



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. SCOTT HALL
Cell: (505) 670-7362
Email: shall@montand.com
www.montand.com

December 9, 2016

HAND-DELIVERED

Florene Davidson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

**Re: IN THE MATTER OF THE APPLICATION OF MEWBOURNE OIL
COMPANY FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO, OCD CASE NOS. 15600, 15601 and 15602**

Dear Ms. Davidson:

Enclosed are 3 originals of a Second Motion for Continuance and Request for Prehearing Conference for filing in each of the above cases.

Thank you.

Very truly yours,

J. Scott Hall

Enclosures

cc (via email, w/enc.): James Bruce (via email, w/encs.)
Luke Mildren, Mewbourne Oil Company

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 15600, 15601 and 15602

**SECOND MOTION FOR CONTINUANCE
AND REQUEST FOR PREHEARING CONFERENCE**

Black Mountain Operating LLC, ("Black Mountain"), moves the Division enter its order continuing the December 15, 2016 hearings in the three cases referenced above, until a docket hearing date in February or March of 2017 as can be agreed to by the parties. In support of its motion, Black Mountain states:

Mewbourne Oil Company seeks orders approving of three non-standard oil spacing and proration units and pooling unjoined interests for the drilling of three Bone Spring formation wells in the E $\frac{1}{2}$ E $\frac{1}{2}$, the W/2 E/2 and the E/2 W/2 of Section 15, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

Black Mountain owns certain working interests in the S/2 of Section 15 that would be included in Mewbourne's proposed spacing and proration units. Black Mountain also owns interests in adjoining Section 10, T23S, R34E. It plans to develop its acreage in both sections with three 7,500' laterals which would also include Mewbourne's interests in the N/2 of Section 15. Proposals for Mewbourne's participation in the Black Mountain wells were recently sent. (See Well Proposals, Exhibits 1). It is not presently known whether Mewbourne will agree to participate in the development of Sections 10 and 15 as Black Mountain has proposed. There are also other interest owners in Section 10 who must consider whether to participate in the Black Mountain

wells. If voluntary participation cannot be achieved, compulsory pooling proceedings may become necessary. If such becomes the case, then it is in the interests of administrative economy and efficiency to consolidate all such proceedings for simultaneous hearing.

In order to allow the parties sufficient time to consider Black Mountain's drilling and development proposals and negotiate their participation, Black Mountain requests that the December 15, 2016 hearing be continued.

The undersigned attempted to contact Mewbourne's counsel, Mr. Bruce, to discuss these matters, but believe he may be involved in another hearing. A pre-hearing conference early next week is requested.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall
J. Scott Hall

Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873
shall@montand.com

Attorneys for Black Mountain Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on December 9, 2016:

James Bruce
Post Office Box 1056
Santa Fe, NM 87504
jamesbruc@aol.com

J. Scott Hall
J. Scott Hall



BLACK MOUNTAIN OPERATING, LLC

December 9, 2016

Mewbourne Oil Company
Attn: Corey Mitchell
500 West Texas, Suite 1020
Midland, Texas 79701

Re: **Notice of Intent to Drill**
Duke Federal 10 #26H
E2E2 of Section 15-235-34E &
E2SE4 of Section 10-235-34E
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Duke Federal 10 #26H well name (the "Well"), as described below.

Well Type: New Drill Horizontal
Objective Formation: 3rd Bone Spring Sand
Estimated Total Vertical Depth: 11,300'
Estimated total Measured Depth: 18,567'
Surface Hole Location: 2442' FSL, 461' FEL
Bottom Hole Location: 330' FSL, 461' FEL
Proposed Project Area: E2 E2 Section 15, E2 SE4 Section 10

According to preliminary ownership reports it appears that Mewbourne Oil Company ("Mewbourne") owns working interest in and to Section 15. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. Should Mewbourne's ownership be verified BMO will provide Mewbourne a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.
Respectfully,

Black Mountain Operating, LLC

Luke Mildren
Vice President, Land

500 Main Street, Suite 1220 Fort Worth, Texas 76102. Phone 817-698-9901. email: luke.mildren@blackmtn.com

BLACK MOUNTAIN OPERATING, LLC
AUTHORIZATION FOR EXPENDITURE
DRILL & COMPLETE NEW WELL

AFE#: 16007

Date: 12/29/2018
 Lease: Duke Federal 10
 S. Well Location: SEC 10, T20S, R 24E
 Proposed Depth: 19,527 MG
 Objective: Drill & Complete Horizontal Well in 3rd Bone Spring Formation, 7500' interval, 30 frac stages

