

<u>District.</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II 811 S. First St., Arlesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Form C-101 August 1, 2011

Permit 250423

1. Operation Varies and Address 2. ORRID Number 372224 3. API Number 372224 3. API Number 372224 3. API Number 372224 3. API Number 370-025-04-0553 3. A			APPLICAT	TON FO	OR PERM	IT TO DI	RILL, RE-	ENTER, DE	EPE	N, PLUGBA	CK, OF	ADD	A ZON	E		
Austin, Tx 78746 S. Property Code S. Property, Name MAGNOLIA 25 36 22 STATE COM	AME	REDEV OPERATION												372224		
S. Property Code S. Property Name S. Property Name Surface Location Surface Loc			Bldg 1									1	3. API N			
Nagnocla 28 38 22 STATE COM 105H			5	Property	Name							-	6 Well N			
U. L. Lot B Section Township 26S Range Section B Feet From B Feet From 200 N Feet From 2380 EW Line County Lea			ľ			26 36 22 S	TATE COM					i	O. Well I			
U Lot B Section Township 26S 36E Lot Idin B Feet From N/5 Line N Feet From 2380 EM Line County Lea					-		7. Surf	ace Location					7			
U1-Lot B Section 15 Township 26S Range Lot Idn B Feet From N/S Line 2318 E County Lea	UL - Lot	Section	Township	Ra	inge	Lot				N/S Line	Fee	From		E/W Line	County	
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Second S						8. F	roposed B	ottom Hole Lo	catio	on						
WC-025 G-09 \$263619C.WOLF CAMP								1			Feet				County	
Mode Market Ma	В	15			36E		B	20	0	l N		23	318	E		Lea
11. Work Type							9. Poo	Information						_		
11. Work Type	WC-025 G-09	S263619C;WOLF	CAMP											98234		
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16. Multiple 17. Proposed Depth 21430		Moll	, , ,			13. Cable/	Rotary		14.			15. Gro				
Depth to Ground water		vven				18. Forma	tion					20. Sni				
We will be using a closed-loop system in lieu of lined pits 21. Proposed Casing and Cement Program	N						Wolfcamp							2018		
Type	Depth to Ground	water				Distance fr	om nearest fi	esh water well				Distanc	e to near	est surface water		
Type Hole Size Casing Size Casing Weight/ft Setting Depth Sacks of Cement Estimated TOC Surf 17.5 13.375 54.5 1350 1125 0 Int1 12.25 9.625 40 5200 1150 0 Int2 8.75 7.625 29.7 10800 300 4700 Prod 6.75 5.5 20 21430 930 10300 Casing/Cement Program: Additional Comments Type Working Pressure Test Pressure Manufacturer Double Ram 5000 5000 TBD 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. OIL CONSERVATION DIVISION I further certify I have complied with 19.15.14.9 (A) NMAC X and/or 19.15.14.9 (B) NMAC X, if applicable. Signature Paul Kautz Finited Name: Electronically filed by Christle Hanna Approved By: Paul Kautz Faul Kautz Title: Geologist	☐ We will be u	sing a closed-loop	system in lieu	of lined	pits											
Surf 17.5 13.375 54.5 1350 1125 0	Type	Hole Size	Casing S	ize	1 0						S	cks of Ca	ment		etimated T	TOC
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Casing/Cement Program: Additional Comments 22. Proposed Blowout Prevention Program Type Working Pressure Test Pressure Manufacturer Double Ram 5000 5000 TBD 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC X and/or 19.15.14.9 (B) NMAC X, if applicable. Signature: Printed Name: Electronically filed by Christle Hanna Approved By: Paul Kautz Title: Geologist Email Address: channa@ameredev.com Approved Date: 4/6/2018 Expiration Date: 4/6/2020	$\overline{}$								10800							
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Type Working Pressure Test Pressure Manufacturer Double Ram 5000 5000 TBD 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. If urther certify I have complied with 19.15.14.9 (A) NMAC X and/or 19.15.14.9 (B) NMAC X, if applicable. Signature: Printed Name: Electronically filed by Christie Hanna Approved By: Paul Kautz Title: Geologist Email Address: channa@ameredev.com Approved Date: 4/6/2018 Expiration Date: 4/6/2020																
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	Title:									Geologist					-	
Date: 4/3/2018 Phone: 737-300-4723 Conditions of Approval Attached	Email Address:	channa@am	eredev.com					Approved D	ate:	4/6/2018			Expi	ration Date: 4/6/2	020	
	Date:	4/3/2018		Phon	e: 737-300	-4723		Conditions	of Ap	pproval Attach	ed					

Submitted by: AMEREDEV OPERATING, LLC Hearing Date: May 3, 2018

District I
1625 N. Franch Dr., Habbs, NM 88240
Places, (575) 533-5147 Fab. (575) 593-6720
District II
51. 3. Franch, A. Kran, NM 88240
District II
1600 Rob Brazus Rosel, Agric, (573) 748-9720
District III
1600 Rob Brazus Rosel, Agric, NM 87-10
Places, (575) 543-6737 Fax: (573) 345-573
District, IV
1225 S. R. Trancis Dr., Santa Pe., NM 53507
Places, (570) 440-4460 Proc 1525-473, 1462

