

Case No. 24849: Compulsory Pooling/Non-Standard Unit

Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Wells: Sapphire 14 Federal Com 301H; Sapphire 14 Federal Com 302H Sapphire 14 Federal Com 303H; Sapphire 14 Federal Com 304H Sapphire 14 Federal Com 305H; Sapphire 14 Federal Com 306H Sapphire 14 Federal Com 501H; Sapphire 14 Federal Com 502H Sapphire 14 Federal Com 513H; Sapphire 14 Federal Com 514H Sapphire 14 Federal Com 505H; Sapphire 14 Federal Com 506H Sapphire 14 Federal Com 601H; Sapphire 14 Federal Com 602H Sapphire 14 Federal Com 603H; Sapphire 14 Federal Com 604H Sapphire 14 Federal Com 605H; Sapphire 14 Federal Com 606H

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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24849

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COMPULSORY POOLING APPLICATION CHECKLIST								
ALL INFORMATION IN THE APPLICATION MUST BE	SUPPORTED BY SIGNED AFFIDAVITS							
Case: 24849	APPLICANT'S RESPONSE							
Hearing Date	October 3, 2024							
Applicant	Avant Operating, LLC							
Designated Operator & OGRID (affiliation if applicable)	Avant Operating, LLC (OGRID No. 330396)							
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.							
Case Title:	Applcation of Avant Operating, LLC for Approval of Non- Standard Unit and Compulsory Pooling, Lea County, New Mexico.							
Entries of Appearance/Intervenors:	None.							
Well Family	Sapphire 14 Federal Com							
Formation/Pool								
Formation Name(s) or Vertical Extent:	Bone Spring							
Primary Product (Oil or Gas):	Oil							
Pooling this vertical extent:	Bone Spring							
Pool Name and Pool Code (Only if NSP is requested):	Gem; Bone Spring, East Pool (Code 27230)							
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply							
Spacing Unit								
Type (Horizontal/Vertical)	Horizontal							
Size (Acres)	1280-acres							
Building Blocks:	40-acres							
Orientation:	North/South							
Description: TRS/County	Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County							
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No. Approval of a 1280 acre non-standard unit is being requested in this application.							
Other Situations								
Depth Severance: Y/N. If yes, description	N/A							
Proximity Tracts: If yes, description	N/A: Applicant is seeking approval of a non-standard unit.							
Proximity Defining Well: if yes, description	N/A							
Applicant's Ownership in Each Tract	See Exhibit A-5							
Well(s)								
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed							

Mall Ha Counting 44.5 L. LO. 190411	
Well #1: Sapphire 14 Federal Com #301H	API No. Pending
	SHL: 425' FNL & 1280' FWL, (Unit D), Section 14, T19S, R33E
	BHL: 100' FSL & 330' FWL, (Unit M) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #2: Sapphire 14 Federal Com #302H	API No. Pending
	SHL: 425' FNL & 1300' FWL, (Unit D), Section 14, T19S, R33E
	BHL: 100' FSL & 1254' FWL, (Unit M) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #3: Sapphire 14 Federal Com #303H	API No. Pending
	SHL: 425' FNL & 1320' FWL, (Unit C), Section 14, T19S, R33E
	BHL: 100' FSL & 2178' FWL, (Unit N) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #4: Sapphire 14 Federal Com #304H	API No. Pending
	SHL: 375' FNL & 1280' FEL, (Unit A), Section 14, T19S, R33E
	BHL: 100' FSL & 2178' FEL, (Unit O) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #5: Sapphire 14 Federal Com #305H	API No. Pending
	SHL: 375' FNL & 1260' FEL, (Unit A), Section 14, T19S, R33E
	BHL: 100' FSL & 1254' FEL, (Unit P) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #6: Sapphire 14 Federal Com #306H	API No. Pending
• •	SHL: 375' FNL & 1240' FEL, (Unit A), Section 14, T19S, R33E
	BHL: 100' FSL & 330' FEL, (Unit P) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #7: Sapphire 14 Federal Com #501H	API No. Pending
••	SHL: 265' FNL & 1280' FWL, (Unit D), Section 14, T19S, R33E
	BHL: 100' FSL & 330' FWL, (Unit M) Section 23, T19S, R33E
	Completion Target: Second Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 10,150' MVD: 20,423'
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Well #8: Sapphire 14 Federal Com #502H	API No. Pending SHL: 265' FNL & 1300' FWL, (Unit D), Section 14, T19S, R33E BHL: 100' FSL & 1254' FWL, (Unit M) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #9: Sapphire 14 Federal Com #505H	API No. Pending SHL: 215' FNL & 1430' FEL, (Unit B), Section 14, T19S, R33E BHL: 100' FSL & 1254' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #10: Sapphire 14 Federal Com #506H	API No. Pending SHL: 215' FNL & 1410' FEL, (Unit B), Section 14, T19S, R33E BHL: 100' FSL & 330' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #11: Sapphire 14 Federal Com #513H	API No. Pending SHL: 265' FNL & 1320' FWL, (Unit C), Section 14, T19S, R33E BHL: 100' FSL & 2178' FWL, (Unit N) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #12: Sapphire 14 Federal Com #514H	API No. Pending SHL: 215' FNL & 1450' FEL, (Unit B), Section 14, T19S, R33E BHL: 100' FSL & 2178' FEL, (Unit O) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #13: Sapphire 14 Federal Com #601H	API No. Pending SHL: 465' FNL & 1280' FWL, (Unit D), Section 14, T19S, R33E BHL: 100' FSL & 330' FWL, (Unit M) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'

Woll #14. Comphise 14 Fodoral Comp #CO31	1.5.1. 5. //
Well #14: Sapphire 14 Federal Com #602H	API No. Pending SHL: 465' FNL & 1300' FWL, (Unit D), Section 14, T19S, R33E BHL: 100' FSL & 1254' FWL, (Unit M) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #15: Sapphire 14 Federal Com #603H	API No. Pending SHL: 465' FNL & 1320' FWL, (Unit C), Section 14, T19S, R33E BHL: 100' FSL & 2178' FWL, (Unit N) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #16: Sapphire 14 Federal Com #604H	API No. Pending SHL: 190' FNL & 1280' FEL, (Unit A), Section 14, T19S, R33E BHL: 100' FSL & 2178' FEL, (Unit O) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #17: Sapphire 14 Federal Com #605H	API No. Pending SHL: 190' FNL & 1260' FEL, (Unit A), Section 14, T19S, R33E BHL: 100' FSL & 1254' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #18:Sapphire 14 Federal Com #606H	API No. Pending SHL: 190' FNL & 1240' FEL, (Unit A), Section 14, T19S, R33E BHL: 100' FSL & 330' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhbit B.6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	See Exhibit A-2, Paragraph 20
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibits A.1, C.1

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Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C.2 and C.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit A-4
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-5
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B, Paragraph 14
Target Formation	Exhibit B-3
HSU Cross Section	Exhibits B-4 to B-9
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-5
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibits B-4 to B-9

Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provide	ed in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	9/26/2024

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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. In support of this application, Avant states as follows:

- 1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Avant seeks approval of the 1280-acre non-standard spacing as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.*, Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).
- 3. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H,
 Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H,
 Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H

wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;

- b. Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
- c. **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
- d. Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
- e. **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
- f. Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and
- g. Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.

- 4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.
- 5. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool.
- 6. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Approving the non-standard spacing unit;
- B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico;
 - C. Designating Avant as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By:/s/ Deana M. Bennett

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CASE NO. 24849 : Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

SELF-AFFIRMED STATEMENT OF TIFFANY SARANTINOS

Tiffany Sarantinos hereby states and declares as follows:

- 1. I am over the age of 18, I am a senior landman for Avant Operating, LLC ("Avant") and have personal knowledge of the matters stated herein.
- 2. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted as a matter of record.
 - 3. My area of responsibility at Avant includes the area Lea County in New Mexico.
- 4. I am familiar with the application filed by Avant in this case, which is attached as **Exhibit A-1.**
 - 5. I am familiar with the status of the lands that are subject to this application.
- 6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced application.
- 7. Avant seeks an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
- 8. Avant seeks approval of a 1280-acre spacing unit as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads,

Avant Operating, LLC Case No. 24849 Exhibit A-2 tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See*, *e.g.*, Rule 19.15.167(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

- 9. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;
 - b. **Sapphire 14 Federal Com #303H** and **Sapphire 14 Federal Com #603H** wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
 - c. **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
 - d. Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
 - e. **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
 - f. **Sapphire 14 Federal Com #505H,** and **Sapphire 14 Federal Com #506H** wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and

- g. Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.
- 10. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.
 - 11. Attached as **Exhibit A-3** are the proposed C-102s for the wells.
- 12. The C-102s identify the proposed surface hole locations and the bottom hole locations, and the first take points. The C-102s also identify the pool and pool code.
 - 13. The wells will develop the Gem; Bone Spring, East Pool (Code 27230).
 - 14. This pool is an oil pool with 40-acre building blocks.
 - 15. This pool is governed by the state-wide horizontal well rules.
 - 16. There are no depth severances within the proposed spacing unit.
- 17. **Exhibit A-4** includes leases tract map outlining the unit being pooled. The tract maps show the general location of the wells within the proposed non-standard unit, and a list of the wells with the pool code identified. Exhibit A.4 also includes a tract map comparing what a standard unit would be to Avant's proposed non-standard unit.
- 18. **Exhibit A-5** is a unit recapitulation with the working interest owners to be pooled highlighted in yellow. Exhibit A-5 also includes a list of the ORRI owners, all of which Avant is seeking to pool.
- 19. **Exhibit A-6** contains a sample well proposal letter and Authorizations for Expenditure ("AFEs") sent to all working interest owners. The estimated cost of the wells set forth in the AFEs are fair and reasonable and comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

- 20. Avant requests overhead and administrative rates of \$10,000.00/month for drilling a well and \$1,000.00/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 area of Southeastern, New Mexico. Avant requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 21. Avant requests the maximum cost plus 200% risk charge be assessed against nonconsenting working interest owners.
- 22. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.
- 23. In my opinion, Avant has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells as demonstrated by the chronology of contact in **Exhibit A-7**.
 - 24. Avant requests that it be designated operator of the wells.
 - 25. The parties Avant is seeking to pool were notified of this hearing.
- 26. Avant seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.
- 27. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.
- 28. Avant also provided notice to offset affected parties for purposes of the non-standard unit application.
- 29. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

- 30. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.
- 31. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature Page Follows]

September 29, 2004

Date

Tiffany Sarantinos

<u>C</u> -	-102			En	ergy,	Minerals	& Natu	ral Re	Resources Department				evised July 9, 2024	
Sub	mit Electi	ronically				OIL CO	NSERV	ATION	DIVISION				X Ini	itial Submittal
Via OCD Permitting											Submittal		nended Report	
											Туре:	75-25-5	Drilled	
WELL LOCATION									INFORMATION	ľ				Effection of the control
API N	umber			Pool (27230			Pool Name		Spri	ng, East		
Prope	rty Code			Prope	rty Na		SVBBH	IDE	FEDERAL C		~ [ang, zust	Well 1	Number 301H
OGRID	No. 330396			Opera	tor Na	me	SPORTS TO SELECT	er recenos	ERATING, L				Groun	d Level Elevation
-		☐ State ☐	Fee 🔲 T	ribal [Feder	al	AVAIN		Mineral Owner:		ее 🔲 Т	ribal 🗌 Federa	l	3692.2
							Surf	ace I	ocation					
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitud	e		Longitude		County
D	14	19 S	33 E		42	5 FNL	1280	FWL	32.66630	75° N	103	.6381508	W	LEÁ
							Bottom	Hole	Location					
UL	Section	Township	Range	Lot		from N/S	Ft. from	79	Latitud			Longitude		County
M	23	19 S	33 E		10	0 FSL	330 F	FWL	32.63872	91° N	103	.6413296	° W	LEA
Dedica	ted Acres	è .			T	Infill or Def	ining Well	Defini	ing Well API	Overlappi	ng Spa	cing Unit (Y/N	Co	onsolidation Code
	1280													
Order	Numbers.	2							Well setbacks are	under Com	mon 0	wnership: 🔲 Y	es [□ No
									int (KOP)					¥
υ _L	Section 14	Township 19 S	Range 33 E	Lot		from N/S	Ft. from							County LEA
		30 0						n eyes	oint (FTP)			.0412040	**	
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	e		Longitude		County
D	14	19 S	33 E		10	0 FNL	330 F	-WL	_ 32.66720I4° N 103.64			.6412350	° W	LEA
							Last Ta	ke P	oint (LTP)					
UL	Section	Township	Range	Lot	400000	from N/S	Ft. from		54			Longitude		County
М	23	19 S	33 E		10	0 FSL	330 F	-WL	32.63872	91° N	103	6413296	° W	LEA
Unitize	ed Area or	Area of U	Jniform I	nterest		Spacing II	nit Type [Horizo	ontal 🗌 Vertical			Ground Fl	oor Ele	evation:
						opuoing o	ш. туро Е	I HOLLE	///				50.51 000	
I hereby my kno organiza	y certify the wledge and ation either	belief, and, owns a wor	nation cont if the well king intere	is verticest or unl	eal or d	rue and comp irectional well tineral interes to drill this	, that this t in the land	st of I	SURVEYOR CER hereby certify that a ctual surveys made of correct to the best of	the well local by me or und my belief.	ion sho ler my			ted from field notes of same is true and
location interest,	pursuant to	o a contract luntary pool	with an o	wner of	a worki	ng interest or	unleased mis			20411	NI	METICO CT	\	
	interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.									1 4 4		100		
consent	If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed							terest		PR \	(14	IAL SUPERIN		
						order from the		yeted		1 Still	1	1		
	-		-		Q,	24/2024				1	2101	IAL SU		
Signat	ture	· (1)			<i>)</i>	2 1, 202 1		_	Signature and Seal					_
Dul-1	M ed Name	eghan 7	wele						4	NA	2	na Vo		
rinte	VIII. 18000000000000000000000000000000000000	ele@on	ıtlook a	com					Certificate Number	/	e of Su		4/	14/2.24
E-ma	mtwele@outlook.com E-mail Address								173/1	5	5/07/	/24	1/0	11247

NOTE: BEARINGS AND DISTANCES

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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PLAT REVISED: 9/19/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

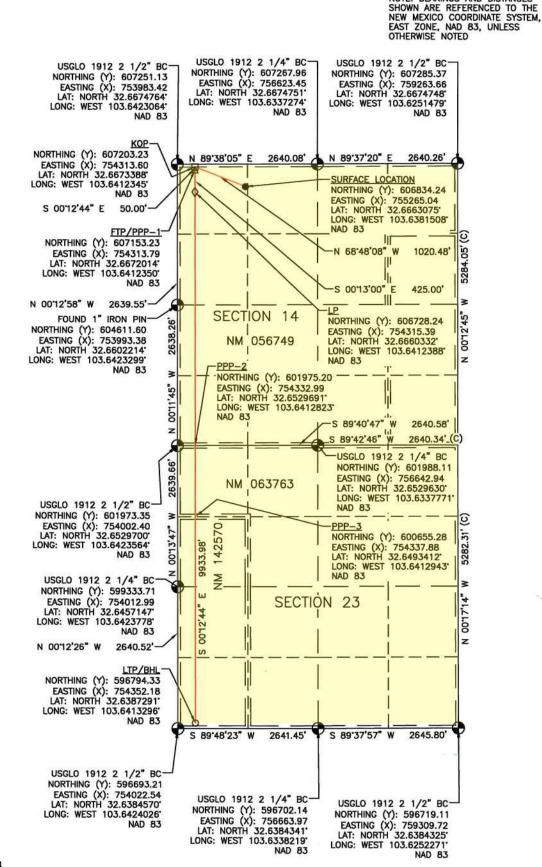
♦ = LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

(C) = CALCULATED

	FOOTAGES	
SHL	425' FNL	1280' FWL
KOP	50' FNL	330' FWL
FTP/PPP-1	100' FNL	330' FWL
PPP-2	0' FNL	330' FWL
PPP-3	1320' FNL	330' FWL
LP	525' FNL	330' FWL
LTP/BHL	100' FSL	330' FWL



C-102 Submit Electronically Via OCD Permitting						Resources Department								
Via OCD Permitting								Submittel					ended Report	
												0.75	☐ As	Drilled
WELL LOCATION							ATION	INFORMATION	7					
API N	umber			Pool C	Code 2723	0			Pool Name	Gem: B	one Si	pring, East		
Proper	rty Code				rty Nan		SAPPH	IIRE	FEDERAL C		one b	pring, Last		umber 302H
OGRID	No. 33039	96		Operat	tor Nan	ne	AVANT	T OPI	ERATING, L	ıc			Ground	d Level Elevation 3692.1
Surfac		State [Fee T	ribal 🔲	Federa	ı	AVAIN		Mineral Owner:		Fee 🔲 T	ribal 🗌 Federa	1	3072.1
							Surf	ace L	ocation					
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	Management Comm	Latitud	le		Longitude		County
D	14	19 S	33 E		42	5 FNL	1300	FWL	32.66630	76° N	103.	6380859	° W	LEA
							Bottom	Hole	Location					
υL M	Section 23	Township	Range	Lot	I	from N/S	Ft. from		Latitud		107	Longitude 6383280	0 14/	County
M	23	19 S	33 E		100	0 FSL	1254	FWL	32.63872	211° N	103.	0383280	VV	LEA
Dedica	ted Acres				1	Infill or Def	ining Well	Defini	ing Well API	Overlapp	ing Spa	cing Unit (Y/N) Cor	nsolidation Code
Order	Numbers.								Well setbacks are	under Co	mmon 0	wnership:	Yes [] No
							Kick C	off Po	int (KOP)					
υL	Section	Township	Range	Lot		from N/S	Ft. from	0.0000000000000000000000000000000000000	Latitud	NOTE:		Longitude		County
D	14	19 S	33 E		50	FNL	1254	FWL	L 32.6673384° N 103.638232					LEA
*** 1			_						oint (FTP)		T			
UL D	Section 4	Township 19 S	Range 33 E	Lot		from N/S	Ft. from		32.66720		103.	Longitude 6382324	° w	County LEA
	NEW S.						MILE CONTROL OF THE PARTY OF TH	Je Beautiful	oint (LTP)					
ՄL M	Section 23	Township	Range 33 E	Lot		from N/S O FSL	Ft. from		32.63872		103	Longitude 6383280	0 VA/	County LEA
16.1	23	19 3	33 E		100) FSL	1254	L AA L	32.03072	211 11	103.	0303200	VV	LEA
Unitize	d Area or	Area of I	Jniform Ir	terest		Spacing U	nit Type	N Horizo	ontal Vertical	í		Ground F	oor Ele	vation:
5	sessampskovky con-		Distriction to			-Facing 0	,,,,	Z 110110		•		Service content of the		
OPER	ATOR CI	ERTIFICA	TIONS					s	SURVEYOR CER	RTIFICATI	ons			
my know organiza includin	vledge and viion either g the propo	belief, and, owns a wor sed bottom	if the well king interes hole location	is vertic st or unle n or has	eal or di eased m a right	rue and comp rectional well ineral interes to drill this ng interest or	l, that this It in the land well at this	ı a	hereby certify that ctual surveys made correct to the best of			the state of the s		ed from field notes of same is true and
interest,		luntary pool				ory pooling o				THOS!	WW MI	也是		
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed						rterest		PROFE	(148	31)				
interval	will be loc	ated or obta	ined a comp	pulsory p	ooling o	rder from the	e division			Tro	SYONA	L SURVE		
		12ml			9/24/	2024		_						
Signat		Meghan	Twele						Signature and Seel	of Brofession	nal Surve	1		
Printe	d Name	vicgiiali	1 WCIC						Certificate Number	D	ate of Su	rvey	,	/
		ele@ou	tlook.c	om					14831		5/07/	24 9	1241	2024
E-mai	E-mail Address											/ /	- 110	/

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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PLAT REVISED: 9/19/24

LEGEND:

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☐ = KICK OFF POINT (KOP)

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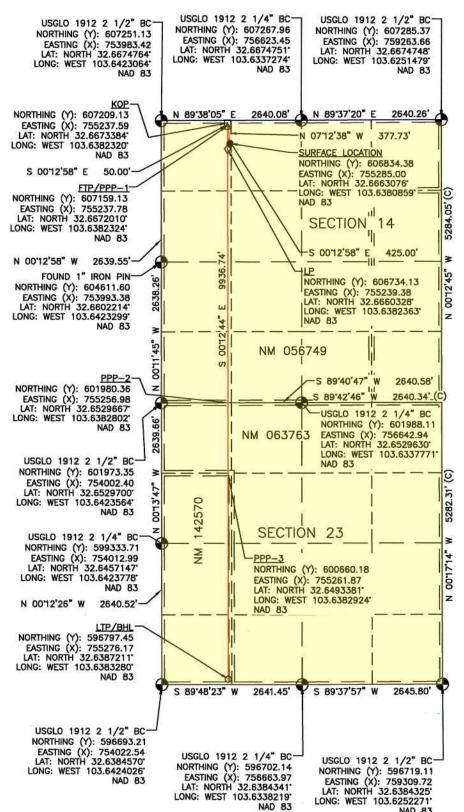
♦ = LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

(C) = CALCULATED

ri.	FOOTAGES	
SHL	425' FNL	1300' FWL
KOP	50' FNL	1254' FWL
FTP/PPP-1	100' FNL	1254' FWL
PPP-2	0' FNL	1255' FWL
PPP-3	1320' FNL	1254' FWL
LP	525' FNL	1254' FWL
LTP/BHL	100' FSL	1254' FWL



C-102 State of New Energy, Minerals & Natural R							ral Re	Resources Department					ised July 9, 2024	
Submit Electronically Via OCD Permitting								11101	DIVIDION			Sub-sitted	∑ Init	ial Submittal
13.555												Submittal Type:	2000	ended Report
													As :	Drilled
						WI	ELL LOCA	ATION	INFORMATION	ī				
API N	umber			Pool (27230			Pool Name	Gem· I	Sone :	Spring, Ea	st	
Prope	rty Code			Prope	rty Nar		SAPPH	IRE	FEDERAL C	5000000		opring, 2a	Well Nu	mber 303H
OGRID				Operat	tor Nar	ne	A\/ A N I	F 00	EDATING I	1.0			Ground	Level Elevation
10000000000	30396	☐ State [l Fee □ T	ribal 🗆	Federa	1	AVAN		ERATING, L Mineral Owner:		ree 🗆 To	ribal 🗆 Federa	1	3691.9
									2000					
UL	Section	Township	Range	Lot	Ft.	from N/S	Surf	mental and and	ocation Latitud			Longitude	T	County
С	14	19 S	33 E	250	93-340835	5 FNL	1320		32.66630		103.	6380207	° w	LEA
							Pottom	Vole	Location				110700	SECOND NO.
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitud	е		Longitude	1	County
N	23	19 S	33 E		100	FSL	2178	FWL	32.63871	30° N	103.	6353265	s° w	LEÁ
Dedica	ted Acres					Infill or Def	ining Well	Defini	ng Well API	Overlann	ing Spe	cing Unit (Y/N	n I Con	solidation Code
204100	1280				1	unin or bei	nung wen	Delini	ng wen arr	Overlapp	mg spa	sing ome (1/14	Con	sondation code
Order	Numbers.							1	Well setbacks are	under Cor	nmon O	wnership:	Yes 🗆	No
							W: -1- C	Test test				р		
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		int (KOP)	e		Longitude		County
С	14	19 S	33 E		7	FNL	2178		32.66733		103.	6352294	.° w	LEA
							First Ta	ake P	oint (FTP)					110, 2007
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	e		Longitude		County
С	14	19 S	33 E		100	FNL	2178	FWL	32.66720	05° N	103.	6352299	o W	LEA
					1000				oint (LTP)					
υ <u>r</u> N	Section 23	Township 19 S	Range 33 E	Lot		from N/S D FSL	2178		32.638713		103	Longitude	.∘ w	County LEA
		., 0	00 L	l	10,	J I OL	2170		02.00071	00 14	100.	0000200		LLA
Unitize	ed Area or	Area of	Jniform In	terest		Spacing U	nit Type	Horizo	ontal 🗌 Vertical			Ground F	loor Elev	ration:
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OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.						est of I	SURVEYOR CER hereby certify that in citual surveys made in correct to the best of	the well loce by me or un my belief.	ation show	N MEXICO	that the			
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024						terest		PRO	AKS SHO	14831) ONAL SUR	NO NO	- ×		
Signa		Jaghan '	Twole					_ -	Signature and Seal	of Profession	al Survey	yor /	14	v.
Printe	IV.	Ieghan '	ı wele					-	Certificate Number	Du	ate of Su	// w	wi	1
		wele@d	outlook	.com					1493		5/07/		1/24	2024
E-ma	il Address								1101		3,017	/,	10/1	(· · ·)

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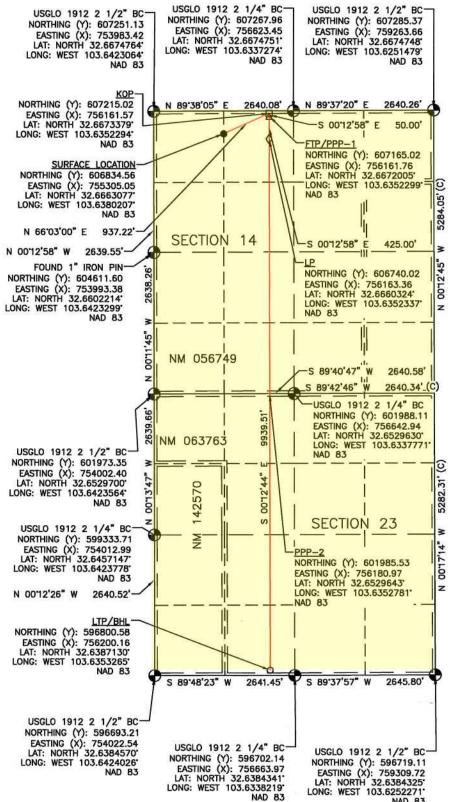
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	FOOTAGES	
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LP	525' FNL	2178' FWL
LTP/BHL	100' FSL	2178' FWL



	100					Q4	tate of	Now 1	levice				Re	vised July 9, 2024	
<u>C-</u>	-102			En	ergy,	Minerals	& Natu	ral Re	esources Depa	artment				riscu valy b, some	
						OIL CO	HODICVI	AIIOI	DIVISION			700-20-7 No. 41-26	X Ini	tial Submittal	
1	OCD TELL	meenig	Ĥ									Submittal Type:	☐ Am	nended Report	
												Meses	☐ As	Drilled	
						WI	ELL LOCA	ATION	INFORMATION	ī					
API N	Energy, Minerals of OIL CON WELL								Pool Name	Gem;	Bone S	Spring, East			
Prope	Energy, Minerals OIL CON WEI Number Pool Code 27230 Property Name RID No. 330396 face Owner: State Fee Tribal Federal Section Township Range Lot Ft. from N/S 14 19 S 33 E Infill or Defin 1280 Ier Numbers. Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 1280 Ier Numbers. Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 14 19 S 33 E Section Township Range Lot Ft. from N/S 16 Ft. from N/S 17 Ft. from N/S 18 Ft. from N/S 19 Ft. from N/S 100 FNL					SAPPH	IIRE	FEDERAL C	сом		Well Number 304H				
OGRID		0396		Opera	tor Na	me	AVAN	т орг	ERATING, L	_LC			Groun	d Level Elevation 3701.3	
Surfac	WELI PI Number Pool Code 27230 Property Code Property Name SRID No. 330396 A rface Owner: State Fee Tribal Federal A 14 19 S 33 E						7 191 113		Mineral Owner:	STATE OF THE STATE	Fee 🗌 Tri	bal 🗌 Federe	ı	3.0	
							Surf	ace I.	ocation						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitud	e		Longitude	-	County	
Α	14	19 S	33 E		37	5 FNL	1280	FEL	32.66644	42° N	103.6	293097	o W	LEÁ	
	Energy, Minerals & OIL CONS State						Bottom	1 Hole	Location						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	n E/W	Latitud	e		Longitude		County	
0	23	19 S	33 E		10	0 FSL	2178	FEL	32.63870	87° N	103.	6323018	° W	LEA	
Dedica	ted Acres					Infill or Def	fining Well	Defini	ng Well API	Overlapt	ing Spaci	ng Unit (Y/N) Co	nsolidation Code	
	1280														
Order	Numbers.	V.						<u> </u>	Well setbacks are	under Co	mmon Ow	nership: 🔲	Yes [] No	
							Kick C	off Po	int (KOP)						
UL	2002			Lot	2000		Ft. from		Latitud			Longitude	esser organi	County	
В	14	19 S	33 E		50	FNL	2178	FEL	32.66733	77° N	103.6	5322258	° W	LEA	
_ 		T=							oint (FTP)					Y-	
и В			Contract Contract	Lot	5550		2178		32.66720		103.6	Longitude 5322263	o w	County LEA	
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Plat Revised: 9/18/24

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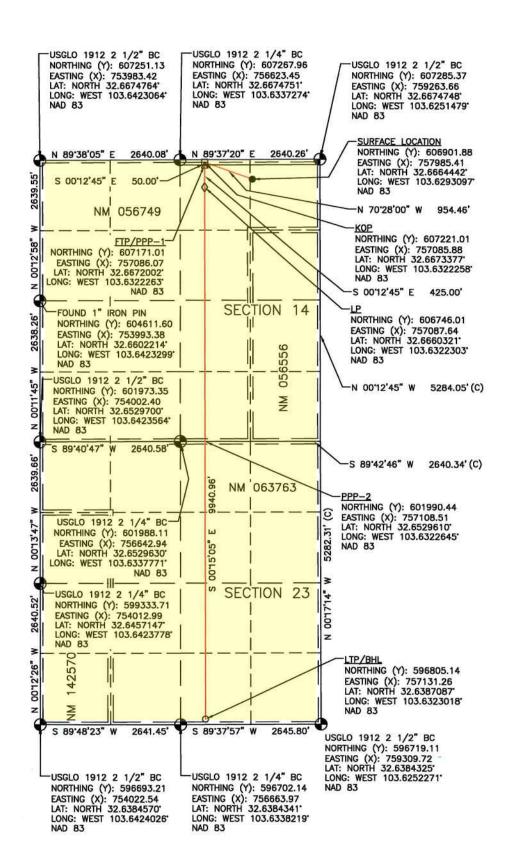
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PPP-2	O' FNL	2178' FEL
LTP/BHL	100' FSI	2178' FFI