Duke Federal 10 #26H - AFE

Modern Development AFE		AFE Amounts
Description		
SURVEY / LOCATION / PERMITS		\$150,000
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$20,000
CONDUCTOR PIPE / WATER WELL DRIVE PIPE		\$25,000
CONTRACT DRILLING - FOOTAGE & TURNKEY		\$0
CONTRACT DRILLING - DAYWORK (DRILLING, LOGGING, RJ)		\$7,500
FUEL		\$77,500
MOB / DE MOB		\$40,500
RENTAL TOOL & EQUIPMENT		\$175,000
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$45,000
BITS		\$120,500
FISHING TOOLS & SERVICES		\$0
PIPE INSPECTION & COATING		\$0
BOF TESTING		\$2,500
MUD MATERIALS & CHEMICALS		\$275,000
DISPOSAL / FLOWBACK		\$20,000
WATER		\$15,000
CREW QUARTERS		\$40,000
SPECIAL SERVICES / DIRECTIONAL		\$275,000
LOGGING / WIRELINE / PERMFORMING		\$50,000
DRILL STEM & PRODUCTION TESTS		\$0
FORMING & CORE ANALYSIS		\$0
MUD LOGGING		\$30,000
CEMENT & CEMENT SERVICES		\$40,000
PLUG ABANDON & RESTORE		\$0
TRUCKING & HAULING		\$20,000
COMPANY SUPERVISION		\$0
SUPERVISION - CONTRACT		\$10,000
OVERHEAD		\$0
CASING CREWS / CONTRACT LABOR		\$25,000
MISCELLANEOUS / OTHER DRILLING COSTS		\$2,500
DRILLING WELL INSURANCE		\$0
CONTINGENCY		\$222,150
Tangible Drilling		\$2,884,760
SURFACE CASINO		\$47,500
INTERMEDIATE CASINO		\$180,500
CASINO HEAD / TUBING HEAD / CHRISTMAS TREE		\$27,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOCKS		\$15,000
CONTINGENCY		\$27,000
Tangible Drilling		\$287,000
SURVEY / LOCATION / PERMITS		\$0
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$0
STIMULATION TREATMENT / FRACTURING / ACCURING		\$2,000,000
SAND CONTROL		\$0
CONTRACT DAYWORK (DRILLING, LOGGING, RUNNING CABLE)		\$30,000
FUEL		\$0
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$7,500
SURFACE RENTAL TOOL & EQUIPMENT		\$225,000
COIL TUBING / RUBBING		\$150,000
BITS		\$3,900
FISHING TOOLS & SERVICES		\$0
PIPE INSPECTION & COATING		\$0
BOF TESTING		\$0
MUD MATERIALS & CHEMICALS		\$50,000
DISPOSAL / FLOWBACK		\$50,000
WATER		\$200,000
CREW QUARTERS		\$0
LOGGING / WIRELINE / PERMFORMING		\$150,000
CEMENT & CEMENTING SERVICES		\$85,250
SUCK LINE		\$0
TRUCKING & HAULING		\$15,000
COMPANY SUPERVISION		\$0
SUPERVISION - CONTRACT		\$12,000
OVERHEAD		\$0
CASINO CREWS / CONTRACT LABOR		\$25,000
FLOWBACK / WELL TESTS		\$30,000
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS		\$72,500
DRILLING WELL INSURANCE		\$0
CONTINGENCY		\$420,750
Tangible Completion		\$4,458,000
PRODUCTION CASINO		\$234,250
TUBING		\$25,000
CASINO HEAD / TUBING HEAD / CHRISTMAS TREE		\$35,000
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT		\$50,000
CONTINGENCY		\$20,250
Tangible Completion		\$339,000
GAS LIFT		\$0
PUMPING UNIT / PRIME MOVER / ASSEMBLY		\$0
SUCKER RODS / POLISH RODS		\$0
MISC FITTINGS & SUPPLIES		\$77,500
SUBSURFACE EQUIPMENT		\$7,500
PACIFIERS		\$25,000
FACILITY LABOR COST		\$77,500
TANK BATTERY		\$45,000
SEPARATORS / DEWATERS / TREATERS		\$50,000
COMPRESSOR		\$0
METERING & EQUIPMENT / LAST GAT		\$9,150
UTILITY EQUIPMENT		\$0
PIPELINES & CONNECTIONS		\$62,500
COMPANY SUPERVISION		\$7,500
CONTINGENCY		\$47,250
Production		\$443,075

