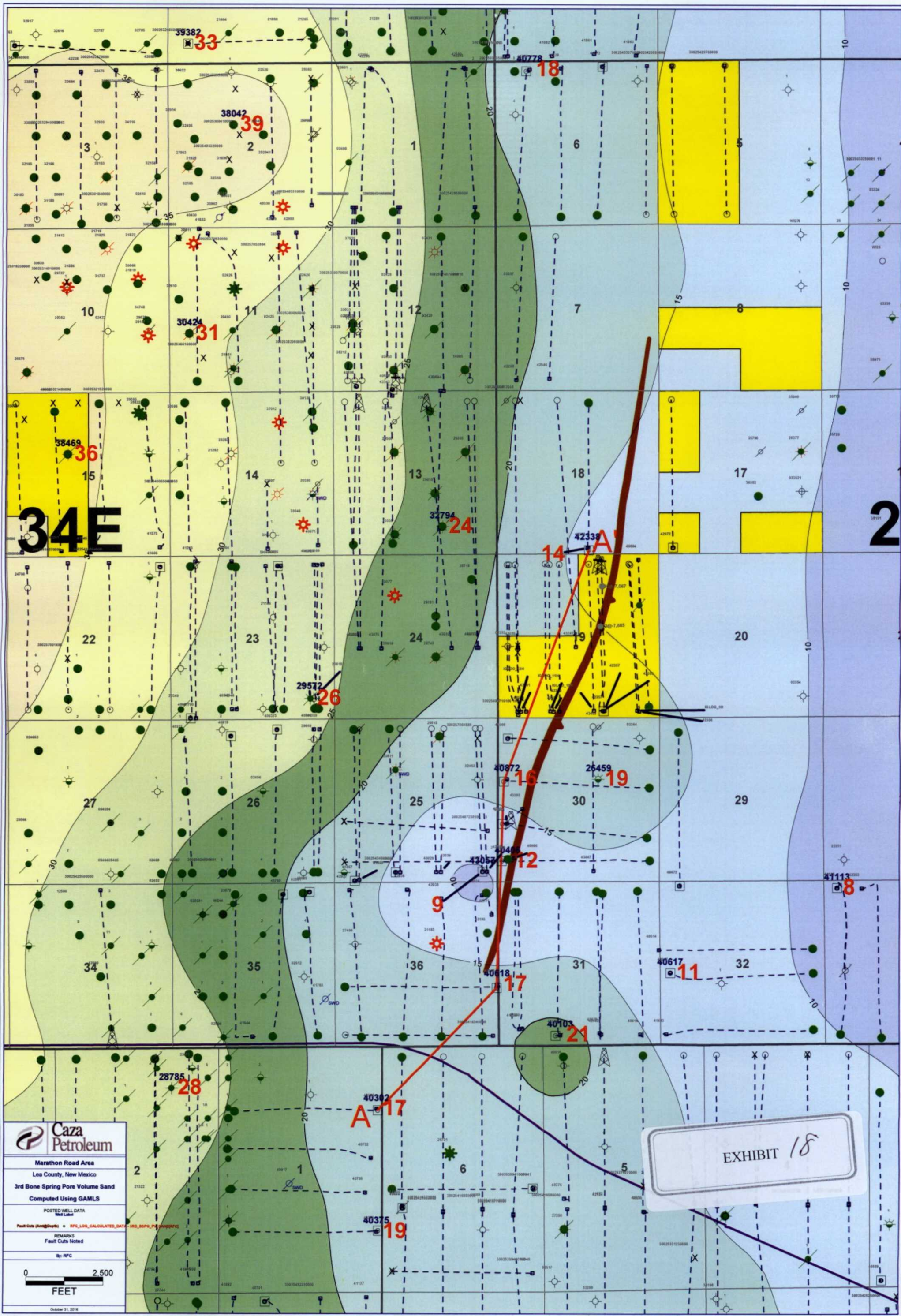
Fault Cuts (Annotated) = RPC_LOG_CALCULATED_DATA - 3RD_BSPS_SAND_THICKNESS (FEET)