	-102	. 7/20/2			ergy,	Minerals		ral Re	esources Depa	rtment			Re	vised July 9, 2024
Sub	mit Elect	ronically				OIL CO	NSERVA	ATION	DIVISION				X Ini	tial Submittal
Via	OCD Pern	nitting										Submittal Type:	☐ An	nended Report
													☐ As	Drilled
						WE	ELL LOCA	TION	INFORMATION	10				
API N	umber			Pool (7230			Pool Name	Gen	ı. Boı	ne Spring,	East	
Prope	rty Code			Prope	rty Nan	ne					1, 50	ic spring,		lumber
OGRID	No.			Opera	tor Nan		SAPPH	IRE	FEDERAL C	OM			Groun	305H
	33039	*** DECKS		E-Par Addition	COMP TOWER		AVAN		ERATING, L				101671011901	3701.6
Surfa	ce Owner:	State [」Fee ∐ T	ribal [Federa	d		,	Mineral Owner:	State 🗌 F	ee 🗌 Ti	ribal 🗌 Federa	1	
UL	Section	Township	Range	Lot	124	from N/S	Surf		ocation Latitude			Tanalhuda		1. September 1819
A	14	19 S	33 E	Lot		5 FNL	1260	N 3270	32.66644		103.	Longitude 6292452	° W	County LEA
							Rottom	Hole	Location	31-22-			45.00	150000000000000000000000000000000000000
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	8		Longitude		County
Р	23	19 S	33 E		100	0 FSL	1254	FEL	32.63870	82° N	103.	6293002	° W	LEA
Dedica	ted Acres					Infill or Defi	ining Well	Defini	ing Well API	Overlappi	ing Spac	ing Unit (Y/N) Co	nsolidation Code
	128	0										T 100 100 10	30	
Order	Numbers.	8							Well setbacks are	under Con	nmon O	wnership: 🔲	Yes [] No
							Kick 0	ff Po	int (KOP)					
UL	Section	Township	Range	Lot	II	from N/S	Ft. from		Latitude		transport to the	Longitude	: Environment	County
A	14	19 S	33 E		50	FNL	1254	FEL	32.66733	76° N	103.	6292232	° W	LEA
200	Piver 1988	200							oint (FTP)					
UL A	Section 14	Township	Range 33 E	Lot	Same	from N/S	Ft. from		32.66720	Till Calminater i Sant	103	Longitude 6292237	o w	County
		., 0	00 2		100	, , , , <u>, , , , , , , , , , , , , , , </u>	50-2 14 000-1-			02 11	100.	OLFELOT		LLA
UL	Section	Township	Range	Lot	Ft. 1	from N/S	Last Ta		oint (LTP) Latitude			Longitude		County
P	23	19 S	33 E	525.25	100 miles	FSL	1254	40.00	32.63870		103.		° W	LEA
		•												_
Unitize	ed Area or	Area of 1	Uniform In	terest		Spacing Ur	nit Type	Horizo	ontal 🗌 Vertical			Ground Fl	oor Ele	evation:
I hereby	, certify the wledge and	belief, and,	nation conto if the well	ined her is vertic	cal or di	rue and compl rectional well, ineral interest	that this	ist of I	SURVEYOR C hereby certify that was plotted from fi	nt the well ield notes	location of actua	n shown on the t surveys mad	e by m	ue .
includin location interest	g the propo pursuant t	sed bottom o a contract luntary pool	hole location with an o	or has wner of	a right a workin	to drill this u og interest or ory pooling or	vell at this unleased mir	neral C	r under my super orrect to the best	of my beli	ME ME	100	e and	
If this consent	well is a ho of at least	orizontal wel	or owner of	a worki	ng intere	organization est or unlease ny part of the	d mineral in	terest		PROPERSION	1483	JO H		
					oooling o	rder from the	division		N	1200		150		
Signat	ture	1-12	4		Dat	<u>9/24/2024</u> .e	4		Signature and Seal	f Profession	NAL Survey	SUL		
*	1	/leghan	Twole							MA	9/	151		
Printe	ed Name	negnan	1 wele					— -	Certificate Number	1	ate of S	urvey		and the same of th
	m	twele@	outloo	k.con	1				94931				9/1	13/2024
E-ma	il Address								7 70	35	4/10/	24	110	1001

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Plat Revised: 9/18/24

LEGEND:

SURFACE LOCATION (SHL)

☐ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

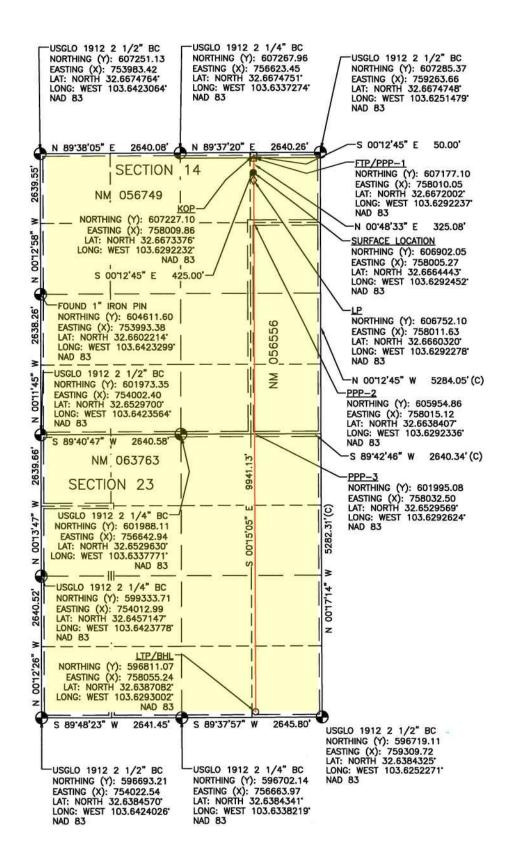
♦ = LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

(C) = CALCULATED

	FOOTAGES	
SHL	375' FNL	1260' FEL
KOP	50' FNL	1254' FEL
FTP/PPP-1	100' FNL	1254' FEL
LP	525' FNL	1254' FEL
PPP-2	1322' FNL	1254' FEL
PPP-3	0' FNL	1251' FEL
LTP/BHI	100' FSI	1254' FFI



NOTE: BEARINGS AND DISTANCES SHOWN ARE REFERENCED TO THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE, NAD 83, UNLESS OTHERWISE NOTED

OCD Examiner Hearing 10-3-24

Submi Via OC	it Electi CD Pern								esources Depa N DIVISION	rtment					
API Num		conically nitting			,	JIL CO	NSERVE	11101	MOISIVIU			Submittal		tial Submittal	
API Nun												Туре:	EX 1000	nended Report	
API Nun													☐ As	Drilled	
API Nun	1				an sour-	WI	ELL LOCA	TION	INFORMATION						
	nder			Pool C	ode	27230			Pool Name	Gem; Bo	one Spi	ring, East			
Property	y Code			Proper	rty Nam	ie	SAPPH	IRE	E FEDERAL COM					Well Number 306H	
OGRID N	‰. 33039	6		Operat	tor Nam	ie	AVANT	ГОР	ERATING, L	LC			Groun	d Level Elevation 3701.8	
Surface	Owner:	State	Fee 🗌 T	ribal 🗌	Federa		20139-1947-1948-1950		Mineral Owner:	State 🗌 F	'ee 🗌 Trit	al 🗌 Federa	1		
							Surfa	ace I	ocation						
0.000	Section	Township		Lot	100000000000000000000000000000000000000	rom N/S	Ft. from		Latitud		1000 C	Longitude		County	
Α	14	19 S	33 E		37	FNL	1240	FEL	32.66644	43° N	103.6	5291802	° W	LEA	
111 .	Santi-	Town skir	D	7.4	- Tay -	W/S			Location		1			11 200	
P S	Section 23	Township 19 S	Range 33 E	Lot	Sec. 25	rom N/S	Ft. from	1000	32.63870		Commence of the Commence of th	Longitude 262986	° W	County LEA	
			11 TO 18 11 THE			•				A					
Dedicated	d Acres 1280				I.	nfill or Def	ining Well	Defin	ing Well API	Overlappi	ing Spacin	ng Unit (Y/N) Co	nsolidation Cod	
Order N									Well setbacks are	under Co-	omen O-	archin. [7]	/an - F] No	
		ā					W:-1 ^			ander COL	THOU OWI	. П	rea [_ NO	
UL S	Section	Township	Range	Lot	Ft. f	rom N/S	Ft. from		int (KOP)	e		Longitude		County	
Α	14	19 S	33 E			FNL	330 F	115	32.66733	75° N	103.6	262207	° W	LEA	
							First Ta	ke P	oint (FTP)		26				
UL S	Section	Township	Range	Lot	55000 2000	rom N/S	Ft. from		Latitude		05300 13 0	Longitude		County	
Α	14	19 S	33 E		100	FNL	330 F	FEL	32.66720	00° N	103.6	262212	° W	LEA	
									oint (LTP)						
DL S	23	Township	Range 33 E	Lot	(Fig. 52)	rom N/S FSL	Ft. from		32.63870	This work out to	No.	Longitude		County LEA	
		., 0	00 L		100	1 OL	0001		02.00070	70 14	100.0	202900	• • •	LLA	
Unitized	Area or	Area of U	Jniform In	terest	T	Spacing U	nit Type 🛚	Horiz	ontal Vertical			Ground Fl	oor Ele	vation:	
							- Chellinger 10	4000							
		CERTII			ein is tr	ue and comp	lete to the be	4	SURVEYOR (
ny knowle	edge and	belief, and,	if the well	is vertic	al or dir	ectional well		1	hereby certify the vas plotted from fi	ield notes	of actual	surveys mad	e by m	e	
noluding t	the propos	sed bottom I	role location	or has	a right i	to drill this		0	r under my super correct to the best	vision, and	that the	same is tru	e and		
interest, or	r to a voi	luntary pool					unieasea mir rder heretofor			10	W W	Etic C			
mtered by										1-1	1440				
consent of	at least	one lessee o	T owner of	a workin	ng intere	st or unlease	has received d mineral in	terest		13/		1 / 5	5/		
						y part of the der from the	e well's comp division	leted		17	0	150	/		
	,	1- En	1)		24/2024				1	SIONA	L SURVE			
Signatur	re				Date	1		_	Signature and Seal				4		
		ghan T	wele						5/	al,	4 %	no la	1		
Printed	Name								Certificate Number	I	ate of Sur	vey	1	1	
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E-mail		-		10.00					een consolidated or		(S 10)M	17	1	1	

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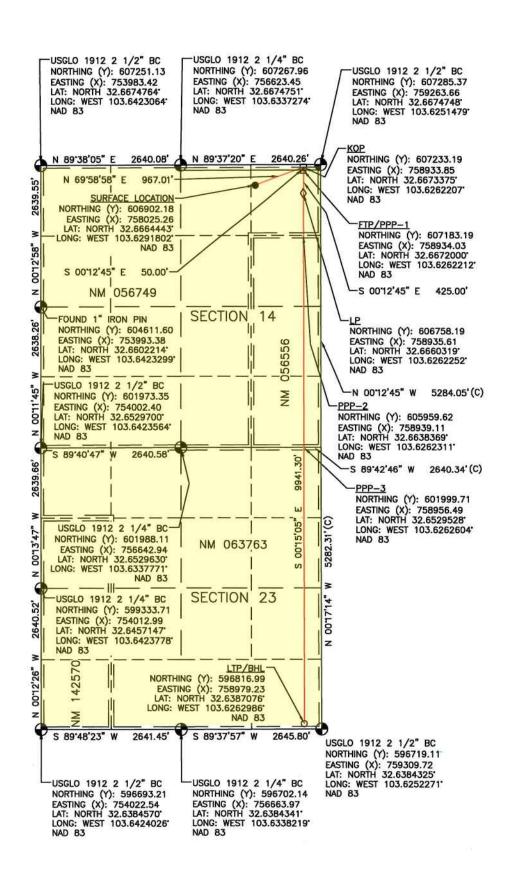
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= FOUND MONUMENT

(C) = CALCULATED

	FOOTAGES	
SHL	375' FNL	1240' FEL
КОР	50' FNL	330' FEL
FTP/PPP-1	100' FNL	330' FEL
LP	525' FNL	330' FEL
PPP-2	1324' FNL	330' FEL
PPP-3	O' FNL	330' FEL
LTP/BHL	100' FSL	330' FEL



<u>C</u> -	-102			En	ergy,	Minerals		ral Re	esources Depa	artment			Rev	vised July 9, 2024
	mit Elect OCD Perr					OIL CO	NSERV	ATION	N DIVISION			Submittel Type:	☐ Am	tial Submittal ended Report Drilled
						W	ELL LOCA	ATION	INFORMATION	ı	,			
	lumber	50000		Pool (1001		Pool Name		C .			
	30-025- erty Code	-30999		Proper		7230 me			C	jem; Bo	one Sp	oring, East	Well N	umber
OGRII	3356	09					SAPPH	IRE	FEDERAL C	COM				50IH
	30396			Operat	or Na	me	AVANT	г орі	ERATING, L	LC			Ground	d Level Elevation 3689.6
Surfa	ce Owner:	State [Fee 🗌 T	ribal 🗌	Feder	al			Mineral Owner:	State 🗌	Fee 🗌 T	ribal 🗌 Federal		
							Surf	ace L	ocation					
UL D	Section 14	Township 19 S	Range 33 E	Lot		from N/S 5 FNL	Ft. from		Latitud		103	Longitude	5 VA/	County
	1.4	19 3	33 E		20	5 FNL	1280	- WL	32.66674	1/5° N	103	.6381500	VV	LEA
UL	Section	Township	Range	Lot	E4	from N/S	Bottom Ft. from		Location Latitud			Longitude		at
M	23	19 S	33 E	Loc		0 FSL	330 F		32.63872		103.	6413296°	° w	County LEA
														en outer de
Dedice	ited Acres					Infill or Def	ining Well	Defini	ng Well API	Overlapp	oing Spa	cing Unit (Y/N)	Con	nsolidation Code
Order	Numbers.							Ь,	Well setbacks are	under Co	mmon 0	wnership: Y	es C] No
							V:-1- 0	Sec. 2011	0. 1010 Well-based-reco]
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	erecting production	int (KOP) Latitud	e	Т	Longitude		County
D	14	19 S	33 E	P. CAMP 2-10.7	50	FNL	330 F	-WL	32.66733	88° N	103.	6412345	° w	LEA
							First Ta	ake P	oint (FTP)		*			
UL	Section	Township	Range	Lot		from N/S	Ft. from		Latitud			Longitude		County
D	14	19 S	33 E		10	0 FNL	330 F	FWL	32.66720	14° N	103	6412350	° W	LEA
							Last Ta	ke P	oint (LTP)					
UL M	Section 23	Township 19 S	Range 33 E	Lot		from N/S O FSL	Ft. from		32.63872		103	Longitude		County
		17 3	00 L		10	O I SL	330 1	***	JZ.03072	.91 14	103.	0413290	VV	LEA
Unitiz	ed Area or	Area of U	Jniform In	terest		Spacing U	nit Type 🛭	Horizo	ontal	e.		Ground Flo	oor Ele	vation:
									SALIMAN III II - CALIMAN GARASTI			***************************************		
I hereby my kno organiz includis location interest entered If this consent in each interval	y certify the wledge and ation either g the propo pursuant t or to a vo by the divi well is a he of at least tract (in ti will be loc	belief, and, owns a wor sed bottom is a a contract luntary pool sion. rrizontal well one lesses on the target pool	uation conta if the well king interes role location with an or ing agreement, I, I further or owner of ol or formal ined a comp	is vertice st or unle t or has uner of c ent or a certify t a working tion) in t	al or disased marght working compuls hat this interwhich a	rue and comp irectional well kineral interes to drill this in g interest or sory pooling or s organization rest or unlease my part of the order from the	that this t in the land well at this unleased min rder heretofor has received id mineral in well's comp division	neral the threst eleted	ctual surveys made i	the well loo by me or a my better. PROTESS.	ation short my VU ME 1483	ACON CH ACON C		ed from field notes of same is true and
	mtw	ele@oi	ıtlook.d	com					14931	1	12/19		aln	4/2024
E-me	il Address	Eveniner							11071		12/19	123	101	1201

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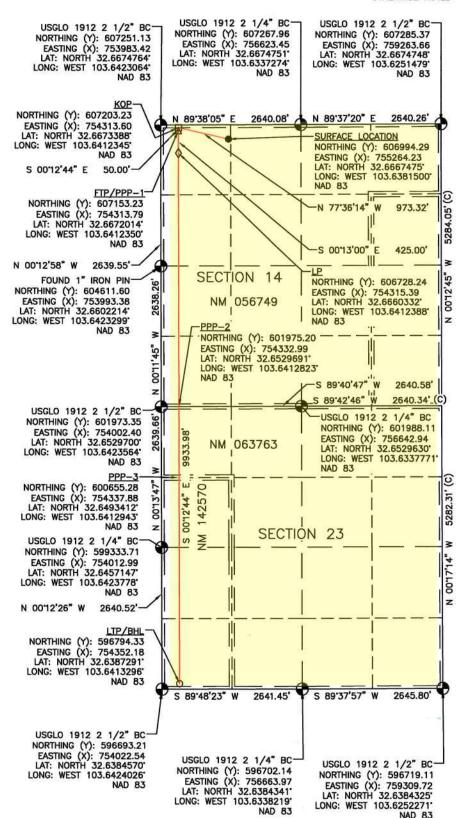
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	FOOTAGES	
SHL	265' FNL	1280' FWL
KOP	50' FNL	330' FWL
FTP/PPP-1	100' FNL	330' FWL
PPP-2	0' FNL	330' FWL
PPP-3	1320' FNL	330' FWL
LP	525' FNL	330' FWL
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~	400													
<u>C</u> -	-102			Ene		Minerals		ral Re	dexico esources Depa V DIVISION	artment			Ket	vised July 9, 2024
	mit Elect					OIL CO	MOEICAL	ATION	DIVISION				Init	tial Submittal
VIB	OCD Pern	nitting										Submittal Type:	☐ Am	ended Report
												Jpc.	☐ As	Drilled
						WI	ELL LOCA	ATION	INFORMATION	J			Demandors.	
API N	umber	5-51000		Pool C	ode	27230			Pool Name		u Don	o Comino I	Foot	
Prone	rty Code	-31000		Proper	tu Nar					Gen	1, D 011	e Spring,		umber
	3350	509		3.70	8		SAPPH	IRE I	FEDERAL (COM				502H
OGRII	33039	96		Operat	or Nai	ne	AVANT	г орг	ERATING, I	LC			Ground	d Level Elevation 3689.7
Surfa		☐ State ☐	Fee T	ribal 🔲	Federe	ત્રો			Mineral Owner:	ERANGE AND ADDRESS	Fee 🗌 Tr	ibal 🗌 Federe	d d	0007.7
							G	· ·						
UL	Section	Township	Range	Lot	194	from N/S	Ft. from		ocation Latitud	12	1	Tanaituda		V A DMINED
D	14	19 S	33 E	Lot	30,000	5 FNL	1300	202-108-01-01	32.66674	500	103	Longitude 6380847	· w	County LEA
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				511			Bottom	Hole	Location					
UL	Section	Township	Range	Lot		from N/S	Ft. from	50	Latitud			Longitude		County
М	23	19 S	33 E		10	0 FSL	1254	FWL	32.63872	SII. N	103.	6383280	o W	LEA
Dedica	ted Acres	i -				Infill or Def	ining Well	Defini	ng Well API	Overlaps	oing Space	ing Unit (Y/N) Cor	nsolidation Code
	1280)						2020000		•••				
Order	Numbers.	:						Ι,	Well setbacks are	under Co	mmon O	mershin: 🔲	Yes [] No
							EUSA W. OX							3.49
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UL	Section	Township	Danas	Lot	TOL	4 N/O			oint (FTP) Latitud		1			
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***									oint (LTP)	753				
UL M	23	Township	Range 33 E	Lot		from N/S O FSL	Ft. from	50	32.63872		103	Longitude 6383280		County
1.1	23	19 3	33 E		10	UFSL	1254	L M/L	32.03072	211° IN	103.	0363260	VV	LEA
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my kno	wledge and	belief, and,	if the well	is vertic	al or di	irectional well	, that this	a	ctual surveys made				1 man 1 man 1 man 1 m	ed from field notes of same is true and
						ineral interes to drill this		t c	orrect to the best of	my belief.	VIII			
location	pursuant t	o a contract	with an o	wner of c	worki:	ng interest or cory pooling o	unleased mi		,	NA WA		apervision, and		
	by the divi		ing agreem	5786 UT G	compus	ory pooring o	ruer neretojoi		/.	0/1/	MEXIC	151		
If this	well is a ho	rizontal wel	l, I further	certify t	hat this	organization	has received	the		2/ 5/	4831)	0/1		
						est or unleasing part of th			13	/ / 6	1001	18		
						order from the		eranian)		PROFITS STO		14		
			\mathcal{I}							133	ALAL S	JRY		
		/	Ent			9/24	/2024				WALS			
Signa									Signature and Seal	f Profession	nal Survey	of /-/		
		Meghan	Twele						Cha	MA	1/w	wo		
Printe	ed Name							1	Certificate Number	/ D	ate of Sur	vey	1	1/200
E	mtv il Address	wele@o	utlook	.com					1797/		12/19	/23	912	1/2024
P-III9	Address												10	The same of the sa

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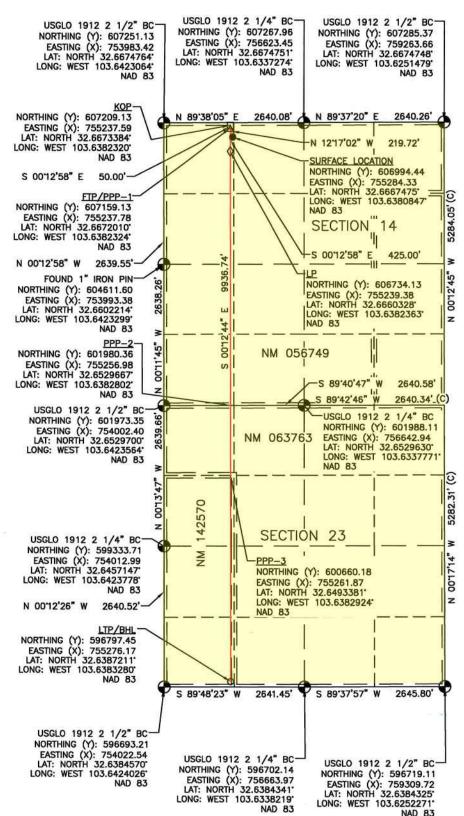
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LP	525' FNL	1254' FWL
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C-	-102					State of 1	New 1	Mexico				Rev	rised July 9, 2
<u> </u>	102			Ene	ergy, Mineral	ls & Natu	ral R	esources Depa N DIVISION	artment				1. August (2004) 1. 22 - 24 - 1 (1. 1. 2003) 10 - 1 (1. 1. 2003) 10 - 1 (1. 1. 2003) 10 - 1 (1. 1. 2003) 10 - 1
	mit Electi OCD Pern				OIL C	ONDERVE	11101	N DIVISION				X Ini	tial Submittal
VIQ.	OCD Fern	ntting										☐ Am	ended Report
											Submitted Type: One Spring, Eas Well Gro Tribal Federal Longitude 5.6297965° V Longitude 5.6293002° V Longitude 5.6292232° V Longitude 5.6292237° V Longitude 5.6292237° V Longitude 5.6292237° V Longitude 5.6293002° V Longitude 6.6293002° V Longitude 6.6293002° V	☐ As	Drilled
					1	WELL LOCA	ATION	INFORMATION	ī				
	umber 0-025-5	(1002		Pool C	ode 27230)		Pool Name	Gem	· Rone	Spring	Fact	
	rty Code			Proper	ty Name	=======================================				i, Done	Spring,		umber
OGRID	33560 No.	09		Operat	or Name	SAPPH	IRE	FEDERAL C	COM			505H Ground Level Elevation	
	330	396		35%		AVANT		ERATING, L				125455500	3701.4
Surfac	ce Owner:	State	Fee T	ribal 🗌	Federal			Mineral Owner:	State 🗌 F	ee 🗌 Trib	al 🗌 Federe	al	
UL	Section	Township	Range	Lot	Ft. from N/S		44.00.00.00.00.00.00	Location Latitud			Longitude		Country
В	14	19 S	33 E		215 FNL		50			1	-	5° W	County LEA
	3					Bottom	Hole	e Location					
UL.	Section	Township	Range	Lot	Ft. from N/S			Latitud					County
Р	23	19 S	33 E		100 FSL	1254	FEL	32.63870	82° N	103.6	293002	2° W	LEA
Dedica	ted Acres				Infill or D	Defining Well	Defin	ning Well API	Overlapp	ing Spacin	g Unit (Y/N	V) Con	nsolidation Cod
	1000	80					<u> </u>						•
Order	Numbers.	i.				TODAY NO FO			under Con	amon Own	ership: 🔲	Yes L] No
UL	Section	Township	Range	Lot	Ft. from N/S			oint (KOP)	e		Longitude		County
Α	14	19 S	33 E		50 FNL	1254	FEL	32.66733	76° N		-	2° W	LEA
						First Ta	ake F	Point (FTP)					
υL Α	Section	Township	Range	Lot	Ft. from N/S	I		Latitud			~	70 147	County
Α	14	19 S	33 E		100 FNL		17 (17)		02° N	103.6	292231	V	LEA
UL	Section	Township	Range	Lot	Ft. from N/S			Point (LTP) Latitud	•		Longitude		Country
P	23	19 S	33 E	1.00	100 FSL	1254			(E)			2° W	County LEA
Unitize	ed Area or	Area of I	Jniform Ir	terest	Spacing	Unit Type	\ Horiz	ontal			Ground F	loor Ele	vation:
OPE	RATOR	CERTI	FICATION	ONS			- 1,	SURVEYOR (ויווייםיםי	CATION	IQ.		
hereby	certify the	it the inform	nation conto	rined here	ein is true and cor		est of	I hereby certify th	at the well	location s	shown on th		
					al or directional w eased mineral inter		1 2	was plotted from f	ield notes	of actual	surveys mad	de by m	8
					a right to drill thi working interest		neral C	correct to the best	of my beli	ef.	1	NE CETALL	
	or to a vo		ing agreem	ent or a	compulsory pooling	order heretofor	10	correct to the best	10/4	W WE	5/2/		
					hat this organizati ng interest or unle				18		18		
in each	tract (in ti	he target po	ol or forma	tion) in 1	which any part of coling order from	the well's comp			191		14		
	UE 100	0000	THE G COM	риккоп у р	MR)	1/2024			100	ONAL	SUR		
Signat	ture				Date	, 2027	-	Signature and Seal	of Profession	al Surveyor		-	
.00		Med	ghan Tv	vele				(/	GA	1/10	flet		
	3 17	14168	511411 I V	W C1C			<u> </u>	Certificate Number	1	Date of Sur			ly.
Printe	a Name												
Printe	991 W.H.M.	itwele@	outloo	k.com	1			14031				1/10	12.14
	991 W.H.M.	itwele@	outloo	k.com	1			14831	100	12/19/	23 9	1/23/	224

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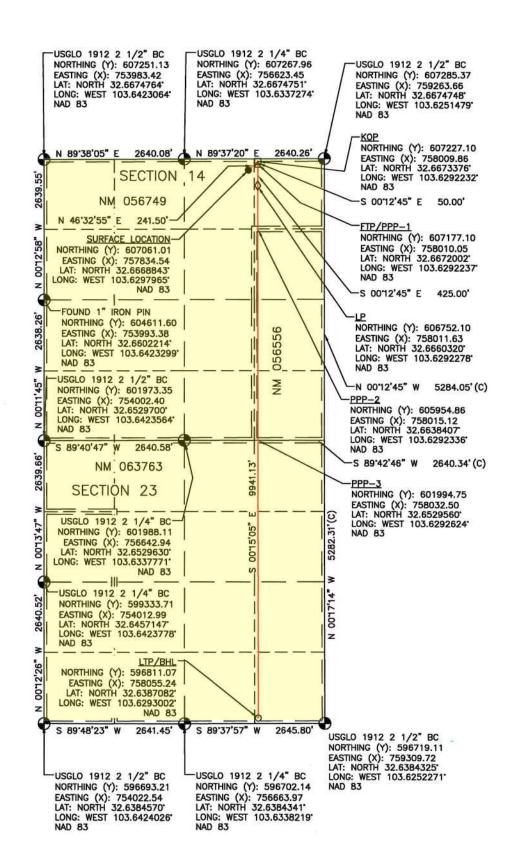
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Plat Revised: 9/18/24

LEGEND:

- SURFACE LOCATION (SHL)
- ☐ = KICK OFF POINT (KOP)
- $\Delta = FTP/PPP-1$
- ♦ = LANDING POINT (LP)
- O = LTP/BHL
- = FOUND MONUMENT
- (C) = CALCULATED

	FOOTAGES	
SHL	215' FNL	1430' FEL
KOP	50' FNL	1254' FEL
FTP/PPP-1	100' FNL	1254' FEL
LP	525' FNL	1254' FEL
PPP-2	1322' FNL	1254' FEL
PPP-3	O' FNL	1251' FEL
LTP/BHL	100' FSL	1254' FEL



C-102 State of Energy, Minerals & Nat OIL CONSERV									Resources Department						
	mit Elect OCD Pern					OIL CO.	NSERVA	ATION	DIVISION			Submittal Type:	_	tial Submittal	
													☐ As	Drilled	
						WE	ELL LOCA	TION	INFORMATION	ſ					
API N	umber			Pool (Code	27230			Pool Name Gem; Bone Spring, East						
Prope	rty Code			Proper	rty Nan	ne	CARRI						Well Number		
OGRID	No.	20.5		Operat	or Nan		SAPPH	IKE	FEDERAL C	OM			Groun	506H Ground Level Elevation	
Country	330	V 100000 10] w [] w		n		AVAN		ERATING, L				806.000.000	3701.9	
Surface Owner:									Mineral Owner:	State	ee 🔲 T	ribal 🔲 Federa	1		
								A Notice of the Control	ocation					T 202 02 03	
UL В	Section 4	Township	Range 33 E	Lot		from N/S 5 FNL	Ft. from		32.66688		103	Longitude . 6297310	° W	County	
	2500				11, 1935			is continue	Location	-T-T- 1.7-			1/8/20	(
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	e		Longitude		County	
P 23 19 S 33 E 100 FSL 330 F								FEL	32.63870	76° N	103.	6262986	° W	LEA	
Dedicated Acres Infill or Defining Well								Defini	ng Well API	Overlann	ing Spa	cing Unit (Y/N	Co	nsolidation Code	
1280									-6	o voriapp.	mg ope	ome (1/1	, "		
Order	Numbers.	8							Well setbacks are	under Con	nmon C	wnership: 🔲 1	res [] No	
							Kick 0	ff Po	int (KOP)						
UL.	Section	Township	Range	Lot		from N/S	Ft. from		Latitude	20		Longitude	o 141	County	
Α	14	19 S	33 E		50	FNL	330	-EL	32.66733	/5° N	103	6262207	~ W	LEA	
UL	Section	Township	Range	Lot	TPU.	from N/S	First Ta		oint (FTP)			Longitude			
A	14	19 S	33 E	100		FNL	330 I		Appendix of the control of the appendix of the control of the cont				County LEA		
									oint (LTP)						
ՄL P	Section 23	Township	Range 33 E	Lot	111100000000	from N/S D FSL	7t. from 330 l	50,250,000	32.63870	5.	103	Longitude	° w	County	
2		., 0	-			<u> </u>	000 1		02.00070	, ,	100.	0202700	• • •	LLA	
Unitize	d Area or	Area of U	Jniform In	terest		Spacing U	nit Type	Norizo	ntal 🗌 Vertical			Ground Fl	oor Ele	vation:	
											_				
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lesses or owner of a working interest or unleased mineral interes in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024 Signature Meghan Twele									SURVEYOR (hereby certify the has plotted from for under my super herect to the best	at the well ield notes vision, and of my belt	location of actual that the state of the sta	m shown on the same is followed by MEXIC 14831	on m	e	
Printe	Printed Name								Certificate Number Date of Survey				7		
		mtwele	@outle	ook.co	om				14931	•	12/19	9/23	1/23	12824	
E-ma	il Address											, = 1	,		

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Plat Revised: 9/18/24

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 $\Delta = FTP/PPP-1$

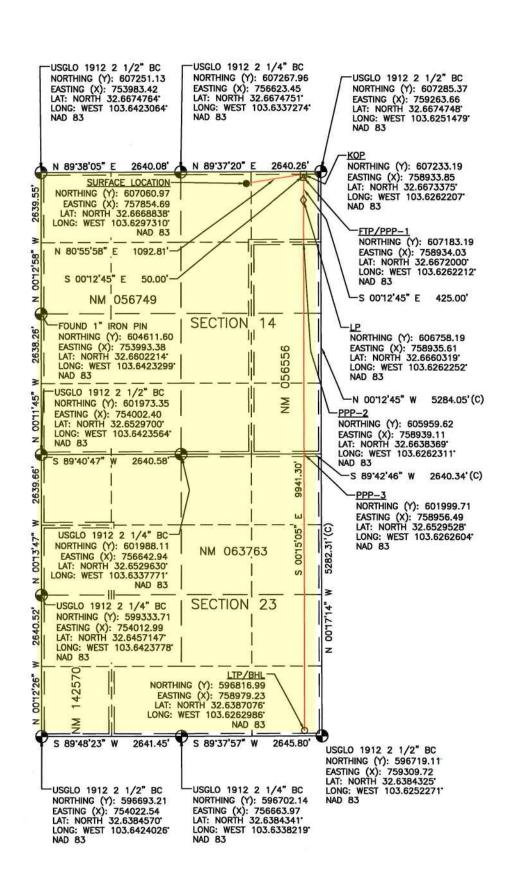
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	FOOTAGES	
SHL	215' FNL	1410' FEL
KOP	50' FNL	330' FEL
FTP/PPP-1	100' FNL	330' FEL
LP	525' FNL	330' FEL
PPP-2	1324' FNL	330' FEL
PPP-3	0' FNL	330' FEL
LTP/BHL	100' FSL	330' FEL



