

CASE NOS. 22605 – 22608

APPLICATIONS OF E.G.L RESOURCES, INC.
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

EXHIBIT LIST

- 1. Application and Proposed Notice
- 2. Landman's Affidavit
- 3. Geologist's Affidavit
- 4. Affidavit of Mailing
- 5. Pooling Checklists

EXHIBITS Part I of II

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 22605

APPLICATION

E.G.L. Resources, Inc. applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W2 of Section 22 and the W/2W/2 of Section 27, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the W/2W/2 of Section 22 and the W/2W/2 of Section 27, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the Moonraker 22-27 Fed. Com. Well No. 201H to a depth sufficient to test the Bone Spring formation, with a first take point in the NW/4NW/4 of Section 22 and a last take point in the SW/4SW/4 of Section 27.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 22 and the W/2W/2 of Section 27 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain mineral interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 22 and the W/2W/2 of Section 27, pursuant to NMSA 1978 §70-2-17.

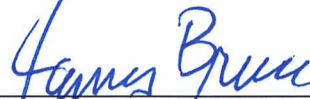
ATTACHMENT /

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 22 and the W/2W/2 of Section 27 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 22 and the W/2W/2 of Section 27;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for E.G.L. Resources, Inc.

Application of E.G.L. Resources, Inc. for compulsory pooling, Lea County, New Mexico.

E.G.L. Resources, Inc. seeks an order pooling all mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the W/2W/2 of Section 22 and the W/2W/2 of Section 27, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Moonraker 22-27 Fed. Com. Well No. 201H, with a first take point in the NW/4NW/4 of Section 22 and a last take point in the SW/4SW/4 of Section 27. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 8-1/2 miles northeast of Halfway, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 22606

APPLICATION

E.G.L. Resources, Inc. applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W2 of Section 22 and the E/2W/2 of Section 27, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the E/2W/2 of Section 22 and the E/2W/2 of Section 27, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Moonraker 22-27 Fed. Com. Well No. 202H to a depth sufficient to test the Bone Spring formation, with a first take point in the NE/4NW/4 of Section 22 and a last take point in the SE/4SW/4 of Section 27.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2W/2 of Section 22 and the E/2W/2 of Section 27 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain mineral interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the E/2W/2 of Section 22 and the E/2W/2 of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the E/2W/2 of Section 22 and the E/2W/2 of Section 27 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the E/2W/2 of Section 22 and the E/2W/2 of Section 27;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 22607

APPLICATION

E.G.L. Resources, Inc. applies for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2W2 of Section 22 and the W/2W/2 of Section 27, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

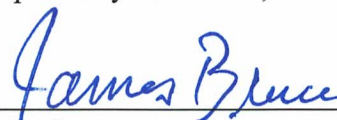
1. Applicant is an operator in the W/2W/2 of Section 22 and the W/2W/2 of Section 27, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Moonraker 22-27 Fed. Com. Well No. 501H to a depth sufficient to test the Wolfcamp formation, with a first take point in the NW/4NW/4 of Section 22 and a last take point in the SW/4SW/4 of Section 27.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 22 and the W/2W/2 of Section 27 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain mineral interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the W/2W/2 of Section 22 and the W/2W/2 of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying the W/2W/2 of Section 22 and the W/2W/2 of Section 27 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the W/2W/2 of Section 22 and the W/2W/2 of Section 27;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 22608

APPLICATION

E.G.L. Resources, Inc. applies for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2W2 of Section 22 and the E/2W/2 of Section 27, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

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2. Applicant proposes to drill the Moonraker 22-27 Fed. Com. Well No. 502H to a depth sufficient to test the Wolfcamp formation, with a first take point in the NE/4NW/4 of Section 22 and a last take point in the SE/4SW/4 of Section 27.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2W/2 of Section 22 and the E/2W/2 of Section 27 for the purposes set forth herein.

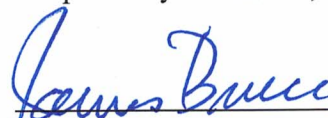
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Respectfully submitted,



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Attorney for E.G.L. Resources, Inc.

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E.G.L. Resources, Inc. seeks an order pooling all mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the E/2W/2 of Section 22 and the E/2W/2 of Section 27, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Moonraker Fed. Com. 22-27 Well No. 502H, with a first take point in the NE/4NW/4 of Section 22 and a last take point in the SE/4SW/4 of Section 27. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 8-1/2 miles northeast of Halfway, New Mexico.

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF E.G.L. RRESOURCES, INC.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case Nos. 22605 - 22608

SELF-AFFIRMED STATEMENT OF MATTHEW LANGHOFF

Matthew Langhoff deposes and states:

1. I am a landman for E.G.L. Resources, Inc. ("E.G.L."), and have personal knowledge of the matters stated herein. I have not been qualified by the Division as an expert petroleum landman. My educational background and employment experience is as follows: Bachelor of Arts from Texas Tech University, with 6 years working in a variety of roles as a landman for PBEX and affiliated companies.

2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application filed herein:

3. The purpose of these applications to force pool working interest owners into the Bone Spring and Wolfcamp horizontal spacing units described below, and in the wells to be drilled in the units:

(a) Case No. 22605: E.G.L. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the W/2W/2 of Section 22 and the W/2W/2 of Section 27, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Moonraker 22-27 Fed. Com. Well No. 201H, with a first take point in the NW/4NW/4 of Section 22 and a last take point in the SW/4SW/4 of Section 27.

(b) Case No. 22606: E.G.L. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the E/2W/2 of Section 22 and the E/2W/2 of Section 27, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Moonraker 22-27 Fed. Com. Well No. 202H, with a first take point in the NE/4NW/4 of Section 22 and a last take point in the SE/4SW/4 of Section 27.