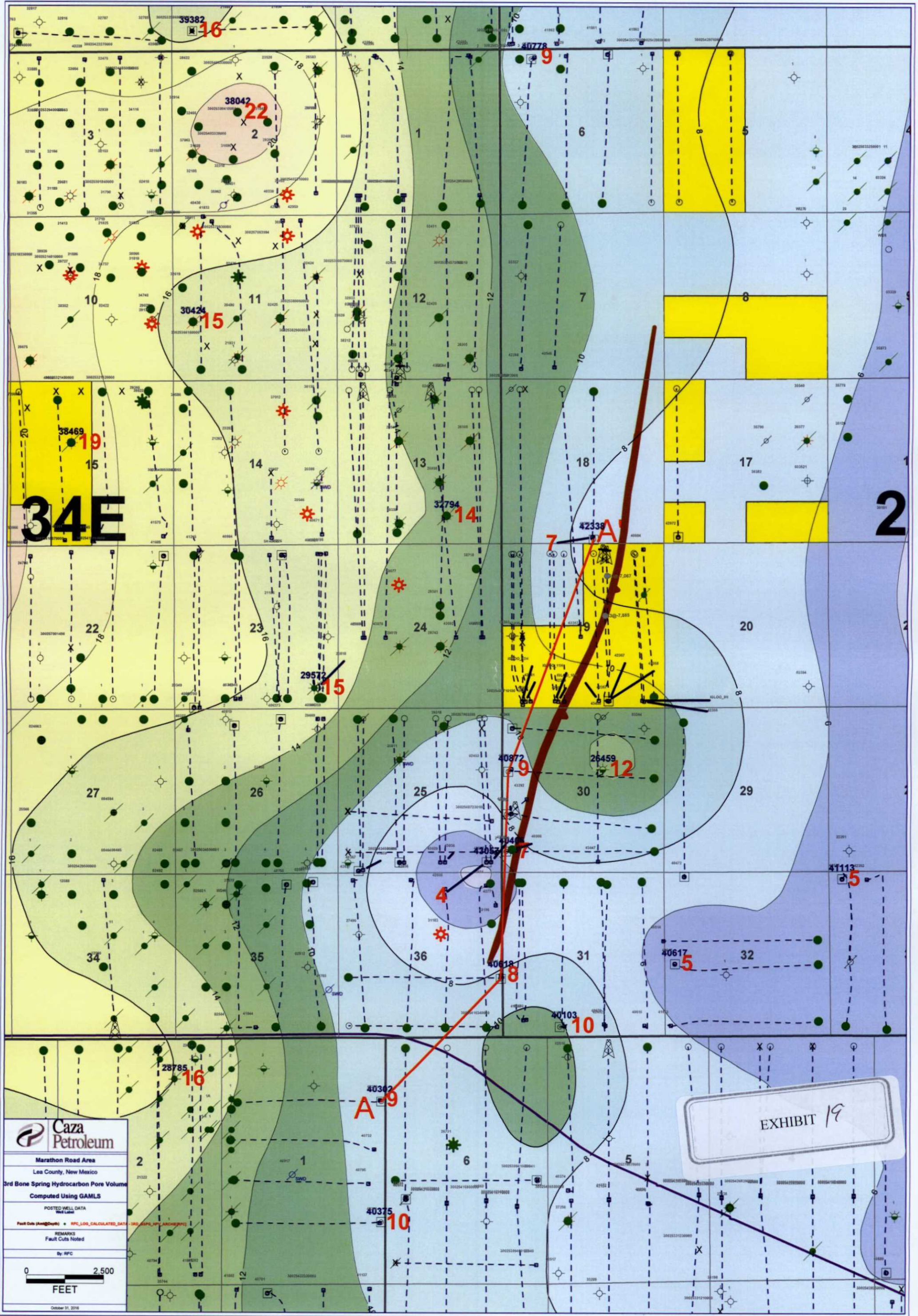
REMARKS
Fault Cuts Noted

By: RPC

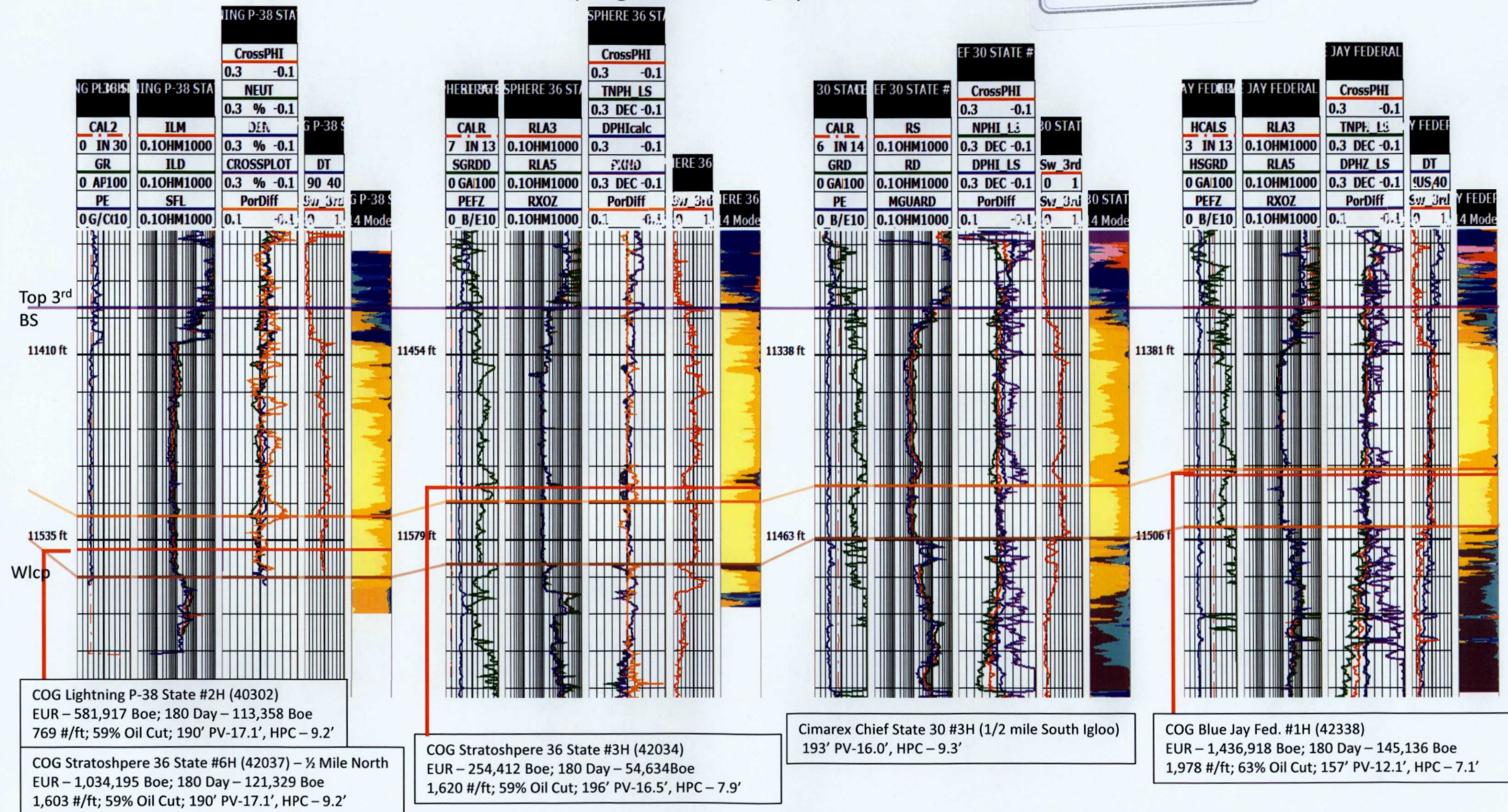
0 2,500
FEET

October 31, 2016



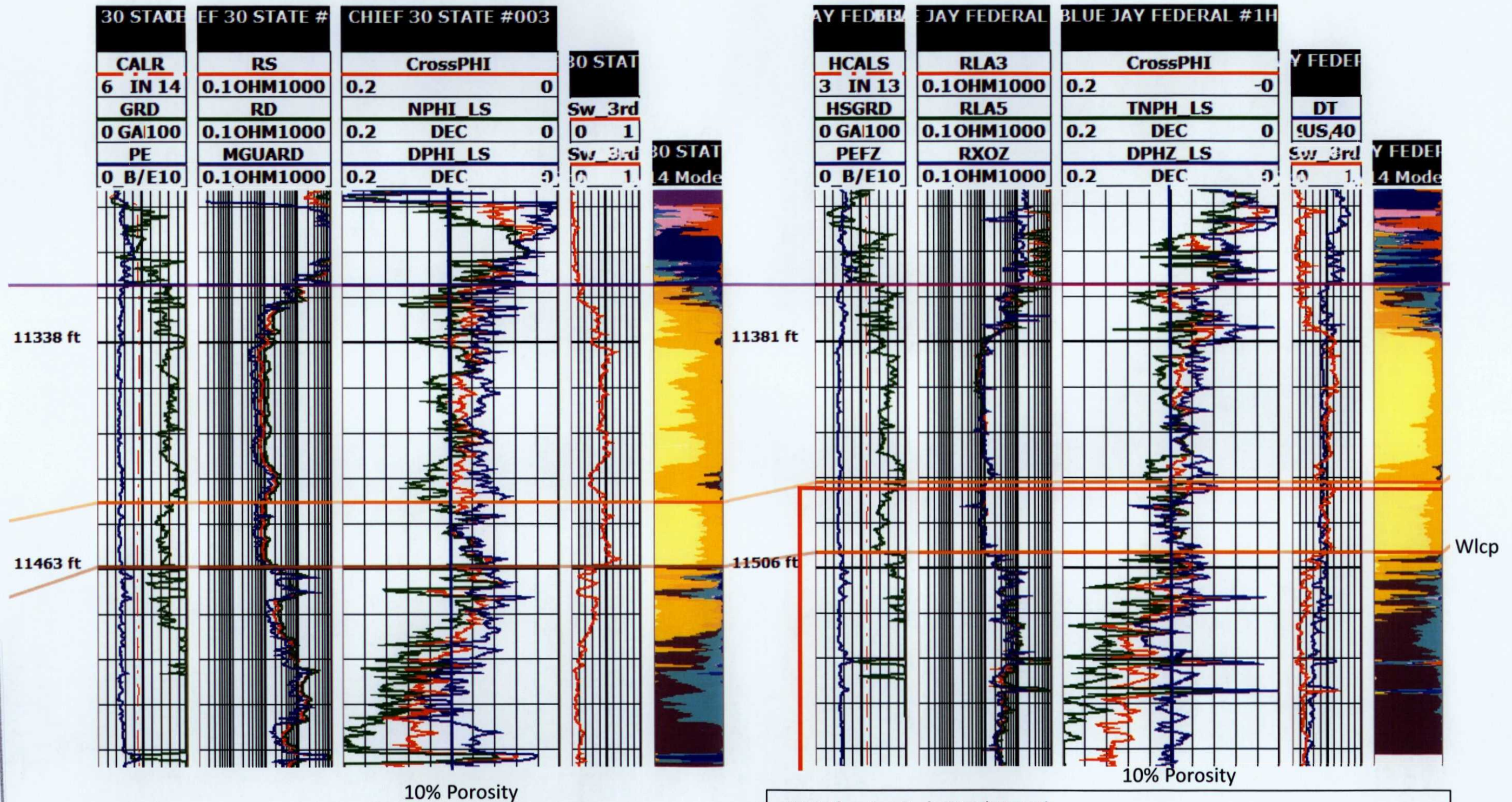


Cross Section B – B' – 3rd Bone Spring Sand – Stratigraphic Section



Cross Section B – B' – 3rd Bone Spring Sand – Chief to Blue Jay

Top 3rd
BS



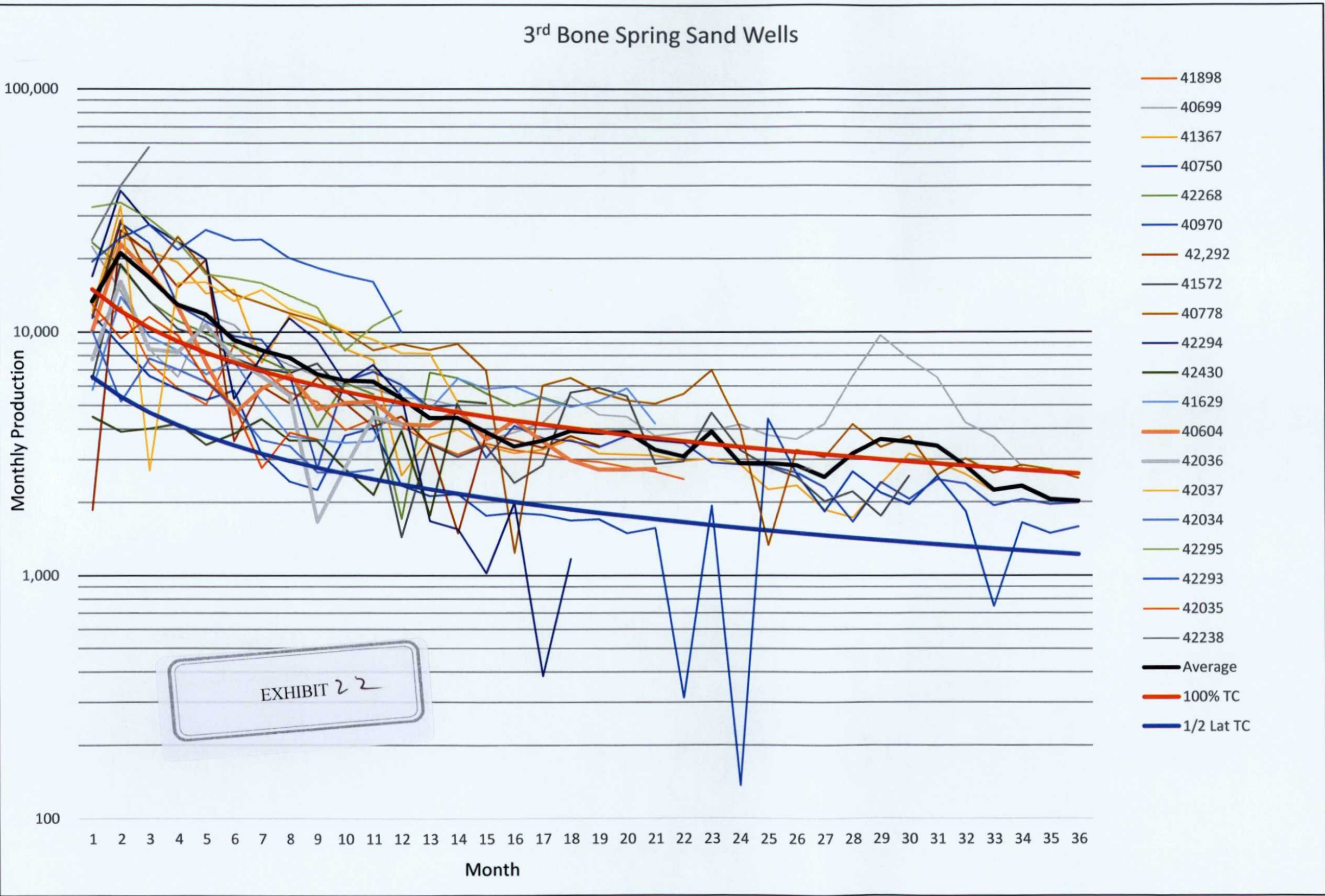
EXHIBIT

21

Cimarex Chief State 30 #3H (1/2 mile South Igloo)
193' PV-16.0', HPC – 9.3'

COG Blue Jay Fed. #1H (42338)
EUR – 1,436,918 Boe; 180 Day – 145,136 Boe
1,978 #/ft; 63% Oil Cut; 157' PV-12.1', HPC – 7.1'

Monthly Production – 3rd Bone Spring Wells



4,252	Vertical Section
4,373,602	# Proppant
4,218,666	Gal Fluid
0.89	Gal/# P
591,893	EUR Gas (Harm)
507,991	EUR Oil (Harm)
601,991	EUR Boe (Harm)