<u>C</u> -	-102			En	ergy,	Minerals	& Natu	ral Re	l Resources Department					vised July 9, 2024
Sub	mit Elect	ronically				OIL CO	NSERV	ATION	N DIVISION				[Ž] Ini	tial Submittal
Via	OCD Pern	nitting										Submittal		nended Report
												Туре:	72.72	Drilled
						WI	ELL LOCA	ATION	INFORMATION	ri				10022-00000-0
API N	umber			Pool	Code	27230			Pool Name Gem; Bone Spring, East					
Prope	rty Code			Prope	rty Na	me	SAPPH	IRE	E FEDERAL COM				Well Number 513H	
OGRID		396		Opera	tor Na	me	NOT THE STATE OF STAT		OPERATING, LLC				Groun	d Level Elevation 3690.0
Surfa		State [Fee 1	ribal [] Feder	al			Mineral Owner:		ee 🔲 T	ribal 🗌 Federa	ı	0070.0
								212121 -	LEVILLE HAR SERVICE V					
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	STATES THE	ocation Latitud			Longitude		County
С	14	19 S	33 E			5 FNL	1320		32.66674		103	.6380195	° W	LEA
								in the second	Location					
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitud	e		Longitude		County
N	23	19 S	33 E		10	0 FSL	2178	FWL	32.63871	30° N	103.	6353265	° W	LEA
Dedica	ted Acres				Т	Infill or Def	ining Well	Defini	ng Well API	Overlapp	ing Spa	cing Unit (Y/N)	Co	nsolidation Code
	12	280			1									
Order	Numbers.							1	Well setbacks are	under Con	nmon C	wnership: 🔲 Y	es [] No
							Kick 0	ff Po	int (KOP)					
UL	Section	Township	Range	Lot		from N/S	Ft. from		Latitud			Longitude		County
С	14	19 S	33 E	L	5	FNL	2178	-WL	32.66733	79° N	103.	6352294	° W	LEA
				000	tus		First Ta	ake P	oint (FTP)					
UL.	Section	Township	Range	Lot	1	from N/S	Ft. from	7.0	Latitud	-		Longitude	2 111	County
С	14	19 S	33 E		10	0 FNL	2178	FWL	L 32.6672005° N 103.635229			6352299	° W	LEA
				Γ					oint (LTP)					
N	Section 23	Township 19 S	Range 33 E	Lot		from N/S O FSL	2179		32.63871		103	Longitude	0 VA/	County
.,	23	19 3	33 L		10	UFSL	21/6	- VV L	32.03071	30 N	103.	0353265	VV	LEA
Unitize	d Area or	Area of U	Jniform II	nterest		Spacing U	nit Type	Horizo	ontal 🗌 Vertical	U.		Ground Fl	oor Ele	evation:
												ASSA SAME		The state of the s
OPER	ATOR CI	ERTIFICA	TIONS					s	URVEYOR CER	TIFICATI	ONS			
						rue and comp irectional well		1.70	hereby certify that structual surveys made					ed from field notes of same is true and
						to drill this		()	orrect to the best of	my belief.	A	VUKONIC		
location	pursuant t	o a contract	with an o	wner of	a worki	ng interest or	unleased min			13	1	N.		
	by the divi		ing agreem	ent or a	comput	sory pooling o	rder heretofor	•		30%	EN	MEXICO I	1	
If this	well is a ho	rizontal wel	l, I further	certify	that thi	s organization	has received	the					1	
consent	of at least	one lessee o	er owner of	a worki	ng inte	rest or unlease my part of the	d mineral in	terest		(3)	(15	5/	
						order from the				100	1	54		
	0/24/2024									/	0.5101	VAL SURA		
Signat	ure	- Tu	(9/	/24/2024			Signature and Cast					
Knd		Meah	an Twa	ele				Signature and Seaf of Professional Surveyor						
Printe	Meghan Twele							Certificate Number Date of Survey						
	m	twele@	outloo	k.con	n				14031		12/19	2000 a	9	24/2024
E-ma	il Address		Idearing						/	- 3	12/18	1/25	//	0/1/00/

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PLAT REVISED: 9/19/24

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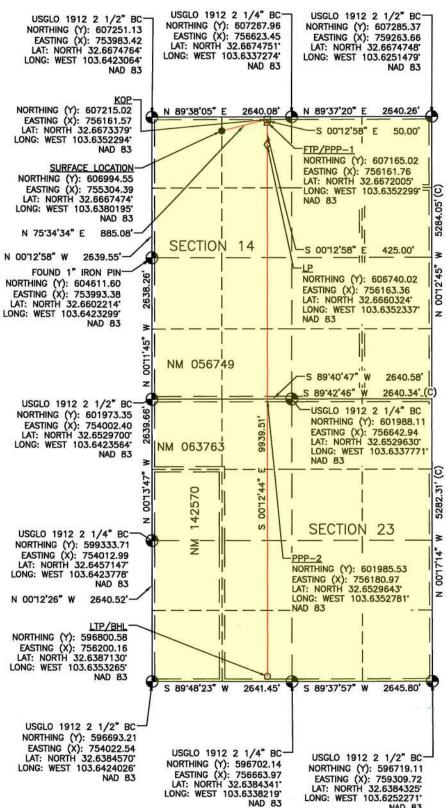
 $\Delta = FTP/PPP-1$ $\diamondsuit = LANDING POINT (LP)$

O = LTP/BHL

= FOUND MONUMENT

(C) = CALCULATED

	FOOTAGES	
SHL	265' FNL	1320' FWL
KOP	50' FNL	2178' FWL
FTP/PPP-1	100' FNL	2178' FWL
PPP-2	0' FNL	2178' FWL
LP	525' FNL	2178' FWL
LTP/BHL	100' FSL	2178' FWL



acanatro	-102	ronically		En		Minerals	& Natu	ral Re	W Mexico I Resources Department TON DIVISION					vised July 9, 2024		
	OCD Perr											Submittal Type:		ended Report		
												Type.	□ As	Drilled		
						W	ELL LOCA	ATION	INFORMATION	1						
API N	umber 30-025	5-51001		Pool (Code	27230			Pool Name							
Prope	rty Code	31001		Prope	rty Nan				Gem; Bone Spring, East					Well Number		
OGRID	*33560 No.)9		Opera	tor Nan	ne	SAPPH	IRE						514H		
330396 AVANT									ERATING, I				(25) (24) (2)	3700.8		
Surfa	ce Owner:	State [Fee 🗌 T	ribal 🗌	Federa	1			Mineral Owner:	State 🗌 F	ee 🗌 Tr	ibal 🗌 Federa	1			
		I 1			il and a				ocation							
DI.	Section 14	Township	Range 33 E	Lot		from N/S 5 FNL	Ft. from		32.66688		103	Longitude 6298614	o w	County		
		., 0	00 2			, , , , <u>, , , , , , , , , , , , , , , </u>	II. 16.8555-18			/42 IN	100.	0270014		LLA		
UL	Section	Township	Range	Lot	F4	from N/S	Bottom Ft. from		Location			Longitude		0		
0	23	19 S	33 E	1		FSL	2178		32.63870		103.	6323018	° W	County LEA		
Dadias	1-2 1															
Dedicated Acres Infill or Defining Well Defining Well API Overlapping Spacing Unit (Y/N) Con												nsolidation Code				
Order Numbers. Well setbacks are under Common Ownership: Yes No																
Kick Off Point (KOP)																
UL.	Section	Township	Range	Lot		from N/S	Ft. from		Latitud			Longitude		County		
В	14	19 S	33 E		50	FNL	2178	FEL	32.66733	0//° N	103.	6322258	° W	LEA		
777		lm					_		oint (FTP)	,	r					
ய B	Section 4	Township	Range 33 E	Lot		from N/S	Ft. from 2178		32.66720		103.0	Longitude 5322263	° w	County		
50.55					111/200		The second second second	n szerene	oint (LTP)		1.001					
UL		Township		Lot		from N/S	Ft. from	n E/W	Latitud	Y-21		Longitude		County		
0	23	19 S	33 E		100	FSL	2178	FEL	32.63870	87° N	103.	6323018	° W	LEA		
17-141																
Onitize	d Area or	Area of U	miorm in	terest		Spacing U	nit Type	Horizo	ontal 🗌 Vertical	l		Ground Fl	oor Ele	vation:		
I hereby my know organized including location interest, entered	y certify the wledge and ation either by the propo pursuant t or to a vo by the divi well is a ho	belief, and, owns a worn sed bottom i o a contract duntary pools sion. rizontal well	nation conta if the well king interes note location with an or ing agreeme	sined her is vertice it or unle or has uner of c ent or a certify t	al or diseased managed a right a workin compulse	rectional well ineral interes to drill this g interest or ory pooling o organization	t in the land well at this unleased mis rder heretofor has received	neral co	was plotted from field notes of actual success made by me or under my supervision, and that the some is true and correct to the best of my belief.					e		
in each	tract (in th	he target poo	t or formal	tion) in 1	which are			derest oleted	Signature and Seal	ROFE	Se	The state of the s	5/			
Signat	ure				Dat	e	<u> </u>	_ -	Signature and Seal	of Profession	al Survey	AL SU				
D-1-1	.d W	Megha	n Twel	<u>e</u>					Le	la A	w	WI				
		twele@	outlool	c.com	l			C	ertificate Number		Date of St		23/	2024		
s-ma	il Address	Evaminar	Hearing	10.2.24					VI 102			1/	,			

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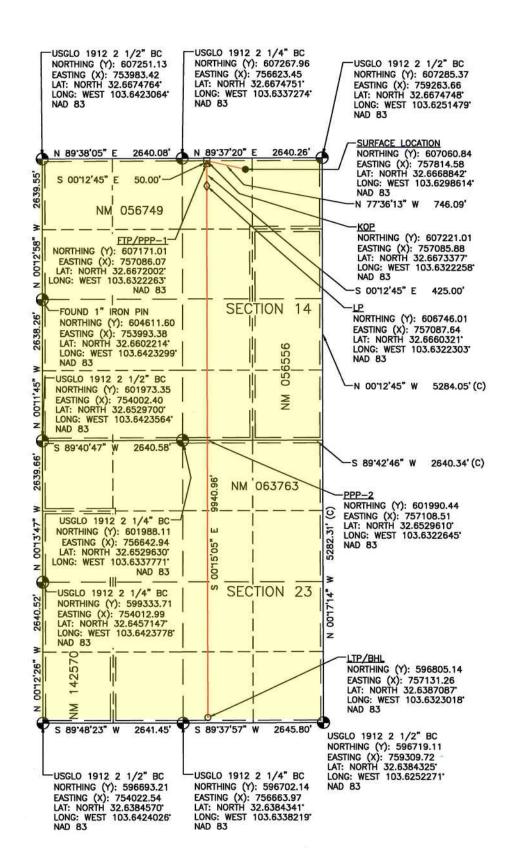
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<u>C</u> -	-102			En	ergy,	Minerals	& Natu	ral Re	Resources Department					vised July 9, 2024
	mit Elect OCD Pern					OIL CO.	NSERVA	ATION	DIVISION			Submittal Type:	□ Am	tial Submittal nended Report Drilled
						WE	ELL LOCA	ATION	INFORMATION	1			•	
API N	lumber			Pool (Code	27230			Pool Name Gem; Bone Spring, East					
Prope	erty Code			Prope	rty Na	ne	SAPPH	IRE I	E FEDERAL COM				Well Number 601H	
OGRID	No. 33039)6		Opera	tor Na	me	25-87-38 30-20						Groun	d Level Elevation 3691.2
Surface Owner: State Fee Tribal Federal								Mineral Owner:		Fee 🗌 Tr	ribal 🗌 Federa	1	0071.L	
	g_ =						Surf	ace L	ocation					
UL D	Section 14	Township 19 S	Range 33 E						32.66619		103	Longitude . 6381516	° W	County LEA
	2.00	1	00 _	, i	1 40	O I I IL	DESCRIPTION OF	5 (S)(F)(-10)	Location	70 11	100	.0001010		ar i burni e-aki
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitud	le		Longitude		County
М	23	19 S	33 E		10	0 FSL	330 F	FWL	32.63872	291° N	103.	6413296	° W	LEA
Dedica	ited Acres	30				Infill or Def	ining Well	Defini	ng Well API	Overlapp	oing Space	eing Unit (Y/N) Co	nsolidation Code
Order	Numbers.	0							Well setbacks are	under Co	mmon 0	wnership: 🔲	Yes [] No
									int (KOP)					
υτ. D	Section 14	Township 19 S	Range 33 E	Lot		from N/S	Ft. from	ennovelifor	32.66733		103.	Longitude 6412345	° W	County LEA
	•				11.		First Ta	ake P	oint (FTP)					
UL D	Section	Township	Range	Lot		from N/S	Ft. from	n E/W	Latitud			Longitude		County
D	14	19 S	33 E		10	0 FNL	330 F					LEA		
UL	Section	Township	Range	Lot	Ft.	from N/S	Last Ta	200000 July 1	oint (LTP)	le	1	Longitude	-	County
М	23	19 S	33 E		10	0 FSL	330 F		32.63872	291° N	103.	12-7-3 (A.C.) and (A.C.) (A.C.)	° W	LEA
Unitia	ad Area or	Area of U	Iniform Ir	toront		T							101-	_
Omuze	su Area of	Area or t	Jimorm II	iterest		Spacing U	nit Type 🛭	Horizo	ntal	1:		Ground Fl	oor Ele	vation:
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Printe	Meghan Twele								Certificate Number Date of Survey				/ /	
		mtwe	ele@ou	tlook	.com				14331	/	5/30/	A5540.	91	24/2024
B-ma	il Address										OK16 62		1	and the same of th

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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USGLO 1912 2 1/2" BC-NORTHING (Y): 596693.21 EASTING (X): 754022.54 LAT: NORTH 32.6384570"

LONG: WEST 103.6424026

NAD 83

PLAT REVISED: 9/19/24

LEGEND:

= SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

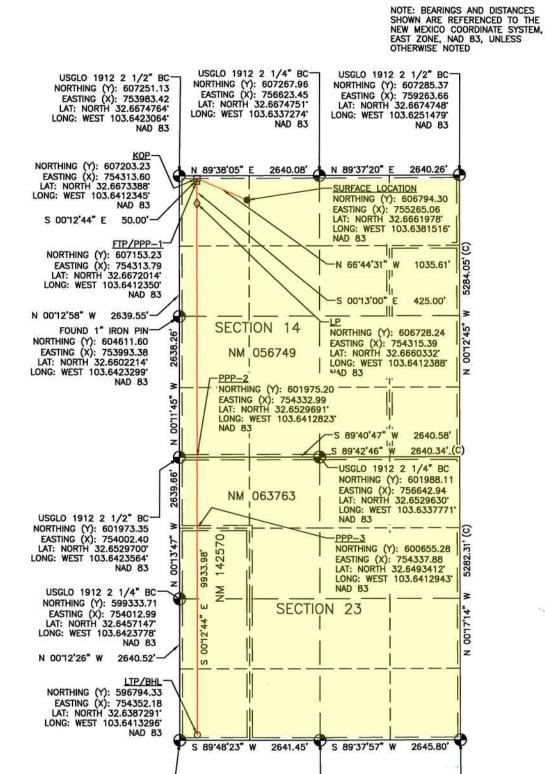
= LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

(C) = CALCULATED

	FOOTAGES	
SHL	465' FNL	1280' FWL
KOP	50' FNL	330' FWL
FTP/PPP-1	100' FNL	330' FWL
PPP-2	0' FNL	330' FWL
PPP-3	1320' FNL	330' FWL
LP	525' FNL	330' FWL
LTP/BHL	100' FSL	330' FWL



USGLO 1912 2 1/4" BC-

NORTHING (Y): 596702.14 EASTING (X): 756663.97 LAT: NORTH 32.6384341

LONG: WEST 103.6338219*

NAD 83

USGLO 1912 2 1/2" BC-

NORTHING (Y): 596719.11 EASTING (X): 759309.72 LAT: NORTH 32.6384325* LONG: WEST 103.6252271*

	<u>-102</u>	. 7/20/20	24 11.3	14515	ergy,	Minerals	& Natu	ral Re	w Mexico Revised July Resources Department					vised July 9, 2024	
Sub Via	mit Elect OCD Pern	ronically nitting				OIL CO	NSERV	ATION	DIVISION			Submittal Type:	☐ Am	tial Submittal nended Report Drilled	
						W	ELL LOCA	ATION	TION INFORMATION						
API N	iumber			Pool C	ode	27230			Pool Name Gem; Bone Spring, East						
Prope	rty Code			Proper	ty Nar			IRE I	1 0					Well Number 602H	
OGRII		0396		Operat	or Na	me	COMPANY TOTAL		SEEL SE TELEVISION DE SELECIE.					d Level Elevation 3691.2	
Surfa		State [Fee 🔲 T	ribal 🗌	Feder	al			Mineral Owner:	11,2.24	ee 🔲 T	ribal 🗌 Federa	1	0071.2	
							Surf	ace L	ocation						
ΩL	Section	Township	Range	Lot	- 10 AND AND A	from N/S	Ft. from		Latitud			Longitude		County	
D	14	19 S	33 E		46	5 FNL	1300	-WL	32.66619	//° N	105.	.6380870	W	LEA	
UL	Section	Township	Pange	Lot	174	from N/S		C NEW CONTRACTOR	Location Latitude			T am aiden da			
M									32.63872	Maran ana 1	103.	Longitude . 6383280	° W	LEA	
Dedica	ited Acres					Infill or Def	ining Well	Defini	ng Well API	Overlann	ing Spa	cing Unit (Y/N) Co	nsolidation Code	
	1280									Cveriupp	me opu	ome ome (1) ii	, 3		
Order	Numbers.	ğ.						<u> </u>	Well setbacks are	under Cor	nmon 0	wnership:	Yes [] No	
Kick Off Point (KOP)															
UL.	Section	Township	Range	Lot	17.04	from N/S	Ft. from		Latitude			Longitude		County	
D	14	19 S	33 E		50	FNL	1254	FWL	32.66733	84° N	103.	6382320	· W	LEA	
***		ı					Heart Action Court of Court	CANTEL CONTRACTOR	oint (FTP)						
UL D	Section 14	Township	Range 33 E	Lot		from N/S O FNL	Ft. from	Co. Libertier	AND THE PROPERTY OF THE PROPER						
			7				Last Ta	ke Po	Point (LTP)						
UL	A 100 March 100	Township	501000000000000000000000000000000000000	Lot	Ft.	from N/S		n E/W	Latitude			Longitude		County	
М	23	19 S	33 E		10	0 FSL	1254	FWL	32.63872	ZII° N	103.	6383280	° W	LEA	
TT-141-			Y-10 Y-			T-28 - 27 - 27									
Unitiz	ed Area of	Area of 1	Jniform in	terest		Spacing U	nit Type	X Horizo	ntal 🗌 Vertical			Ground Fl	loor Ele	vation:	
OPER	ATOR CI	ERTIFICA	TIONS					Is	URVEYOR CER	TIFICATI	ONS				
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best my knowledge and belief, and, if the well is vertical or directional well, 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 a working interest or unleased miner interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.									of 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.						
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's complete interval will be located or obtained a compulsory pooling order from the division								terest		7	BOKESS	(14831)	10		
Signa	lure	<u> </u>	Ent.			9/24/20)24								
PIRU9.		eghan T	wele					Signature and Seal of Professional Superor							
Printe	ed Name	Simil I	77.010						Certificate Number	De	ite of Su	ırvey			
E-me	mtw il Address	vele@o	utlook.	com					14831		5/30/	/24	9/0	24/2024	
	The Street Street														

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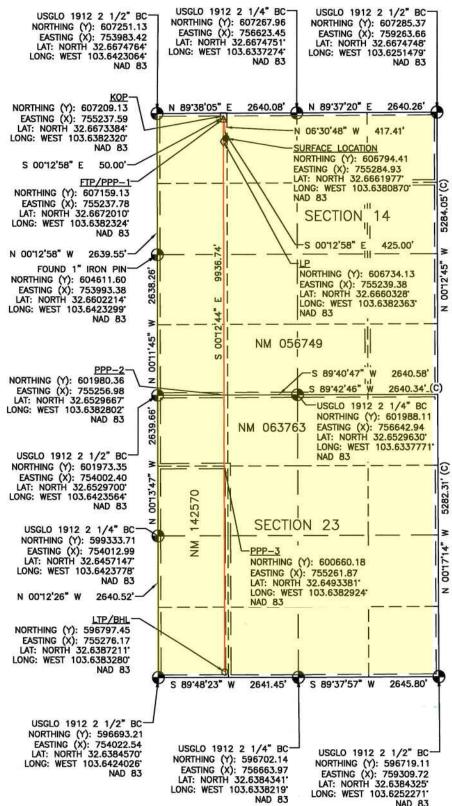
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PPP-3	1320' FNL	1254' FWL
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LTP/BHL	100' FSL	1254' FWL



<u>C</u> -	Energy, Minerals & Natu								ew Mexico Revised July 9 al Resources Department					
	mit Elect					OIL CO	NSERV	ATIO	N DIVISION				X Ini	tial Submittal
Via	OCD Perr	nitting										Submittal Type:	☐ Arr	nended Report
												туре.	☐ As	Drilled
1997			•			WE	ELL. LOCA	TION	INFORMATION					
API N	umber			Pool C	ode		200		Pool Name					
Prope	rty Code			Proper	der N	27230								
Trope	rty code			Froper	ty N	anne	SAPPH	IRE	E FEDERAL COM				Well Number 603H	
OGRID		0396		Operat	or N	lame	AVAN	г ор	OPERATING, LLC				Groun	d Level Elevation 3691.3
Surfa	ce Owner:	State [Fee 🗌 T	ribal 🗌	Fede	eral			Mineral Owner:		ee 🗌 Tri	bal 🗌 Federa	l	
				(a)			Surf	ace L	ocation					
ΩL	Section	Township	Range	Lot		t. from N/S	Ft. from		Latitud			Longitude		County
С	14	19 S	33 E		4	65 FNL	1320	FWL	32.66619	78° N	103.	6380210	° W	LEA
	F				PI				Location		,			
N UL	Section 23	Township	Range 33 E	Lot	3500	t. from N/S	2178	4 - 17 17 17 17 17	32.638713		103.6	Longitude 5353265	o w	County LEA
		1,7 9	00 L		iles	00 1 02	2170		02.00071	00 14	100.0	0000200	• • •	LEA
Dedica	Dedicated Acres Infill or Defining Well								ng Well API	Overlapp	ing Spaci	ng Unit (Y/N	Co	nsolidation Code
	1280													
Order	Numbers.								Well setbacks are under Common Ownership: ☐ Yes ☐ No					
									int (KOP)					
C UL	Section 14	Township	Range 33 E						32.66733		103 4	Longitude 5352294	0 VA/	County LEA
		., 0	00 L		_	70 1 112	2170		02.00700	79 14	105.0	JJJZZ 74	•	LEA
UL	Section	Township	Range	Lot	TN	. from N/S	First Ta		oint (FTP) Latitude					
С	14	19 S	33 E			00 FNL	2178	- Stationer				Longitude 352299	° W	County LEA
	<u> </u>		<u> </u>	l	3.50	econor of the state of	Last Te	ke P	e Point (LTP)					
UL	Section	Township	Range	Lot		. from N/S	Ft. from	E/W	Latitude	70		Longitude	-76	County
N	23	19 S	33 E		10	00 FSL	2178	FWL	32.63871	30° N	103.6	353265	° W	LEA
												·4=		
Unitize	ed Area or	Area of U	Jniform In	terest		Spacing Un	nit Type	Horizo	ontal 🗌 Vertical			Ground Fl	oor Ele	vation:
I hereby my know organiza includin	certify the wledge and ation either by the propo	belief, and, owns a wor sed bottom i	nation conta if the well king interes hole location	is vertion t or unle t or has	al or eased a rigi	true and compi directional well, mineral interest ht to drill this t	that this in the land well at this	est of I	SURVEYOR CER hereby certify that is ctual surveys made to correct to the best of	the well loca	tion show	Committee of the commit		ed from field notes of same is true and
interest,	or to a vo	luntary pool				king interest or ulsory pooling or				THE WAY	MEX.	14		
	tered by the division.								1	3/8/	MEXIC	1=16		
consent	of at least	one lessee o	r owner of	a workin	ig int	his organization terest or unlease	d mineral in	terest		g ((14831)	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		
						any part of the order from the		leted	/	BOT C	\smile	12		
										1000	NAL S	URY		
		1-1	2 _	\supset		9/24/20	024			10	WAL			
Signat	ure								Signature and Seal	of Profession	al Surveyo	[m]		
Printe	d Name	Megha	ın Twe	le				Certificate Number Date of Survey						
		ntwele@	outloc	k.con	n				114931	950	5/30/2	27.0	/24	1/2024
E-ma	il Address		earing 10-						110	- 39	3/30/2	7/	10/	00

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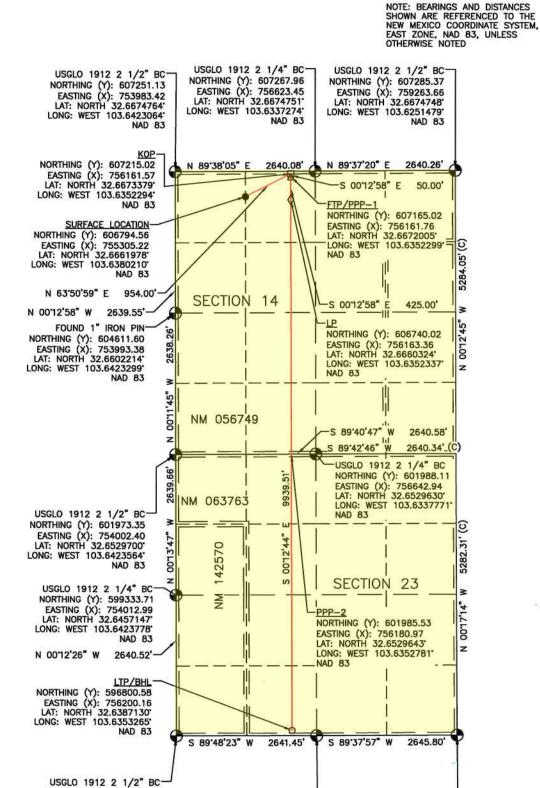
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	FOOTAGES	
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USGLO 1912 2 1/4" BC-

NAD 83

NORTHING (Y): 596702.14 EASTING (X): 756663.97 LAT: NORTH 32.6384341' LONG: WEST 103.6338219'

USGLO 1912 2 1/2" BC-

NORTHING (Y): 596719.11 EASTING (X): 759309.72 LAT: NORTH 32.6384325* LONG: WEST 103.6252271*

NORTHING (Y): 596693.21 EASTING (X): 754022.54 LAT: NORTH 32.6384570 LONG: WEST 103.6424026

NAD 83

<u>C</u> -	-102			En		Minerals	& Natu	ral Re	Resources Department					vised July 9, 2024
	mit Elect OCD Pern			OIL CONSERVATION DIVISION								Submittal Type:	□ Am	tial Submittal ended Report Drilled
						WE	ELL LOCA	ATION	INFORMATION	Ī				
API N	umber			Pool (Code	27230			Pool Name	Gem;	Bone	Spring, E	ast	
Prope	rty Code			Prope	rty Nar		SAPPH	IRE	FEDERAL (COM			Well N	umber 604H
OGRID	No. 33()396		Opera	tor Nar								Groun	d Level Elevation 3702.7
Surfa		State	Fee 🗌 T	ribal 🗆	Federa	d.	AVAIN		ERATING, L Mineral Owner:	40.450.00	Fee 🗌 Tr	ribal 🗌 Federa	d 1	3702.7
							Surf	ace L	ocation					
UL A	Section 14	Township 19 S	Range 33 E	Lot		from N/S	Ft. from		32.66695		103	Longitude	. O 1A/	County
A	14	19 3	33 E	J.	19	UFINL			1	20° N	103.	0293080) VV	LEA
UL	Section	Township	Range	Lot	Ft.	from N/S	Bottom Ft. from		Location Latitud	e	T	Longitude		County
0	23	19 S	33 E		1000000	0 FSL	2178	HOLE TO SERVICE	32.63870		103.	6323018	° W	LEA
Dedica	ted Acres					Infill or Def	ining Well	Defini	ng Well API	Overlapp	oing Space	ing Unit (Y/N	i) Con	nsolidation Code
	1	280												
Order	Numbers.								Well setbacks are	under Co	mmon O	wnership: 🔲	Yes [] No
	- Contract of	1	VIII. 201 12- 1						int (KOP)					
ய B	Section 14	Township	Range 33 E	Lot		from N/S) FNL	2178		32.66733		103.	Longitude 6322258	s° W	County LEA
	Coduliny.						First Ta	ake P	oint (FTP)	CONTRACT CONTRACT			14176	h i so de sinda es este.
UL	Section	Township	Range	Lot	1000	from N/S	Ft. from		Latitud			Longitude		County
В	14	19 S	33 E		100	FNL	2178	FEL	32.66720	02° N	103.	6322263	s° W	LEA
***		I	_				A STEP STATE OF THE STATE OF TH		oint (LTP)					
O UL	23	Township	Range 33 E	Lot	195-19	from N/S D FSL	2178		32.63870	7.	103.	Longitude 6323018	° w	County LEA
					L									
Unitize	ed Area or	r Area of U	Jniform Ir	terest		Spacing U	nit Type	Horizo	ontal 🗌 Vertical			Ground F	loor Ele	vation:
						-						1/2		
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target popl or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024 Signature Date Meghan Twele Printed Name						ust of I u o o o o o o o o o o o o o o o o o o	SURVEYOR (hereby certify the sas plotted from for under my supercorrect to the best signature and Seal- certificate Number	at the well rield notes of my bet 14	l location of actual of thut the	n shown on the surveys made same is true	le by m	la 211		
E-ma	il Address								11011		+/ 10/	7	10%	287

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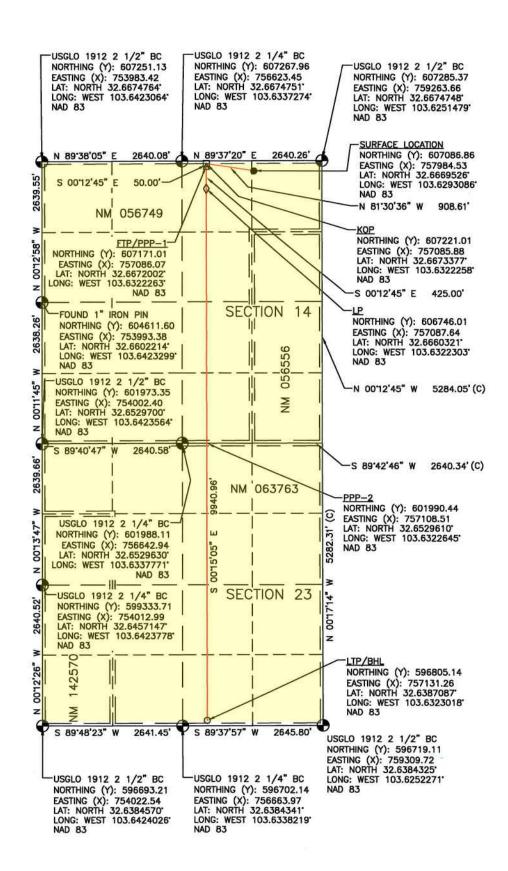
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PPP-2	0' FNL	2178' FEL
LTP/BHL	100' FSL	2178' FEL