EXHIBIT 2

(c) Case No. 22607: E.G.L. Resources, Inc. seeks an order pooling all mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the W/2W/2 of Section 22 and the W/2W/2 of Section 27, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Moonraker Fed. Com. 22-27 Well No. 501H, with a first take point in the NW4NW/4 of Section 22 and a last take point in the SW/4SW/4 of Section 27.

(d) Case No. 22608: E.G.L. seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the E/2W/2 of Section 22 and the E/2W/2 of Section 27, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Moonraker Fed. Com. 22-27 Well No. 502H, with a first take point in the NE/4NW/4 of Section 22 and a last take point in the SE/4SW/4 of Section 27.

4. No opposition is expected because the interest owners being pooled have been contacted by E.G.L. since March 9, 2022 and have not indicated they will file counter-applications. The interest owners being pooled are OXY USA Inc., EOG Resources, Inc., and Earthstone Permian LLC/Earthstone Operating LLC (as successor to Chisholm Energy Operating LLC). All interest owners are locatable.

There are no overriding royalty interest owners who need to be pooled.

5. A plat outlining the units being pooled, and the working interest owners in each tract in a unit, is submitted as Attachment A. Forms C-102 for the wells are also part of Attachment A.

6. There is no depth severance in the Bone Spring and Wolfcamp formations.

7. Attachment B contains a summary of contacts with the pooled parties, as well as a sample copy of the proposal letter. E.G.L. has made a good faith effort to obtain voluntary joinder of the interest owners in the proposed wells.

8. Attachment C contains an Authorization for Expenditure for each of the proposed wells. The estimated cost of the well set forth therein is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Lea County.

9. E.G.L. requests overhead and administrative rates of \$8500/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the Joint Operating Agreement prepared by E.G.L. for the well units. E.G.L. requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

10. E.G.L. requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

11. E.G.L. requests that it be designated operator of the well.

12. The attachments to this affidavit were prepared by me, or compiled from company business records.

13. E.G.L. provided the names and addresses of the pooled parties to its attorney, James Bruce. The addresses are the correct and current addresses for the interest owners.

14. The granting of this application is in the interests of conservation and the prevention of waste.

15. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 14 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: November 7, 2022



Matthew Laughoff

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name MOONRAKER 22-27 BS FED			6 Well Number 201H
7 OGRID No. 192373		8 Operator Name EGL RESOURCES INC.			9 Elevation 3642.68'

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	19-S	33-E		497'	SOUTH	1271'	WEST	LEA

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	19-S	33-E		100'	SOUTH	660'	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
640			

ATTACHMENT A

No allowable will be assigned to this completion until all interests have been consolidated or a n division.

SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=749992.30 LAT.= 32.65435917° N
Y=602452.94 LONG.= 103.65537502° W
NEW MEXICO EAST - NAD 27
X=708812.48 LAT.= 32.65423703° N
Y=602389.73 LONG.= 103.65487834° W
497' FSL, 1271' FWL - SECTION 15

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=749383.51 LAT.= 32.65272094° N
Y=601853.02 LONG.= 103.65736538° W
NEW MEXICO EAST - NAD 27
X=708203.68 LAT.= 32.65259883° N
Y=601789.83 LONG.= 103.65686870° W
100' FNL, 660' FWL - SECTION 22

LAST TAKE POINT (LTP)
BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=749420.90 LAT.= 32.62424747° N
Y=591493.74 LONG.= 103.65745803° W
NEW MEXICO EAST - NAD 27
X=708240.78 LAT.= 32.62412527° N
Y=591430.85 LONG.= 103.65696244° W
100' FSL, 660' FWL - SECTION 27

CORNER DATA
NEW MEXICO EAST - NAD 83

A - FOUND 2" IRON PIPE N:601950.13' E:748723.15'	H - FOUND 1" IRON PIPE LAYED OVER N:591408.04' E:751402.53'
B - CALCULATED CORNER N:601961.69' E:751362.82'	I - FOUND 2" IRON PIPE N:591388.98' E:748761.27'
C - FOUND 2" IRON PIPE N:601973.25' E:754002.50'	J - FOUND 1" IRON PIPE N:594029.38' E:748751.75'
D - FOUND 1" IRON PIPE N:599333.77' E:754013.04'	K - FOUND 2" IRON PIPE N:596669.98' E:748742.44'
E - FOUND 2" IRON PIPE N:596693.06' E:754022.47'	L - CALCULATED CORNER N:599310.05' E:748732.79'
F - FOUND BENT 1" IRON PIPE N:594053.73' E:754032.43'	M - FOUND BENT 2" IRON PIPE N:596681.72' E:751381.37'
G - FOUND BENT 5/8" IRON ROD N:591416.37' E:754041.28'	

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature 9/12/2022
 Date

Jenifer Sorley
Printed Name

jenifer.sorley@transgloballc.com
E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey 08/24/2022
 Signature and Seal of Professional Surveyor:

 Certificate Number

District I
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 6 columns: 1 API Number, 2 Pool Code, 3 Pool Name, 4 Property Code, 5 Property Name, 6 Well Number, 7 OGRID No., 8 Operator Name, 9 Elevation.

10 Surface Location

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

11 Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 4 columns: 12 Dedicated Acres, 13 Joint or Infill, 14 Consolidation Code, 15 Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Main diagram area containing well location plots, coordinate data for SHL, FTP, LTP, and BHL, corner data, and certification sections for Operator and Surveyor.