592,169	EUR Gas (HYP)
529,411	EUR Oil (HYP)
629,418	EUR Boe (HYP)
638,390	Ave EUR Boe
99,320	180 Day Boe
6.0	EUR/180 day
1,177	GOR
60%	Oil Cut
133	EUR/VS
1,039	#/ft

3rd Bone Spring Recovery

• Typical Bone Spring Producing Zone |

- 160 acres Production Unit per Zone 190' + Thickness
- 9.0% Porosity
- 40% Water Saturation
- 9' Hydrocarbon Pore volume
- Combination of Conventional and Unconventional Reservoir
- Approximately 7.0% Oil in Place Recovered
- Approximately 1/6 of Ultimate Oil & Gas Reserves
- Bo – 1.35

• Average 3rd Bone Spring Sand |

- 160 acre unit

▪ Typical 3rd Bone Spring Sand Decline Curve | 3rd Bone Spring Type Well

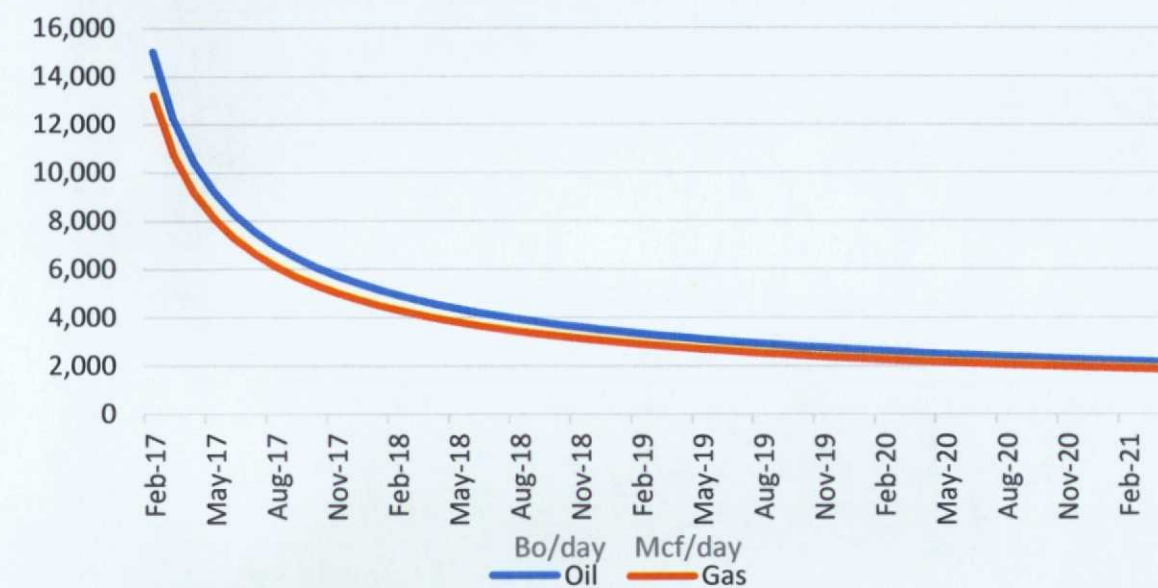
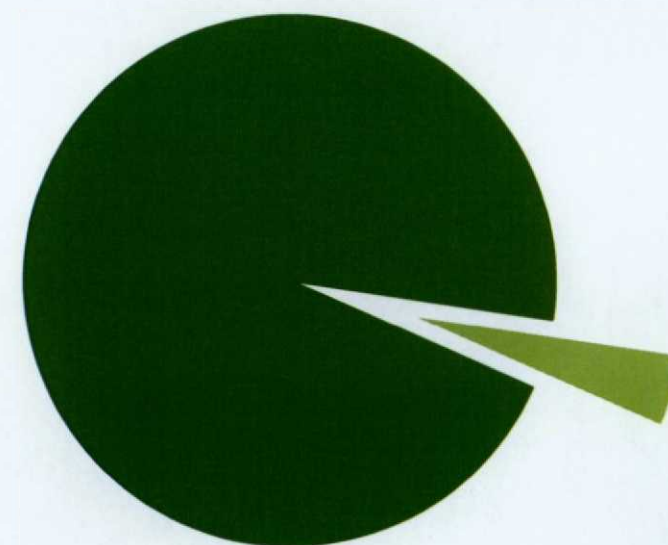
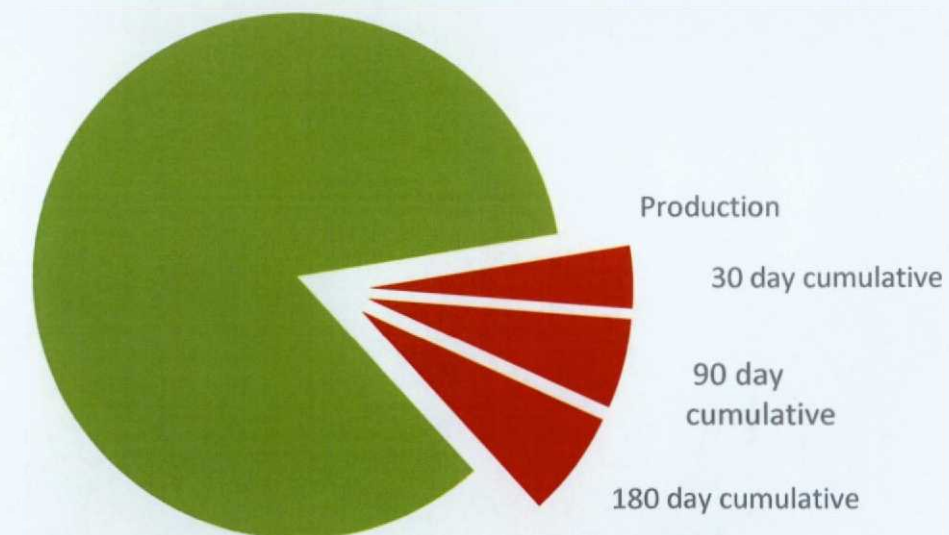