C-102 State of Ne Energy, Minerals & Natural									Resources Department					vised July 9, 2024
Sub	mit Elect	ronically			0.	IL CO	NSERV	ATION	DIVISION					tial Submittal
Via	Via OCD Permitting										- 1	Submittal Type:	☐ Arr	nended Report
												-,,	☐ As	Drilled
						WI	ELL LOCA	ATION	INFORMATION	ī				
API N	lumber			Pool 0		7230			Pool Name	Gen	ı. Rone	e Spring,	Fact	
Prope	erty Code			Proper	ty Name	7230	SAPPH	IRE	FEDERAL C		1, D OIR	o Spring,		lumber 605H
OGRII	No. 33()396		Operat	or Name				ERATING, L				Groun	d Level Elevation 3702.0
Surfa	ce Owner:	State [Fee 🗌 T	ribal 🗌	Federal				Mineral Owner:		Fee 🗌 Tri	ibal 🗌 Federe	d	
							Surf	ace L	ocation					
UL	Section	Township	Range	Lot	Ft. fro	m N/S	Ft. from		Latitud	e		Longitude		County
Α	14	19 S	33 E		190	FNL	1260	FEL	32.66695	27° N	103.6	5292435	° W	LEA
							Bottom	Hole	Location					
UL	Section	Township	Range	Lot	440000000000000000000000000000000000000	m N/S	Ft. from		Latitude		90000V HS 7	Longitude		County
Р	23	19 S	33 E		100	FSL	1254	FEL	32.63870	82° N	103.6	5293002	° W	LEA
Dedica	ited Acres	280			Inf	ill or Def	ining Well	Defini	ng Well API	Overlapp	oing Spaci	ing Unit (Y/N) Co	nsolidation Code
Order	Numbers.							L ,	Well setbacks are	under Co	mmon Ow	marehin: []	Von C] No
							W 1 0		YeV 18	under con	unnon ow	погашр.	rea [J 100
UL	Section	Township	Range	Lot	Ft. fro	m N/S	Ft. from		int (KOP)	e		Longitude		County
Α	14	19 S	33 E			FNL	1254		32.66733	_	103.6	5292232	° W	LEA
						'n			oint (FTP)					
UL A	Section 4	Township	Range 33 E	Lot		m N/S FNL	Ft. from		32.66720		103.4	Longitude 5292237	O VAI	County
		1, 0	00 L		100		- Annual Control		oint (LTP)	02 14	100.0	JETELOT	•••	LLA
UL	The state of the last	Township		Lot	Ft. fro	m N/S	Ft. from	E/W	Latitude			Longitude		County
Р	23	19 S	33 E		100	FSL	1254	FEL	32.63870	82° N	103.6	5293002	° W	LEA
												- i		
Unitize	ed Area or	Area of U	Jniform In	terest	S	pacing U	nit Type	Horizo	ntal 🗌 Vertical	88		Ground F	oor Ele	vation:
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If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024 Signature Date							terest		PROFES	SIONA	L SURIE	/		
Signat	ure	1	[agher	Tural		<u>/ 24/ 20</u>	<u> </u>	_ -	Signature and Seal					
Printe	d Name	IV	leghan	1 well				_	ertificate Number	1	Date of Su	ruev		
		4 1	@ 41	1_								1000	/	10 011
E-ma	il Address	mtwele@outlook.com						-	14831		4/10/2	24 9/6	73/0	2024

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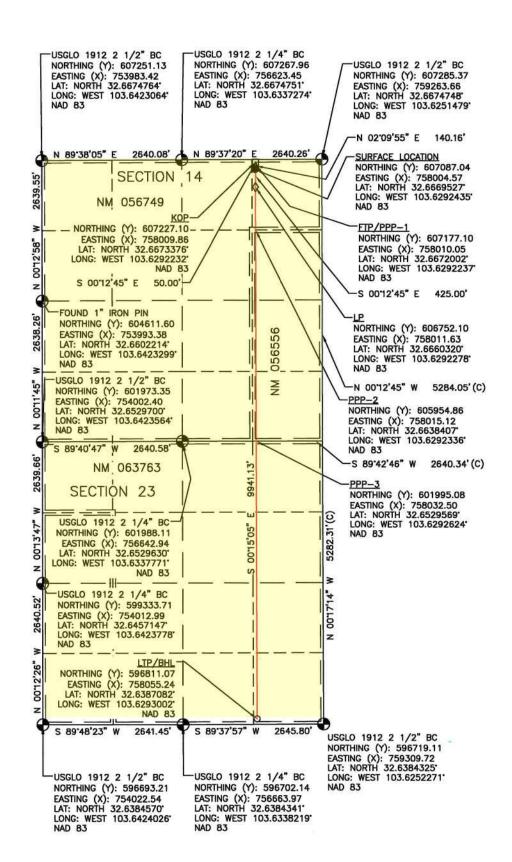
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PPP-3	0' FNL	1251' FEL
LTP/BHL	100' FSL	1254' FEL



<u>C</u> -	-102		En		Minerals	& Natu	ral Re	w Mexico Revised July 9, 202 Resources Department					rised July 9, 2024	
	mit Elect OCD Perr					OIL CO	NSERVA	ATION	N DIVISION			Submittal Type:	☐ Am	cial Submittal ended Report Drilled
						WE	ELL LOCA	TION	INFORMATION				L &&	Dilleu
API N	umber			Pool 0	Code	27230	2001		Pool Name		Rone	Spring, E	net	
Prope	rty Code			Proper	rty Naz		SAPPH	IRE	FEDERAL C		Done	Spring, E	Well N	umber 606H
OGRID	No. 3303	96		Operat	tor Nar	ne			ERATING, L				Ground	d Level Elevation 3702.1
Surfac	7020	State [Fee 🔲 T	ribal 🗌	Federa	d			Mineral Owner:		ee 🗌 Tr	ibal 🗌 Federa	1	
							Surf	ace L	ocation					
UL	Section	Township	Range	Lot		from N/S	Ft. from		Latitud		1	Longitude	-200-2020	County
Α	14	19 S	33 E		19	0 FNL	1240	FEL	32.66695	28° N	103.	6291785	° W	LEA
							Bottom	Hole	Location					
ՄL P	Section 23	Township	Range 33 E	Lot		from N/S O FSL	Ft. from		32.63870		103	Longitude 6262986	0 14/	County
10.00	23	19 3	33 E		10	UFSL	330 1	FEL	32.03670	/0° N	103.	0202980	- W	LEA
Dedica	ted Acres	0			1	Infill or Def	ining Well	Defini	ng Well API	Overlapp	ing Spac	ing Unit (Y/N) Cor	nsolidation Code
Order	Numbers.							Ι.,	Well setbacks are	under Cor	nmon D	mershin:	Ves C] No
							W:-1- 0					and any		,
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		int (KOP)	e	Ì	Longitude	Т	County
Α	14	19 S	33 E		50	FNL	330 I	FÉL	32.6673375° N 103.626220				° W	LEA
							First Ta	ake P	oint (FTP)					
UL	Section	Township	Range	Lot		from N/S	Ft. from	ı E/W	Latitude		DATE OF THE PARTY	Longitude	ernarakuru.	County
Α	14	19 S	33 E		100	FNL	330 I	FEL	32.66720	00° N	103.	6262212	° W	LEA
			72						oint (LTP)					
ՄL P	Section 23	Township 19 S	Range 33 E	Lot	5330.3	from N/S D FSL	330 I		32.63870		103.	Longitude 6262986	° w	County
		931 14.2 - CQ-00-0,	TEMPER SONS			THE ENGINEERS								
Unitize	d Area or	Area of U	Jniform In	terest		Spacing U	nit Type	Horizo	ontal 🗌 Vertical			Ground F	oor Ele	vation:
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024 Signature Date Meghan Twele Printed Name mtwele@outlook.com E-mail Address						ust of I u o o o o o o o o o o o o o o o o o o	SURVEYOR (hereby certify the cas plotted from for r under my super orrect to the best Signature and Seal- certificate Number	at the well ield notes vision, and of my bight	location of actual that the that the state of the state o	AL SUPE	e by mue and	2024		
E-mai	E-mail Address											11	10	

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

Plat Revised: 9/18/24

LEGEND:

= SURFACE LOCATION (SHL)

☐ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

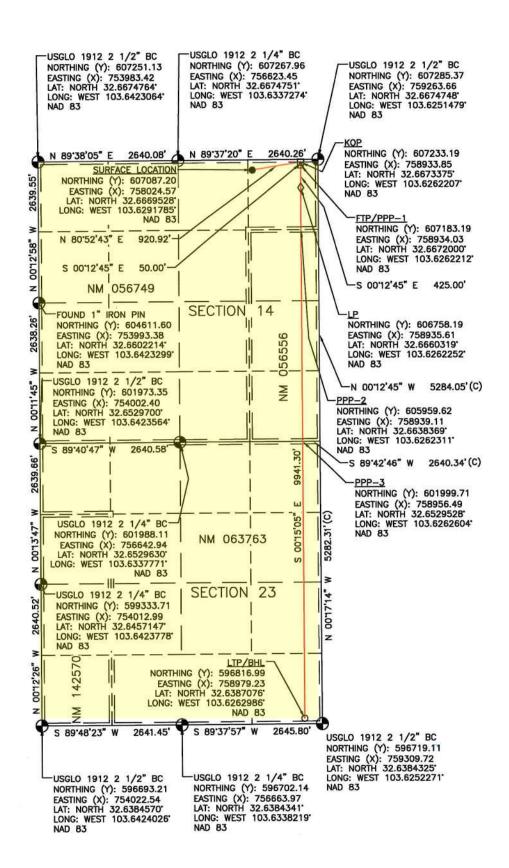
♦ = LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

(C) = CALCULATED

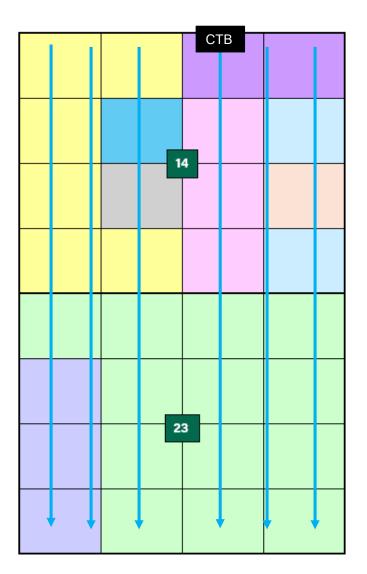
	FOOTAGES	
SHL	190' FNL	1240' FEL
KOP	50' FNL	330' FEL
FTP/PPP-1	100' FNL	330' FEL
LP	525' FNL	330' FEL
PPP-2	1324' FNL	330' FEL
PPP-3	0' FNL	330' FEL
LTP/RHI	100' FSI	330' FEI



Avant Operating, LLC Case No. 24849 Exhibit A-4



Tract Map with approx. well locations and Pool Codes



Tra	ct	Туре	Lease
1		FED	NMNM 056556
2		FED	NMNM 056556
3		FED	NMNM 056749
4		FED	NMNM 056749
5		FED	NMNM 056749
6		FED	NMNM 056749
7		FED	NMNM 056749
8		FED	NMNM 063763
9		FED	NMNM 142570

FIRST BONE SPRING

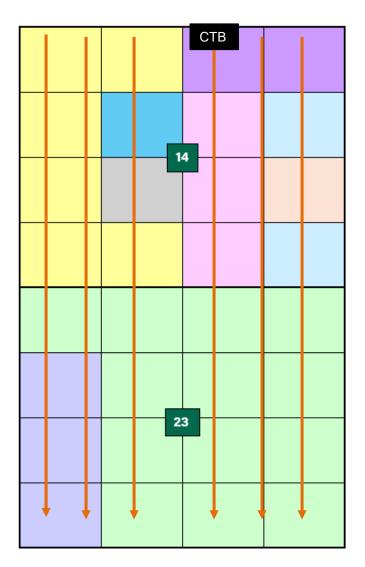
Well Name	Pool	Pool Code
Sapphire Federal Com #301H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #302H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #303H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #304H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #305H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #306H	Gem; Bone Spring, East Pool	27230



Avant Operating, LLC Case No. 24849 Exhibit A-4



Tract Map with approx. well locations and Pool Codes



Tra	ct	Туре	Lease
1		FED	NMNM 056556
2		FED	NMNM 056556
3		FED	NMNM 056749
4		FED	NMNM 056749
5		FED	NMNM 056749
6		FED	NMNM 056749
7		FED	NMNM 056749
8		FED	NMNM 063763
9		FED	NMNM 142570

SECOND BONE SPRING

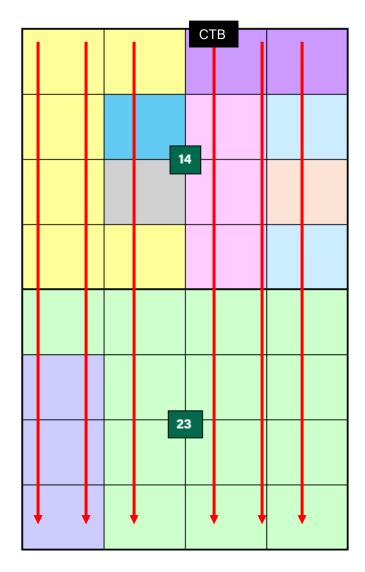
Well Name	Pool	Pool Code
Sapphire Federal Com #501H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #502H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #513H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #514H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #505H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #506H	Gem; Bone Spring, East Pool	27230



Avant Operating, LLC Case No. 24849 Exhibit A-4



Tract Map with approx. well locations and Pool Codes



Tra	ct	Туре	Lease
1		FED	NMNM 056556
2		FED	NMNM 056556
3		FED	NMNM 056749
4		FED	NMNM 056749
5		FED	NMNM 056749
6		FED	NMNM 056749
7		FED	NMNM 056749
8		FED	NMNM 063763
9		FED	NMNM 142570

THIRD BONE SPRING

Well Name	Pool	Pool Code
Sapphire Federal Com #601H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #602H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #603H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #604H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #605H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #606H	Gem; Bone Spring, East Pool	27230

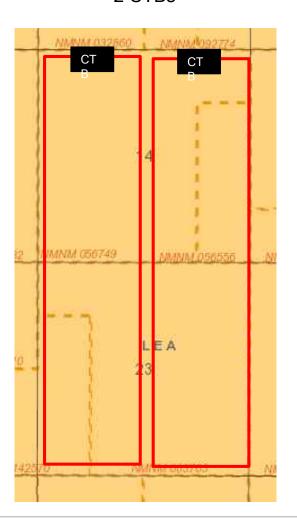


Avant Operating, LLC Case No. 24849 Exhibit A-4 continued

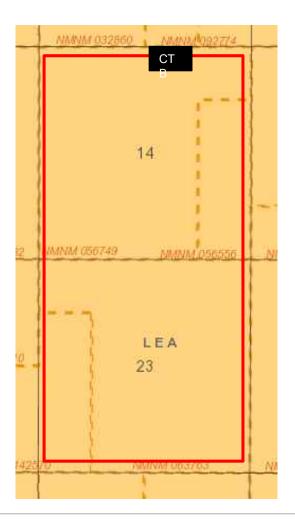


NSU reduces surface facilities and surface impacts

STANDARD UNIT DEVELOPMENT 2 CTBs



NON-STANDARD UNIT DEVELOPMENT 1 CTBs

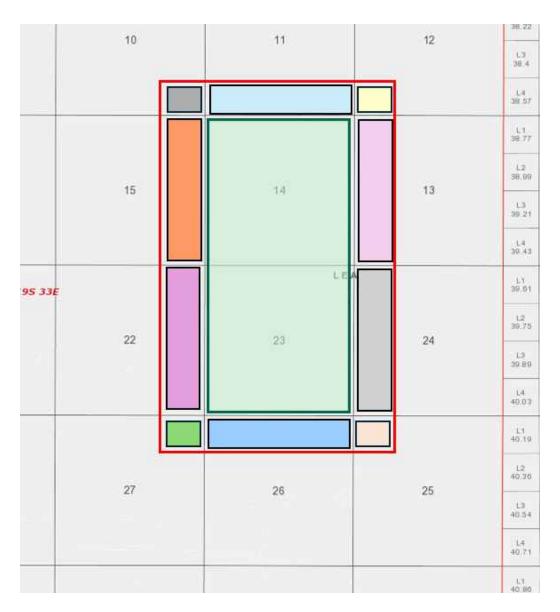




Non-Standard Unit Notice

Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H







LANDS	OWNER
T19S-R33E Sec 12	Permian Resources (OPR)
T19S-R33E Sec 13	Permian Resources (OPR)
T19S-R33E Sec22	Raybaw Operating, LLC
T19S-R33E Sec 24	Magnum Hunter Production Inc. (RT Owner)
T19S-R33E Sec 25	Coterra Energy
T19S-R33E Sec 25	Magnum Hunter Production Inc. (RT Owner)
T19S-R33E Sec 26	Cimarex Energy Co. (Unit OPR)
T19S-R33E Sec 26	Magnum Hunter Production Inc. (RT Owner)
T19S-R33E Sec 27	Devon Energy Production Company (RT Owner)
T19S-R33E Sec 27	MEC Development LTD (RT Owner)
T19S-R33E Sec 27	Occidental Permian LP
T19S-R33E Sec 27	Raybaw Operating, LLC
T19S-R33E Sec 10	Permian Resources (OPR)
T19S-R33E Sec 11	Earthstone Permian, LLC (OPR / RT OWNER)
T19S-R33E Sec 11	Eau Rouge, LLC (RT Owner)
T19S-R33E Sec 11	Maverick Oil & Gas Corp (RT Owner)
T19S-R33E Sec 11	Oxy USA, Inc (RT Owner)
T19S-R33E Sec 11	PXP Producing Co LLC (RT Owner)
	Burlington Resources Oil & Gas Company (RT Owner)
T19S-R33E Sec 15	COG Operating, LLC (OPR)



Avant Operating, LLC Case No. 24849 Exhibit A-5



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners Committed:

UNIT BREAKOUT BY OWNER	Owner Type	NMA	Unit WI	Tract No.	Status
Legion Production Partners, LLC	WI	477.18	0.3609	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Double Cabin Minerals, LLC	WI	95.42	0.0662	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Cibolo Resources, LLC	WI	94.65	0.0739	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
T.H. McElvain Oil & Gas LLLP	WI	47.33	0.0370	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
WTI Energy Partners LLC	WI	0.36	0.0003	4	JOA-Committed
Lone Oak Capital LLC	WI	0.18	0.0001	4	JOA-Committed
Ellipsis Oil & Gas Inc.	WI	7.50	0.0059	1, 2	JOA-Committed
Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust Established under Trust Agreement dated 9/12/2005, as amended and restated	WI	12.00	0.0094	1, 2	JOA-Committed
Innoventions Inc.	WI	2.40	0.0019	1, 2	JOA-Committed
Williamson Enterprises	WI	1.88	0.0015	1, 2	JOA-Committed
Nuevo Seis Limited Partnership	WI	1.13	0.0009	1, 2, 4	JOA-Committed
Yates Energy Corporation	WI	23.87	0.0373	8	JOA-Committed

TOTAL:

1041.1813 80.8345%

*Avant Operating, LLC, Legion Production Partners, LLC and Double Cabin Minerals, LLC are all Avant-controlled entities



Avant Operating, LLC Case No. 24849
Exhibit A-5 continued



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners to be Pooled:

UNIT BREAKOUT BY OWNER	Owner Type	NMA	Unit WI	Tract No.	Status
Avant Operating, LLC	WI	277.29	0.2131	1, 2, 3, 4, 5, 6, 7, 8, 9	OPERATOR
Legion Production Partners, LLC	WI	477.18	0.3609	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Double Cabin Minerals, LLC	WI	95.42	0.0662	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Cibolo Resources, LLC	WI	94.65	0.0739	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
T.H. McElvain Oil & Gas LLLP	WI	47.33	0.0370	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Devon Energy Production Company, L.P.	WI	<mark>3.33</mark>	0.0026	4	Uncommitted - Compulsory Pool
Nuevo Seis Limited Partnership	WI	1.13	0.0009	1, 2, 4	JOA-Committed
Ball Oil and Gas, LLC	WI	0.22	0.0002	4	JOA-Committed
Community Minerals, LLC	WI	0.36	0.0003	4	Uncommitted - Compulsory Pool
James K. Lusk and Martha Lusk Trust, James K. Lusk, Trustee	WI	0.22	0.0002	4	Uncommitted - Compulsory Pool
WTI Energy Partners LLC	WI	0.36	0.0003	4	JOA-Committed
Lone Oak Capital LLC	WI	0.18	0.0001	4	JOA-Committed
Winn Investments, Inc.	WI	2.40	0.0019	1, 2	Uncommitted - Compulsory Pool
Earthstone Permian, LLC	WI	<mark>24.19</mark>	0.0189	1	Uncommitted - Compulsory Pool
Ellipsis Oil & Gas Inc.	WI	7.50	0.0059	1, 2	JOA-Committed

Highlighted = Parties to be Pooled

Avant entities = 66.3979% Working Interest



*Avant Operating, LLC, Legion Production Partners, LLC and Double Cabin Minerals, LLC are all Avant-controlled entities

Avant Operating, LLC Case No. 24849 Exhibit A-5 continued



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners to be Pooled (continued):

UNIT BREAKOUT BY OWNER	Owner Type	NMA	Unit WI	Tract No.	Status
Gregory J. Nibert and Carolyn S. Nibert, Co- Trustees of the DJS Trust Established under Trust Agreement dated 9/12/2005, as amended and restated	WI	12.00	0.0094	1, 2	JOA-Committed
Innoventions Inc.	WI	2.40	0.0019	1, 2	JOA-Committed
Williamson Enterprises	WI	1.88	0.0015	1, 2	JOA-Committed
Hutchings Oil Company	WI	11.10	0.0087	1, 2	Uncommitted - Compulsory Pool
MCM Permian, LLC	WI	5.69	0.0044	8	now PBEX
MCM Exploration Company, LLC	WI	2.85	0.0022	8	now PBEX
Voyage Energy, LP	WI	0.54	0.0004	8	now PBEX
S.E.S. Investments, Ltd	WI	0.50	0.0004	8	now PBEX
First Southern Funding, LLC	WI	0.50	0.0004	8	now PBEX
Red River Holdings, LLC	WI	0.53	0.0004	8	now PBEX
TMT Energy Resources, Inc.	WI	0.50	0.0004	8	now PBEX
PBEX, LLC	WI	0.28	0.0002	8	Uncommitted - Compulsory Pool
Capco Resource Corporation	WI	2.60	0.0020	8	Uncommitted - Compulsory Pool
Yates Energy Corporation	WI	23.87	0.0373	8	JOA-Committed
MRC Delaware Resources, LLC	WI	183.01	0.1430	8	Uncommitted - Compulsory Pool

Highlighted = Parties to be Pooled

Avant entities = 66.3979% Working Interest

*Avant Operating, LLC, Legion Production Partners, LLC and Double Cabin Minerals, LLC are all Avant-controlled entities



Avant Operating, LLC Case No. 24849 Exhibit A-5 continued



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

ORRI Owners to be Pooled:

ORRI Owner	Tract No.
Legion Production Partners, LLC	1, 2, 8, 9
Avant Operating, LLC	1, 2, 8, 9
Double Cabin Minerals, LLC	1, 2, 8, 9
AmeriPermian Holdings, LLC	3, 4, 5, 6, 7,
COG Operating LLC	1, 2, 3, 4, 5,
	6, 7
Concho Oil & Gas LLC	3, 4, 5, 6, 7
Innoventions Inc.	1, 2
Cavin Trust, Sealy H. Cavin, Jr., Synda S. Cavin, and their successors, as Trustees under Trust Agreement dated 8/28/2013	1, 2
Bob G. Howell	1, 2
Lawrence Andersen	1, 2
Donna Andersen	1, 2
Clayton Andersen	1, 2
Show Goat Capital, LP	1, 2
Wing Resources VI, LLC	1, 2
Elk Range Royalties II, LP	1, 2
McMullen Minerals II LP	8
Pegasus Resources II, LLC	8
Colgate Royalties, LP	1
Jalapeno Corporation	8
Grewal (Royalty) LLC	8
SMP Sidecar Tital Mineral Holdings, LP	8
SMP Titan Mineral Holdings, LP	8
MSH Family Real Estate Partnership II, LLC	8
SMP Titan Flex, LP	8
Pegasus Resources, LLC	8
Chad Barbe	8
Oline E. Groves	8





June 27, 2024 resent via email 7.22,2024

Ball Oil & Gas LLC P.O. Box 1401 Roswell, NM 88202-1401

RE:

Sapphire 14 Fed Com 301H, 302H, 303H 304H, 305H, 306H

501H, 502H, 505H, 506H, 513H, 514H, 601H, 602H, 603H, 604H, 605H, 606H

ALL of Sections 14 & 23, Township 19 South, Range 33 East

Lea County, New Mexico

Dear Mr. Ball:

Earlier this year, Avant Operating, LLC ("Avant") proposed our two Sapphire Units separately, one covering the E2 and one covering the W2 640-acres. We have voluntarily dismissed our Compulsory Pooling hearing on June 13, 2024, so that we may pursue a non-standard 1280-acre unit. Please note that there are NO changes in Avant's below development plan or AFE costs, just the proposed unit size.

Given the above, Avant hereby proposes to drill and complete the Sapphire 14 Fed Com 301H, 302H, 303H 304H, 305H, 306H, 501H, 502H, 505H, 506H, 513H, 514H, 601H, 602H, 603H, 604H, 605H, 606H wells in Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, to test the Bone Spring Formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each d well and CTB is itemized on the enclosed Authority for Expenditure ("AFE") dated June 4, 2024.
- Sapphire 14 Fed Com #301H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 425' FNL, 1280' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #302H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 425' FNL, 1300' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1254' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #303H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 425' FNL, 1320' FWL and a proposed last take point and bottom

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hole location of Section 23-19S-33E at 100' FSL and 2178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.

- Sapphire 14 Fed Com #304H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 375' FNL, 1280' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 2178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #305H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 375' FNL, 1260' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #306H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 375' FNL, 1240' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 330' FEL . The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #501H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 265' FNL, 1280' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #502H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 265' FNL, 1300' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 1,254' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #505H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 215' FNL, 1430' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 1,254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #506H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 215' FNL, 1,410' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1,254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.

Avant Operating, LLC | 1515 Wynkoop Street, Suite #700 | Land Department | Denver, CO 80202



- Sapphire 14 Fed Com #513H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 265' FNL, 1310' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 2,178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #514H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 215' FNL, 1450' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 2,178' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #601H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 465' FNL and 1,280' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.
- Sapphire 14 Fed Com #602H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 465' FNL, 1,300' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 1,254' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'
- Sapphire 14 Fed Com #603H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 465' FNL and 1,320' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 2,178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'
- Sapphire 14 Fed Com #604H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 190' FNL and 1,280' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 2,178' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.
- Sapphire 14 Fed Com #605H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 190' FNL, 1,260' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1,254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.



• Sapphire 14 Fed Com #606H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 190' FNL, 1,240' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 330' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.

Avant reserves the right to modify the locations and drilling plans described above to address topography, cultural or environmental concerns, among other reasons.

Avant is proposing to drill the proposed wells under the terms of a modified 1989 AAPL form of Operating Agreement ("JOA") with the below general provisions, which will be provided at a later date.

- 100%/300%/300% non-consent penalty
- \$10,000/\$1000 drilling and producing monthly overhead rates
- Contract Area of ALL of Section 14-T19S-R33E and ALL of Section 23-T19S-R33E
- Avant Operating Company named as Operator
- This proposed Operating Agreement will supersede any and all existing Operating Agreements as to all depths on all horizontal wells drilled after the effective date of the JOA.

If your election is to participate in the drilling and completion of the wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

If you would like to discuss a farmout, an assignment of interest, an acreage trade or other form of agreement for your interests in the Subject Lands, please contact the undersigned. If we do not reach an agreement within thirty (30) days of receipt of these well proposals, Avant will file an application(s) with the New Mexico Oil Conservation Division to compulsory pool your interest into a spacing unit(s) for the proposed wells to promote the development of these lands.

Sincerely,

Tiffany Sarantinos Senior Landman

garantinos

Enclosures



Ball Oil & Gas LLC, hereby elects to:

 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #301H well. Not to participate in the Sapphire 14 Fed Com #301H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #302H well. Not to participate in the Sapphire 14 Fed Com #302H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #303H well. Not to participate in the Sapphire 14 Fed Com #303H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #304H well. Not to participate in the Sapphire 14 Fed Com #304H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #305H well. Not to participate in the Sapphire 14 Fed Com #305H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #306H well. Not to participate in the Sapphire 14 Fed Com #306H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #501H well. Not to participate in the Sapphire 14 Fed Com #501H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #502H well. Not to participate in the Sapphire 14 Fed Com #502H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #505H well. Not to participate in the Sapphire 14 Fed Com #505H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #506H well. Not to participate in the Sapphire 14 Fed Com #506H well.
 Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #513H well. Not to participate in the Sapphire 14 Fed Com #513H well.

Avant Operating, LLC | 1515 Wynkoop Street, Suite #700 | Land Department | Denver, CO 80202



	Avant Operating Company's Sapphire 14 Fed Com #514H well.
	participate in the Sapphire 14 Fed Com #514H well.
	cipate for its proportionate share of the costs detailed in the enclosed AFE associated Avant Operating Company's Sapphire 14 Fed Com #601H well.
	p participate in the Sapphire 14 Fed Com #601H well.
with	cipate for its proportionate share of the costs detailed in the enclosed AFE associated Avant Operating Company's Sapphire 14 Fed Com #602H well.
Not to	o participate in the Sapphire 14 Fed Com #602H well.
with	sipate for its proportionate share of the costs detailed in the enclosed AFE associated Avant Operating Company's Sapphire 14 Fed Com #603H well.
Not to	o participate in the Sapphire 14 Fed Com #603H well.
	cipate for its proportionate share of the costs detailed in the enclosed AFE associated
	Avant Operating Company's Sapphire 14 Fed Com #604H well. p participate in the Sapphire 14 Fed Com #604H well.
with	sipate for its proportionate share of the costs detailed in the enclosed AFE associated Avant Operating Company's Sapphire 14 Fed Com #605H well.
Not to	o participate in the Sapphire 14 Fed Com #605H well.
with	sipate for its proportionate share of the costs detailed in the enclosed AFE associated Avant Operating Company's Sapphire 14 Fed Com #606H well.
Not to	o participate in the Sapphire 14 Fed Com #606H well.
Ball Oil & Gas	<u>LLC</u>
Ву:	
Printed Name:	
Title:	
	
Data.	