Total Estimated Well Cost: \$8,372,775

Black Mountain Operating, LLC

Approved By: _____ Title: _____ Date: _____

Authorization Requested From: _____

PLEASE INDICATE YOUR APPROVAL AND AUTHORIZATION FOR YOUR PROPORTIONATE PARTS OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO BMOG LLC

OWNERSHIP: _____ COST TO COMPLETE: _____

DATE: _____ PARTICIPANTS ESTIMATED COST: _____

APPROVED BY: _____ TITLE: _____



BLACK MOUNTAIN OPERATING, LLC

December 9, 2016

Mewbourne Oil Company
Attn: Corey Mitchell
500 West Texas, Suite 1020
Midland, Texas 79701

Re: **Notice of Intent to Drill**
Duke Federal 10 #18H
W2E2 of Section 15-23S-34E &
W2SE4 of Section 10-23S-34E
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Duke Federal 10 #18H well name (the "Well"), as described below.

Well Type: New Drill Horizontal
Objective Formation: 3" Bone Spring Sand
Estimated Total Vertical Depth: 11,300'
Estimated total Measured Depth: 18,567'
Surface Hole Location: 2470' FSL, 1840' FEL
Bottom Hole Location: 330' FSL, 1792' FEL
Proposed Project Area: W2 E2 Section 15, W2 SE4 Section 10

According to preliminary ownership reports it appears that Mewbourne Oil Company ("Mewbourne") owns working interest in and to Section 15. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. Should Mewbourne's ownership be verified BMO will provide Mewbourne a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.
Respectfully,

Black Mountain Operating, LLC


Luke Mildren

Vice President, Land

500 Main Street, Suite 1220 Fort Worth, Texas 76102. Phone 817-698-9901. email: luke.mildren@blackmtn.com

BLACK MOUNTAIN OPERATING, LLC		AFE#: 16009
AUTHORIZATION FOR EXPENDITURE		
DRILL & COMPLETE NEW WELL		
Date: 12/22/2019	County/State: Leas, NM	
Lease: Duke Federal 10	Well No: 18H	
Surface Location: SEC 10, T.27N, R.34E		
Proposed Depth: 18,567 MD		
Objective: Drill & Complete Horizontal Well in 3rd Bone Spring Formation 7500 lateral 35 frac stages		
Duke Federal 10 #18H - AFE		
Mudrock Development AFE		
Description	AFE Amount	
SURVEY / LOCATION / PERMITS	\$150,000	
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$78,000	
CONDUIT OR PIPE / WATER WELL / DRIVE PIPE	\$19,000	
CONTRACT DRILLING - FOOTAGE & TURNPI	\$1	
CONTRACT DRILLING - DAYWORK DRILLING LOGGING R	\$708,000	
FUEL	\$77,500	
MOB / DE MGS	\$47,500	
RENTAL TOOL & EQUIPMENT	\$175,000	
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$43,000	
BITS	\$129,500	
FISHING TOOLS & SERVICES	\$3	
PIPE INSPECTION & COATING	\$4	
BOP TESTING	\$2,500	
MUD MATERIALS & CHEMICALS	\$728,000	
DISPOSAL / FLOWBACK	\$30,000	
WATER	\$19,000	
CREW QUARTERS	\$30,000	
SPECIAL SERVICES / DIRECT COST	\$273,000	
LOGGING / WIRELINE / PERFORATING	\$50,000	
DRILL BITEN & PRODUCTION TESTS	\$5	
CORING & CORE ANALYSIS	\$3	
MUD LOGGING	\$34,000	
CEMENT & CEMENT SERVICES	\$27,500	
PLUG ABANDON & RESTORE	\$3	
TRUCKING & HAULING	\$70,000	
COMPANY SUPERVISION	\$	
SUPERVISION - CONTRACT	\$70,500	
OVERHEAD	\$3	
CASING CREWS / CONTRACT LABOR	\$73,000	
MISCELLANEOUS / OTHER DRILLING COSTS	\$5,500	
DRILLING WELL INSURANCE	\$3	
CONTINGENCY	\$230,250	
Intangible Drilling	\$1,832,780	
SURFACE CASING	\$47,300	
INTERMEDIATE CASING	\$190,000	
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$27,500	
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES	\$15,000	
CONTINGENCY	\$27,000	
Tangible Drilling	\$297,000	
SURVEY / LOCATION / PERMITS	\$3	
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$58,000	
STIMULATION TREATMENT / FRACTURING / ACCORDING	\$2,990,000	
SAND CONTROL	\$3	
CONTRACT DAYWORK (DRILLING LOGGING RUNNING CAS)	\$30,000	
FUEL	\$3	
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$7,500	
SURFACE RENTAL TOOL & EQUIPMENT	\$750,000	
COIL TUBING / RUBBER	\$150,000	
BITS	\$3,000	
FISHING TOOLS & SERVICES	\$3	
PIPE INSPECTION & COATING	\$3	
BOP TESTING	\$7	
MUD MATERIALS & CHEMICALS	\$60,000	
DISPOSAL / FLOWBACK	\$30,000	
WATER	\$200,000	
CREW QUARTERS	\$3	
LOGGING / WIRELINE / PERFORATING	\$196,000	
CEMENT & CEMENTING SERVICES	\$45,250	
SLICK LINE	\$3	
TRUCKING & HAULING	\$15,000	
COMPANY SUPERVISION	\$3	
SUPERVISION - CONTRACT	\$13,000	
OVERHEAD	\$3	
CASING CREWS / CONTRACT LABOR	\$28,000	
FLOWBACK / WELL TESTS	\$80,000	
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS	\$72,500	
DRILLING WELL INSURANCE	\$3	
CONTINGENCY	\$426,733	
Intangible Completion	\$4,626,643	
PRODUCTION CASING	\$204,377	
TUBING	\$90,000	
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$33,500	
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT	\$6,500	
CONTINGENCY	\$30,824	
Tangible Completion	\$338,081	
GAS LIFT	\$3	
PUMPING UNIT / PRIME MOVER / ASSEMBLY	\$3	
SUCKER RODS / POLISH RODS	\$3	
MISC FITTINGS & SUPPLIES	\$77,500	
SUBSURFACE EQUIPMENT	\$7,500	
PACKERS	\$23,000	
FACILITY LABOR COST	\$77,500	
TANK BATTERY	\$65,000	
SEPARATORS / HOLLERS / TREATERS	\$60,000	
COMPRESSOR	\$3	
METERING EQUIPMENT / LACT UNIT	\$3,750	
UTILITY EQUIPMENT	\$3	
PIPELINES & CONNECTIONS	\$82,500	
COMPANY / SUPERVISION	\$7,500	
CONTINGENCY	\$47,223.6	
Final Bid	\$453,478	
Total Estimated Well Cost		\$4,260,371
Black Mountain Operating, LLC		
Approved By	Title	Date
Authorization Request Form		
PLEASE INDICATE YOUR APPROVAL AND AUTHORIZATION FOR YOUR PROPORTIONATE PARTS OF THE ESTIMATED EXPENDITURES AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO BMOG, LLC		
OWNER/OP	COST TO COMPLETE	
DATE	PARTICIPANT'S ESTIMATED COST	
APPROVED BY	TITLE	