EXHIBIT 23



Oil in Place 8,275,000 Mbo
EUR Oil 559 Mbo



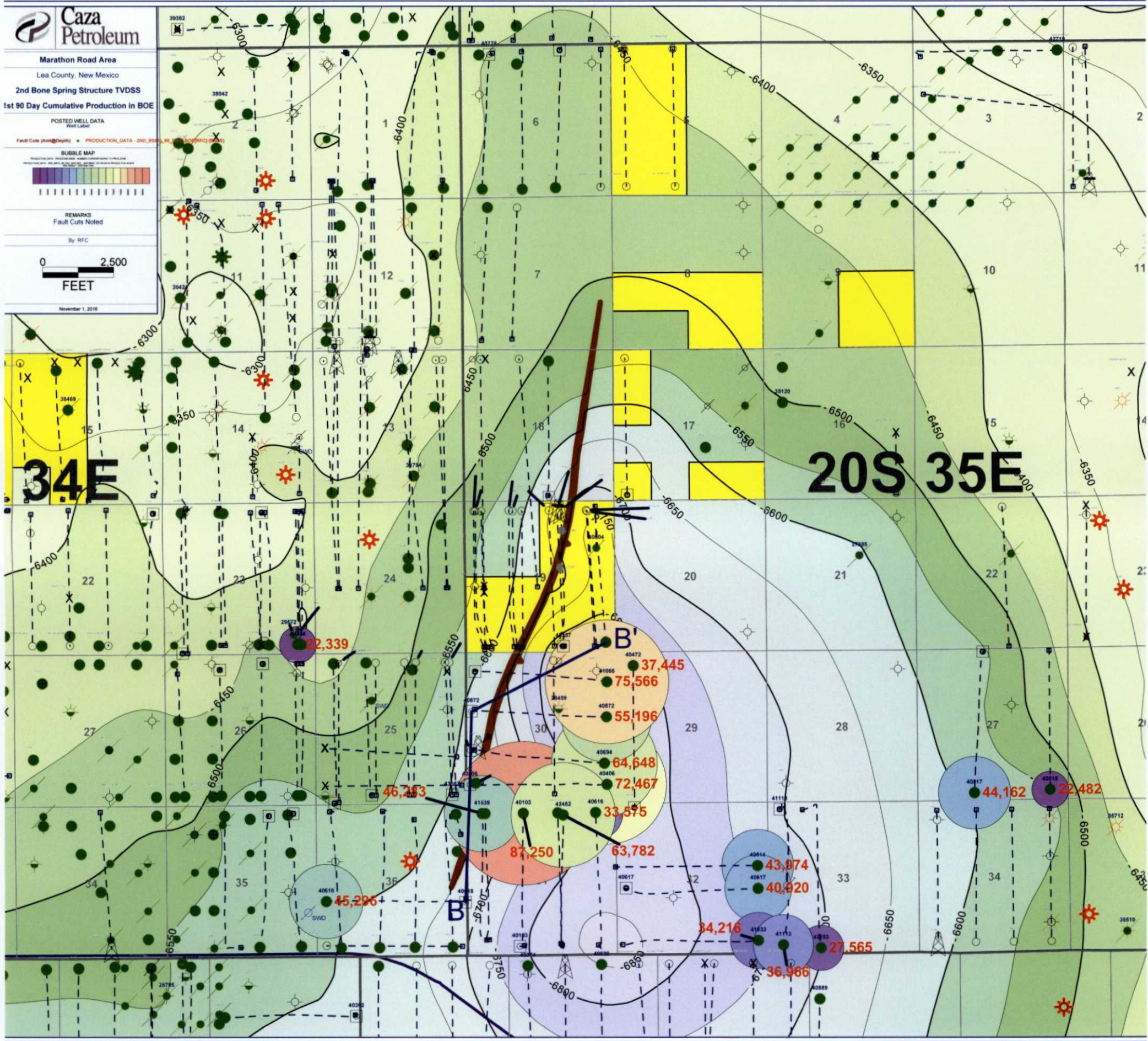


EXHIBIT 24



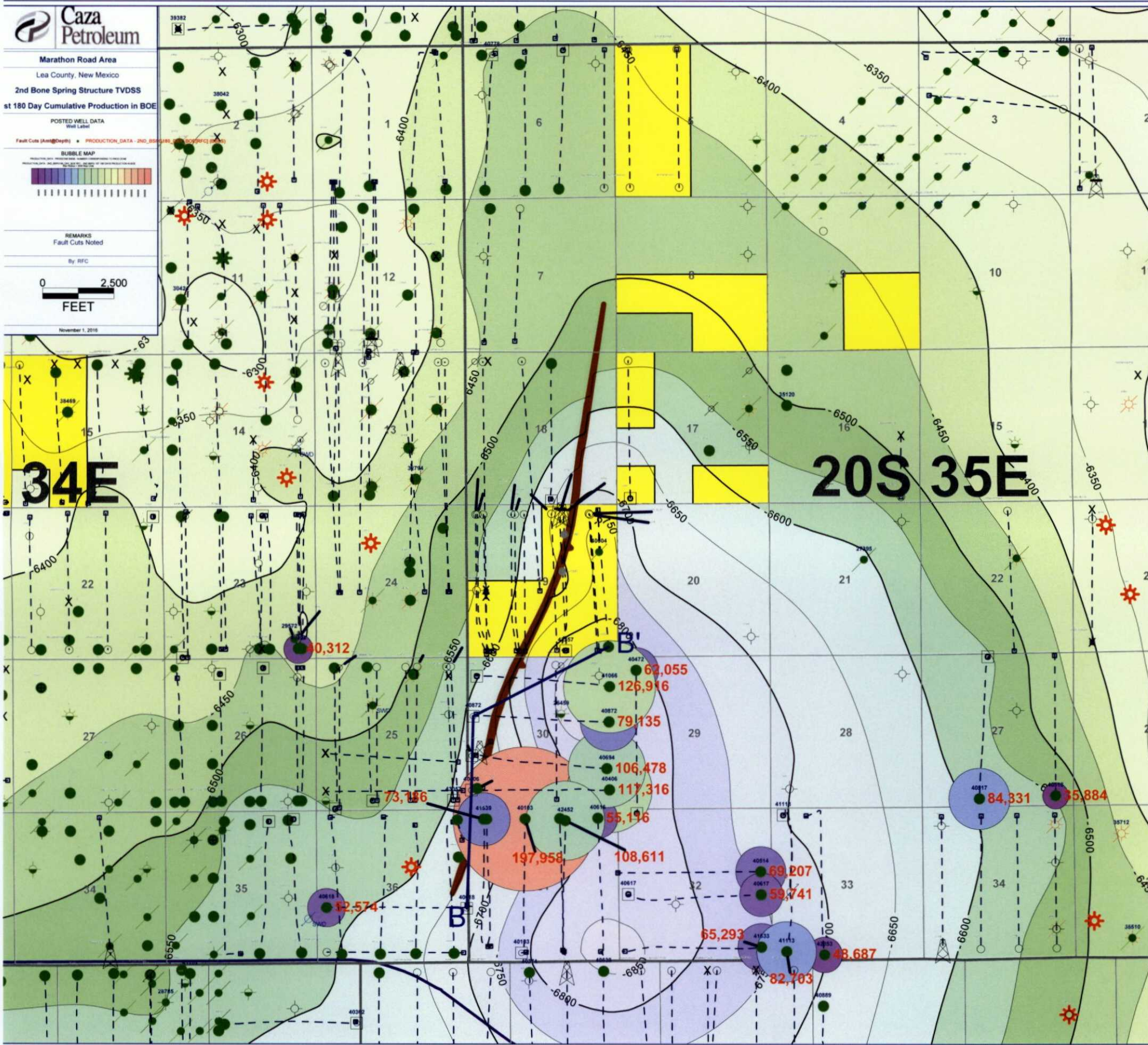
Marathon Road Area
Lea County, New Mexico
2nd Bone Spring Structure TVDSS
180 Day Cumulative Production in BOE