AUTHORIZATION FOR EXPENDITURE

AFE: NM0582 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #301H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8

County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 425' FNL, 1280' FWL Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 330' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #301H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17

OPERATOR APPROVAL:



AUTHORIZATION FOR EXPENDITURE

Total Fluid (gal/ft): 3000

AFE: NM0582 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #301H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 425' FNL, 1280' FWL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 330' FWL

TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling		\$ 763,754	\$ -	\$ -	\$ 763,754	
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,654
ĺ	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
ĺ	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
Tangible Completion	on	•	\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
l l	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
į į	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
į į	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100	
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
l l	8355,565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
ĺ	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
į į	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
į į	8355,500	Vesse l s	\$ -	\$ -	\$ 253,200	\$ 253,200
į į	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355,550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
ĺ	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	TOTAL TANGIBLE COSTS >>>			\$ 602,713	\$ 915,100	\$ 2,281,567

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
ntangible Drilling		\$ 3,068,003	\$ -	\$ -	\$ 3,068,00	
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,30
ĺ	8200,113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,89
ĺ	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,54
ľ	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,67
ľ	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,40
İ	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,11
	8200,168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,19
İ	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,41
Ì	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,16
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,57
ľ	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,51
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,89
İ	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,29
l	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,52
ĺ	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,21
İ	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,25
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,97
İ	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,25
	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$ 2,51
İ	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,23
ľ	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,55
İ	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,63
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,96
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,83
İ	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,19



	2002 427	In	Ta 74.070	I .	I .	4 74.070
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,978
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,076
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
ļ	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
Intangible Complet		1	\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300.271	Coil Tubing	\$ -	\$ 113,093	\$ -	\$ 113,093
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300,212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.240	Pump Down Services	\$ -	\$ 101,040		\$ 101,040
	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300,248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300,250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
ļ	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
	8300.273	Flowback	\$ <u>-</u>	\$ 7,821	\$ -	\$ 7,821
Intangible Artificial		1	\$ -	\$ 95,150	\$ -	\$ 95,150
[[8320.605	Fuel / Power	s <u>-</u>	\$ 5,263	\$ -	\$ 5,263
	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320,625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
ļļ	8320,612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
Intangible Flowbac	k		\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
[8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
[8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
[8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
	8350,413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
	8350.411	Safety & Environmental	s <u>-</u>	\$ -	\$ 11,700	\$ 11,700
İ	8350,419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,500
	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,391
			\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
		=				



INTINIEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0583 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #302H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8

County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 425' FNL, 1300' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100'FSL, 1254' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #302H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



AFE: NM0583 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #302H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 425' FNL, 1300' FWL
 Total Proppant (ppf): 2500

SHL: S14-T19S-R33E 425' FNL, 1300' FWL Total Proppant (ppt): 2500
BHL: S23-T19S-R33E 100'FSL, 1254' FWL Total Fluid (gal/ft): 3000

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling		_	\$ 763,754	\$ -	\$ -	\$ 763,75
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,83
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,65
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,79
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,47
Tangible Completi	on		\$ -	\$ 602,713	\$ -	\$ 602,71
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,20
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,50
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,00
Tangible Facility	Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,10
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,10
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,80
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,20
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,70
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,40
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,00
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,50
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,20
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,00
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,10
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,10
	TOTAL T	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,56

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,068,003
	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,196
	8200,115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,194
	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,636
	8200,106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,572
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,542
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,168
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,556
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,978
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,966
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,112
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,076
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894



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	8200.165	Safety/Environmental	\$ 2,513		\$ -	\$ 2,513
	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,291
	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,212
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,307
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,512
Intangible Complet		1	\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300,220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300,248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300.271	Coil Tubing	\$ -	\$ 113,093	\$ -	\$ 113,093
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
	8300.240	Pump Down Services	s <u>-</u>	\$ 101,040	\$ -	\$ 101,040
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300,209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300.210	Surface Rental Equip	s -	\$ 305,001	\$ -	\$ 305,001
Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
]	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320,625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320,605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
Intangible Flowbac	:k		\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
<u> </u>	8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
Intangible Facility			\$	\$ -	\$ 664,900	\$ 664,900
	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,500
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,200
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
	8350,410	Transportation/Trucking	s <u>-</u>	\$ -	\$ 24,500	\$ 24,500
	TOTAL IN	ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,391
			\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
		=				



JOINT INTEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
Ву:	-	



AFE: NM0584 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #303H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8
County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 425' FNL, 1320' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100'FSL, 2178' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #303H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



AFE: NM0584 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #303H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 425' FNL, 1320' FWL
 Total Proppant (ppf): 2500

 BHL: S23-T19S-R33E 100'FSL, 2178' FWL
 Total Fluid (gal/ft): 3000

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling			\$ 763,754	\$ -	\$ -	\$ 763,754
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,654
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
Tangible Completion	on	,	\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
Tangible Facility			\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.510	Tanks	s -	\$ -	\$ 128,400	\$ 128,400
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355,535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	TOTAL T	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,567

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total	
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3	3,068,003
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$	243,572
ĺ	8200,104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$	187,966
ĺ	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$	124,415
İ	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$	2,196
ĺ	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$	27,255
ĺ	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$	113,168
Ī	8200,103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$	93,673
ĺ	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$	68,512
İ	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$	10,112
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$	5,263
ĺ	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$	71,978
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$	199,975
ĺ	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$	2,400
Ī	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$	25,837
ĺ	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$	2,513
ĺ	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$	110,882
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$	5,194
ĺ	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$	242,291
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$	7,894
ĺ	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$	806,307
İ	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$	92,233
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$	191,556
ĺ	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$	5,671
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$	10,525
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$	45,258



Г	0000 440	I have a condition.	Te 04.070	I e	I c	¢ 04.070
-	8200.119	Mud-Auxiliary	\$ 31,076 \$ 111,542	\$ -	\$ - \$	\$ 31,076 \$ 111,542
-	8200.164 8200.113	Solids Control & Closed Loop	111,012			
-		Damages/Row	*	\$ -	\$ - \$ -	\$ 7,894
-	8200.117	Mud & Chemicals				\$ 175,212
Intangible Completi	8200.162	Mancamp	\$ 45,636	\$ -	-	\$ 45,636
Intangible Completi		lo consulto o	\$ -	\$ 5,616,994	ļ	\$ 5,616,994
-	8300.210	Surface Rental Equip	<u> </u>	\$ 305,001	\$ -	\$ 305,001
	8300,243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
-	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
-	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
Ļ	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
L	8300.271	Coil Tubing	\$ -	\$ 113,093	\$ -	\$ 113,093
	8300,232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300,203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
	8300.207	Fresh Water	s -	\$ 537,798	\$ -	\$ 537,798
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300,250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
Ī	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
Intangible Artificial	Lift	•	\$ -	\$ 95,150	\$ -	\$ 95,150
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
Ì	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
Ī	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
ľ	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
ľ	8320,612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320,602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
ľ	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
Ī	8320,617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
ľ	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowback	•	'	\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
r	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
ŀ	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
ŀ	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
ŀ	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
<u> </u>	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
Intangible Facility		<u> </u>	\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
ŀ	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
ŀ	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
ŀ	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
}	8350.415	Engineering / Technical	s -	\$ -	\$ 38,700	\$ 38,700
F	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
<u> </u>	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
-	8350.410	Transportation/Trucking	s <u>-</u>	\$ -	\$ 24,500	\$ 24,50
}	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,10
<u></u>	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,60
	8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,20
}	8350.422	Flowline Labor	- s	\$ -	\$ 35,100	\$ 75,20
}	8350,419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,50
		Automation Labor FANGIBLE COSTS >>>	\$ 3,068,003		\$ 664,900	\$ 9,786,39
	TOTALIN	ANGIDEL GOOTS FFF	\$ 3,831,757			
	TOTAL P	ROJECT COSTS >>>				
			Drilling	Completion	Facility	Total



JOINT INTEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0591 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #304H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8
County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 375' FNL, 1280' FEL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100'FSL, 2178' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #304H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



Total Fluid (gal/ft): 3000

AFE: NM0591 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #304H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 375' FNL, 1280' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 2178' FEL

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total	
Tangible Drilling			\$ 763,754	\$ -	\$ -	\$ 7	763,754
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$	64,795
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$	56,835
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 5	515,654
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 1	126,471
Tangible Completi	ion		\$ -	\$ 602,713	\$ -	\$ 6	602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$	44,205
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 3	350,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$	63,508
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$	90,000
	8325,719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$	15,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$	40,000
Tangible Facility	Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 9	915,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$	87,200
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$	25,700
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$	53,100
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 2	253,200
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$	60,500
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$	11,100
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 1	146,000
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$	68,800
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 1	128,400
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$	49,100
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$	32,000
	TOTAL T	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,2	281,567

	INTA	INTANGIBLE COSTS		Completion	Facility	Total
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,068,003
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200,167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,291
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,512
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$ 2,513
	8200,103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,636
	8200,128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,572
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,112
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,966
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,307
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,194
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,556
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,076
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,978
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,542
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,196



		1	14	T	1.	
	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
ļ	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,212
	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,168
Intangible Complet		1	\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300,212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.271	Coil Tubing	\$ -	\$ 113,093	\$ -	\$ 113,093
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.274	Water Transfer	\$ -	\$ 99,015		\$ 99,015
	8300.278	Roustabouts	\$ -	\$ 1,579	-	\$ 1,579
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
]	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
]	8300,273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
]	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
]	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300,203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
Intangible Artificial			\$ -	\$ 95,150	\$ -	\$ 95,150
]	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320,602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
Intangible Flowbac	k		\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
ļ	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
]	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
Intangible Facility		,	\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
l j	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
]	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
j	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
j	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
j	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
ļ	8350,422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
ļ	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,200
ļ	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
<u> </u>	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350,410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
		ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488		\$ 9,786,391
			\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
ı				· · · · · · · · · · · · · · · · · · ·		



JOINT INTEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
By:	•	



AFE: NM0592 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #305H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8
County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 375' FNL, 1260' FEL Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 1254' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #305H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



Total Fluid (gal/ft): 3000

AFE: NM0592 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #305H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 375' FNL, 1260' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 1254' FEL

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling	g		\$ 763,754	\$ -	\$ -	\$ 763,754
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,654
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Compl	etion		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100	
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.500	Vesse l s	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	TOTAL 1	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,567

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,068,003
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,542
	8200,124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,168
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,194
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,307
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,076
	8200,144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,512
	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,212
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,112
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,966
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,556
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,978
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,572
	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,636
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,196
	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,291
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525



		1	1	T	-	
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
ļ	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$ 2,513
	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
Intangible Complet			\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
ļ	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
	8300.214	Perforating & Plugs	s -	\$ 390,293	\$ -	\$ 390,293
	8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
	8300.271	Coil Tubing	s -	\$ 113,093	\$ -	\$ 113,093
	8300.250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
	8300.275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
	8300,205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
ĺ	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
	8320,621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
	8320,628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
	8320.611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
Intangible Flowbac	:k		s -	\$ 341,344	\$ -	\$ 341,344
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
	8360,820	Well Testing / Flowback	s -	\$ 60,746	\$ -	\$ 60,746
	8360.845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,400
Intangible Facility	I		s -	\$ -	\$ 664,900	\$ 664,900
1	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
i l	8350.417	Overhead Power Labor	s -	\$ -		\$ 24,600
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,200
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
	8350.415	Engineering / Technical	s -	\$ -		\$ 38,700
	8350.422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
 	8350.419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,500
	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
ŀ	8350.411	Safety & Environmental	s -	\$ -	\$ 11,700	\$ 11,700
	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
		ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488		\$ 9,786,391
			\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
1						



DINT INTERE	ST APPROVAL:		
Company:		Working Interest:	
Signature:		Date:	
By:			



AFE: NM0593 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #306H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 375' FNL, 1240' FEL Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 330' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire Federal Com #306H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



Total Fluid (gal/ft): 3000

AFE: NM0593 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #306H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 375' FNL, 1240' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 330' FEL

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling	9		\$ 763,754	\$ -	\$ -	\$ 763,754
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,654
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Comple	etion		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100	
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355,540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	TOTAL 1	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,567

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,068,003
	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$ 2,513
ĺ	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,978
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,076
	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,196
	8200,169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,194
	8200,113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,212
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,307
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,636
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,512
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,966
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,112
	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,291
	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,168
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,542



ı f		1	Ta	T	-	
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,556
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,572
ļ	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
Intangible Complet		1	\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300,248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
]	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
]	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
]	8300.240	Pump Down Services	\$ <u>-</u>	\$ 101,040	\$ -	\$ 101,040
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
]	8300.203	Fuel	s <u>-</u>	\$ 683,704	\$ -	\$ 683,704
	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300,271	Coil Tubing	\$ -	\$ 113,093	\$ -	\$ 113,093
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
ļ ļ	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
]	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320,625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320,602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowbac	:k		\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
l j	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
ĺ	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
	8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
Intangible Facility			\$	\$ -	\$ 664,900	\$ 664,900
	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
l j	8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
ļ j	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
ĺ	8350.422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
ļ j	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
ļ	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
j	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
j	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
ļ	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
]	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
j	8350.418	Mechanical Labor	s <u>-</u>	\$ -	\$ 222,500	\$ 222,500
	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,391
			\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total



JOINT INTEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0585 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #501H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 265' FNL, 1280' FWL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 330' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #501H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



Total Fluid (gal/ft): 3000

AFE: NM0585 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #501H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 265' FNL, 1280' FWL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 330' FWL

	TAI	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling			\$ 776,700	\$ -	\$ -	\$ 776,700
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.303	Production Casing	\$ 528,600	\$ -	\$ -	\$ 528,600
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Completion	Tangible Completion		s -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	s -	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.702	Tubing	s -	\$ 90,000	\$ -	\$ 90,000
	8325,704	Downhole Artificial Lift Eqpt	s -	\$ 350,000	\$ -	\$ 350,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
[8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100	
	8355.515	Flare	s -	\$ -	\$ 32,000	\$ 32,000
	8355,535	Instrumentation / Meters	s -	\$ -	\$ 60,500	\$ 60,500
	8355.530	Compressors	s -	\$ -	\$ 11,100	\$ 11,100
	8355.555	Pump / Supplies	s -	\$ -	\$ 87,200	\$ 87,200
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355,540	Electrical Supplies	s -	\$ -	\$ 68,800	\$ 68,800
	8355.510	Tanks	s -	\$ -	\$ 128,400	\$ 128,400
	8355,565	Flowline	s -	\$ -	\$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	s -	\$ -	\$ 53,100	\$ 53,100
ĺ	8355.520	PVF	s -	\$ -	\$ 146,000	\$ 146,000
	TOTAL T	ANGIBLE COSTS >>>	\$ 776,700	\$ 602,713	\$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,069
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515
	8200,125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$ 5,718
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,965
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
	8200.119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 31,269
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,273
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$ 68,656
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255



	ı (2000 400	law a	la 040.45	T.	T.	
		8200.128	Drilling - Directional	\$ 246,815		\$ -	\$ 246,815
				0,200			
1800.115			· · · · · · · · · · · · · · · · · · ·				
BRIDICIDE Represently & Supervisions \$ \$ \$ \$ \$ \$ \$ \$ \$			Mancamp				
MICHAELD Outs	Intangible Complet	tion		\$ -			\$ 5,620,118
]	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
		8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
MONITOR Proc-Search S		8300.270	Frac - Equipment	s -	\$ 1,692,841	\$ -	\$ 1,692,841
Montage		8300.271	Coil Tubing	s -	\$ 113,408	\$ -	\$ 113,408
		8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
		8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
		8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
8000,275 Analysis	İ	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
		8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
	İ	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	İ	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
		8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
B300,212 Control Labor S	i i			s -			
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Rispon Fresh Water S				-			
Biology				ļ			
8300,210 Surface Rental Equip S S 305,001 S S 305,001						ļ	
B				ļ			
				\$ -			\$ 305,001
Managible Artificial Lift	ļ	8300.248		s -	\$ 21,324	\$ -	\$ 21,324
8320,811 Trucking/Vacuum/Transportation S		8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
	Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
8320,825 Wellste Supervision \$		8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
8320,612 Kill Truck		8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
Rental Equipment S		8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
8320,602 Workover Rig \$ \$ \$ \$ \$ \$ \$ \$ \$	İ	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
8320.628 Chemicals S		8320,621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
8320,628 Chemicals S	i	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
8320.617 Contract Labor/Rouslabout \$ \$ \$ \$ \$ \$ \$ \$ \$		8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
830,610 Inspection & Testing \$			Contract Labor/Roustabout	s -	\$ 15.887	\$ -	\$ 15.887
S							
8360,845 Vellstle Supervision \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ - \$ \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5 \$ 50,400 \$ 5	Intangible Flowbac		I reposition of recently	ļ ·			
8360.850 Safety / Environmental \$ \$ \$ \$ 4.400 \$ \$ \$ \$ \$ 4.000 \$ \$ \$ \$ \$ \$ \$ \$ \$,mangisje i jenisae		Wellsite Supervision			ļ	
B360,825 Rental Equipment S							
8360,815 Trucking/Vacuum/Transp \$ \$ \$ \$ \$ \$ \$ \$ \$				-			
8360,820 Well Testing / Flowback S				-			
Sabound Sabo				ļ <u>.</u>			
S	ļ ļ		-				
8350.419		8360.805	Trucked Water Disposal	ļ. ——			
8350.422 Flowline Labor \$ - \$ - \$ \$ 35,100 \$ 35,100	Intangible Facility						
8350.403 Roads/Location \$ - \$ - \$ 85,100 \$ 86,100 8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,500 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,500 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.404 Equipment Rental \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.413 Contingency \$ - \$ - \$ - \$ 38,700 \$ <td>l l</td> <td></td> <td>Automation Labor</td> <td>s -</td> <td></td> <td></td> <td></td>	l l		Automation Labor	s -			
8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,500 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,600 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.404 Equipment Rental \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 11,700		8350.422	Flowline Labor	-	\$ -	\$ 35,100	\$ 35,100
8350.410 Transportation/Trucking \$ - \$ 24,500 \$ 24,500 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600 8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 31,000 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 1,700 \$ 31,700 8350.411 Safety & Environmental \$ - \$ - \$ - \$ 1,700 \$ 3,500 8350.421	[8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
8350.417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.421 Commissioning \$ - \$ - \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL INTANGIBLE COSTS>>> TOTAL PROJECT COSTS>>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352		8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS>>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352		8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL PROJECT COSTS		8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS>>> \$ 3,97,328 \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL PROJECT COSTS	j l	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS>>> \$ 3,97,328 \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL PROJECT COSTS		8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
8350.413 Contingency \$ - \$ - \$ \$ 75,200 \$ 75,200 \$ 8350.415				s -			
8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.421 Commissioning \$ - \$ - \$ 5 - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352				<u> </u>			
8350,411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350,421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,844 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352							
8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 \$				<u> </u>			
TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352				ļ			
TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352				ļ ·			
TOTAL PROJECT COSTS >>>		TOTAL IN	ANGIBLE CUSTS ///	<u> </u>			
Drilling Completion Facility Total		TOTAL P	ROJECT COSTS >>>				
	L			Drilling	Completion	Facility	Total

JOINT INTEREST APPROVAL:



AUTHORIZATION FOR EXPENDITURE

Company: -	Working Interest:	
Signature:	Date:	
_	•	
By:		



AFE: NM0586 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #502H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 265' FNL,
 1300' FWL
 Total Proppant (ppf):
 2500

BHL: S23-T19S-R33E 100' FSL, 1254' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #502H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0586 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #502H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 265' FNL, 1300' FWL
 Total Proppant (ppf): 2500

SHL: S14-T19S-R33E 265' FNL, 1300' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100' FSL, 1254' FWL Total Fluid (gal/ft): 3000

	TANGIBLE COSTS		Drilling	Completion		Facility	Total
Tangible Drilling	9		\$ 776,700	\$	-	\$ -	\$ 776,700
	8400.301	Surface Casing	\$ 64,795	\$	-	\$ -	\$ 64,795
	8400.303	Production Casing	\$ 528,600	\$	-	\$ -	\$ 528,600
	8400.340	Wellhead	\$ 56,835	\$	-	\$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$	-	\$ -	\$ 126,471
Tangible Comple	etion	•	\$ -	\$ 60	2,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 4	4,205	\$ -	\$ 44,205
l	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 35	0,000	\$ -	\$ 350,000
	8325.711	Wellhead Equipment	\$ -	\$ 6	3,508	\$ -	\$ 63,508
	8325,719	Contract Labor Install	\$ -	\$ 1	5,000	\$ -	\$ 15,000
	8325,702	Tubing	\$ -	\$ 9	0,000	\$ -	\$ 90,000
	8325.705	ESP Equipment/Install	\$ -	\$ 4	0,000	\$ -	\$ 40,000
Tangible Facility		\$ -	\$	-	\$ 915,100	\$ 915,100	
	8355.515	Flare	\$ -	\$	-	\$ 32,000	\$ 32,000
l	8355.565	Flowline	\$ -	\$	-	\$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	\$ -	\$	-	\$ 53,100	\$ 53,100
	8355.530	Compressors	\$ -	\$	-	\$ 11,100	\$ 11,100
l	8355.525	Containment	\$ -	\$	-	\$ 25,700	\$ 25,700
	8355.555	Pump / Supplies	\$ -	\$	-	\$ 87,200	\$ 87,200
l	8355.500	Vesse l s	\$ -	\$	-	\$ 253,200	\$ 253,200
	8355.540	Electrical Supplies	\$ -	\$	-	\$ 68,800	\$ 68,800
	8355.510	Tanks	\$ -	\$	-	\$ 128,400	\$ 128,400
	8355.535	Instrumentation / Meters	\$ -	\$	-	\$ 60,500	\$ 60,500
	8355.520	PVF	\$ -	\$	-	\$ 146,000	\$ 146,000
	TOTAL	ANGIBLE COSTS >>>	\$ 776,700	\$ 60	2,713	\$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
	8200,115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$ 5,718
	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,965
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,996
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200,119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 31,269
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172
	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$ 68,656
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,069
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,815
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515



Г	8200.102	Drilling - Daywork	s	818,273	ls -	\$ -	\$ 818,273
-	8200.102	Legal, Title, Etc	s	10,525	\$ -	\$ -	\$ 10,525
-	8200,164	Solids Control & Closed Loop	s	113,092		\$ -	\$ 113,092
-	8200.103	Drilling - Rig Move	s	93,673	Ļ	\$ -	\$ 93,673
-	8200.106	Transportation	s	93,811	\$ -	\$ -	\$ 93,81
Intangible Completic		Transportation	\$		\$ 5,620,118		\$ 5,620,118
mangible complete	8300.203	Fuel	S S		\$ 683,704	\$ -	\$ 683,70
-	8300,271	Coil Tubing	s		\$ 113,408	\$ -	\$ 113,40
-	8300.277	Consulting Services	s		\$ 116,828		\$ 116,82
-	8300.232	Disposal	s		\$ 19,004	\$ -	\$ 19,00
-	8300.205	Location & Roads	s		\$ 5,288		\$ 5,28
-	8300.209	Chemicals	s		\$ 419,703	\$ -	\$ 419,70
-	8300.250	Downhole Rental Equip	s		\$ 43,391	\$ -	\$ 43,39
-	8300.248	Mancamp	s		\$ 21,324		\$ 21,32
-	8300.214	Perforating & Plugs	s		\$ 390,293	\$ -	\$ 390,29
-	8300.243	Analysis	s		\$ 9,473		\$ 9,47
-	8300.229	Transportation	s		\$ 5,263	s -	\$ 5,26
-	8300.210		s		\$ 305,001	\$ -	\$ 305,00
-		Surface Rental Equip					
	8300.275	Frac - Sand	\$		\$ 1,015,231		\$ 1,015,23 \$ 537,79
	8300,207	Fresh Water	\$ \$	-	\$ 537,798	\$ -	
	8300.278	Roustabouts	· ·		\$ 1,579		\$ 1,57
	8300.273	Flowback	\$	-	\$ 7,821	\$ -	\$ 7,82
	8300.270	Frac - Equipment	- 5	-	\$ 1,692,841	\$ -	\$ 1,692,84
	8300.279	Completions Overhead	\$		\$ 2,808		\$ 2,80
	8300,274	Water Transfer	\$		\$ 99,015		\$ 99,01
	8300.240	Pump Down Services	\$		\$ 101,040		\$ 101,04
	8300.220	Engineering & Supervision	\$		\$ 15,156	\$ -	\$ 15,15
	8300.212	Contract Labor	\$		\$ 10,678	\$ -	\$ 10,67
	8300.276	Safety & Environmental	\$		\$ 3,473		\$ 3,47
Intangible Artificial		7	\$		\$ 95,150		\$ 95,15
	8320.617	Contract Labor/Roustabout	\$	-	\$ 15,887	\$ -	\$ 15,88
	8320.625	Wellsite Supervision	\$		\$ 5,000	\$ -	\$ 5,00
	8320.621	Rental Equipment	\$		\$ 15,000	\$ -	\$ 15,00
	8320.612	Kill Truck	\$		\$ 5,000	\$ -	\$ 5,00
	8320,605	Fuel / Power	\$		\$ 5,263	\$ -	\$ 5,26
	8320.610	Inspection & Testing	\$		\$ 4,000		\$ 4,00
L	8320,602	Workover Rig	\$		\$ 30,000	\$ -	\$ 30,00
Ļ	8320.611	Trucking/Vacuum/Transportation	\$		\$ 10,000	\$ -	\$ 10,00
	8320.628	Chemicals	\$		\$ 5,000	\$ -	\$ 5,00
Intangible Flowback			\$	-	\$ 341,344	<u> </u>	\$ 341,34
	8360.825	Rental Equipment	\$	-	\$ 190,000		\$ 190,00
	8360.845	Wellsite Supervision	\$	-	\$ 50,400	\$ -	\$ 50,40
	8360.815	Trucking/Vacuum/Transp	\$	-	\$ 14,334	\$ -	\$ 14,33
	8360,850	Safety / Environmental	\$	-	\$ 4,400	\$ -	\$ 4,40
L	8360,820	Well Testing / Flowback	\$	-	\$ 60,746		\$ 60,74
	8360.805	Trucked Water Disposal	\$	-	\$ 21,464	\$ -	\$ 21,46
Intangible Facility			\$	-		\$ 664,900	\$ 664,90
	8350.417	Overhead Power Labor	\$	-	\$ -	\$ 24,600	\$ 24,60
Г	8350,416	Supervision	\$		\$ -	\$ 29,600	\$ 29,60
	8350.419	Automation Labor	\$	-	\$ -	\$ 21,500	\$ 21,50
	8350.421	Commissioning	\$	-	\$ -	\$ 3,500	\$ 3,50
	8350.418	Mechanical Labor	\$	-	\$ -	\$ 222,500	\$ 222,50
Γ	8350.422	Flowline Labor	\$		\$ -	\$ 35,100	\$ 35,10
Γ	8350.415	Engineering / Technical	\$	-	\$ -	\$ 38,700	\$ 38,70
ſ	8350.411	Safety & Environmental	\$	-	\$ -	\$ 11,700	\$ 11,70
Γ	8350.413	Contingency	\$	-	\$ -	\$ 75,200	\$ 75,20
ľ	8350.410	Transportation/Trucking	\$	-	\$ -	\$ 24,500	\$ 24,50
	8350.404	Equipment Rental	\$	-	\$ -	\$ 31,000	\$ 31,00
	8350,403	Roads/Location	\$	-	\$ -	\$ 85,100	\$ 85,10
F	8350.420	Electrical Labor	\$	-	\$ -	\$ 61,900	\$ 61,90
	TOTAL IN	TANGIBLE COSTS >>>	s	3,097,328	\$ 6,056,612	\$ 664,900	\$ 9,818,84
	TOTAL				1		
		PROJECT COSTS >>>	\$	3,874,027			\$ 12,113,35

JOINT INTEREST APPROVAL:



AUTHORIZATION FOR EXPENDITURE

Company:	W	/orking Interest:	
Signature:		Date:	
By:			



AFE: NM0595 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #505H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 215' FNL, 1430' FEL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 1254' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #505H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0595 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #505H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

SHL: S14-T19S-R33E 215' FNL, 1430' FEL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100' FSL, 1254' FEL Total Fluid (gal/ft): 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total	al
Tangible Drilling			\$ 776,700	\$ -	\$ -	\$ 77	76,700
	8400.303	Production Casing	\$ 528,600	\$ -	\$ -	\$ 52	28,600
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 12	26,471
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 6	64,795
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 5	56,835
Tangible Completi	on		\$ -	\$ 602,713	\$ -	\$ 60	02,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 4	44,205
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 35	50,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 6	63,508
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 9	90,000
	8325,719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 1	15,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 4	40,000
Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 91	15,100	
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 25	53,200
	8355,525	Containment	\$ -	\$ -	\$ 25,700	\$ 2	25,700
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 6	68,800
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 5	53,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 1	11,100
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 12	28,400
	8355,565	Flowline	\$ -	\$ -	\$ 49,100	\$ 4	49,100
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 14	46,000
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 8	87,200
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 3	32,000
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 6	60,500
	TOTAL T	ANGIBLE COSTS >>>	\$ 776,700	\$ 602,713	\$ 915,100	\$ 2,29	94,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515
	8200,167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172
	8200,143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200,165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,996
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,273
	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,965
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,815
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975



	0000 440	Marel Armilian	16 04.000	I c	I e	¢ 04.000
	8200.119	Mud-Auxiliary	\$ 31,269 \$ 192,069		\$ -	\$ 31,269
-	8200.114	Disposal	102,000	-	-	\$ 192,069
-	8200.115	Mud-Drill Water	\$ 5,718	Ļ	\$ -	\$ 5,718
-	8200.116	Drill Bits & BHA	\$ 68,656		-	\$ 68,656
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
Intangible Completi		1	\$ -	\$ 5,620,118		\$ 5,620,118
	8300.273	Flowback	\$ -	\$ 7,821	-	\$ 7,82
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300.274	Water Transfer	\$ -	\$ 99,015		\$ 99,018
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,00
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,28
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,29
	8300.279	Completions Overhead	s -	\$ 2,808	\$ -	\$ 2,80
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,26
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,47
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,32
	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,70
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,39
	8300,271	Coil Tubing	\$ -	\$ 113,408	\$ -	\$ 113,408
ŀ	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,70
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,47
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,79
	8300.212	Contract Labor	s -	\$ 10,678		\$ 10,67
	8300,275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,23
	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,04
-	8300.270	Frac - Equipment	s -	\$ 1,692,841	\$ -	\$ 1,692,84
-	8300.277	Consulting Services	ls -	\$ 116,828	\$ -	\$ 116,82
	8300.220	Engineering & Supervision	s -	\$ 15,156	\$ -	\$ 15,15
Index of the Anales of the		Engineering & Supervision	s -			
Intangible Artificial		In., i.e.	1		-	\$ 95,150
-	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,00
_	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,00
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,26
	8320,611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,00
	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,88
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,00
l L	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,00
	8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
Intangible Flowback	τ		\$ -	\$ 341,344	\$ -	\$ 341,34
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,33
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,74
	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,00
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,46
	8360,845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,40
	8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,40
Intangible Facility		'	\$ -	\$ -	\$ 664,900	\$ 664,90
Í	8350.419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,50
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,50
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,60
	8350.422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,10
 	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,00
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,50
	8350.418	Contingency	s	\$ -	\$ 75,200	\$ 75,20
			s -	\$ -	\$ 75,200 \$ 11,700	\$ 75,20 \$ 11,70
	8350.411	Safety & Environmental	<u> </u>			
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,60
Ļ	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,90
L	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,10
L	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,70
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,50
	TOTAL IN	ANGIBLE COSTS >>>	\$ 3,097,328	\$ 6,056,612	\$ 664,900	\$ 9,818,84
						
	TOTAL P	ROJECT COSTS >>>	\$ 3,874,027	\$ 6,659,325	\$ 1,580,000	\$ 12,113,35

JOINT INTEREST APPROVAL:



AUTHORIZATION FOR EXPENDITURE

Company: -	Working Interest:	
Signature:	Date:	
_	•	
By:		



AFE: NM0596 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #506H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 215' FNL,
 1410' FEL
 Total Proppant (ppf):
 2500

BHL: S23-T19S-R33E 100' FSL, 330' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #506H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



Total Fluid (gal/ft): 3000

AFE: NM0596 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #506H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3 County: Lea Lateral Length: 10000 State: NM Stages: 64 SHL: S14-T19S-R33E 215' FNL, 1410' FEL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 330' FEL

	TAI	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling			\$ 776,700	\$ -	\$ -	\$ 776,700
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.303	Production Casing	\$ 528,600	\$ -	\$ -	\$ 528,600
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Completion	on		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325,719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
Tangible Facility	Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.500	Vesse l s	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355,530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	TOTAL T	ANGIBLE COSTS >>>	\$ 776,700	\$ 602,713	\$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172
	8200,147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$ 5,718
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200,170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,069
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,273
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,815
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,996