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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
640			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=750022.35 LAT.= 32.65435871° N
Y=602452.96 LONG.= 103.65527738° W
NEW MEXICO EAST - NAD 27
X=708842.53 LAT.= 32.65423658° N
Y=602389.75 LONG.= 103.65478071° W
497' FSL, 1301' FWL - SECTION 15

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=749383.51 LAT.= 32.65272094° N
Y=601853.02 LONG.= 103.65736538° W
NEW MEXICO EAST - NAD 27
X=708203.68 LAT.= 32.65259883° N
Y=601789.83 LONG.= 103.65686870° W
100' FNL, 660' FWL - SECTION 22

LAST TAKE POINT (LTP)
BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=749420.90 LAT.= 32.62424747° N
Y=591493.74 LONG.= 103.65745803° W
NEW MEXICO EAST - NAD 27
X=708240.78 LAT.= 32.62412527° N
Y=591430.85 LONG.= 103.65696244° W
100' FSL, 660' FWL - SECTION 27

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Jenifer Sorley* Date: 8/29/2022
Printed Name: Jenifer Sorley
E-mail Address: jenifer.sorley@transgloballlc.com

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 08/24/2022
Signature and Seal of Professional Surveyor: *Charles L. Jurica*
Certificate Number: 25490

CORNER DATA
NEW MEXICO EAST - NAD 83

A - FOUND 2" IRON PIPE N:601950.13' E:748723.15'	H - FOUND 1" IRON PIPE LAYED OVER N:591408.04' E:751402.53'
B - CALCULATED CORNER N:601961.69' E:751362.82'	I - FOUND 2" IRON PIPE N:591388.98' E:748761.27'
C - FOUND 2" IRON PIPE N:601973.25' E:754002.50'	J - FOUND 1" IRON PIPE N:594029.38' E:748751.75'
D - FOUND 1" IRON PIPE N:599333.77' E:754013.04'	K - FOUND 2" IRON PIPE N:596669.98' E:748742.44'
E - FOUND 2" IRON PIPE N:596693.06' E:754022.47'	L - CALCULATED CORNER N:599310.05' E:748732.79'
F - FOUND BENT 1" IRON PIPE N:594053.73' E:754032.43'	M - FOUND BENT 2" IRON PIPE N:596681.72' E:751381.37'
G - FOUND BENT 5/8" IRON ROD N:591416.37' E:754041.28'	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name			
4 Property Code		5 Property Name MOONRAKER 22-27 WFC FED				6 Well Number 502H	
7 OGRID No. 192373		8 Operator Name EGL RESOURCES INC.				9 Elevation 3643.64'	

¹⁰ Surface Location

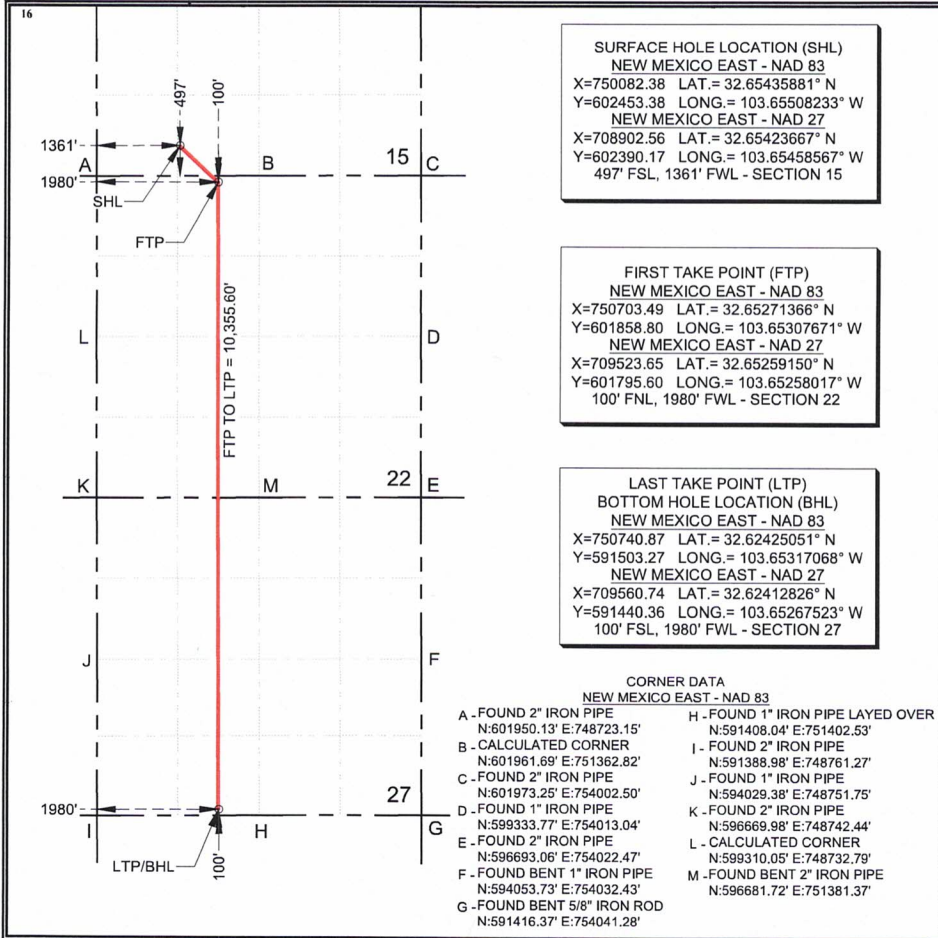
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	19-S	33-E		497'	SOUTH	1361'	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	27	19-S	33-E		100'	SOUTH	1980'	WEST	LEA

12 Dedicated Acres 640	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Janice Morris 08/26/2022
Signature Date

Janice Morris
Printed Name

Janice.Morris@transgloballlc.com
E-mail Address

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

CHARLES L. JURICA 08/24/2022
Date of Survey

Signature and Seal of Professional Surveyor:
Charles L. Jurica

25490
PROFESSIONAL SURVEYOR

Certificate Number

January 24, 2022



E. G. L. Resources, Inc.

Re: Moonraker 22-27 Fed Com #201H, #202H, #501H, and #502H
W2 of Sections 22-T19S-R33E & 27-T19S-R33E
Lea County, New Mexico