REMARKS
Fault Cuts Noted
By RFC

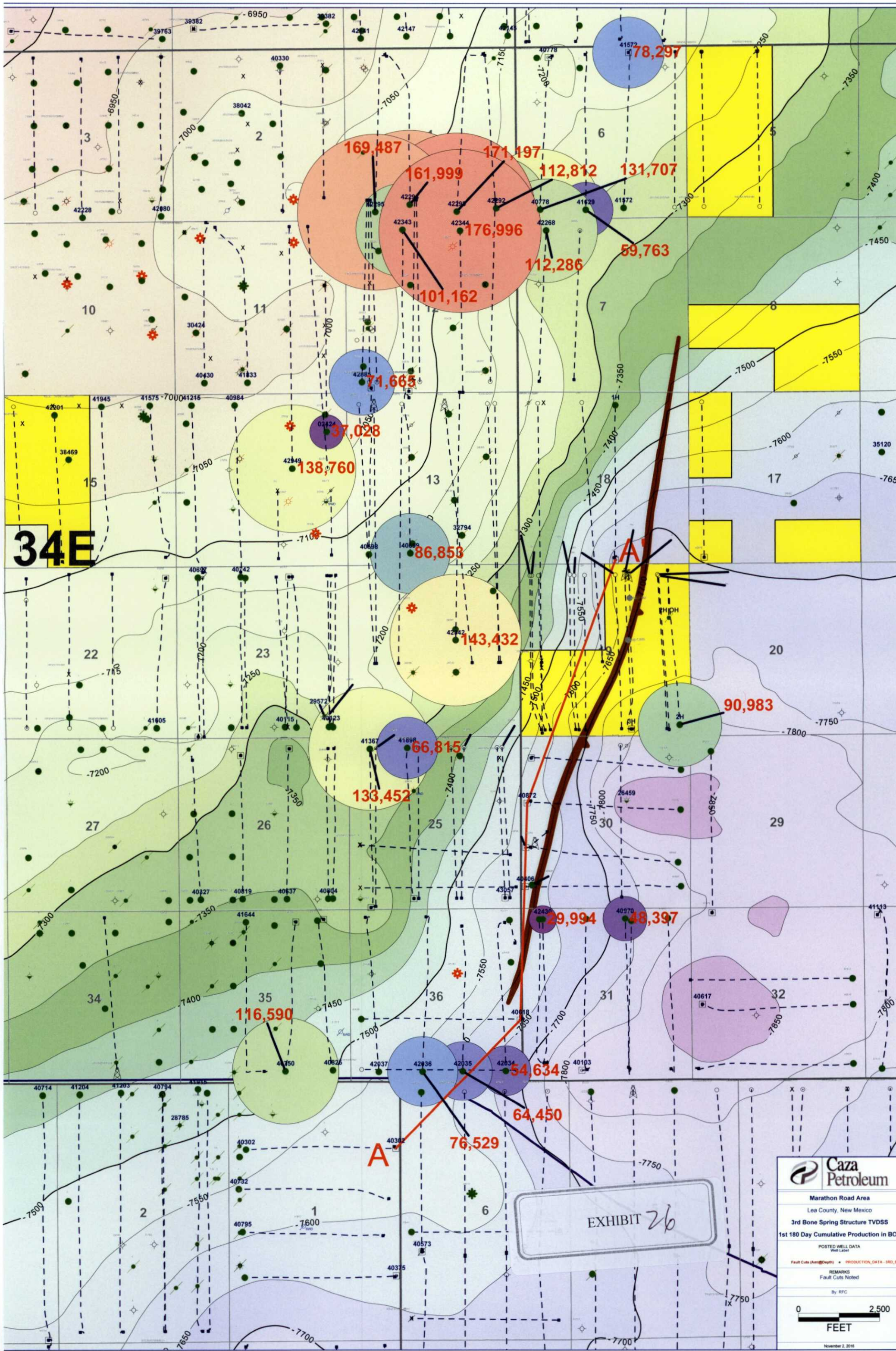
0 2,500
FEET

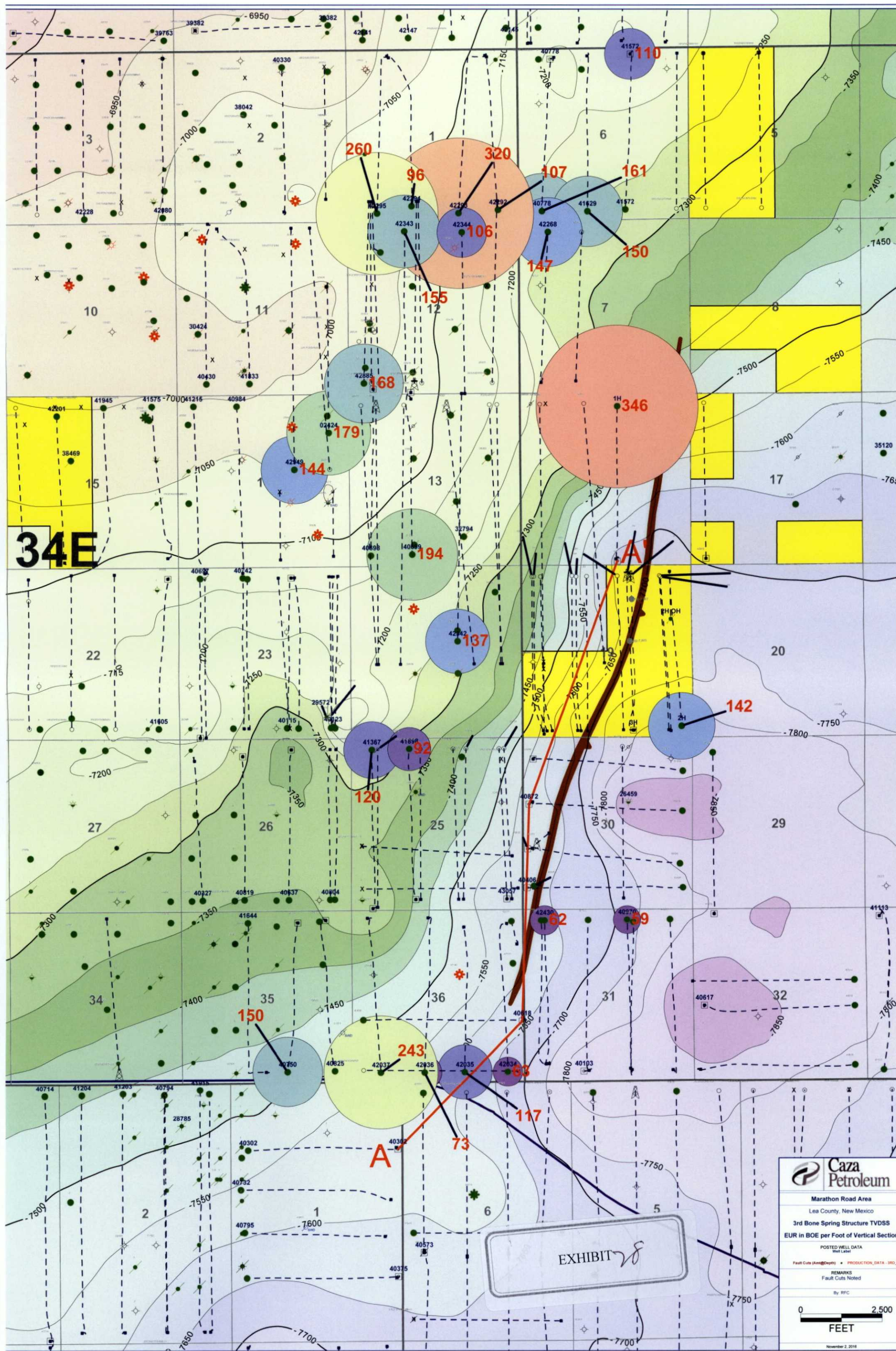
November 1, 2016

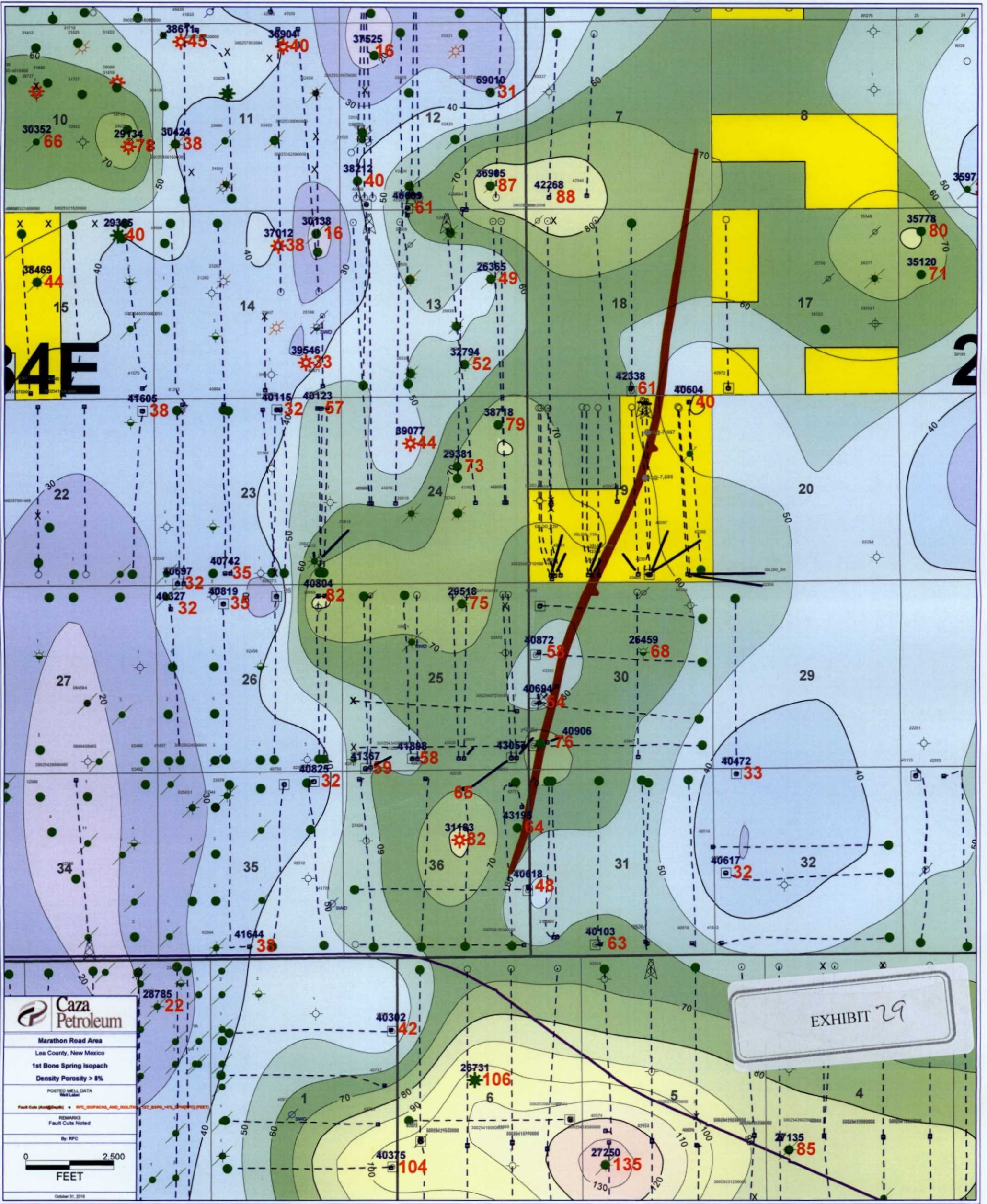


ETRA 11/1/2016 1:38:59 PM

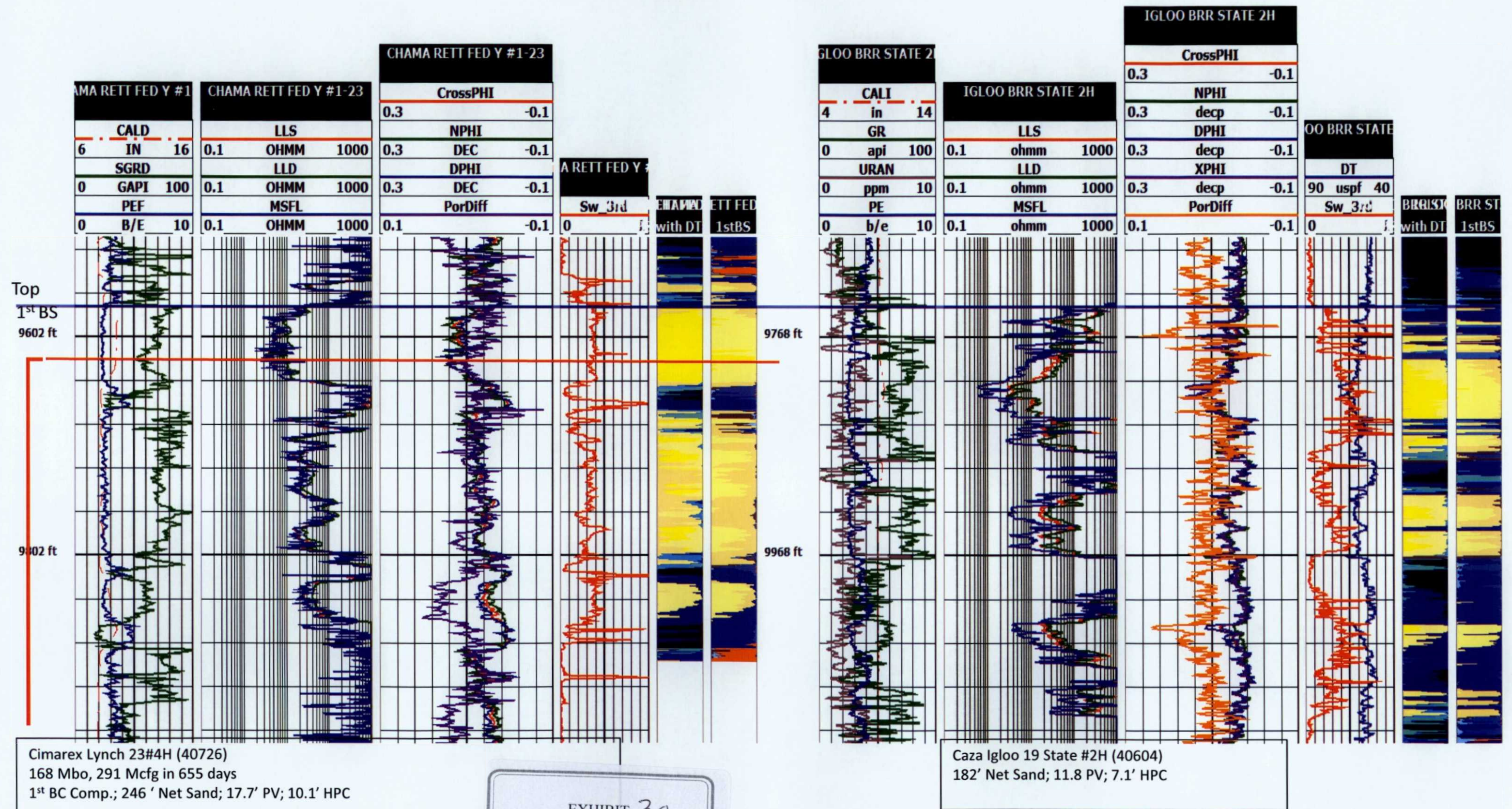
EXHIBIT 25







Cross Section C – C' – 1st Bone Spring Sand – Stratigraphic Section



Rate/Time Graph

Project: C:\Users\tsam\Documents\IHS\PowerTools\Projects v9.3\Bone Horizontal Total.mdb

Date: 10/27/2016

Time: 9:58 AM