BIOLITY Control Robin Control	ı	2002 442	I.,	Ta	I .		
BOSIN 119		8200.119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 31,269
Description				2.,200			
Dissipation Figs - Page S 190,085 S S S S S S S S S							
Managebile Completion	ļļļ						
BM00273			Fuel - Rig				
BRIDGE Devoted South Sept Sep	Intangible Complet	ion		\$ -			\$ 5,620,118
		8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
		8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
# # # # # # # # # # # # # # # # # # #		8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
		8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
## 1906.279 Compilations Orenthal \$ \$ \$ \$ \$ \$ \$ \$ \$		8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
SSIDLOGUE Purp Down Services S		8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
S000,278 Royalabords		8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
		8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
		8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	•	8300.203	Fuel	s -		\$ -	
B500,277 Colf Tueing S	1			s -			
8500_210 Surface Period Equip S	-			9 -			
S000,207 Peeh Water S				 ` 			
8000,229 Transportation S				ļ*			<u> </u>
B300,279 Surley & Emironmental S				ļ ·		ļ	
B300,270 Frac-Equipment S				ļ ·			
8300.248 Mancamp \$ \$ \$ 21,324 \$ \$ \$ \$ 22 \$ \$ \$ \$							<u> </u>
8300,277 Consulting Services \$ \$ 116,828 \$ \$ \$ \$ \$ \$ \$ \$ \$]			ļ ·			
8300.212 Contract Labor \$ \$ \$ 5 5.288 \$ \$ \$ 5 10,678 \$ \$ \$ \$ \$ \$ \$ \$ \$				ļ <u> </u>			· · · · · · · · · · · · · · · · · · ·
B300,205 Location & Roads S		8300,277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
		8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
B300,275 Frac-Sand S		8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
Intangible Artificial Lift		8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
8320,802 Workover Rig		8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
8320,625 Wellste Supervision	Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
8320,605 Fuel / Power S		8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
B320,611 Trucking/Vacuum/Transportation \$ \$ \$ \$ 10,000 \$ \$ \$ \$ \$ \$ \$ \$ \$	İ	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
Rental Equipment S		8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
Rental Equipment S	•	8320,611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
8320.617 Contract Labor/Roustabout \$ \$ \$ \$ \$ \$ \$ \$ \$	-	8320.621		s <u>-</u>	\$ 15.000	\$ -	\$ 15,000
8320,612 Kill Truck	1			<u> </u>			
8320,628 Chemicals S				ļ ·			
Sa20,610 Inspection & Testing S	•			9 -			
National National	ļ ,			ļ			
B360.825 Rental Equipment S	Intermible Floubes		Inspection & resting	ļ ·			
8360.845 Wellsite Supervision \$ \$ \$ \$ \$ \$ \$ \$ \$	Intangible Flowbac		In rate to a				
8360.850 Safety / Environmental \$ \$ \$ 4,400 \$ \$ \$ \$ \$ \$ \$ \$ \$				ļ ·			*
Base Well Testing / Flowback S	,						
8360,805 Trucked Water Disposal S				\$ -			<u> </u>
Basolation Trucking/Vacuum/Transp S				ļ ·			
Intangible Facility	Į Į		·	<u> </u>			
8350.410 Transportation/Trucking \$ - \$ - \$ \$ 24,500 \$ \$ 24,500 \$ \$ 24,500 \$ \$ 35,0		8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
8350,403 Roads/Location \$ - \$ - \$ \$ 85,100 \$ 88	Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
8350.416 Supervision \$ - \$ - \$ 29,600 \$ 22		8350.410	Transportation/Trucking	s -	\$	\$ 24,500	\$ 24,500
8350,417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 22	l j	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 33]	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 33		8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
8350.420 Electrical Labor \$ - \$ - \$ \$ 61,900 \$ 66*		8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
8350,421 Commissioning \$ - \$ - \$ \$ 3,500 \$ \$				\$ -	\$ -	\$ 61,900	\$ 61,900
8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11 8350.419 Automation Labor \$ - \$ - \$ 21,500 \$ 22 8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222 8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 33 \$ 350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 36 35 \$ 350.413 Contingency \$ - \$ - \$ 5,056,612 \$ 664,900 \$ 9,816 \$ 1074L INTANGIBLE COSTS>>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113 \$ 13,1				s -			
8350.419 Automation Labor \$ - \$ - \$ \$ 21,500 \$ 22	· · · · · · · · · · · · · · · · · · ·			ļ ·			
8350.418 Mechanical Labor \$ - \$ - \$ \$ 222,500 \$ 222	}			ļ ·			
8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 3'	}			ļ ·			
8350,422 Flowline Labor \$ - \$ - \$ 35,100 \$ 38 8350,413 Contingency \$ - \$ - \$ 75,200 \$ 75 TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113				ļ*			
8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75, 200 \$ 75,				<u> </u>			
TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113	ļ ,			ļ			
TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113				ļ*			
TOTAL PROJECT COSTS >>>		TOTAL INT	ANGIBLE COSTS >>>	ļ			
Drilling Completion Facility Total		TOTAL P	ROJECT COSTS >>>				
				Drilling	Completion	Facility	Total



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0587 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #513H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 265' FNL, 1320' FWL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 2178' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #513H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0587 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #513H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 265' FNL, 1320' FWL
 Total Proppant (ppf): 2500

SHL: S14-T19S-R33E 265' FNL, 1320' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100' FSL, 2178' FWL Total Fluid (gal/ft): 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling	g		\$ 776,700	\$	- \$	\$ 776,700
	8400.301	Surface Casing	\$ 64,795	\$	- \$ -	\$ 64,795
	8400.340	Wellhead	\$ 56,835	\$	- \$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$	- \$ -	\$ 126,471
	8400.303	Production Casing	\$ 528,600	\$	- \$ -	\$ 528,600
Tangible Compl	Tangible Completion		\$ -	\$ 602,7	13 \$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,2	05 \$ -	\$ 44,205
	8325.719	Contract Labor Install	\$ -	\$ 15,0	00 \$ -	\$ 15,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,0	00 \$ -	\$ 350,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,5	08 \$ -	\$ 63,508
	8325,702	Tubing	\$ -	\$ 90,0	00 \$ -	\$ 90,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,0	00 \$ -	\$ 40,000
Tangible Facility	у .		\$ -	\$	- \$ 915,100	\$ 915,100
	8355.535	Instrumentation / Meters	\$ -	\$	- \$ 60,500	\$ 60,500
	8355.525	Containment	\$ -	\$	- \$ 25,700	\$ 25,700
	8355.520	PVF	\$ -	\$	- \$ 146,000	\$ 146,000
	8355.500	Vessels	\$ -	\$	- \$ 253,200	\$ 253,200
	8355.515	Flare	\$ -	\$	- \$ 32,000	\$ 32,000
	8355.565	Flowline	\$ -	\$	- \$ 49,100	\$ 49,100
	8355,540	Electrical Supplies	\$ -	\$	- \$ 68,800	\$ 68,800
	8355.555	Pump / Supplies	\$ -	\$	- \$ 87,200	\$ 87,200
	8355.510	Tanks	\$ -	\$	- \$ 128,400	\$ 128,400
	8355.550	Overhead Power Material	\$ -	\$	- \$ 53,100	\$ 53,100
	8355.530	Compressors	\$ -	\$	- \$ 11,100	\$ 11,100
	TOTAL	TANGIBLE COSTS >>>	\$ 776,700	\$ 602,7	13 \$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
	8200,168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,273
	8200.115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$ 5,718
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
	8200,103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
	8200,119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 31,269
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,815
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$ 68,656
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,965
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172



	0000 400	Т	Ta 45.000	10		45.000
	8200.162	Mancamp	\$ 45,996			\$ 45,996
	8200.112	Location & Roads, Conductor	\$ 124,415		\$ -	\$ 124,415
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
! !	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,069
Intangible Complet	tion		s -	\$ 5,620,118		\$ 5,620,118
]	8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
[8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300.270	Frac - Equipment	s -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
İ	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
İ	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
	8300.248	Mancamp	s <u>-</u>	\$ 21,324	\$ -	\$ 21,324
	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
	8300.271	Coil Tubing	s	\$ 113,408	\$ -	\$ 113,408
	8300.211	Contract Labor	s -	\$ 10,678	\$ -	\$ 10,678
	8300.212	Transportation	s -		\$ -	
		· ·	s -	\$ 5,263 \$ 419,703	\$ -	<u> </u>
	8300,209	Chemicals		<u> </u>		
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
]	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
[8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320,611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
1	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
ĺ	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
İ	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
İ	8320.602	Workover Rig	s <u>-</u>	\$ 30,000	\$ -	\$ 30,000
Intangible Flowbac	k		\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,400
i i	8360.820	Well Testing / Flowback	s -	\$ 60,746	\$ -	\$ 60,746
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
	8360,850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
!	8360.825	Rental Equipment	s -	\$ 190,000		\$ 190,000
Intangible Facility	0000.020	Trontal Equipment	s -	\$ -		\$ 664,900
angioje racijity	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
	8350.419	Automation Labor	\$ -	\$ -		\$ 21,500
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,200
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
	8350.421	Commissioning	\$ <u>-</u>	\$ -	\$ 3,500	\$ 3,500
	8350.417	Overhead Power Labor	\$ -	\$ -		\$ 24,600
[8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
[8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
,	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,097,328	\$ 6,056,612	\$ 664,900	\$ 9,818,840
		•	\$ 3,874,027	\$ 6,659,325	\$ 1,580,000	\$ 12,113,352
	TOTA: -	DO IFOT COOTS bee	3,074,027	Φ 0,033,323	1,560,000	Φ 12,113,332
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total



AUTHORIZATION FOR EXPENDITURE

Company: _	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0594 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #514H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 215' FNL, 1450' FEL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 2178' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #514H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0594 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #514H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 215' FNL, 1450' FEL
 Total Proppant (ppf): 2500

 SHL: S14-T19S-R33E 215' FNL, 1450' FEL
 Total Proppant (ppf): 2500

 BHL: S23-T19S-R33E 100' FSL, 2178' FEL
 Total Fluid (gal/ft): 3000

	TAN	IGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling			\$ 776,700	\$ -	\$ -	\$ 776,700
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
1	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
ĺ	8400.303	Production Casing	\$ 528,600	\$ -	\$ -	\$ 528,600
Tangible Completion	Tangible Completion		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	s -	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
[8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
Tangible Facility		•	\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.500	Vessels	s -	\$ -	\$ 253,200	\$ 253,200
	8355.520	PVF	s -	\$ -	\$ 146,000	\$ 146,000
	8355.555	Pump / Supplies	s -	\$ -	\$ 87,200	\$ 87,200
	8355.550	Overhead Power Material	s -	\$ -	\$ 53,100	\$ 53,100
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.535	Instrumentation / Meters	s -	\$ -	\$ 60,500	\$ 60,500
	8355,530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.540	Electrical Supplies	s -	\$ -	\$ 68,800	\$ 68,800
	8355.510	Tanks	ş <u>-</u>	\$ -	\$ 128,400	\$ 128,400
	8355.525	Containment	s -	\$ -	\$ 25,700	\$ 25,700
]	8355.565	Flowline	s -	\$ -	\$ 49,100	\$ 49,100
	TOTAL TA	ANGIBLE COSTS >>>	\$ 776,700	\$ 602,713	\$ 915,100	\$ 2,294,513

	INT	ANGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,32
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,54
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,83
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,17
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,52
•	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,40
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,25
•	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,89
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,89
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,67
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,99
•	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,09
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,25
•	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,81
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,88
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,06
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,97
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,51
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,27
•	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,27
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,20
•	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$ 68,65
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,41
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,81
j	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,96
j	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,15



ı	8200.119	Tabus Austria	Dr. 04.000	\$ -	I c	\$ 31,269
		Mud-Auxiliary	\$ 31,269 \$ 72,089	\$ -	\$ -	
	8200.137	Casing Services	<u> </u>		\$ -	\$ 72,089
-	8200.111	Survey, Stake/Permit	\$ 5,263 \$ 246,443	\$ - \$	\$ - \$	\$ 5,263 \$ 246,443
!	8200.167 8200.115	Consulting Services Mud-Drill Water	\$ 246,443	\$ -	\$ -	\$ 246,443
Intangible Complet		Widd-Drill Water	\$ 5,716	\$ 5,620,118	\$ -	\$ 5.620.118
intangible Complet	8300.214	Perforation & Plugo	s -	\$ 390,293	\$ -	\$ 390,293
l	8300.232	Perforating & Plugs Disposal	s -	\$ 19,004	\$ -	\$ 19,004
	8300.229	-	s -	\$ 5,263	\$ -	\$ 5,263
}		Transportation	s -		\$ -	\$ 9,473
	8300.243 8300.278	Analysis Roustabouts	s -	\$ 9,473 \$ 1,579	\$ -	\$ 9,473
}	8300.278		s -	\$ 10,678	\$ -	\$ 10,678
	8300.212	Contract Labor Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
-	8300.277	Consulting Services	s -	\$ 116,828	\$ -	\$ 116,828
-	8300.220	Engineering & Supervision	s -	\$ 15,156	\$ -	\$ 15,156
	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
-	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
			s -		\$ -	
	8300.271	Coil Tubing Completions Overhead	s -	\$ 113,408 \$ 2,808	\$	
	8300.279 8300.205	Location & Roads	s -	\$ 2,808 \$ 5,288	\$	\$ 2,808 \$ 5,288
			s -			
	8300.210	Surface Rental Equip	<u> </u>	\$ 305,001	\$ -	\$ 305,001
	8300.207 8300.276	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300,276	Safety & Environmental Mancamp	\$ - \$ -	\$ 3,473 \$ 21,324	\$ - \$	\$ 3,473 \$ 21,324
	8300.248		s -	\$ 21,324 \$ 419,703	\$ -	
	8300.209	Chemicals	s -		\$	\$ 419,703 \$ 7,821
-	8300.273	Flowback	s -	\$ 7,821 \$ 1,692,841	\$ -	\$ 1,692,841
!	8300.275	Frac - Equipment Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
Intangible Artificial		Flac - Saliu	s -	\$ 95,150	\$ -	\$ 95,150
Intaligible Artificial	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 95,190 \$ 15,000
l	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
}	8320.611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
-	8320,617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
	8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
! 	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowbac		Nii Trock	s -	\$ 341,344	\$ -	\$ 341,344
Intangible i lowbac	8360.820	Well Testing / Flowback	s -	\$ 60,746	\$ -	\$ 60,746
l 1	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
	8360.845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,400
]	8360,845	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
!	8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
Intangible Facility	5555,000		s -	\$ -		\$ 664,900
	8350.404	Equipment Rental	s -	\$ -		\$ 31,000
}	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
	8350.411	Safety & Environmental	s -	\$ -	\$ 11,700	\$ 11,700
	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
	8350.421	Commissioning	s <u>-</u>	\$ -	\$ 3,500	\$ 3,500
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
	8350.415	Engineering / Technical	s <u>-</u>	\$ -	\$ 38,700	\$ 38,700
	8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
	8350,419	Automation Labor	s <u>-</u>	\$ -	\$ 21,500	\$ 21,500
 	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
		ANGIBLE COSTS >>>	\$ 3,097,328	\$ 6,056,612	\$ 664,900	\$ 9,818,840
			\$ 3,874,027	\$ 6,659,325	\$ 1,580,000	\$ 12,113,352
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
L			1		1	



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
- Bv:		



AFE: NM0588 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #601H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 465' FNL,
 1280' FWL
 Total Proppant (ppf):
 2500

BHL: S23-T19S-R33E 100' FSL, 330' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #601H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0588 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #601H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHI: \$14-T49S-P33E 465' ENII 1280' EWI
 Total Proposit (ont): 2500

 SHL:
 S14-T19S-R33E 465' FNL, 1280' FWL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 330' FWL
 Total Fluid (gal/ft):
 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling			\$ 789,620	\$ -	\$ -	\$ 789,620
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,519
į į	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
l l	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Completion	Tangible Completion		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
į į	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
į į	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
ı	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
į į	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
Tangible Facility			\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.520	PVF	s -	\$ -	\$ 146,000	\$ 146,000
i İ	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
ı	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
į į	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
ı	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
į į	8355,540	Electrical Supplies	s -	\$ -	\$ 68,800	\$ 68,800
l	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
i l	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
į į	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
ļ	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	TOTAL T	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200,144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200,106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641



ı	9200 445	Mud Drill Woter	D 5 705	I 6	T c	\$ 5,765
-	8200.115	Mud-Drill Water	\$ 5,765 \$ 830,236	\$ -	\$ - \$ -	
-	8200.102	Drilling - Daywork	000,200			
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
	8200.165	Safety/Environmental	\$ 2,577	\$ -	-	\$ 2,577
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,87
Intangible Completi			\$ -	\$ 5,620,434		\$ 5,620,43
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,82
	8300,220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,15
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,84
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,29
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,82
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,01
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,70
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,47
	8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,80
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,79
İ	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,67
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,28
ľ	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,04
	8300.275	Frac - Sand	s <u>-</u>	\$ 1,015,231	\$ -	\$ 1,015,23
	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,70
	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,57
	8300.210	Surface Rental Equip	s	\$ 305,001	\$ -	\$ 305,00
	8300.210	* * * * * * * * * * * * * * * * * * * *	s -		\$ -	\$ 43,39
		Downhole Rental Equip	s -	\$ 43,391 \$ 9,473	\$ -	\$ 43,39 \$ 9,47
-	8300,243	Analysis	ļ.			
	8300.271	Coil Tubing	\$ -	\$ 113,724	\$ -	\$ 113,72
	8300,229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,26
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,32
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,00
Intangible Artificial	Lift	-	\$ -	\$ 95,150	\$ -	\$ 95,15
<u> </u>	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,00
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,00
	8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,00
	8320,611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,00
i l	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,00
i i	8320,605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,26
i i	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,88
i i	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,00
Intangible Flowback	k		s -	\$ 341,344	\$ -	\$ 341,34
1	8360.820	Well Testing / Flowback	s -	\$ 60,746	\$ -	\$ 60,74
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,00
	8360.845	Wellsite Supervision	s	\$ 50,400	\$ -	\$ 50,40
-			-			
	8360.850	Safety / Environmental	\$ <u>-</u>	\$ 4,400 \$ 14,334	\$ - \$ -	\$ 4,40 \$ 14,33
	8360,815	Trucking/Vacuum/Transp	<u> </u>			
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464		\$ 21,46
Intangible Facility		7	\$ -		\$ 664,900	\$ 664,90
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,70
<u> </u>	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,10
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,90
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,00
Γ	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,50
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,70
ļ	8350,417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,60
ļ į	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,20
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,60
<u> </u>	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,50
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,50
	8350,418	Mechanical Labor	\$ <u>-</u>	\$ -	\$ 222,500	\$ 222,50
<u> </u>	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,10
		FANGIBLE COSTS >>>	\$ 3,126,247			\$ 9,848,07
_	.OIALIN		\$ 3,915,867	\$ 6,659,641	<u> </u>	\$ 12,155,50
	TOTAL P	ROJECT COSTS >>>	Drilling		Facility	Total
			ı urilling	Completion	ı Facility	



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0589 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #602H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 465' FNL, 1300' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100' FSL, 1254' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #602H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0589 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #602H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 465' FNL, 1300' FWL
 Total Proppant (ppf): 2500

 BHL: S23-T19S-R33E 100' FSL, 1254' FWL
 Total Fluid (gal/ft): 3000

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling		_	\$ 789,620	\$ -	\$ -	\$ 789,620
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,519
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Complet	tion		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
angible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100	
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355,515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	TOTAL	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,433

	INT	ANGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,20
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,35
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,35
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,64
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,67
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,598
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,86
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255



ır		T	1	T.	1.	<u> </u>
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
ļļ	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
Intangible Completi	tion		\$ -	\$ 5,620,434		\$ 5,620,434
1 1	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
] [8300,273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
[8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
l l	8300.210	Surface Rental Equip	s -	\$ 305,001	\$ -	\$ 305,001
[8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
l l	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
l l	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
l l	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
[8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
[8300.271	Coil Tubing	\$ -	\$ 113,724	\$ -	\$ 113,724
[8300.248	Mancamp	s -	\$ 21,324	\$ -	\$ 21,324
l [8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
ĺ	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300,220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
Į į	8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
į į	8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
j t	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
j t	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
j t	8300,250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
i	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
i	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
	8300.278	Roustabouts	s -	\$ 1,579	s -	\$ 1,579
'	8300.275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
i t	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
l 1	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
i t	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
l 1	8320,602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
i	8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
i i	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
!	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
Intangible Flowback			s -	\$ 341,344	\$ -	\$ 341,344
[8360.825	Rental Equipment	s -	\$ 190,000		\$ 190,000
i i	8360.815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
	8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
	8360,845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,400
l l	8360.820	Well Testing / Flowback	s -	\$ 60,746		\$ 60,746
Intangible Facility	0000.020	Tooling / Townsien	s -	\$ 60,746	\$ 664,900	\$ 664,900
angiole racility	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
	8350.410	Roads/Location	s -	\$ -	\$ 24,500	\$ 85,100
	8350.403	Equipment Rental	s -	\$ -	\$ 85,100	\$ 85,100 \$ 31,000
			s -	\$ -		
	8350.415	Engineering / Technical	s -			\$ 38,700 \$ 3,500
	8350.421	Commissioning	ļ*	\$ -	\$ 3,500	
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
I	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
			S -	\$ -	\$ 75,200	\$ 75,200
	8350.413	Contingency	ļ			
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	
	8350.417		\$ - \$ 3,126,247	\$ - \$ 6,056,928	\$ 24,600 \$ 664,900	\$ 9,848,075
	8350.417 TOTAL INT	Overhead Power Labor	\$ -	\$ -	\$ 24,600	



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0590 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #603H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 465' FNL, 1320' FWL

Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 2178' FWL

Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #603H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0590 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #603H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 465' FNL, 1320' FWL
 Total Proppant (ppf): 2500

 SHL: S14-T19S-R33E 465' FNL, 1320' FWL
 Total Proppant (ppf): 2500

 BHL: S23-T19S-R33E 100' FSL, 2178' FWL
 Total Fluid (gal/ft): 3000

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling		_	\$ 789,620	\$ -	\$ -	\$ 789,62
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,51
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,79
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,83
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,47
Tangible Completi	on		\$ -	\$ 602,713	\$ -	\$ 602,71
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,20
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,00
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,00
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,00
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,50
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,00
Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,10	
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,10
	8355.540	Electrical Supplies	\$	\$ -	\$ 68,800	\$ 68,80
	8355.525	Containment	\$	\$ -	\$ 25,700	\$ 25,70
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,50
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,10
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,40
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,20
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,10
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,20
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,00
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,00
	TOTAL T	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,43

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200,112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200,147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
	8200,167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200,169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133



		1	Ta	1.	T	
!	8200.125	Inspection	\$ 45,258		\$ -	\$ 45,258
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	-	\$ 830,236
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
Intangible Complet	ion		\$ -	\$ 5,620,434	\$ -	\$ 5,620,434
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300,207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
l l	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
İ	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
İ	8300.248	Mancamp	s -	\$ 21,324	\$ -	\$ 21,324
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
İ	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
l	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
	8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
	8300.232		S -	\$ 19,004	\$ -	\$ 19,004
		Disposal	, ,			
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
j [8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300,271	Coil Tubing	\$ -	\$ 113,724	\$ -	\$ 113,724
i i	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
İ	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
İ	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
	8320.625	Wellsite Supervision	s <u>-</u>	\$ 5,000	ļ	\$ 5,000
i i	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
	8320.610	Inspection & Testing	\$ <u>-</u>	\$ 4,000	\$ -	\$ 4,000
	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
		Kill Truck	S	\$ 5,000	\$ -	\$ 5,000
	8320,612					
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
! !	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
Intangible Flowbac	k		\$ -	\$ 341,344	-	\$ 341,344
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
1	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
	8360,850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
j l	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
j l	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
	8350.421	Commissioning	s <u>-</u>	\$ -	\$ 3,500	\$ 3,500
	8350.420	Electrical Labor	s <u>-</u>	\$ -	\$ 61,900	\$ 61,900
	8350.420	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
			S	\$ -	ļ	
	8350.413	Contingency				
	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
[8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
,	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,126,247	\$ 6,056,928	\$ 664,900	\$ 9,848,075
			\$ 3,915,867	\$ 6,659,641	\$ 1,580,000	\$ 12,155,508
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
			·			



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0597 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #604H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 190' FNL, 1280' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 2178' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #604H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0597 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #604H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 190' FNL, 1280' FEL
 Total Proppant (ppf): 2500

 BHL: S23-T19S-R33E 100' FSL, 2178' FEL
 Total Fluid (gal/ft): 3000

	TAN	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling			\$ 789,620	\$ -	\$ -	\$ 789,620
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
ĺ	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
l	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
ĺĺ	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,519
Tangible Completion	on		s -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	s -	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
ĺ	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
ĺ	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325,704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
ĺ	8325.719	Contract Labor Install	s -	\$ 15,000	\$ -	\$ 15,000
Tangible Facility	Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.530	Compressors	s -	\$ -	\$ 11,100	\$ 11,100
	8355.520	PVF	s -	\$ -	\$ 146,000	\$ 146,000
ĺ	8355.525	Containment	s -	\$ -	\$ 25,700	\$ 25,700
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
ĺ	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
ĺ	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
ĺ	8355.550	Overhead Power Material	s -	\$ -	\$ 53,100	\$ 53,100
l	8355.510	Tanks	s -	\$ -	\$ 128,400	\$ 128,400
	8355.540	Electrical Supplies	s -	\$ -	\$ 68,800	\$ 68,800
	8355.555	Pump / Supplies	s -	\$ -	\$ 87,200	\$ 87,200
	8355.500	Vessels	s -	\$ -	\$ 253,200	\$ 253,200
	TOTAL TA	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200,167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
	8200,116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641



	8200.169	Mud-Brine	\$	25,836		\$ -	\$ 25,836
	8200.169		s	2,400	\$ -	\$ -	\$ 25,836
-	8200.144	Company Supervision	s		\$ -	- \$	
-		Casing Services	s	72,199			
-	8200.119	Mud-Auxiliary		31,462		-	\$ 31,462 \$ 193,963
	8200.104	Fuel - Rig	\$	193,963	\$ -	-	
Intangible Completi		T	\$	-	\$ 5,620,434		\$ 5,620,434
-	8300.232	Disposal	\$	-	\$ 19,004	\$ -	\$ 19,004
	8300,243	Analysis	\$	-	\$ 9,473	\$ -	\$ 9,473
	8300.212	Contract Labor	\$	-	\$ 10,678		\$ 10,678
	8300.273	Flowback	\$	-	\$ 7,821	\$ -	\$ 7,82
	8300.276	Safety & Environmental	\$	-	\$ 3,473		\$ 3,47
	8300.220	Engineering & Supervision	\$	-	\$ 15,156	\$ -	\$ 15,15
	8300.209	Chemicals	\$	-	\$ 419,703	\$ -	\$ 419,70
	8300.229	Transportation	\$	-	\$ 5,263	\$ -	\$ 5,26
	8300.205	Location & Roads	\$	-	\$ 5,288	\$ -	\$ 5,28
	8300.214	Perforating & Plugs	\$	-	\$ 390,293	\$ -	\$ 390,29
	8300.250	Downhole Rental Equip	\$	-	\$ 43,391	\$ -	\$ 43,39
	8300.203	Fuel	\$	-	\$ 683,704	\$ -	\$ 683,70
ı [8300.270	Frac - Equipment	\$	-	\$ 1,692,841	\$ -	\$ 1,692,84
	8300.279	Completions Overhead	\$	-	\$ 2,808	\$ -	\$ 2,80
	8300.248	Mancamp	\$	-	\$ 21,324	\$ -	\$ 21,32
	8300.271	Coil Tubing	\$	-	\$ 113,724	\$ -	\$ 113,72
	8300.278	Roustabouts	\$	-	\$ 1,579	\$ -	\$ 1,57
	8300.275	Frac - Sand	\$	-	\$ 1,015,231	\$ -	\$ 1,015,23
	8300,277	Consulting Services	\$	-	\$ 116,828	\$ -	\$ 116,82
	8300.210	Surface Rental Equip	\$	-	\$ 305,001	\$ -	\$ 305,00
	8300.274	Water Transfer	s	-	\$ 99,015	\$ -	\$ 99,01
-	8300.240	Pump Down Services	s	-	\$ 101,040	\$ -	\$ 101,04
	8300,207	Fresh Water	s	-	\$ 537,798	\$ -	\$ 537,79
Intangible Artificial		110011111111111111111111111111111111111	s		\$ 95,150	\$ -	\$ 95,15
, realigners of the control of	8320.605	Fuel / Power	s	_	\$ 5,263	\$ -	\$ 5,26
-	8320.602	Workover Rig	s	-	\$ 30,000	\$ -	\$ 30,00
-			*	-			
-	8320.617	Contract Labor/Roustabout	\$	-		-	\$ 15,88
-	8320.612	Kill Truck	\$	-	\$ 5,000	-	\$ 5,00
-	8320,628	Chemicals	\$	-	\$ 5,000	\$ -	\$ 5,00
	8320.621	Rental Equipment	\$	-	\$ 15,000	\$ -	\$ 15,000
	8320.625	Wellsite Supervision	\$	-	\$ 5,000	\$ -	\$ 5,00
	8320.611	Trucking/Vacuum/Transportation	\$	-	\$ 10,000	\$ -	\$ 10,00
	8320.610	Inspection & Testing	\$	-	\$ 4,000	\$ -	\$ 4,00
Intangible Flowback			\$	-	\$ 341,344	\$ -	\$ 341,34
	8360.805	Trucked Water Disposal	\$	-	\$ 21,464	\$ -	\$ 21,46
	8360.825	Rental Equipment	\$	-	\$ 190,000	\$ -	\$ 190,00
	8360.845	Wellsite Supervision	\$	-	\$ 50,400	\$ -	\$ 50,40
l [8360.850	Safety / Environmental	\$	-	\$ 4,400	\$ -	\$ 4,40
	8360,820	Well Testing / Flowback	\$	-	\$ 60,746	\$ -	\$ 60,74
	8360.815	Trucking/Vacuum/Transp	\$	-	\$ 14,334	\$ -	\$ 14,33
Intangible Facility			\$	-	\$ -	\$ 664,900	\$ 664,90
	8350.413	Contingency	s	-	\$ -	\$ 75,200	\$ 75,20
i F	8350.418	Mechanical Labor	\$	-	\$ -	\$ 222,500	\$ 222,50
	8350.416	Supervision	\$	-	\$ -	\$ 29,600	\$ 29,60
	8350.404	Equipment Rental	\$	-	\$ -	\$ 31,000	\$ 31,00
	8350.417	Overhead Power Labor	\$	-	\$ -	\$ 24,600	\$ 24,60
<u> </u>	8350.419	Automation Labor	s	-	\$ -	\$ 21,500	\$ 21,50
	8350.415	Engineering / Technical	s	-	\$ -	\$ 38,700	\$ 38,70
	8350.411	Safety & Environmental	s	-	\$ -	\$ 11,700	\$ 11,70
	8350.422	Flowline Labor	s s	-	\$ -	\$ 35,100	\$ 35,10
	8350.410		s	-	\$ -		
		Transportation/Trucking		-			
	8350.421	Commissioning	\$	-	\$ -	\$ 3,500	\$ 3,50
	8350.403	Roads/Location	\$	-	\$ -	\$ 85,100	\$ 85,10
	8350.420	Electrical Labor	\$	-	\$ -	\$ 61,900	\$ 61,90
	TOTAL IN	FANGIBLE COSTS >>>	\$	3,126,247	\$ 6,056,928	<u> </u>	\$ 9,848,07
		DO 1507 00070	\$	3,915,867	\$ 6,659,641	\$ 1,580,000	\$ 12,155,50
	TOTAL P	ROJECT COSTS >>>		Drilling	Completion	Facility	Total



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0598 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #605H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 190' FNL,
 1260' FEL
 Total Proppant (ppf):
 2500

BHL: S23-T19S-R33E 100' FSL, 1254' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #605H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



Total Fluid (gal/ft): 3000

AFE: NM0598 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #605H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6 County: Lea Lateral Length: 10000 State: NM Stages: 64 SHL: S14-T19S-R33E 190' FNL, 1260' FEL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 1254' FEL