Dear OXY USA, INC.,

EGL Resources, Inc. ("EGL") on behalf of PBEX, LLC ("PBEX") hereby proposes the drilling of the Moonraker 22-27 Fed Com #201H, #202H, #501H, and #502H wells in Sections 22 and 27, Township 19 South, Range 33 East, Lea County, New Mexico. These wells will have a surface hole location in the SW/4 of Section 15, and a bottom hole location of SW/4 of Section 27. Target interval for the #201H & #202H wells will be the Bone Spring formation (~10,120' TVD) to a Measured Depth of approximately ~20,835'. Target interval for the #501H & #502H wells will be the Wolfcamp formation (~10,880' TVD) to a Measured Depth of approximately ~21,595'. Please review the attached Authority for Expenditure ("AFE") with the gross amount of \$9,655,872 being the estimated total cost to drill and complete each of the referenced #201H & #202H wells, additionally \$10,232,593 estimated total cost to drill and complete each of the referenced #501H & #502H wells.

EGL has proposed these wells under the terms of a new modified 1989 AAPL form of Operating Agreement which will follow this letter in a separate packet. The Operating Agreement shall cover the W2 Sections 22-T19S-R33E and 27-T19S-R33E. The following provisions will be included:

- 100/300 Non-consent Penalty
- \$8,500/\$850 Overhead Rates
- EGL Resources, INC named as Operator
- Initial Well Moonraker 22-27 Fed Com #201H

According to a cursory title review, you are the owner of a certain working interest in the wells, the amount of which will be subject to title verification. Please indicate your election in the area marked below, sign and return this letter, along with a signed copy of the enclosed AFE, and a copy of your geological well requirements, to my attention at the letterhead address. As an alternative to participation, EGL would be open to discussing Sale/Assignment options, subject to mutually agreeable terms, execution of a mutually acceptable form of Assignment and verification of your interest. If this is the preferred choice, please contact us to discuss the details of this option at your earliest convenience. If you prefer to email, feel free to do so to mlanghoff@pbex.com. Feel free to call with any questions you may have, 432-894-0967. However, if we do not reach an agreement within thirty (30) days from the date of this letter, EGL/PBEX will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

We look forward to working with you,

EGL Resources, Inc.

ATTACHMENT **B**

Matthew Langhoff
Landman III

EGL Resources, Inc. | 5600 N May Ave, Suite 320, Oklahoma City, OK 73112

_____ I/We hereby elect to participate in the Moonraker 22-27 Fed Com #201H for its proportionate share of the costs

_____ I/We hereby elect NOT to participate in the Moonraker 22-27 Fed Com #201H for its proportionate share of the costs

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_____ I/We hereby elect NOT to participate in the Moonraker 22-27 Fed Com #502H for its proportionate share of the costs

By: _____

Name: _____

Date: _____

November 23, 2021



E. G. L. Resources, Inc.

Re: Moonraker 22-27 Fed Com #201H, #202H, #501H, and #502H
W2 of Sections 22-T19S-R33E & 27-T19S-R33E
Lea County, New Mexico

Dear Chisholm Energy Operating, LLC,

EGL Resources, Inc. ("EGL") on behalf of PBEX, LLC ("PBEX") hereby proposes the drilling of the Moonraker 22-27 Fed Com #201H, #202H, #501H, and #502H wells in Sections 22 and 27, Township 19 South, Range 33 East, Lea County, New Mexico. These wells will have a surface hole location in the SW/4 of Section 15, and a bottom hole location of SW/4 of Section 27. Target interval for the #201H & #202H wells will be the Bone Spring formation (~10,120' TVD) to a Measured Depth of approximately ~20,835'. Target interval for the #501H & #502H wells will be the Wolfcamp formation (~10,880' TVD) to a Measured Depth of approximately ~21,595'. Please review the attached Authority for Expenditure ("AFE") with the gross amount of \$9,655,872 being the estimated total cost to drill and complete each of the referenced #201H & #202H wells, additionally \$10,232,593 estimated total cost to drill and complete each of the referenced #501H & #502H wells.

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- Initial Well Moonraker 22-27 Fed Com #201H

According to a cursory title review, you are the owner of a certain working interest in the wells, the amount of which will be subject to title verification. Please indicate your election in the area marked below, sign and return this letter, along with a signed copy of the enclosed AFE, and a copy of your geological well requirements, to my attention at the letterhead address. As an alternative to participation, EGL would be open to discussing Sale/Assignment options, subject to mutually agreeable terms, execution of a mutually acceptable form of Assignment and verification of your interest. If this is the preferred choice, please contact us to discuss the details of this option at your earliest convenience. If you prefer to email, feel free to do so to mlanghoff@pbex.com. Feel free to call with any questions you may have, 432-894-0967. However, if we do not reach an agreement within thirty (30) days from the date of this letter, EGL/PBEX will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

We look forward to working with you,

EGL Resources, Inc.

Matthew Langhoff
Landman III

EGL Resources, Inc. | 5600 N May Ave, Suite 320, Oklahoma City, OK 73112

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_____ I/We hereby elect NOT to participate in the Moonraker 22-27 Fed Com #502H for its proportionate share of the costs

By: _____

Name: _____

Date: _____

November 23, 2021



E. G. L. Resources, Inc.

Re: Moonraker 22-27 Fed Com #201H, #202H, #501H, and #502H
W2 of Sections 22-T19S-R33E & 27-T19S-R33E
Lea County, New Mexico

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By: _____

Name: _____

Date: _____

Summary of Communication

Earthstone

- 11/24/21 – Contacted Luke Shelton regarding the Moonraker well proposals..
- 12/1/21 – 3/1/22 – Exchanged phone calls with Chisholm/Earthstone representative and discussed participating. No election has been made.
- 8/8/2022 - Sent form JOA 5400 Lyndon B Johnson Fwy., Ste. 1500

Oxy, USA

- 1/24/22 – Contacted Clayton Carrol with the well proposal via email.
- 2/15/22 – Oxy confirmed receipt of the well proposal, no election made.
- 8/8/2022 – Sent form JOA for the Moonraker development

EOG Resources

- 3/7/22 – Sent well proposal via email to Chris Leyendecker.
- 3/7/22 –4/5/22 – Continued conversation with Brian Pond at EOG via phone conversations
- 4/5/2022 - Email offer to purchase interest in proposed unit.
- 5/16/2022 – EOG to send Delayed Election letter for PBEX review
- 6/23/2022 – EOG sent Delayed Election letter for our review
- 10/25/2022 – EOG phone call stating that they will be dismissing their cases for the counter well proposals.