Lease Name: BLUE JAY FEDERAL (1H)

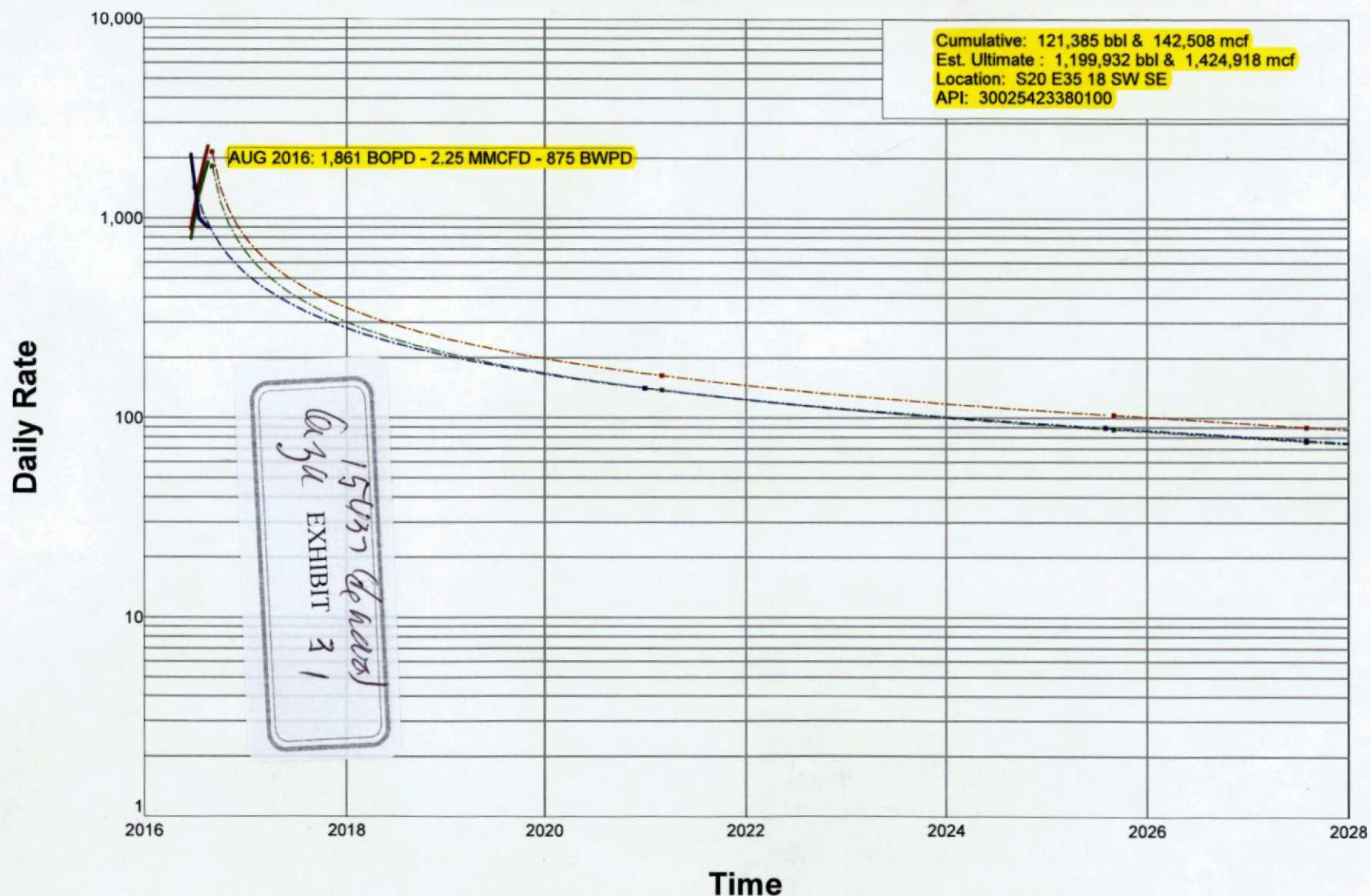
County, ST: LEA, NM

Location: S20 E35 18 SW SE

Operator: COG OPERATING LIMITED LIABILITY CORP

Field Name: WILDCAT

BLUE JAY FEDERAL # 1H - WILDCAT



Date: 10/31/2016

Time: 10:01 AM

Monthly CashFlow Report

Project: C:\Users\tsam\Documents\Monthly CashFlow Reports\Project\3rd Bone Yates Igloo Final PDP_Drillout.mdb

Lease Name: 3rd Bone Yates Igloo (3H)

Operator: Caza Oil & Gas LEA

County, ST: ,

Field Name:

Location: 0-0-0

Reserve Type/Class: /

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
09/2016	0	0	0	0	0	0.00	0.00	0
10/2016	0	0	0	0	0	0.00	0.00	0
11/2016	1	6,528	5,738	1,567	620	44.76	3.46	72,268
12/2016	1	5,400	4,722	1,296	510	45.42	3.81	60,812
01/2017	1	4,661	4,063	1,119	439	45.99	3.98	53,197
02/2017	1	4,133	3,595	992	388	46.46	3.97	47,623
03/2017	1	3,733	3,242	896	350	46.86	3.91	43,350
04/2017	1	3,417	2,964	820	320	47.20	3.61	39,868
05/2017	1	3,161	2,740	759	296	47.48	3.58	37,079
06/2017	1	2,948	2,553	708	276	47.74	3.63	34,778
07/2017	1	2,768	2,396	664	259	47.98	3.68	32,822
08/2017	1	2,613	2,260	627	244	48.21	3.68	31,127
09/2017	1	2,478	2,143	595	231	48.46	3.65	29,660
10/2017	1	2,359	2,039	566	220	48.72	3.68	28,390
11/2017	1	2,253	1,947	541	210	48.99	3.76	27,282
Remainder:		174,711	152,521	41,931	16,472	56.09	4.27	2,422,051
Grand Total:		221,162	192,924	53,079	20,836	54.14	4.16	2,960,308

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
09/2016	0	0	0	644,352	-644,352	-644,352	-644,352
10/2016	0	0	0	483,264	-483,264	-1,127,617	-475,648
11/2016	6,251	5,803	60,214	483,264	-423,051	-1,550,667	-413,089
12/2016	5,446	4,884	50,482	0	50,482	-1,500,186	48,903
01/2017	4,955	4,272	43,970	0	43,970	-1,456,215	42,258
02/2017	4,617	3,825	39,182	0	39,182	-1,417,034	37,358
03/2017	4,368	3,481	35,500	0	35,500	-1,381,534	33,580
04/2017	4,176	3,201	32,490	0	32,490	-1,349,043	30,490
05/2017	4,023	2,977	30,079	0	30,079	-1,318,964	28,004
06/2017	3,896	2,793	28,089	0	28,089	-1,290,875	25,944
07/2017	3,790	2,636	26,396	0	26,396	-1,264,479	24,188
08/2017	3,700	2,499	24,927	0	24,927	-1,239,552	22,661
09/2017	3,628	2,382	23,651	0	23,651	-1,215,901	21,331
10/2017	3,565	2,280	22,546	0	22,546	-1,193,355	20,173
11/2017	3,510	2,191	21,581	0	21,581	-1,171,774	19,157
Remainder:	951,831	194,491	1,275,729	0	1,275,729	103,955	692,220
Grand Total:	1,007,757	237,715	1,714,836	1,610,881	103,955	103,955	-486,821

Discount Present Worth:

0.00 %	103,955
4.00 %	-209,213
6.00 %	-320,449
8.00 %	-411,385
10.00 %	-486,821
12.00 %	-550,236
14.00 %	-604,188
16.00 %	-650,584
20.00 %	-726,157
40.00 %	-929,297
100.00 %	-1,095,237

Economic Dates:

Effective Date	09/2016
Calculated Limit	02/2044
Economic Life	330 Months
	27 Years 6 Months

Economics Information:

Net Payout Date:	12/2033
Rate of Return:	1.13 %
Return on Investment:	1.06
Disc Return on Invest:	0.69
Initial Division of Interest:	

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	221,162	192,924
Historic Gross	0	0
Gross at Eff Date	0	0
Remaining Gross	221,162	192,924
Remaining Net	53,079	20,836

BTU Content: 1.300 mmbtu/mcf
Gravity: Oil: 28.00 Gas: 0.800

W:	30.000000	Oil:	24.000000	ORI	0.000000
		Gas:	24.000000		0.000000
		NGL:	0.000000		0.000000

Reversion Date: None

EXHIBIT 32

Time: 10:02 AM

Monthly CashFlow Report

Operator: Caza Oil & Gas LEA

Field Name:

Reserve Type/Class: /

Date	Operating Expenses	Taxes	Operating Income	Other Costs	Periodic Cash Flow	Cumulative Cash Flow	10% Cash Flow
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
09/2016	0	0	0	630,151	-630,151	-630,151	-630,151
10/2016	0	0	0	472,614	-472,614	-1,102,765	-465,165
11/2016	5,220	5,364	56,139	472,614	-416,475	-1,519,240	-406,668
12/2016	4,560	4,673	48,864	0	48,864	-1,470,376	47,336
01/2017	4,177	4,177	43,569	0	43,569	-1,426,807	41,873
02/2017	3,922	3,791	39,412	0	39,412	-1,387,395	37,578
03/2017	3,737	3,485	36,090	0	36,090	-1,351,305	34,138
04/2017	3,596	3,219	33,205	0	33,205	-1,318,100	31,161
05/2017	3,485	3,011	30,936	0	30,936	-1,287,164	28,801
06/2017	3,394	2,840	29,067	0	29,067	-1,258,097	26,848
07/2017	3,318	2,693	27,459	0	27,459	-1,230,638	25,162
08/2017	3,254	2,562	26,033	0	26,033	-1,204,605	23,666
09/2017	3,203	2,448	24,775	0	24,775	-1,179,831	22,344
10/2017	3,160	2,349	23,693	0	23,693	-1,156,138	21,200
11/2017	3,122	2,265	22,759	0	22,759	-1,133,378	20,203
Remainder:	783,167	185,314	1,334,204	0	1,334,204	200,826	749,938
Grand Total:	831,316	228,192	1,776,205	1,575,379	200,826	200,826	-391,738

Economics Summary:

Economic Data		Economic Summary	
0.00 %	200,826	Effective Date	09/2016
4.00 %	-105,789	Calculated Limit	04/2040
6.00 %	-218,684	Economic Life	284 Months
8.00 %	-312,643		23 Years 8 Months
10.00 %	-391,738	Economics Information:	
12.00 %	-459,020	Net Payout Date:	03/2029
14.00 %	-516,807	Rate of Return:	2.42 %
16.00 %	-566,877	Return on Investment:	1.13
20.00 %	-649,089	Disc Return on Invest:	0.75
40.00 %	-872,585	Initial Division of Interest:	
100.00 %	-1,055,711	WI:	30.000000
		Oil:	24.000000
		Gas:	24.000000
		NGL:	0.000000
		Reversion Date:	None



AUTHORITY FOR EXPENDITURE
New Drilling, Recompletion & Re-Entry

A/E Number: 52932
A/E Date: 10/28/2016

Well Name: Igloo 18 State #7H
Location: 200' FSL, 750' FWL, section 19-20S-35E
SML: 200' FSL - 750' FWL
SML: 330' FNL - 350' FWL
Lea County, State: Lea, New Mexico
Field: Lea-Bone Spring South
Horizon: 2nd Bone Spring Sand
Projected Depth: 15,400' MO/10,800' TVD

☒ New Drill
☐ Recompletion
☐ Re-Entry
☒ Oil
☐ Gas
☐ Injector
☒ Development
☐ Exploratory

Programs: Drill and Complete Horizontal 2nd Bone Spring producer

	Code	Drilling Intangibles	Code	Completion Intangibles	Total Cost
Permit Application	1-01	8,011	3-03	0	8,011
Damages/Rights of Way	1-02	10,681	3-02	0	10,681
Locations and Roads	1-04	96,131	3-75	28,703	122,834
Pits and Trenches	1-05	0	3-74	80,109	80,109
Drilling Day Worker	1-06	254,865	3-33	39,454	294,479
Computation Unit			3-38	19,226	19,226
BM	1-10	51,270	3-20	4,273	55,543
Mobilization/Demobilization	1-11	160,219		0	160,219
Drill Stem Test	1-12	0		0	0
Coring	1-13	0		0	0
Mud Logging	1-14	13,533		0	13,533
Open Hole Surveys/Draw	1-15	4,607		0	4,607
Water	1-16	33,412	3-72	177,419	210,831
Fluid	1-17	61,744	3-46	12,584	93,827
Mud & Chemicals	1-18	88,450	3-71	2,670	86,120
Tubular Inspection	1-19	5,341	3-88	4,273	9,610
Road Equipment	1-21	30,209	3-61	13,868	44,094
Coating Crew	1-21	12,818	3-73	10,147	22,965
Flowing	1-22	8,821	3-77	16,022	22,543
Current Surface	1-23	8,409		0	8,409
Directional Drilling Pkg. GRAVIMETRIC PDV	1-24	109,611		0	109,611
Drilling Supervision (Engineer)	1-25	35,170		0	35,170
Geologist	1-26	11,749		0	11,749
Insurance	1-27	7,850	3-67	0	7,850
Drilling Consultant	1-28	56,273		0	56,273
Computers/Consultants			3-52	37,149	37,149
Miscellaneous	1-29	6,000	3-00	0	6,000
Plugging and Abandon	1-31	37,384		0	37,384
Survey and Stake Location	1-32	5,341		0	5,341
Sealment Materials	1-33	19,780		0	19,780
Cement Production		0	3-37	53,406	53,406
Wireline & Cable Logging Services	1-36	6,406	3-85	274,849	286,256
Open Hole Logs	1-34	0	3-43	0	0
Fishing Services	1-38	0		0	0
Truck	1-39	3,341	3-48	6,541	3,995
Whipstock	1-43	0		0	0
Closed Loop Solids Control Equipment	1-45	70,341	3-07	0	70,341
Shuttle Up & TOP Test	1-55	11,749	3-55	0	11,749
Contract Service and Equipment	1-56	29,279	3-31	9,486	39,768
Electricity	1-57	7,737	3-09	70,136	77,873
Simulation	1-58	0	3-42	1,548,781	1,548,781
Drill Log Personnel		0	3-42	50,000	50,000
Onsite Housing	1-63	24,971	3-48	354	25,325
Trucking	1-70	62,989	3-43	32,471	95,460
Closed Loop Solids Control Equipment	1-65	253,483	3-14	45,908	303,391
Other Spec Equip & Services	1-20	3,471		0	3,471
Surface Rental Equipment	1-66	0	3-47	40,616	40,616
Centrifuge and Mud Cleaning	1-67	9,672		0	9,672
Person & Laydown, House/Shop Labor, Welder	1-68	7,477		12,000	19,477
Taps & Abandon Drilling Life Option	1-60	10,000	3-88	0	10,000
Overhaul Well Engineering, Geologist Consulting	1-35	16,022		0	16,022
Contingency 5%	1-40	83,253	3-16	126,481	209,732
TOTAL INTANGIBLES		1,760,770		2,718,099	4,448,870