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling		_	\$ 789,620	\$ -	\$ -	\$ 789,620
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,519
	8400,340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
ļ	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
Tangible Completion	on		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
ļ	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
Tangible Facility			\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355,535	Instrumentation / Meters	s -	\$ -	\$ 60,500	\$ 60,500
	8355.525	Containment	s -	\$ -	\$ 25,700	\$ 25,700
	8355.550	Overhead Power Material	s -	\$ -	\$ 53,100	\$ 53,100
	TOTAL T	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total	
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126	,247
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68	3,801
Ī	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115	5,861
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5	,765
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45	5,258
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27	7,255
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5	5,351
	8200,117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177	7,133
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95	5,387
	8200,138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199	9,975
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25	,836
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7	7,894
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2	2,207
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10),201
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5	5,263
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72	2,199
	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31	1,462
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2	2,400
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110),871
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93	3,673
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46	3,357
	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250	,595
ļ	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124	1,415
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830),236
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2	2,577
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10),525



	ı (2002 444	la:	Ta 400 700	T.	T.	400.700
		8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
			· ·	210,001			
1800.119							
Internage Compute				ļ			
BIRDIAZE Belance			Damages/Row	 			
MIDURADINA Contains Richards 1	Intangible Complet	ion		s -			\$ 5,620,434
]	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
		8300.205	Location & Roads	\$ -	\$ 5,288	-	\$ 5,288
		8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
		8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
		8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
		8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
		8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
8000,229 Pare-portation S	İ	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
		8300.279	Completions Overhead	s <u>-</u>	\$ 2,808	\$ -	\$ 2,808
	İ	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
	İ	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
				s -		\$ -	\$ 10,678
8300.220 Engineering & Signarvision S	i i			s -			
800,210 Surface Named Equip S S 305,001 S S 305,000			<u> </u>	<u> </u>			<u> </u>
				ļ ·		ļ	
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				<u> </u>			
B300,203 Full S							
B300,271 Colf Tubing							<u> </u>
Salety & Environmental S			ļ	-		ļ	
Bassing France Equipment S S S 1,696,284 S S 1,092,044 S S 9,473 S S 9,473 S S 9,473 S S 9,473 S S 9,473 S S 9,473 S S 9,473 S S 9,473 S S 9,473 S S S 9,473 S S S 9,473 S S S S S S S S S			-	<u> </u>			
B B B B B B B B B B		8300.276	Safety & Environmental	\$ -			
Managible Antificial Lift	ļ	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
8320,811 Trucking/Vacum/Transportation S		8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
8320,628 Chemicals \$ - \$ 5,000 \$ - \$ 5,000	Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
8320,602 Workover Rig		8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
8320,610 Inspection & Testing S		8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
8320,625 Wellste Supervision \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ \$ 5,000 \$ \$ \$ \$ \$ \$ \$ \$ \$		8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
8320,605 Fuel / Power \$ \$ \$ \$ \$ \$ \$ \$ \$	İ	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
8320.612 Kill Truck		8320,625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
8320.612 Kill Truck	i	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
8320.617 Contract Labor/Rouslabout S		8320,612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
B320,621 Rental Equipment S		8320.617	Contract Labor/Roustabout	s -	\$ 15.887	\$ -	\$ 15.887
S	!			s -			
8360,845 Vellstle Supervision \$ \$ \$ \$ \$ \$ \$ \$ \$	Intangible Flowbac		Transa Equipment				
8360.825 Rental Equipment \$ \$ \$ \$ 190,000 \$ \$ \$ \$ \$ 190,000 \$ \$ \$ \$ \$ \$ \$ \$ \$,mangisje i jenisae		Wellsite Supervision			ļ	
B360.850 Safety / Environmental S			· ·				
8360,815 Trucking/Vacuum/Transp \$ \$ \$ \$ \$ \$ \$ \$ \$				•			
8360,820 Well Testing / Flowback S			-	9			<u> </u>
Sabout S			<u> </u>				
S	ļ ļ		-				
8350.403 Roads/Location \$ - \$ - \$ - \$ 85,100 \$ 85,100		8360.805	Trucked Water Disposal	ļ			
8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600	Intangible Facility						
8350.418 Mechanical Labor \$ - \$ 222,500 \$ 222,500 8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,100 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.404 Equipment Rental \$ - \$ - \$ - \$ 11,700 \$ 31,000 \$ 31,000 \$ 31,000 \$ 31,000 \$ 31,000 \$ 31,000 \$ 21,500 \$ 21,500 \$ 21,500 \$ 21,500 \$ 24,600 \$ 24,600 \$ 24,600 \$ 24,600 \$ 350,415	l l	8350.403	Roads/Location	\$ -			
8350.422 Flowline Labor \$ - \$ - \$ \$ 35,100 \$ 35,100		8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.421 Commissioning \$ - \$ - \$ - \$ 3,500 \$ 3,500 8350.411 Safety & Environmental \$ - \$ - \$ - \$ 11,700 \$ 11,700 8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.410 Transportation/Trucking \$ - \$ - \$ 38,700 \$ 24,500 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 TOTAL INTANGIBLE COSTS>>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,500		8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
8350.421 Commissioning \$ - \$ - \$ - \$ 3,500 \$ 3,500 8350.411 Safety & Environmental \$ - \$ - \$ - \$ 11,700 \$ 11,700 8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,500 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 TOTAL INTANGIBLE COSTS>>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,500		8350.422	Flowline Labor	\$ -	\$	\$ 35,100	\$ 35,100
8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700		8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 31,000 \$ 31,000 \$ 35,000		8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 31,000 \$ 31,000 \$ 35,000	j i	8350.411	Safety & Environmental	s -	\$ -	\$ 11,700	\$ 11,700
8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,500 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 TOTAL INTANGIBLE COSTS >>> \$ 3,915,867 \$ 6,056,928 \$ 664,900 \$ 9,848,073 TOTAL PROJECT COSTS >>>		8350.404		\$ -	\$ -	\$ 31,000	\$ 31,000
8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 \$ 350,413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 \$ 75,200 \$ 350,410 Transportation/Trucking \$ - \$ - \$ - \$ 24,500 \$ 24,500 \$ 24,500 \$ 350,415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 \$ 38,700 \$				\$			
8350.413 Contingency \$ - \$ 75,200 \$ 75,200 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,500 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 TOTAL INTANGIBLE COSTS>>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,073 TOTAL PROJECT COSTS \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,500							
8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,500							
8350.415 Engineering / Technical \$ \$ \$ \$ 38,700 \$ 38,700 \$ 38,700 \$							
TOTAL INTANGIBLE COSTS >>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,079 TOTAL PROJECT COSTS >>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,500							
TOTAL PROJECT COSTS >>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,500				T			
TOTAL PROJECT COSTS >>>		IOTAL INT	ANGIDLE CUSTS >>>	ļ			
Drilling Completion Facility Total		TOTAL P	ROJECT COSTS >>>				
				Drilling	Completion	Facility	Total



AUTHORIZATION FOR EXPENDITURE

Company:	W	/orking Interest:	
Signature:		Date:	
By:			



AFE: NM0599 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #606H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 190' FNL, 1240' FEL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 330' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #606H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0599 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #606H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 190' FNL, 1240' FEL
 Total Proppant (ppf): 2500

 BHL: S23-T19S-R33E 100' FSL, 330' FEL
 Total Fluid (gal/ft): 3000

	TA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling			\$ 789,620	\$ -	\$ -	\$ 789,620
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,519
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Comple	tion	•	\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
Tangible Facility			\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355,525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355,510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	TOTAL 1	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
	8200,162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200,116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351



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		8200.125	Inspection	\$ 45,258		\$ -	\$ 45,258
December				13,231			
100 100		8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	ļ	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
		8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
BOX.0279 Completion Contention	Intangible Complet	ion		s -	\$ 5,620,434	\$ -	\$ 5,620,434
BR00_212 Control Laber		8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
BRIDICY Wood Fraction S		8300,279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
BRIDDURAD Pump Dates Services S		8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
\$100,029 Processor Proce		8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
		8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
	İ	8300.250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
		8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	İ	8300.220	Engineering & Supervision	s -	\$ 15,156	\$ -	\$ 15,156
		8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
		8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
		8300,271		s -	\$ 113,724	\$ -	\$ 113,724
				s -			
8300,210 Surface Rental Equip S	ŀ			<u> </u>			
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S00,243				ļ			
B300,232 Disposal S				<u> </u>			000,101
				ļ			
8300.229 Transportation S				ļ	ļ		
B300,209 Chemicals S					<u> </u>	ļ	
B300,205 Location & Roads S S S S S S S S S		8300.229	Transportation	s -			\$ 5,263
Managible Artificial Lift		8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
Second S		8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
8320,612 Kill Truck		8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
8320,821 Rental Equipment \$ - \$ \$ 15,000 \$ - \$ \$ 15,000	Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
8320,602 Workover Rig		8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
8320,825 Welfolds Supervision		8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
		8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
8320,610 Inspection & Testing \$ \$ \$ 4,000 \$ \$ \$ \$ 4,000 \$ \$ \$ \$ 4,000 \$ \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ 5,000 \$ \$ \$ \$ \$ \$ \$ \$ \$		8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
8320.811 Trucking/Vacuum/Transportation \$ \$ \$ \$ \$ \$ \$ \$ \$		8320,628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
8320,611 Trucking/Vacuum/Transportation \$ \$ \$ \$ \$ 10,000 \$ \$ \$ \$ \$ 10,000 \$ \$ \$ \$ \$ 10,000 \$ \$ \$ \$ \$ 10,000 \$ \$ \$ \$ \$ 15,888 \$ \$ \$ \$ 15,888 \$ \$ \$ \$ \$ 15,888 \$ \$ \$ \$ \$ 15,888 \$ \$ \$ \$ \$ \$ \$ \$ \$	i	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
8320.617 Contract Labor/Roustabout \$ \$ \$ \$ \$ \$ \$ \$ \$	İ	8320,611		s -	\$ 10,000	\$ -	\$ 10,000
830.605 Fuel / Power \$ 5 5.263 \$ 5 5.265 \$ Intangible Flowback	İ	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
S	i i			s -		s -	
8360.815 Trucking/Vacuum/Transp \$	Intangible Flowbac		J.	s -	ļ		
8360.850 Safety / Environmental \$ \$. 4.400 \$ \$. 4.400 \$ \$. 4.400 \$ \$. 5.0400 \$			Trucking/Vacuum/Transp	1		ļ	
8360,845 Wellsite Supervision \$ \$ \$ \$ \$ \$ \$ \$ \$				·			
8360,825 Rental Equipment \$ \$ \$ 190,000 \$ \$ \$ \$ 190,000 \$ \$ \$ \$ \$ 190,000 \$ \$ \$ \$ \$ \$ \$ \$ \$				•			
8360,820 Well Testing / Flowback S				-			<u> </u>
Sa60.805 Trucked Water Disposal S				ļ <u>.</u>			
S			-				
8350.419		8360,805	rucked Water Disposal	 			
8350,410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,500 \$ 24,500 \$ 38,700	Intangible Facility		T				
8350.415 Engineering / Technical S							
8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600 8350.403 Roads/Location \$ - \$ - \$ 5 - \$ 85,100 \$ 85,100 8350.404 Equipment Rental \$ - \$ - \$ 5 - \$ 31,000 \$ 31,000 8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,500 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 8350.422 Flowline Labor \$ - \$ 5 - \$ 35,100 \$ 35,100 8350.420 Electrical Labor \$ - \$ 5 - \$ 61,900 \$ 61,900 8350.413 Contingency \$ - \$ 5 - \$ 3,500 \$ 75,200 8350.421 Commissioning \$ - \$ 5 - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS>>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,500							
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8350,404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350,418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350,417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350,422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,100 8350,420 Electrical Labor \$ - \$ - \$ 5 61,900 \$ 61,900 8350,413 Contingency \$ - \$ 5 - \$ 35,000 \$ 75,200 8350,421 Commissioning \$ - \$ 5 - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS>>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,500		8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350.422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,100 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75,200 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS >>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,07 TOTAL PROJECT COSTS >>>		8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
8350,417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350,422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,10 8350,420 Electrical Labor \$ - \$ - \$ 5 61,900 \$ 61,900 8350,413 Contingency \$ - \$ - \$ 75,200 \$ 75,200 8350,421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS >>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,07 TOTAL PROJECT COSTS >>>	l İ	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35		8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75,200 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS >>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,07 TOTAL PROJECT COSTS >>>		8350,417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75,200 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS >>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,07 TOTAL PROJECT COSTS >>>		8350.422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75,200 8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,500 TOTAL INTANGIBLE COSTS >>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,07 TOTAL PROJECT COSTS >>>				s -	\$ -		
8350.421 Commissioning \$ \$ \$ \$ \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 9,848,07 \$ 6,056,928 \$ 664,900 \$ 9,848,07 TOTAL PROJECT COSTS >>>				s -			
TOTAL INTANGIBLE COSTS >>> \$ 3,126,247 \$ 6,056,928 \$ 664,900 \$ 9,848,07 TOTAL PROJECT COSTS >>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,50				ļ			
TOTAL PROJECT COSTS >>> \$ 3,915,867 \$ 6,659,641 \$ 1,580,000 \$ 12,155,50				ļ ·			
TOTAL PROJECT COSTS >>>		. O.ALINI		<u> </u>			
Drilling Completion Facility Total		TOTAL P	ROJECT COSTS >>>				
				Drilling	Completion	Facility	lotai



AUTHORIZATION FOR EXPENDITURE

Company:	Working	Interest:
Signature:		Date:
By:		

Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H Avant Operating, LLC Case No. 24849 Exhibit A-7



Summary of Contacts

Owner Name	Sent Proposal	Tracking	Follow-up / Comments
T.H. McElvain Oil & Gas LLLP	6.27.24	9405 5036 9930 0697 5045 69 and emailed	JOA signed, Owner Committed
Devon Energy Production Company, L.P.	6.27.24 8.6.24	9405 5036 9930 0697 5045 45 9405 5036 9930 0704 7969 18	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
Nuevo Seis Limited Partnership	8.5.24	9405503699300672435178 emailed updated documents	8/1 Morris called and left message; 8/5 called back and offered to send everything in one email: JOA, AFEs and Well Proposals 806-777-9005; tinman51@rocketman.com
Ball Oil and Gas, LLC	6/7/24	9405 5036 9930 0697 5045 07 and emailed	JOA signed, Owner Committed
Community Minerals, LLC	6.27.24	9405 5036 9930 0697 5045 38	Paul Berguila <paulb@communityminerals.com> emailed 8/5 confirming receipt of AFEs and JOA and will let us know their decision; No further inquiries received</paulb@communityminerals.com>
James K. Lusk and Martha Lusk Trust, James K. Lusk, Trustee	6.27.24 8.6.24	9405 5036 9930 0697 5046 06 2nd attempt: 9405 5036 9930 0702 7148 46 3rd attempt: 9405 5036 9930 0711 9932 32 9405 5036 9930 0704 7968 19	2717 Onate Drive Roswell, NM 88201 also returned UNDELIVERD 9/12; James and Martha are both deceased; pulled Trustee info from County and attempting delivery to Daniel G Lusk, package was delivered but no further inquiries.
WTI Energy Partners LLC	6.27.24	9405 5036 9930 0697 5047 12 and emailed	JOA signed, Owner Committed
Lone Oak Capital LLC	6.27.24	9405 5036 9930 0697 5047 12 and emailed	JOA signed, Owner Committed
Winn Investments, Inc.	8.6.24	9405 5036 9930 0704 7968 71	
Earthstone Permian, LLC Permian Resources	6.27.24 8.4.24	9405 5036 9930 0697 5047 36 9405503699300704796840	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
Ellipsis Oil & Gas Inc.	6.27.24 78.24	emailed packet to Pete	JOA signed, Owner Committed
Gregory J. Nibert and Carolyn S. Nibert, Co- Trustees of the DJS Trust Established under Trust Agreement dated 9/12/2005, as amended and restated	6.27.24 8.6.24	9405 5036 9930 0697 5045 83 9405 5036 9930 0704 7969 25	JOA signed, Owner Committed
Innoventions Inc.	6.27.24	9405503699300672435246 and email	JOA signed, Owner Committed
Williamson Enterprises	6.27.24 8.6.24	9405 5036 9930 0697 5046 99 9405 5036 9930 0704 7969 01	JOA signed, Owner Committed



Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H Avant Operating, LLC Case No. 24849 Exhibit A-7



Summary of Contacts continued

Owner Name	Sent Proposal	Tracking	Follow-up / Comments
Hutchings Oil Company	6.27.24 8.6.24	9405 5036 9930 0697 5045 52 9405 5036 9930 0704 7968 88	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
PBEX, LLC	7.11.24 7.22.24	FedEx 777571360927	Brittany sent email 7.11.2024 w/ownership transfers back into PBEX; 7/22 I sent updated AFEs and Proposal, 7/23 sent copy of the same overnight mail bhull@pbex.com
Capco Resource Corporation	6.27.24 8.6.24	9405 5036 9930 0697 5045 21 9405 5036 9930 0704 7968 64	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
Yates Energy Corporation	8.6.24	9405 5036 9930 0704 7968 57	JOA signed; Owner Committed
MRC Delaware Resources, LLC	6.27.24 8.6.24	9405 5036 9930 0697 5046 13 9405 5036 9930 0704 7968 95	Well Proposals Received; Clarification Letter received, JOA sent, 8/22 phone call w/Clay on potential trade; 9/15 potential deal sent via email, 9/23 sent email follow-up regarding trade idea



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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

SELF-AFFIRMED STATEMENT OF JOSH PAYNE

Josh Payne hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Avant Operating, LLC ("Avant"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.

- 2. My area of responsibility at Avant includes the area of Lea County in New Mexico.
- 3. I am familiar with the application filed by Avant in this case.
- 4. **Exhibit B-1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
 - 5. **Exhibit B-2** is a gun-barrel diagram showing Avant's development plan.
- 6. **Exhibit B-3** is a structure map of the base of the Bone Spring formation. The proposed spacing unit is identified by a red box. The proposed Sapphire 14 Federal Com Bone Spring wells are identified by the black-dashed lines. The contour interval used in this exhibit is 100 feet. This exhibit shows that the structure dips gently to the south. **Exhibit B-3** also includes a cross-section reference map that identifies four wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

Received by OCD: 9/26/2024 11:52:10 AM

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Exhibit B-4 is a stratigraphic cross-section, and the well logs shown on the cross-

section give a representative sample of the First Bone Spring formation in the area. The target zone

for the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal

Com #303H, Sapphire 14 Federal Com #304H, Sapphire 14 Federal Com #305H, and Sapphire 14

Federal Com #306H wells, which are First Bone Spring wells, is identified by a red-dashed line

and a box identifying the wells. In my opinion, the First Bone Spring formation is relatively

consistent across the proposed unit.

Exhibit B-5 is a structural cross-section, and the well logs shown on the cross-

section give a representative sample of the First Bone Spring formation in the area. The target zone

for the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal

Com #303H, Sapphire 14 Federal Com #304H, Sapphire 14 Federal Com #305H, and Sapphire 14

Federal Com #306H wells is identified by a red-dashed line and a box identifying the wells. In

my opinion, the First Bone Spring formation dips to the south.

9. **Exhibit B-6** is a stratigraphic cross-section, and the well logs shown on the cross-

section give a representative sample of the Second Bone Spring formation in the area. The target

zone for the Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14

Federal Com #505H, Sapphire 14 Federal Com #506H, Sapphire 14 Federal Com #513H, and

Sapphire 14 Federal Com #514H wells, which are Second Bone Spring wells, is identified by a

red-dashed line and a box identifying the wells. In my opinion, the Second Bone Spring formation

is relatively consistent across the proposed unit with subtle variations in lithology from well to

well.

10. Exhibit B-7 is a structural cross-section, and the well logs shown on the cross-

section give a representative sample of the Second Bone Spring formation in the area. The target

zone for the Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #505H, Sapphire 14 Federal Com #506H, Sapphire 14 Federal Com #513H, and Sapphire 14 Federal Com #514H wells is identified by a red-dashed line and a box identifying the wells. In my opinion, the Second Bone Spring formation is relatively consistent and dips to the south.

- 11. **Exhibit B-8** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone for the Sapphire 14 Federal Com #601H, Sapphire 14 Federal Com #602H, Sapphire 14 Federal Com #603H, Sapphire 14 Federal Com #604H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells, which are Third Bone Spring wells, is identified by a red-dashed line and a box identifying the wells. In my opinion, the Third Bone Spring formation is relatively consistent with slight thickening southward in the proposed unit.
- 12. **Exhibit B-9** is a structural cross-section, and the well logs shown on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone for the Sapphire 14 Federal Com #601H, Sapphire 14 Federal Com #602H, Sapphire 14 Federal Com #603H, Sapphire 14 Federal Com #604H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells is identified by a red-dashed line and a box identifying the wells. In my opinion, the Third Bone Spring formation is relatively consistent and dips southward.
 - 13. I conclude from the geology studies referenced above that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.

- c. Each quarter-quarter section in the proposed unit will contribute more or less equally to production.
- 14. The preferred well orientation in this area is east/west because the stress orientation is approximately northeast.
- 15. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.
- 16. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.
- 17. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature Page Follows]

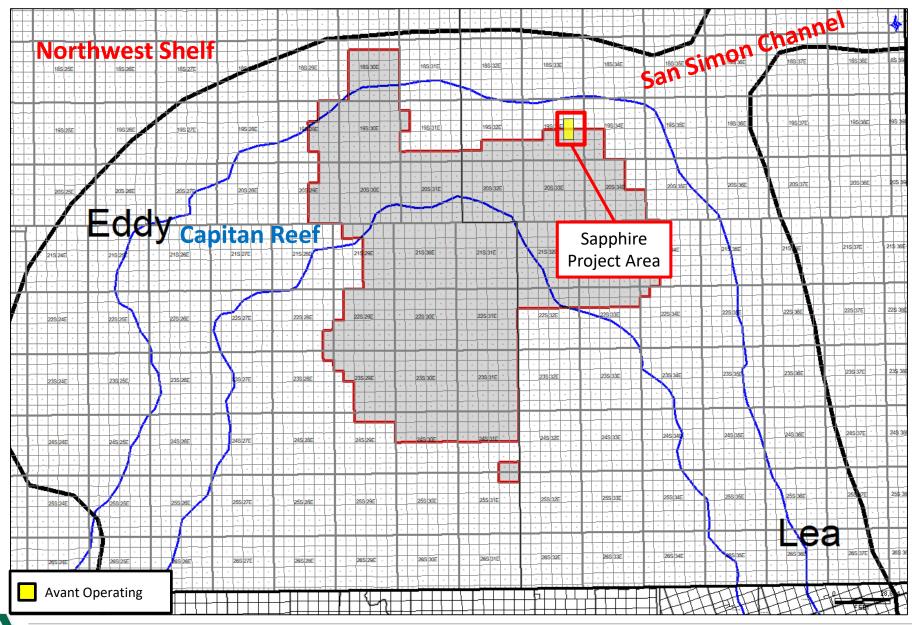
9-24-2024	
Date	Iosh Payne
Date	Josh Pavne

Regional Locator Map

Sapphire Federal Com

#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H







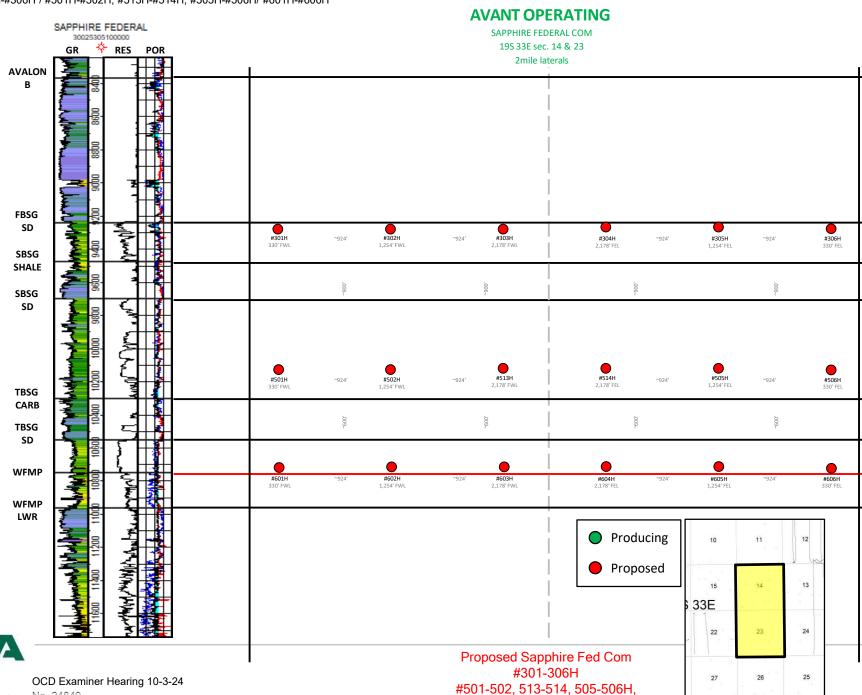
Received by OCD: 9/26/2024 11:52:10 AM Gun Barrel Development Plan TBSG - SBSG - FBSG

Sapphire Federal Com

#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H

Avant Operating, LLC Case Nos. 24849 Exhibit B-2





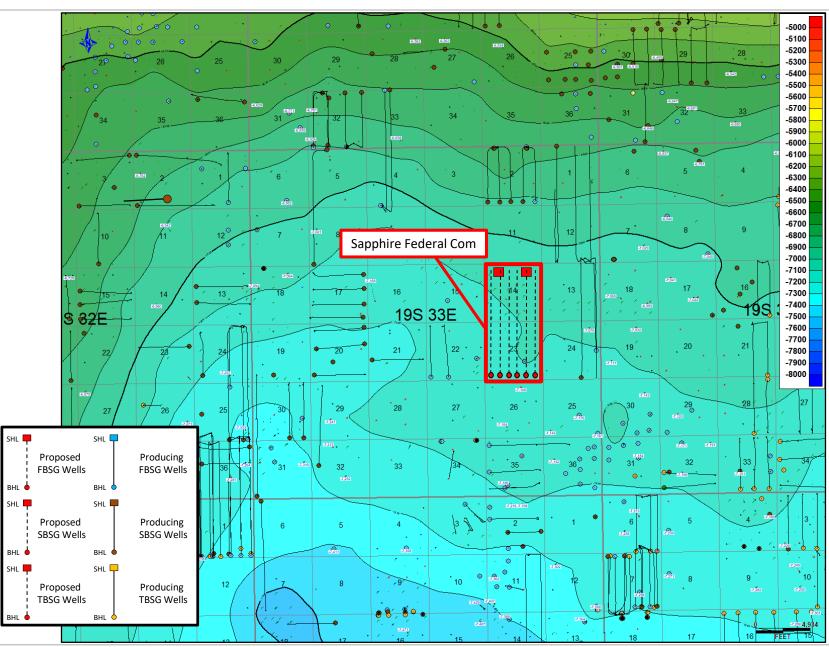
#601-606H

Base Bone Spring Structure Map (TVDSS')

Sapphire Federal Com

#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H





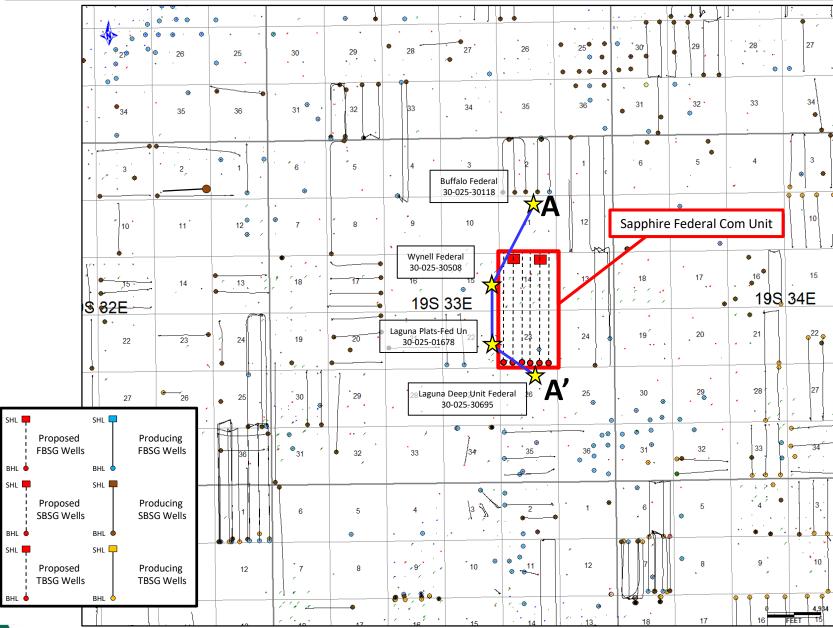


Cross-Section Locator Map (A-A')

Sapphire Federal Com

#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H

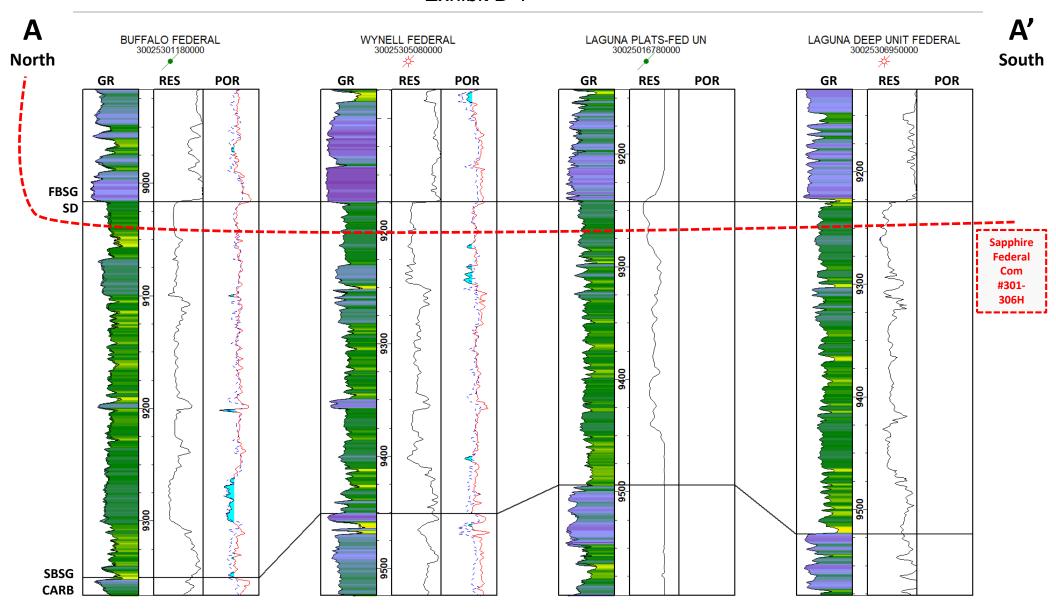






Stratigraphic Cross-Section A-A' Sapphire Federal Com #301H-#306H



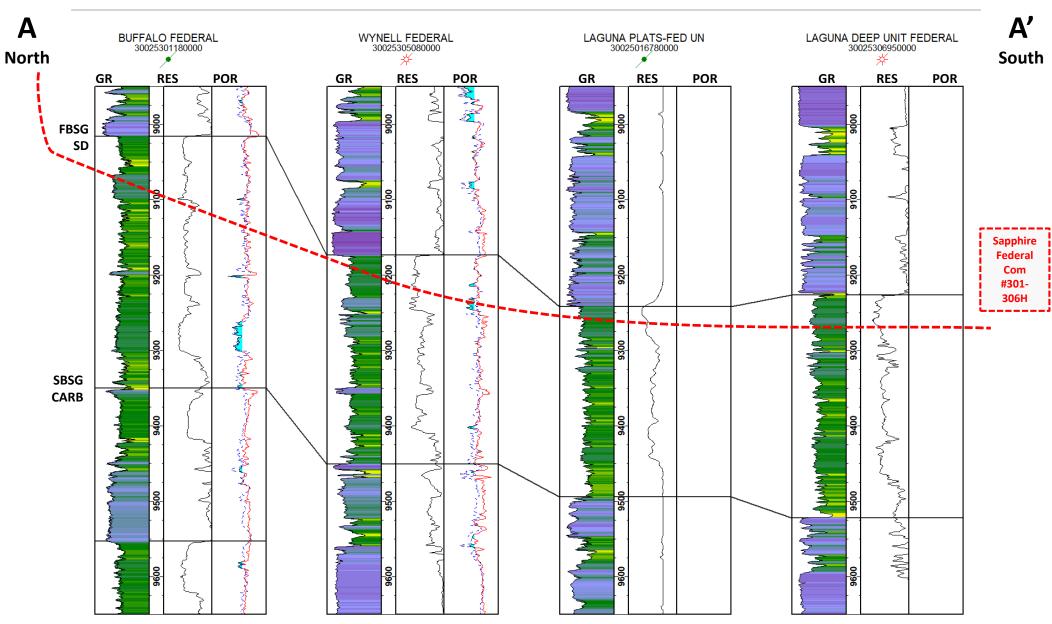




Structural Cross-Section A-A' Sapphire Federal Com #301H-#306H

Avant Operating, LLC Case Nos. 24849 Exhibit B-5



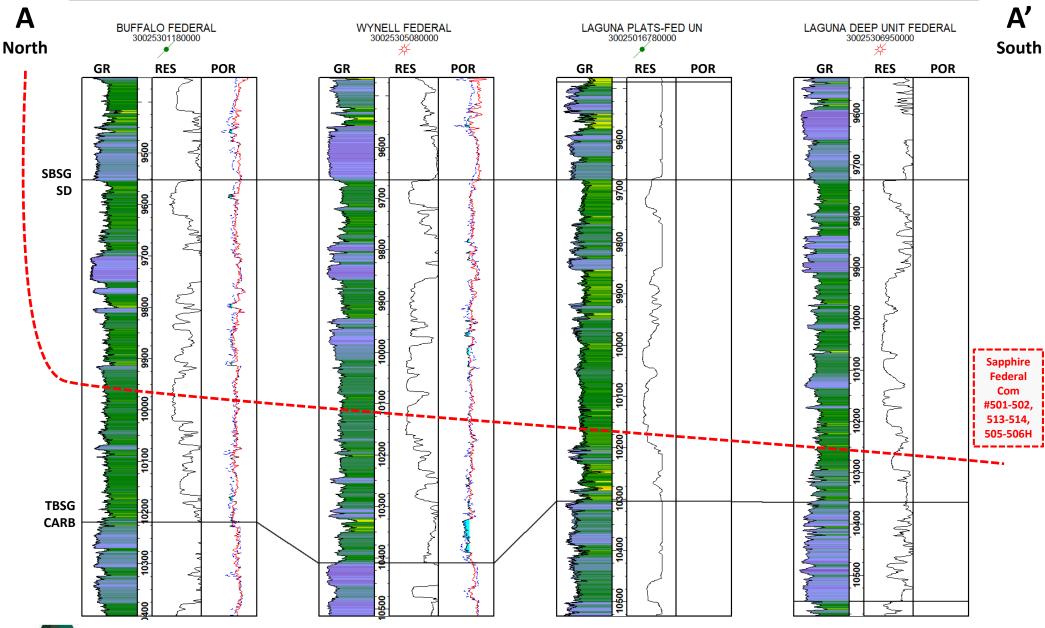




Stratigraphic Cross-Section A-A' Sapphire Federal Com #501-502, 513-514, 505-506H