Project: Moonraker
 Field: Tonto, Bone Spring
 Well: Moonraker 22-27 Fed Com #201H
 Location: SHL SE/4 SW/4 of Section 15, T19S-R33E
 BHL SW/4 SW/4 of Section 27, T19S-R33E
 Lea County, New Mexico

AFE #
 TD (MD): 20,835 ft MD
 TVD: 10,120 ft
 Drilled Lateral Length: 10,960 ft VS
 Completed Lateral Length: 10,360 ft
 Target: 2nd Bone Spring

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Prognosis: 2 mi lateral w/ off-lease SHL. Completion: 10,360' perf interval x 2500 lb/r (25.9MM lb), 2500 gal/ft (61.7k bbl), 80 bpm. 199' stages = 52 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.		Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Permits/ Well Signs			12,000						12,000	
Damages/ Right of Way									0	
Title & Abstracts, Drilling Title Opinion									0	
Survey and Stake Location			8,000						8,000	
Locations and Roads - shared with 2 wells			100,000						100,000	
Frac Pit Shared w/ 4 wells					75,000				75,000	
Conductor (drilled & set)			20,000						20,000	
Mobilization / Demobilization 4 days pre-spud + trucks & cranes / shared w/ 2 wells			115,000						115,000	
Drilling (Day Work) 18 days spud - RR \$20,000 per day			360,000						360,000	
Bits			50,000		3,000				53,000	
Downhole drilling tools & stabilization, survey tool			50,000						50,000	
Mud Logging 13 days \$1,500 per day			19,500						19,500	
Open Hole Surveys/ Gyro									0	
Water well, pump & line, water transfer			5,000		100,000				105,000	
Water/Brine/Mud Hauling			10,000		20,000				30,000	
Fresh Water \$ 1.50 10,000 bbl drilling 678,333 bbl comp'n (10% excess)			15,000		1,017,500				1,032,500	
Brine Water			10,000						10,000	
Fuel \$ 2.75 2,200 gal/day 52 Stages			108,900		535,600				644,500	
Mud & Chemicals Water based mud in lateral			150,000		25,000				175,000	
Tubular Inspection DP: Cat IV on 1 strings / 2 wells. Casing: clean, drift, visual 3 strings.			30,000						30,000	
Drill string rental									0	
Casing Crew & LD Machine, CRT			50,000						50,000	
Welding			1,500						1,500	
Cementing			250,000						250,000	
Directional Drilling 15 days spud - RR \$15,000 per day			225,000						225,000	
Wellsite Supervisor			45,000		40,000				85,000	
JOA Overhead 8500/mt			8,500		8,500				17,000	
Open Hole Log									0	
Solids Control Equipment \$4,000 per day			72,000						72,000	
Cuttings Haul-off & Disposal			80,000						80,000	
Surface Rental Equipment \$5,000 /d Drilling, Frac stack, light towers, generators, housing.			90,000		280,000				370,000	
BOP Rental, stripper head									0	
Pulling Unit 5 days, 4000/d						20,000			20,000	
Acidizing Acid crew to prep toe.					20,000				20,000	
Frac Frac: see Prognosis above.					2,000,000				2,000,000	
Water Transfer					50,000				50,000	
Completion Tools 51 frac plugs					76,500				76,500	
Cased Hole Wireline & Perforating 52 stages, 10k lube.					384,000	15,000			399,000	
Coiled Tubing / Snubbing Unit + Tools, Nitrogen					250,000				250,000	
Flowback & Well Testing						75,000			75,000	
Trucking			30,000		30,000				60,000	
Environmental					10,000				10,000	
Materials & Supplies			5,000						5,000	
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction			10,000		10,000			100,000	120,000	
Contingencies 3%			57,852		148,053	3,300		3,000	212,205	
TOTAL INTANGIBLES			1,986,252		5,083,152	113,300		103,000	7,285,704	

Prognosis: 3 string casing program. Tank battery allocated for 4 wells.		Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length Size Description Price/ft FOB Loc									
Surface	1,500 13 3/8 54.5# J55 BTC \$65.00		97,500							97,500
1st Intermediate	5,600 9 5/8 40# L80-HC BTC \$80.00		336,000							336,000
2nd Intermediate										0
Production										0
Production	20,835 5 1/2 20# P110 Semi-Prem \$35.00		729,225							729,225
Tubing	9,550 2 7/8 6.5# L80 ELU \$9.00					85,950				85,950
Wellhead Equipment			25,000		30,000					55,000
Float Equipment & Centralizers, Well Shoe			75,000							75,000
Liner hanger, Packer, TAC, other Tools						20,000				20,000
Flowlines, Valves, Fillings, pipeline								7,500		7,500
Tanks 4 oil, 4 water (750 bbl)								87,500		87,500
Battery: Pumps /Valves/Connections								137,500		137,500
Battery: Meters, Automation								62,500		62,500
Separation Equipment:						85,000		18,250		103,250
Compressors/Dehydrators								0		0
Gas Meter Run, flare, VRU, Combustor						20,000		50,000		70,000
LACT Pipeline LACT supplied by oil buyer.								0		0
Spill Containment								12,500		12,500
Artificial Lift ESP purchase, rental drive.						250,000		0		250,000
Electrical Installation						37,500		18,750		56,250
Contingencies, taxes 10%			126,273		3,000	21,095		36,125		186,493
TOTAL TANGIBLES			1,388,998		33,000	519,545		428,625		2,370,168
TOTAL WELL COST			Drilling 3,375,250		Completion 5,116,152	Production 632,845		Facilities 531,625		Total 9,655,872