	Code	Drilling Tangibles	Code	Tangibles	Total Cost
Wellhead	2-36	10,408	4-33	7,818	18,027
Conductor	2-32	5,898		0	5,898
Casing 13-3/8" 54.5#, J-55, STC - 10000 @ 19m	2-33	36,530		0	36,530
9-5/8" 40W J-55, LTC - 5650 @ 15m	2-34	93,728		0	93,728
7" 26#, P-110, BTC - on @ 11m			4-34	0	0
5-1/2" 17#, P-110, BTC - 15500 @ 12.35m			4-36	204,466	204,466
Tubing 2-7/8" 6.5#, L-80, EUE STD - 10400 @ 3.35m			4-38	37,213	37,213
Inner Hanger & Horizontal Completion System, Packers			4-35	12,818	12,818
Flowlines, Valves, Fittings			4-38	48,066	48,066
Meters/Controls/Storage Facilities/Electrical Equipment			4-35	140,990	140,990
Separation Equipment			4-38	14,954	14,954
Miscellaneous Tangible Equipment			4-38	28,703	28,703
Pumping Equipment			4-41	90,791	90,791
Compressors/Dehydrators			4-47	14,954	14,954
Contingency 5%	1-40	7,328	4-70	29,828	37,257
TOTAL TANGIBLES		153,860		628,603	782,354
TOTAL WELL COST		1,904,631		3,346,802	5,251,263

Prepared By: Tony B. Sam

Date: 10/28/16

Company Approval: *Tony B. Sam*
V.P. Operations

Date: 10/28/16

Joint Owner Interest:

Amount:

Joint Owner:

Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to sign date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By

Date:

EXHIBIT 33



AUTHORITY FOR EXPENDITURE
New Drilling, Recompletion & Re-Entry

A/E Number: 52031
A/E Date: 10/28/2016

Well Name: Igloo 19 State SH
Location: 200' FSL, 2,000' FWL, Sec. 19-20S-35E
SHL: 200' FSL - 2,000' FWL
BHL: 330' FSL - 1,980' FWL

County, State: Lea, New Mexico
Field: Lea-Bone Spring South
Horizon: 3rd Bone Spring Sand
Prof Depth: 16,000' MD/11,400' TVD

☒ New Drill
☐ Recompletion
☐ Re-Entry
☒ Oil
☐ Gas
☐ Injector
☒ Development
☐ Exploratory

Program: Drill and Complete horizontal 3rd Bone Spring producer					
	Code	Drilling Intangibles	Code	Completion Intangibles	Total Cost
Permit Well Sign	1-01	8,011	3-01	0	8,011
Permit/Right of Way	1-02	10,681	3-02	0	10,681
Locations and Roads	1-04	96,131	3-75	26,703	122,834
Permit and Lease	1-05	0	3-74	80,109	80,109
Drilling Day Work	1-07	277,267	3-39	46,461	323,728
Completion Day Work			3-38	23,072	23,072
Rigs	1-10	51,270	3-40	4,273	55,543
Mechanics/Drilling	1-11	160,219		0	160,219
Drill Stem Test	1-12	0		0	0
Logging	1-13	0		0	0
Mud Logging	1-14	13,748		0	13,748
Open Hole Survey	1-15	4,607		0	4,607
Water	1-16	30,334	3-72	177,693	208,027
Turn	1-17	68,349	3-48	14,404	82,753
Mud & Cement	1-18	99,350	3-71	2,870	102,220
Toolbit Inspection	1-19	5,341	3-46	4,273	9,613
Float Production	1-21	30,209	3-81	13,886	44,095
Casing Crew	1-22	12,818	3-73	10,147	22,965
Flushing	1-22	6,921	3-77	18,022	24,943
Wellbore Surface	1-23	8,011		0	8,011
Overhead Drilling Rig GRAMMAGE, PDM	1-24	111,417		0	111,417
Drilling Supervision (ing well)	1-25	38,246		0	38,246
Geologist	1-26	11,749		0	11,749
Insurance	1-27	8,050	3-47	0	8,050
Drilling Consultant	1-28	61,194		0	61,194
Completion Consultants			3-52	38,880	38,880
Miscellaneous	1-29	6,000	3-50	0	6,000
Drilling Wellhead	1-31	37,384		0	37,384
Survey and Stake Location	1-32	5,341		0	5,341
Cement Intermediate	1-33	21,897		0	21,897
Cement Production		0	3-37	53,409	53,409
Wireline & Cased Tubing Services	1-36	5,405	3-45	279,549	284,954
Open Hole Logs	1-34	0	3-43	0	0
Flushing Services	1-38	0		0	0
Force	1-39	3,639	3-66	709	4,348
Windstop	1-41	0		0	0
Closed Loop Shale Control Equipment	1-45	76,493	3-47	0	76,493
Nipple Up & BOP Test	1-45	11,749	3-55	0	11,749
Contract Service and Equipment	1-46	31,840	3-31	10,409	42,249
Selection	1-47	8,414	3-49	82,513	90,927
Simulation	1-48	0	3-49	1,548,781	1,548,781
Band Laid Piping		0	3-42	50,000	50,000
Onsite Housing	1-43	77,155	3-48	417	77,572
Logging	1-70	62,989	3-53	32,471	95,460
Closed Loop Mud off/Disposal	1-45	254,728	3-14	49,008	303,736
Other Spec Equip. & Services	1-20	3,471		0	3,471
Surface Rental Equipment	1-46	0	3-47	40,618	40,618
Cementing and mud cleaning	1-47	10,518		0	10,518
Pickup & Laydown Roustabout Labor Welder	1-48	7,477		12,100	19,577
Trill & Abstracts Drilling Site Operator	1-46	10,000	3-48	0	10,000
Overhead - Well Engineering Geologist Consulting	1-35	16,022		0	16,022
Contingency fee	1-40	80,857	3-30	177,907	258,764
TOTAL INTANGIBLES		1,828,665		2,748,040	4,576,705

	Code	Drilling Tangibles	Code	Tangibles	Total Cost
Wellhead	2-36	10,408	4-83	7,818	18,226
Conductor	2-31	5,896		0	5,896
Casing 13-3/8" 54.5#, J-55, STC - 1800ft @15ft	2-33	38,530		0	38,530
9-5/8" 40#, J-55, LTC - 5850ft @15ft	2-34	93,728		0	93,728
7" 20#, P-110, BTC - 0ft @1ft			4-84	0	0
5-1/2" 17# P-110, BTC - 16100ft @12.35ft			4-86	212,381	212,381
Tubing 2-7/8" 5.5#, L-80, EUE BRD - 11000ft @3.35ft			4-88	39,360	39,360
Liner Hanger & Horizontal Completion System, Packers			4-85	12,818	12,818
Flowlines, Valves, Fittings			4-89	48,086	48,086
Meters/Controls/Storage Facilities/Electrical Equipment			4-83	140,993	140,993
Separation Equipment			4-86	14,954	14,954
Miscellaneous Tangible Equipment			4-88	26,703	26,703
Pumping Equipment			4-81	90,791	90,791
Compressors/Dehydrators			4-87	14,954	14,954
Contingency 5%	1-46	7,328	4-70	30,432	37,760
TOTAL TANGIBLES		163,890		638,948	802,838
TOTAL WELL COST		1,992,555		3,387,108	5,379,663

Prepared By: Tony B. Sam

Date: 10/28/16

Company Approval:

Tony B. Sam
V.P. Operations

Date: 10/28/16

Joint Owner Interest:

Amount:

Joint Owner:

Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the terms within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to sign date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By:

Date:

EXHIBIT 34