Avant Operating, LLC Case Nos. 24849 Exhibit B-6

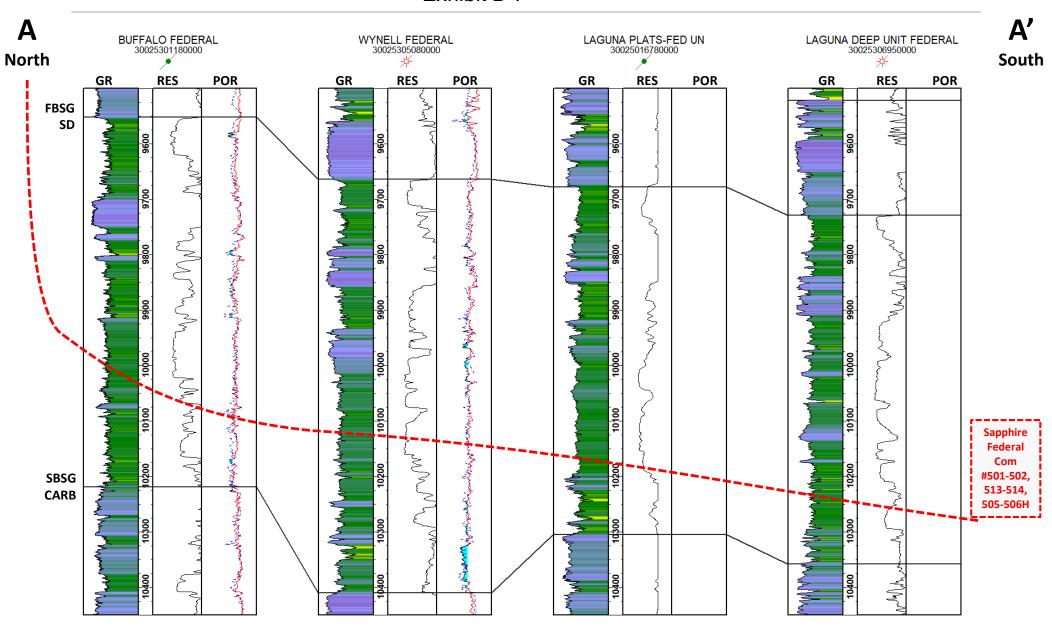




Structural Cross-Section A-A' Sapphire Federal Com #501-502, 513-514, 505-506H

Avant Operating, LLC Case Nos. 24849 Exhibit B-7



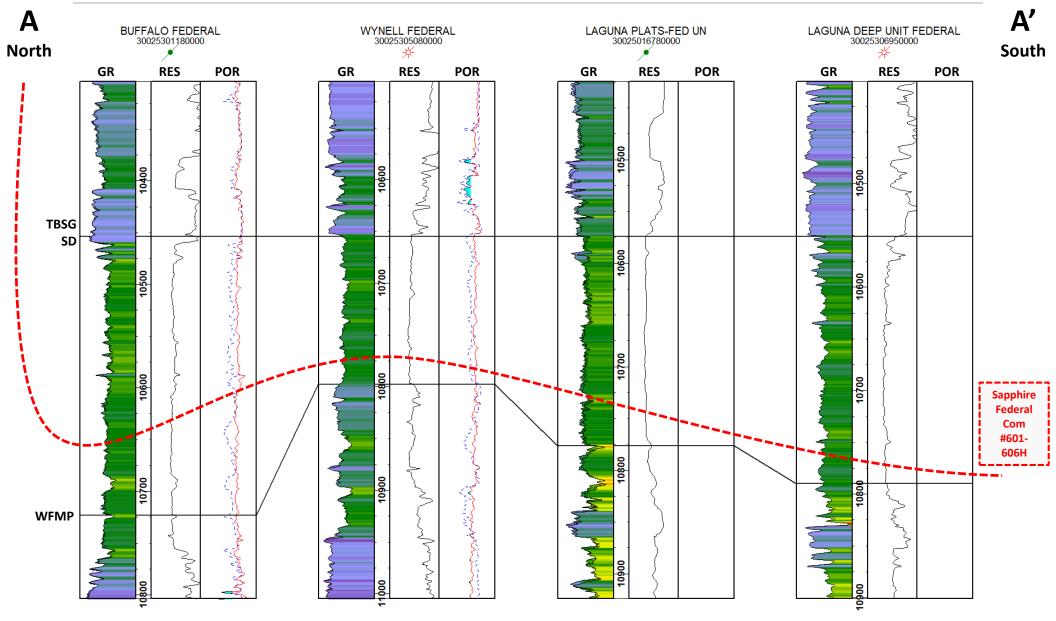




Stratigraphic Cross-Section A-A' Sapphire Federal Com #601H-#606H

Avant Operating, LLC Case Nos. 24849 Exhibit B-8

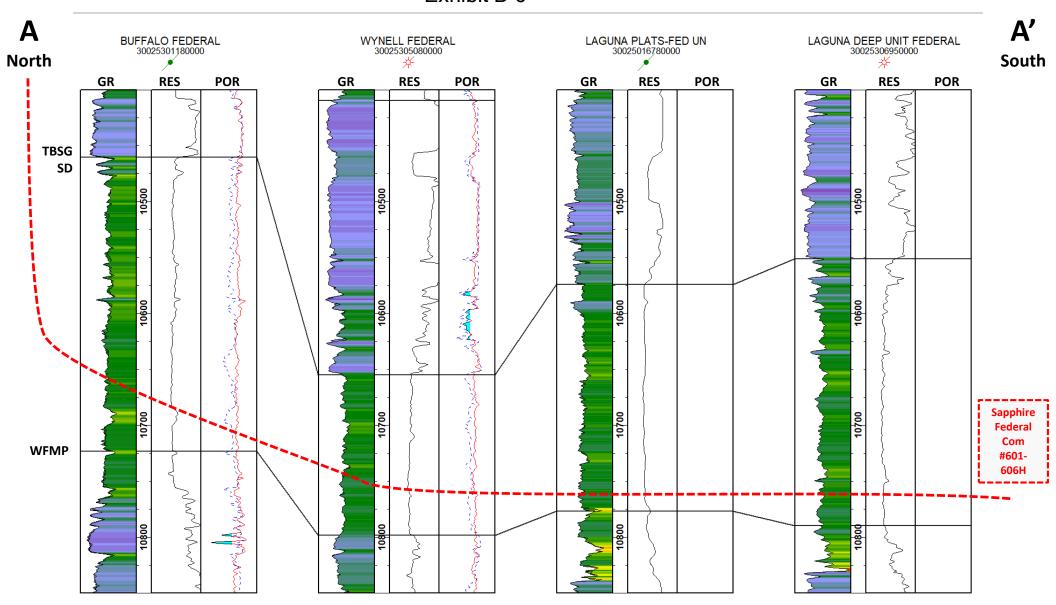






Structural Cross-Section A-A' Sapphire Federal Com #601H-#606H







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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24849

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Avant Operating, LLC, the

Applicant herein, declares as follows:

1) The above-referenced Application was provided under notice letter, dated September 12,

2024, attached hereto, as Exhibit C.1.

Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS 2)

for mailing on September 12, 2024.

3) Exhibit C.3 is the certified mailing tracking information, which is automatically compiled

by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and

addresses of the parties to whom notice was sent and the status of the mailing.

4) Exhibit C.4 is the Affidavit of Publication from the Hobbs News-Sun confirming that

notice of the October 3, 2024 hearing was published on September 15, 2024.

5) I attest under penalty of perjury under the laws of the State of New Mexico that the

information provided herein is correct and complete to the best of my knowledge and belief.

Dated: September 25, 2024

EXHIBIT C



September 12, 2024

Deana M. Bennett 505.848.1834 dmb@modrall.com

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24849

TO: AFFECTED PARTIES

This letter is to advise you that Avant Operating, LLC ("Avant") has filed the enclosed application.

In Case No. 24849, Avant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

EXHIBIT C.1

Page 2

NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

The hearing is set for October 3, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Deana M. Bennett

Attorney for Applicant

Dema H. Bennett

Received by OCD: 9/3/2024 4:36:53 PM

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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. In support of this application, Avant states as follows:

- 1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Avant seeks approval of the 1280-acre non-standard spacing as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See*, *e.g.*, Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).
- 3. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H,
 Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H,
 Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H

Page 2 of 5

wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;

- b. Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
- c. Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
- d. Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
- e. Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
- f. Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and
- g. Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.

- 4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.
- 5. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool.
- 6. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Approving the non-standard spacing unit;
- B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico;
 - C. Designating Avant as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
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500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
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edebrine@modrall.com
deana.bennett@modrall.com
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Attorneys for Avant Operating, LLC

Page 5 of 5

CASE NO. 24849 : Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0125 8522 05	AmeriPermian Holdings, LLC 1733 Woodstead Court, Suite 206 The Woodlands TX 77380	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
2	9314 8699 0430 0125 8522 12	Bob G. Howell P.O. Box 1249 Fresno CA 93715	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
3	9314 8699 0430 0125 8522 29	Cavin Trust, Sealy H. Cavin Jr., Synda S. Cavin Trusttes to Trust Agr. Dtd 8-28-13 P.O. Box 1216 Albuquerque NM 87103	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
4	9314 8699 0430 0125 8522 36	Chad Barbe P.O. Box 2107 Roswell NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
5	9314 8699 0430 0125 8522 43	Cheryl Ann Nace f/k/a Cheryl A. Schellinger 129 Placita de Oro Santa Fe NM 87501	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
6	9314 8699 0430 0125 8522 50	COG Operating, LLC Attn: Land Dept. 600 W. Illinois Ave. Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
7	9314 8699 0430 0125 8522 67	Concho Oil & Gas LLC One Concho Center 600 West Illinois Avenue Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
8	9314 8699 0430 0125 8522 74	Wing Resources VI, LLC 2100 McKinney Avenue, Suite 1540 Dallas TX 75201	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
9	9314 8699 0430 0125 8522 81	Elk Royalties II, LP 2210 Farrington Street Dallas TX 75027	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
10	9314 8699 0430 0125 8522 98	Grewal (Royalty) LLC 45 Rockefeller Plaza, Suite 2410 New York NY 10111	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
11	9314 8699 0430 0125 8523 04	Innoventions, Inc. P.O. Box 40 Cedar Crest NM 87008	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
12	9314 8699 0430 0125 8523 11	Jalapeno Corporation P.O. Box 1608 Albuquerque NM 87103	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
13	9314 8699 0430 0125 8523 28	Show Goat Capital, LP P.O. Box 50576 Austin TX 78763	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
14	9314 8699 0430 0125 8523 35	McMullen Minerals II, LP 2821 West 7th Street, Suite 515 Fort Worth TX 76147	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice

EXHIBIT C.2

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0125 8523 42	Lawrence Anderson 6337 Foote Rd. Ceres CA 95307	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
16	9314 8699 0430 0125 8523 59	MSH Family Real Estate Partnership II, LLC 1900 St. James Place, Suite 300 Houston TX 77056	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
17	9314 8699 0430 0125 8523 66	Oline E. Groves 2507 Cimarron Midland TX 79705	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
18	9314 8699 0430 0125 8523 73	Pegasus Resources, LLC 2821 West 7th Street, Suite 500 Fort Worth TX 76107	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
19	9314 8699 0430 0125 8523 80	Platform Energy IV, LLC P.O. Box 2078 Abilene TX 79604	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
20	9314 8699 0430 0125 8523 97	SMP Sidecar Titan Mineral Holdings, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
21	9314 8699 0430 0125 8524 03	SMP Titan Flex, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
22	9314 8699 0430 0125 8524 10	SMP Titan Mineral Holdings, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
23	9314 8699 0430 0125 8524 27	Ball Oil and Gas, LLC P.O. Box 1401 Roswell NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
24	9314 8699 0430 0125 8524 34	Capco Resource Corporation 2922 E. Chapman Avenue, Suite 202 Orange CA 92869	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
25	9314 8699 0430 0125 8524 41	Cibolo Resources, LLC Attn: Zach Privett 3600 Bee Cave Road, #102 West Lake Hills TX 78746	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
26	9314 8699 0430 0125 8524 65	Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City OK 73102	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
27	9314 8699 0430 0125 8524 89	Earthstone Permian LLC 1400 Woodloch Forest Drive, Suite 300 The Woodlands TX 77380	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
28	9314 8699 0430 0125 8524 96	WTI Energy Partners, LLC 306 W. 7th Street, Suite #702 Fort Worth TX 76102	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
29	9314 8699 0430 0125 8525 02	Lone Oak Capital, LLC 4208 Lone Oak Drive Fort Worth TX 76107	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
30	9314 8699 0430 0125 8525 19	Gregory Nibert & Carolyn Nibert, Co-Trustees DJS Trust under Trust Agr. Dtd 9-12-05 P.O. Box 1453 Roswell NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
31	9314 8699 0430 0125 8525 26	Hutchings Oil Company P.O. Box 1216 Albuquerque NM 87103	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
32	9314 8699 0430 0125 8525 33	James K. Lusk and Martha Lusk Trust James K. Lusk, Trustee 605 Waterway Village Blvd, #31H Myrtle Beach SC 29579	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
33	9314 8699 0430 0125 8525 40	MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
34	9314 8699 0430 0125 8525 57	Susan S. Murphy, Trustee of the SSM Trust 706 Brazos Street Roswell NM 88201	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
35	9314 8699 0430 0125 8525 64	T.H. McElvain Oil & Gas, LLLP 1819 Denver West Drive #260 Lakewood CO 80401	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
36	9314 8699 0430 0125 8525 71	Community Minerals Attn: Paul Berguila 2925 Richmond Avenue, Suite 1200 Houston TX 77098	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
37	9314 8699 0430 0125 8525 88	Williamson Enterprises P.O. Box 3257 Santa Fe NM 87594	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
38	9314 8699 0430 0125 8525 95	Yates Energy Corporation 400 North Pennsylvania Ave. Roswell NM 88201	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
39	9314 8699 0430 0125 8526 01	PBEX, LLC 223 W. Wall Street, Suite 900 MIdland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
40	9314 8699 0430 0125 8526 18	Ellipsis Oi & Gas, Inc. Attn; Pete Marshall 3500 Maple Ave., Suite 350 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
41	9314 8699 0430 0125 8526 25	Colgate Royalties, LP 306 West Wall Street, Suite 608 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
42	9314 8699 0430 0125 8526 32	Permian Resources (OPR) 300 N. Marienfeld St., Suite 100 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
43	9314 8699 0430 0125 8526 49	Raybaw Operating, LLC 2626 Cole Avenue, Suite 300 Dallas TX 75204	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
44	9314 8699 0430 0125 8526 56	Magnum Hunter Productiom Inc. 600 East Las Colinas Blvd, Suite 1100 Irving TX 75039		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
45	9314 8699 0430 0125 8526 63	Coterra Energy 840 Gessner Road, Site 1400 Houston TX 77024		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
46	9314 8699 0430 0125 8526 70	Cimarex Energy Co. (Unit OPR) 6001 Deauville Blvd., Suite 300N Midland TX 79706		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
47	9314 8699 0430 0125 8526 87	MEC Development LTD PO Box 4000 The Woodlands TX 77380		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
48	9314 8699 0430 0125 8526 94	Occidental Permian LP 5 Greenway Plaza, Suite 110 Houston TX 77046		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
49	9314 8699 0430 0125 8527 00	Eau Rouge, LLC PO Box 823085 Dallas TX 75382		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
50	9314 8699 0430 0125 8527 17	Maverick Oil & Gas Corp PO Box 823085 Dallas TX 75382		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
51	9314 8699 0430 0125 8527 24	Oxy USA, Inc 5 Greenway Plaza, Suite 110 Houston TX 77046		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
52	9314 8699 0430 0125 8527 31	PXP Producing Co LLC 717 Texas St., Ste 2100 Houston TX 77002		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
53	9314 8699 0430 0125 8527 48	Burlington Resources Oil & Gas Company PO Box 51810 Midland TX 79710		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
54	9314 8699 0430 0125 8527 55	United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
			Totals:	\$95.58	\$261.90	\$141.48	\$0.00	
					Grand	Total:	\$498.96	

List Number of Pieces Listed by Sender Total Number of Pieces Received at Post Office Postmaster: Name of receiving employee

Dated:

54

Received by OCD: 9/26/2024 11:52:10 AM

Transaction Report Details - CertifiedPro.net
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Generated: 9/24/2024 7:34:19 AM

			Gene	rated: 9/24/2024 7:34:19 AM						
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
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9314869904300125852748			Burlington Resources Oil & Gas Company		Midland	TX	79710	Mailed	Return Receipt - Electronic, Certified Mail	
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9314869904300125852601	2024-09-12 10:32 AM			•	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 12:50 PM
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9314869904300125852557	2024-09-12 10:32 AM	10375.0003 sapph	Susan S. Murphy, Trustee of the SSM Trust		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 5:37 PM
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9314869904300125852526	2024-09-12 10:32 AM	10375.0003 sapph	Hutchings Oil Company		Albuquerque	NM	87103	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 2:18 PM
9314869904300125852519	2024-09-12 10:32 AM	10375.0003 sapph	Gregory Nibert & Carolyn Nibert, Co-Trustees	DJS Trust under Trust Agr. Dtd 9-12-05	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 9:38 AM
9314869904300125852502	2024-09-12 10:32 AM	10375.0003 sapph	Lone Oak Capital, LLC		Fort Worth	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 11:10 AM
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9314869904300125852427	2024-09-12 10:32 AM	10375.0003 sapph	Ball Oil and Gas, LLC		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-19 2:56 PM
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9314869904300125852380	2024-09-12 10:32 AM	10375.0003 sapph	Platform Energy IV, LLC		Abilene	TX	79604	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 10:39 AM
9314869904300125852373	2024-09-12 10:32 AM	10375.0003 sapph	Pegasus Resources, LLC		Fort Worth	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 1:43 PM
9314869904300125852366	2024-09-12 10:32 AM	10375.0003 sapph	Oline E. Groves		Midland	TX	79705	Forwarded	Return Receipt - Electronic, Certified Mail	
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9314869904300125852243			Cheryl Ann Nace f/k/a Cheryl A. Schellinger		Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 4:40 PM
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9314869904300125852229	2024-09-12 10:32 AM	10375.0003 sapph	Cavin Trust, Sealy H. Cavin Jr., Synda S. Cavin	Trusttes to Trust Agr. Dtd 8-28-13	Albuquerque	NM	87103	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 2:18 PM
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9314869904300125852205	2024-09-12 10:32 AM	10375.0003 sapph	AmeriPermian Holdings, LLC		The Woodlands	TX	77380	Mailed	Return Receipt - Electronic, Certified Mail	

EXHIBIT C.3

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear tha the clipping attached hereto was publishe in the regular and entire issue of said newspaper, and not a supplement thereo for a period of 1 issue(s).

> Beginning with the issue dated September 15, 2024 and ending with the issue dated September 15, 2024.

Publisher

Sworn and subscribed to before me this 15th day of September 2024.

LEGAL NOTICE September 15, 2024

LEGAL NOTICE
September 15, 2024

CASE NO. 24849: Notice to all affected parties, as well as heirs and devisees of: AmeriPermian Holdings, LLC, attn.: Land Department; Bob G. Howell; Cavin Trust, Sealy H. Cavin Jr., Synda S. Cavin and their successors, as Trustees under the Trust Agreement dit 8-28-13; Chad Barbe; Cheryl Ann Nace Il/Jac Cherolo Oil & Gas LLC; Donna Anderson; Wing Resources VI, LLC; Elk Royalties, II, Jr., Attn: Land Department; Concho Oil & Gas LLC; Donna Anderson; Wing Resources VI, LLC; Elk Royalties, II, Jr.; McMullen Minerals, II, Jr.; Line Internation, Inc.; Jalapeno Corporation; Show Goot Capital, LP; McMullen Minerals, II, Jr.; McMullen Minerals, IV, JLC; Illand Mrather Bergy V, LLC; SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Filex, IV, SMP Titan Mrather Bergy V, LLC; SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Filex, IV, SMP Titan Mrather Bergy V, LLC; SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Filex, IV, SMP Titan Mrather Side VI, SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Filex, LP; SMP Titan Filex, LP; SMP Titan Filex, LP; SMP Titan Mrather Side VI, SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Filex, LP; SMP

Business Manager

My commission expires

January 29T&P2TOF NEW MEXICO Seal) NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

01104570

00294112

DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168

EXHIBIT C.4

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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

SELF-AFFIRMED STATEMENT OF ALEXEY ZAITSEV

Alexey Zaitsev hereby states and declares as follows:

- 1. I am over the age of 18, I am a reservoir engineer for Avant Operating, LLC ("Avant") and have personal knowledge of the matters stated herein. My area of responsibility includes the area of Lea County in New Mexico.
- 1. I have not previously testified before the Division. I attended Texas Tech University and received a B.S. in petroleum engineering. I have worked as a petroleum engineer for two years and as a reservoir engineer for an additional six years. My reservoir engineering work has supported active development programs in New Mexico with both APA Corporation and Avant Natural Resources. I have worked for Avant as a reservoir engineer since May 2024. My resume summarizing my educational and work experience is attached to this Declaration as **Exhibit D.1**.
- 2. I am familiar with the applications filed by Avant in these cases and the surface production facilities required to develop the oil underlying the subject acreage.
 - 3. In this case, Avant seeks approval of a 1280-acre non-standard Bone Spring unit.
- 4. Avant seeks to minimize surface disturbance and costs by consolidating facilities and commingling production from the wells and future wells in the proposed non-standard spacing unit.

- 5. To allow the wells to be dedicated to the acreage subject to the desired Communitzation Agreement, Avant requires approval of non-standard spacing unit.
- 6. **Exhibits D.2 and D.3** illustrate the benefit of the non-standard unit Avant is requesting.
- 7. If Avant has to develop the acreage using standard horizontal spacing unit, Avant will need a total of 3 units. Under Avant's requested non-standard unit application, however, Avant would only need a total of one unit.
- 8. **Exhibit D.2** compares the tank batteries and related surface production facilities that would be required if Avant had to develop this acreage using standard horizontal spacing units with the tank batteries and related surface production facilities that will be needed to develop the acreage using non-standard unit. The reduction in tank batteries and surface production facilities also results in a reduction of emissions.
- 9. As these exhibits show, if Avant must develop the acreage using standard spacing units, one additional tank battery will be required at a cost of approximately \$4,200,000 and require an additional surface disturbance of 3.5 acres. If the non-standard spacing unit is approved, the additional cost and surface disturbance required for the tank batteries will be avoided.
- 10. Approval of the non-standard unit will allow for commingling of production, which would not be possible if Avant has to move forward with standard units. Eliminating the additional tank batteries will also lower the operating cost for this acreage.
- 11. **Exhibit D.3** identifies the reduced cost savings and surface disturbance that will occur if the non-standard spacing units is not approved.

- 12. In my opinion, approval of Avant's non-standard unit application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, reduce emissions and promote effective well spacing.
- 13. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.
- 14. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.
- 15. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature page follows]

9/24/2024

Date

Alexey Zaitsev

Alexey Zaitsev

5680 Bryant St, Denver, CO 80221

(713) 992-1701

alexey.zaitsev@yahoo.com

Education

Texas Tech University, Lubbock, Texas B.S. in Petroleum Engineering, Magna Cum Laude, May 2016

Experience

Avant Natural Resources, Denver, CO – Senior Reservoir Engineer

May 2024 - Present

- Forecasted production and generated type curves for development programs & deal evaluations
- Evaluated well performance as it relates to completion designs, well spacing, and development timing
- Calculated project economics and performed prospective acreage & trade valuations
- Created presentation materials for potential deals and Avant's well development programs
- Assisted in creating hearing exhibit materials
- Evaluated well spacing for active well development programs
- Attended URTEC to further reservoir engineering knowledge & skillsets

Truist Securities, Houston, TX – A&D Engineering Associate

March 2023 – May 2024

- Advised clients on \$2.8B in closed upstream and midstream A&D and M&A deals as lead engineer
- Presented & discussed projects with clients through the full cycle of transactions
- Led economic & engineering analyses, built presentation materials for 40+ buy-side and sell-side projects in Permian, Eagle Ford, DJ, Uinta, Appalachian, Anadarko, Williston and Haynesville plays
- Developed Spotfire tools to improve quality & efficiency in technical analyses & presentation materials
- Independently built ARIES databases, generated type curves & PDP forecasts, reconciled DB inputs with LOS, designed rig pace/order to target metrics & ran full-field economic analyses/sensitivities
- Constructed full Net Asset Value models in Microsoft Excel and generated inputs for such models, including type curves, inventory counts, rig pace, PDP forecasts, pricing, and economic assumptions
- Developed understanding of geology, CapEx / OpEx ranges and performance in L48 basins through economic valuations, LOS, Enverus reports, Investor Relations slide decks, market research, ect.
- Created and maintained Basin Studies and Operator Profiles to streamline inventory valuation
- Managed virtual data rooms for sell-side projects & performed due diligence on VDR data on buy-side
- Collaborated with Management, Coverage teams and counterparties on up to 5 simultaneous projects
- Interviewed, trained & mentored four A&D teammates as the team grew to record size and deal volume
- Generated reservoir quality & performance maps in QGIS to position assets for acquisition/divestiture
- Quantified inventory and generated type curves by leveraging geologic, leasehold and well data
- Forecasted midstream volumes and TIL activity using public and/or private data & Company guidance
- Implemented HBP requirements and continuous drilling clauses into economic analyses & databases

Apache Corporation, San Antonio & Houston, TX – Reservoir Engineer

August 2018 – February 2023

- Economically appraised well development, 100+ non-operated well proposals and lease offers, mineral interest and leasehold A&D, leasing opportunities and strategic acreage trades in Permian assets
- Forecasted and booked 40+ MMBOE of reserves within SEC guidelines
- Set up ARIES databases with complex economic structures & managed reserves databases
- Optimized well spacing and completions in multiple Delaware Basin unconventional oil & gas fields through collaboration with geoscientists, numerical reservoir modeling, depletion analysis, neural net prediction, RTA/PTA, DCA, LFP/OGIP workflows, DFITs, PVT, frac modeling, risk analysis, and ARIES economic evaluation, resulting in the best well performance in field history & recent full-cycle P/I of 5+
- Generated & executed an FDP as the sole reservoir engineer for a gas field approaching 500 MMCFD

Apache Corporation, Midland, Pecos, & San Antonio, TX – Engineer June 2016 – August 2018

- Generated value in rotating Reservoir, Production, Completions, and Facility Engineering roles in both conventional and unconventional assets across the Permian Basin
- Initiated & led a company-wide transition to a novel frac plug drill-out method, reducing costs by 50%
- Wrote procedures and AFEs for frac jobs, facility repairs, ESP replacements, recompletions, etc.
- Supervised horizontal well fracture stimulations, designed data recording & Spotfire analysis tools
- Designed and managed construction of gas pipelines, injection facilities, CTBs & compressor stations
- Served as Completions Engineering Intern from May to August 2015, improved operations efficiencies

Technical software

High proficiency in ARIES, ComboCurve PHDWin, Spotfire, Access, QGIS, Enverus, MS Excel & PowerPoint. Skilled in industry software including IHS Harmony, OFM, StimPlan, and others

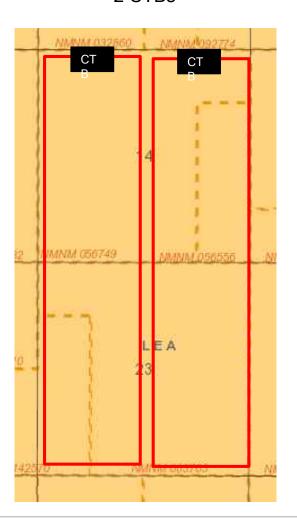
Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H

Avant Operating, LLC Case No. 24849 Exhibit D-2

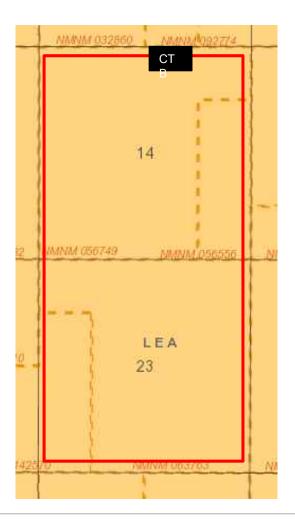


NSU reduces surface facilities and surface impacts

STANDARD UNIT DEVELOPMENT 2 CTBs



NON-STANDARD UNIT DEVELOPMENT 1 CTBs





Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H Avant Operating, LLC Case No. 24849 Exhibit D-3



Financial Environmental Impact Table

Scenario	Design Basis Per CTB (BPOD)	CTB Cost (\$M)	Pipeline/Utilities Cost (\$M)	Total Capital (\$M)	CTB and Pipeline Disturbance (Acres)
Two Separate Facilities	8,000	\$13.7	\$3.0	\$16.7	7
Single Pooled Facility	19,000	\$9.5	\$1.5	\$11.0	3.5
SAVINGS		\$4	\$2	\$6	3.5