BLACK MOUNTAIN OPERATING, LLC

December 9, 2016

Mewbourne Oil Company
Attn: Corey Mitchell
500 West Texas, Suite 1020
Midland, Texas 79701

Re: **Notice of Intent to Drill**
Duke Federal 10 #10H
E2W2 of Section 15-23S-34E &
E2SW4 of Section 10-23S-34E
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Duke Federal 10 #10H well name (the "Well"), as described below.

Well Type: New Drill Horizontal
Objective Formation: 3rd Bone Spring Sand
Estimated Total Vertical Depth: 11,300'
Estimated total Measured Depth: 18,567'
Surface Hole Location: 2470' FSL, 1906' FWL
Bottom Hole Location: 330' FSL, 1546' FWL
Proposed Project Area: E2 W2 Section 15, E2 SW4 Section 10

According to preliminary ownership reports it appears that Mewbourne Oil Company ("Mewbourne") owns working interest in and to Section 15. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. Should Mewbourne's ownership be verified BMO will provide Mewbourne a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.
Respectfully,

Black Mountain Operating, LLC

Luke Mildren
Vice President, Land

500 Main Street, Suite 1220 Fort Worth, Texas 76102. Phone 817-698-9901. email: luke.mildren@blackmtn.com

BLACK MOUNTAIN OPERATING, LLC
AUTHORIZATION FOR EXPENDITURE
DRILL & COMPLETE NEW WELL

AFE#: 16008

Date: 3/25/2019 County/State: LA/LS
 Lease: Duke Federal 10 Well No: 124
 Surface Location: SEC 10, T-23S, R-21E
 Proposed Depth: 18,567' MD
 Objective: Dr 1 & Complete Horizontal Well in 3rd Bone Spring Formation, 7500' lateral, 30' track stages