Prepared By: Kelvin Fisher Date: 10/4/21 Drill & Complete 8,491,402

Approval: Kelvin Fisher Date:

Partner Approval Amount: Joint Owner Approval: Working Interest: Joint Owner Approval:

By execution of this AFE, the above signee 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 spud 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:

ATTACHMENT C

Project: Moonraker
 Field: Tonto, Bone Spring
 Well: Moonraker 22-27 Fed Com #202H
 Location: SHL SE/4 SW/4 of Section 15, T19S-R33E
 BHL SE/4 SW/4 of Section 27, T19S-R33E
 Lea County, New Mexico

AFE #
 TD (MD): 20,835 ft MD
 TVD: 10,120 ft
 Drilled Lateral Length: 10,960 ft VS
 Completed Lateral Length: 10,360 ft
 Target: 2nd Bone Spring

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Mobilization / Demobilization 4 days pre-spud + trucks & cranes / shared w/ 2 wells			115,000						115,000	
Drilling (Day Work) 16 days spud - RR \$20,000 per day			360,000						360,000	
Bits			50,000		3,000				53,000	
Downhole drilling tools & stabilization, survey tool			50,000						50,000	
Mud Logging 13 days \$1,500 per day			19,500						19,500	
Open Hole Surveys/ Gyro									0	
Water well, pump & line, water transfer			5,000		100,000				105,000	
Water/Brine/Mud Hauling			10,000		20,000				30,000	
Fresh Water \$ 1.50 10,000 bbl drilling 678,333 bbl comp'n (10% excess)			15,000		1,017,500				1,032,500	
Brine Water			10,000						10,000	
Fuel \$ 2.75 2,200 gal/day 52 Stages			108,900		535,600				644,500	
Mud & Chemicals Water based mud in lateral.			150,000		25,000				175,000	
Tubular Inspection DP: Cat IV on 1 strings / 2 wells. Casing: clean, drift, visual 3 strings.			30,000						30,000	
Drill string rental									0	
Casing Crew & LD Machine, CRT			50,000						50,000	
Welding			1,500						1,500	
Cementing			250,000						250,000	
Directional Drilling 15 days spud - RR \$15,000 per day			225,000						225,000	
Wellsite Supervisor			48,000		40,000				88,000	
JOA Overhead 8500/mo			8,500		8,500				17,000	
Open Hole Logs									0	
Solids Control Equipment \$4,000 per day			72,000						72,000	
Cuttings Haul-off & Disposal			80,000						80,000	
Surface Rental Equipment \$5,000 /d Drilling, Frac stack, light towers, generators, housing.			90,000		280,000				370,000	
BOP Rental, stripper head									0	
Pulling Unit 5 days, 4000/d							20,000		20,000	
Acidizing Acid crew to prep toe.					20,000				20,000	
Frac Frac: see Prognosis above.					2,000,000				2,000,000	
Water Transfer					50,000				50,000	
Completion Tools 51 frac plugs					76,500				76,500	
Cased Hole Wireline & Perforating 52 stages, 10k tube.					384,000		15,000		399,000	
Coiled Tubing / Snubbing Unit + Tools, Nitrogen					250,000				250,000	
Flowback & Well Testing							75,000		75,000	
Trucking			30,000		30,000				60,000	
Environmental					10,000				10,000	
Materials & Supplies			5,000						5,000	
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction			10,000		10,000			100,000	120,000	
Contingencies 3%			57,852		148,053		3,300	3,000	212,205	
TOTAL INTANGIBLES			1,986,252		5,083,152		113,300	103,000	7,285,704	

Prognosis: 3 string casing program. Tank battery allocated for 4 wells.		Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Tubulars	Length Size Description Price/Rt FOB Loc									
Surface	1,500 13 3/8 54.5# J55 BTC		97,500							97,500
1st Intermediate	5,600 9 5/8 40# L80+HC BTC		336,000							336,000
2nd Intermediate										0
Production										0
Production	20,835 5 1/2 20# P110 Semi-Phm		729,225							729,225
Tubing	9,550 2 7/8 6.5# L80 ELUE					85,950				85,950
Wellhead Equipment			25,000		30,000					55,000
Float Equipment & Centralizers, Wet Shoes			75,000							75,000
Liner hanger, Packer, TAC, other Tools							20,000			20,000
Flowlines, Valves, Fittings, pipeline								7,500		7,500
Tanks 4 oil, 4 water (750 bbl)								0		0
Battery: Pumps /Valves/Connections								87,500		87,500
Battery: Meters, Automation								137,500		137,500
Separation Equipment:								62,500		62,500
Compressors/Dehydrators							85,000	16,250		101,250
Gas Meter Run, flare, VRU, Combustor								0		0
LACT Pipeline LACT supplied by oil buyer.							20,000	50,000		70,000
Spill Containment								0		0
Artificial Lift ESP purchase, rental drive.							12,500			12,500
Electrical Installation							250,000			250,000
Contingencies, taxes 10%							37,500	18,750		56,250
TOTAL TANGIBLES			1,388,998		33,000		519,545	428,625		2,370,168
TOTAL WELL COST			Drilling 3,375,250		Completion 5,116,152		Production 632,845	Facilities 531,625		Total 9,656,872

Prepared By: Kelvin Fisher Date: 10/4/21 Drill & Complete 8,491,402

Approval: Kelvin Fisher Date:

Partner Approval Amount: Joint Owner: Joint Owner Approval: Working Interest:

By execution of this AFE, the above signee 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 spud 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:

Project: Moonraker
 Field: WC, Wolfcamp
 Well: Moonraker 22-27 Fed Com #501H
 Location: SHL SE/4 SW/4 of Section 15, T19S-R33E
 BHL SW/4 SW/4 of Section 27, T19S-R33E
 Lea County, New Mexico

AFE #
 TD (MD): 21,595 ft MD
 TVD: 10,880 ft
 Drilled Lateral Length: 10,960 ft VS
 Completed Lateral Length: 10,360 ft
 Target: Wolfcamp 'A' Shale

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Prognosis: 2 mi lateral w/ off-lease SHL. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2500 gal/ft (61.7k bbl), 80 bpm. 199' stages = 52 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.									
Permits/ Well Signs		12,000							12,000
Damages/ Right of Way									0
Title & Abstracts, Drilling Title Opinion									0
Survey and Stake Location		6,000							6,000
Locations and Roads - shared with 2 wells		100,000							100,000
Frac Pit Shared w/ 4 wells				75,000					75,000
Conductor (drilled & set)		20,000							20,000
Mobilization / Demobilization 4 days pre-spud + trucks & cranes / shared w/ 2 wells		115,000							115,000
Drilling (Day Work) 22 days spud - RR \$20,000 per day		440,000							440,000
Bits		50,000		3,000					53,000
Downhole drilling tools & stabilization, survey tool		50,000							50,000
Mud Logging 17 days \$1,500 per day		25,500							25,500
Open Hole Surveys/ Gyro									0
Water well, pump & line, water transfer		5,000		100,000					105,000
Water/Brine/Mud Hauling		10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 678,333 bbl comp'n (10% excess)		15,000		1,017,500					1,032,500
Brine Water		10,000							10,000
Fuel \$ 2.75 2,200 gal/day 52 Stages		133,100		535,600					668,700
Mud & Chemicals Water based mud in lateral.		150,000		25,000					175,000
Tubular Inspection DP: Cat IV on 1 strings / 2 wells. Casing: clean, drift, visual 3 strings.		30,000							30,000
Drill string rental									0
Casing Crew & LD Machine, CRT		50,000							50,000
Welding		1,500							1,500
Cementing		250,000							250,000
Directional Drilling 19 days spud - RR \$15,000 per day		285,000							285,000
Wellsite Supervisor		55,000		40,000					95,000
JOA Overhead 6500/mo		8,500		8,500					17,000
Open Hole Log									0
Solids Control Equipment \$4,000 per day		88,000							88,000
Cuttings Haul-off & Disposal		80,000							80,000
Surface Rental Equipment \$5,000 /drilling, frac stack, light towers, generators, housing.		110,000		280,000					390,000
BOP Rental, stripper head									0
Pulling Unit 5 days, 4000/d						20,000			20,000
Acidizing Acid crew to prep toe.				20,000					20,000
Frac Frac: see Prognosis above.				2,000,000					2,000,000
Water Transfer				50,000					50,000
Completion Tools 51 frac plugs				76,500					76,500
Cased Hole Wireline & Perforating 52 stages, 10k lube.				384,000		15,000			399,000
Cooled Tubing / Snubbing Unit + Tools, Nitrogen				250,000					250,000
Flowback & Well Testing						75,000			75,000
Trucking		30,000		30,000					60,000
Environmental				10,000					10,000
Materials & Supplies		5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction		10,000		10,000			100,000		120,000
Contingencies 3%		64,338		148,053		3,300		3,000	218,691
TOTAL INTANGIBLES		2,208,938		5,083,152		113,300		103,000	7,508,390

	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Prognosis: 3 string casing program. Tank battery allocated for 4 wells.									
Tubulars Length Size Description Price/R FOB Loc									
Surface 1,500 13 3/8 54.5# J55 BTC		97,500							97,500
1st Intermediate 7,000 9 5/8 40# L80-HC BTC		420,000							420,000
1st Intermediate 3,250 9 5/8 47# L80-HC BTC		211,250							211,250
Production									0
Production 21,595 5 1/2 20# P110 Semi-Prem		765,825							765,825
Tubing 9,650 2 7/8 6.5# L80 ELX						85,950			85,950
Wellhead Equipment		25,000		30,000					55,000
Float Equipment & Centralizers, Wet Shoe		75,000							75,000
Liner hanger, Packer, TAC, other Tools						20,000			20,000
Flowlines, Valves, Fillings, pipeline							7,500		7,500
Tanks 4 oil, 4 water (750 bbl)								87,500	87,500
Battery: Pumps /Valves/Connections								137,500	137,500
Battery: Meters, Automation								62,500	62,500
Separation Equipment:						85,000		18,250	101,250
Compressors/Dehydrators								0	0
Gas Meter Run, flare, VRU, Combustor						20,000		50,000	70,000
LACT Pipeline LACT supplied by oil buyer.								0	0
Spill Containment							12,500		12,500
Artificial Lift ESP purchase, rental drive.						250,000			250,000
Electrical Installation						37,500		18,750	56,250
Contingencies, taxes 10%		158,458		3,000		21,095		36,125	218,678
TOTAL TANGIBLES		1,743,033		33,000		519,545		428,625	2,724,203
TOTAL WELL COST		Drilling 3,951,971		Completion 5,116,152		Production 632,845		Facilities 531,625	Total 10,232,593

Prepared By: Kelvin Fisher Date: 10/4/21 Drill & Complete 9,068,123

Approval: Kelvin Fisher Date:

Partner Approval Amount: Joint Owner Approval:

By execution of this AFE, the above signee 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 spud 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:

Project: Moonraker
 Field: WC, Wolfcamp
 Well: Moonraker 22-27 Fed Com #502H
 Location: SHL SE/4 SW/4 of Section 15, T19S-R33E
 BHL SE/4 SW/4 of Section 27, T19S-R33E
 Lea County, New Mexico

AFE #
 TD (MD): 21,595 ft MD
 TVD: 10,880 ft
 Drilled Lateral Length: 10,960 ft VS
 Completed Lateral Length: 10,360 ft
 Target: Wolfcamp 'A' Shale

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural/regulatory or any other surface use constraint.

Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Code	Facilities Intangibles	Total Cost
Prognosis: 2 ml lateral w/ off-lease SHL. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2500 gal/ft (61.7k bbl), 80 bpm. 199' stages = 52 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artificial lift.								
Permits/ Well Signs	12,000							12,000
Damages/ Right of Way								0
Title & Abstracts, Drilling Title Opinion								0
Survey and Stake Location	6,000							6,000
Locations and Roads - shared with 2 wells	100,000		75,000					100,000
Frac Pit Shared w/ 4 wells								75,000
Conductor (drilled & set)	20,000							20,000
Mobilization / Demobilization 4 days pre-spud + trucks & cranes / shared w/ 2 wells	115,000							115,000
Drilling (Day Work) 22 days spud - RR \$20,000 per day	440,000							440,000
Bits	50,000		3,000					53,000
Downhole drilling tools & stabilization, survey tool	50,000							50,000
Mud Logging 17 days \$1,500 per day	25,500							25,500
Open Hole Surveys/ Gyro								0
Water well, pump & line, water transfer	5,000		100,000					105,000
Water/Brine/Mud Hauling	10,000		20,000					30,000
Fresh Water \$ 1.50 10,000 bbl drilling 678,333 bbl comp'n (10% excess)	15,000		1,017,500					1,032,500
Brine Water	10,000							10,000
Fuel \$ 2.75 2,200 gal/day 52 Stages	133,100		535,600					668,700
Mud & Chemicals Water based mud in lateral.	150,000		25,000					175,000
Tubular Inspection DP: Cat IV on 1 strings / 2 wells. Casing: clean, drift, visual 3 strings.	30,000							30,000
Drill string rental								0
Casing Crew & LD Machine, CRT	50,000							50,000
Welding	1,500							1,500
Cementing	250,000							250,000
Directional Drilling 19 days spud - RR \$15,000 per day	285,000							285,000
Wellsite Supervisor	55,000		40,000					95,000
JCA Overhead 8500/mo	8,500		8,500					17,000
Open Hole Logs								0
Solids Control Equipment \$4,000 per day	88,000							88,000
Cuttings Haul-off & Disposal	80,000							80,000
Surface Rental Equipment \$5,000 /# Drilling. Frac stack, light towers, generators, housing.	110,000		280,000					390,000
BOP Rental, stripper head								0
Puling Unit 5 days, 4000/d					20,000			20,000
Acidizing Add crew to prep toe.			20,000					20,000
Frac Frac: see Prognosis above.			2,000,000					2,000,000
Water Transfer			50,000					50,000
Completion Tools 51 frac plugs			78,500					78,500
Cased Hole Wireline & Perforating 52 stages, 10k lube.			384,000		15,000			399,000
Coiled Tubing / Snubbing Unit + Tools, Nitrogen			250,000					250,000
Flowback & Well Testing					75,000			75,000
Trucking	30,000		30,000					60,000
Environmental			10,000					10,000
Materials & Supplies	5,000							5,000
Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction	10,000		10,000			100,000		120,000
Contingencies 3%	64,338		148,053		3,300		3,000	218,691
TOTAL INTANGIBLES	2,208,938		5,083,152		113,300		103,000	7,508,390

Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Code	Facilities Tangibles	Total Cost
Prognosis: 3 string casing program. Tank battery allocated for 4 wells.								
Tubulars	Length	Size	Description	Price/ft FOB Loc				
Surface	1,500	13 3/8	54.5# J65 BTC	\$65.00	97,500			97,500
1st Intermediate	7,000	9 5/8	40# L80-HC BTC	\$60.00	420,000			420,000
1st Intermediate	3,250	9 5/8	47# L80-HC BTC	\$65.00	211,250			211,250
Production								0
Production	21,595	5 1/2	20# P110 Semi-Prim	\$35.00	755,825			755,825
Tubing	9,550	2 7/8	8.5# L80 ELJ	\$9.00		85,950		85,950
Wellhead Equipment						30,000		30,000
Float Equipment & Controllers, Wet Shoe						75,000		75,000
Liner hanger, Packer, TAC, other Tools						20,000		20,000
Flowlines, Valves, Fittings, pipeline						7,500		7,500
Tanks 4 oil, 4 water (750 bbl)						87,500		87,500
Battery: Pumps /Valves/Connections						137,500		137,500
Battery: Meters, Automation						62,500		62,500
Separation Equipment:						85,000		85,000
Compressors/Dehydrators						16,250		16,250
Gas Meter Run, flare, VRU, Combustor						20,000		20,000
LACT Pipeline LACT supplied by oil buyer.								0
Spill Containment						12,500		12,500
Artificial Lift ESP purchase, rental drive.						250,000		250,000
Electrical Installation						37,500		37,500
Contingencies, taxes 10%						36,125		36,125
TOTAL TANGIBLES					1,743,033	33,600		519,545
TOTAL WELL COST					3,951,971	5,116,152	632,845	9,700,968

Prepared By: Kelvin Fisher Date: 10/4/21 Drill & Complete 9,068,123

Approval: Kelvin Fisher

Partner Approval Amount:
 Joint Owner:
 Working Interest: Joint Owner Approval:

By execution of this AFE, the above signee 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 spud 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: _____