Duke Federal 10 #10H - AFE

Muders Development AFE		AFE Amounts
DESCRIPTION		
SURVEY / LOCATION / PERMITS		\$150,000
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$20,000
CONDUCTOR PIPE / WATER WELL / DRIVE PIPE		\$15,000
CONTRACT DRILLING - FOOTAGE & TURNKEY		\$0
CONTRACT DRILLING - DAYWORK / DRILLING LOGGING RL		\$115,000
FLUOL		\$77,500
MOB / DE MOB		\$82,500
RENTAL TOOL & EQUIPMENT		\$175,000
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$45,000
BITS		\$120,500
FISHING TOOLS & SERVICES		\$0
PIPE INSPECTION & COATING		\$0
ROP TESTING		\$2,500
MUD MATERIALS & CHEMICALS		\$225,000
DISPOSAL / FLOWBACK		\$50,000
WATER		\$15,000
CREW QUARTERS		\$50,000
SPECIAL SERVICES / DIRECTIONAL		\$275,000
LOGGING / WIRELINE / PERFORATING		\$50,000
DRILL STEM & PRODUCTION TESTS		\$0
CORING & CORE ANALYSIS		\$0
MUD LOGGING		\$30,000
CEMENT & CEMENT SERVICES		\$52,500
PLUG, ABANDON & RESTORE		\$0
TRUCKING & HAULING		\$20,000
COMPANY SUPERVISION		\$0
SUPERVISION - CONTRACT		\$75,500
OVERHEAD		\$0
CASING CREWS / CONTRACT LABOR		\$0
MISCELLANEOUS / OTHER DRILLING COSTS		\$25,000
DRILLING WELL INSURANCE		\$5,000
CONTINGENCY		\$237,500
Intangible Drilling		\$2,845,750
SURFACE CASING		\$47,500
INTERMEDIATE CASING		\$182,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$27,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES		\$15,000
CONTINGENCY		\$77,000
Tangible Drilling		\$297,000
SURVEY / LOCATION / PERMITS		\$0
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$35,000
STIMULATION TREATMENT / FRACTURING / ACCORDING		\$2,990,000
CASING CONTROL		\$0
CONTRACT DAYWORK / DRILLING LOGGING / RUNNING CASIN		\$30,000
FLUOL		\$0
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$7,500
SURFACE RENTAL TOOL & EQUIPMENT		\$225,000
CON. TUBING / SUBSIDING		\$150,000
BITS		\$3,500
FISHING TOOLS & SERVICES		\$0
PIPE INSPECTION & COATING		\$0
ROP TESTING		\$0
MUD MATERIALS & CHEMICALS		\$60,000
DISPOSAL / FLOWBACK		\$50,000
WATER		\$200,000
CREW QUARTERS		\$0
LOGGING / WIRELINE / PERFORATING		\$1,56,000
CEMENT & CEMENTING SERVICES		\$80,250
SUCK LINE		\$0
TRUCKING & HAULING		\$15,000
COMPANY SUPERVISION		\$0
SUPERVISION - CONTRACT		\$12,600
OVERHEAD		\$0
CASING CREWS / CONTRACT LABOR		\$2,000
FLOWBACK / WELL TESTS		\$25,000
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS		\$90,000
DRILLING WELL INSURANCE		\$2,500
CONTINGENCY		\$420,750
Intangible Completion		\$4,638,850
PRODUCTION CASING		\$204,237
TUBING		\$80,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$35,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT		\$8,500
CONTINGENCY		\$30,874
Tangible Completion		\$359,111
CAS LIFT		\$0
PUMPING UNIT / PRIME MOVER / ASSEMBLY		\$0
BUCKER ROSES / POLISH RODS		\$0
MISC FITTINGS & SUPPLIES		\$77,500
SURFACE EQUIPMENT		\$7,500
PACKERS		\$25,000
FACILITY LABOR COST		\$77,500
TANK BATTERY		\$65,000
SEPARATORS / HEATERS / TREATERS		\$80,000
COMPRESSOR		\$0
METERING EQUIPMENT / LACT UNIT		\$8,750
UTILITY EQUIPMENT		\$0
PIPELINES & CONNECTIONS		\$82,500
COMPANY SUPERVISION		\$7,500
CONTINGENCY		\$41,225.0
Facilities		\$463,475
Total Estimated Well Cost		\$9,281,371
Black Mountain Operating, LLC		
Approved By	TS	DR
Authorization Requested From		
PLEASE INDICATE YOUR APPROVAL AND AUTHORIZATION FOR YOUR PROPORTIONATE PART OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO BMOG LLC		
OWNERSHIP	COST TO COMPLETE	
DATE	PARTICIPANTS ESTIMATED COST	
APPROVED BY	TITLE	