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

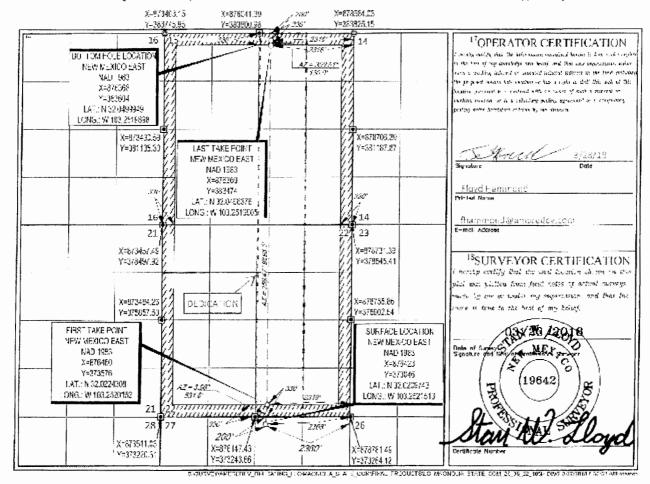
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

^{1C}Surface Location Seel from the I L or lef no. Lut ldn l'esenship Rang Sermon 200 27 26-S 36-E NORTH 2360' EAST В LEA

¹¹Bottom Hole Location If Different From Surface UL or lot no. Feet from the Near be San De lists Peer from the Last West lin County 2001 2318' 26 - S36 - EEAST LEA 15 NORTH Dedicated Acres Joint or Infal ⁴Considiration Cash ^{la}Order No. 320 \mathbf{C}

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



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District | 811 S. First St., Artesia, NM 88210

Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico **Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Farm C-101 August 1, 2011

Permit 250406

1 .	e and Address REDEV OPERATI	NG, LLC				2. OGRID Number 372224							
	Southwest Pkwy, n, TX 78746	Bldg 1								3. API Num	nber 30-025-44654		
4. Property Code			5. Property N	ame						6. Well No.			
3206	45		M	AGNOLIA 2	26 36 22 STATE COM	M							
					7. Surfac	e Location							
UL - Lot	Section	Township	Ran	-		Feet From	N/S Line		eet From		E/W Line	County	
В	27	2	6S	36E	В	200		N	23	380	E		Lea
					8. Proposed Bot	tom Hole Loc	ation						
UL - Lot	Section	Township	Ran			Feet From	N/S Line		eet From		E/W Line	County	
В	15	2	6S	36E	В	200		N	23	318	E		Lea
					9. Pool Ir	nformation							
WC-025 G-09	S263619C;WOLF	CAMP									98234		
					Additional W	ell Informatio	n						
11. Work Type New	Well	12. Well Ty	/pe OIL		13. Cable/Rotary		14. Lease Type Star		15. Gr	ound Level I 2906	Elevation		
16. Multiple N		17. Propos	ed Depth 21720		18. Formation Wolfcamp		19. Contractor		20. Sp	Spud Date 8/1/2018			
Depth to Ground	water				Distance from nearest fres	h water well			Distan		surface water		
[] 18/ b			!!	:									
☐ we will be us	ing a closed-loop	p system in ii	eu or anea p	its									
					21. Proposed Casing								
Type Surf	Hole Size 17.5		g Size 375		asing Weight/ft 54.5		g Depth 350		Sacks of C			stimated T	OC
Int1	12,25	9.6			40	5200		 	1150			0	
Int2	8.75		325		29.7		10800		300			4700	
Prod	6.75	5.	.5		20	21	720		950	350 1030		10300	
				C	asing/Cement Program	n: Additional	Comments						
2.875" PILOT H	OLE 7.9# L-80 E	UI TO 13600'	OBM, 400 SI										
					22. Proposed Blowo	ıt Prevention	Program						
	Туре		T	Wo	orking Pressure	ACT TOVOILLOIS		t Pressure			Manufa	cturer	
	Double Ram				5000			5000			TE	BD	
knowledge and	belief.	-			ete to the best of my			OIL C	CONSERVA	ATTON DIVIS	SION		
⊠, if applicable		Widi 15:10:11	*.5 (A) MINA	23 dilaro	10.10.14.0 (0) 1111/10								
Signature:													
Printed Name:	Electronically	y filed by Chri	stie Hanna			Approved By:	Paul i	Kautz					
Title:			-1000			Title:	Geolo						
							te: 4/6/20	040				200	-
Email Address:	channa@am 4/3/2018	neredev.com		: 737-300-		Approved Dat	of Approval At			Expira	tion Date: 4/6/2	020	

Hearing Date: May 3, 2018

District 1
1025 N. Princt D. J. Hebt e, N.M. 88240
Phone (575) 350-5161 Fex. (575) 390-0700
Pintrict T.
N.T. S. Fres, S. J. Alles a, NNI 88210
Phone (575) 748-1282 Fex. (575) 749-0720
District H.
1002 Peo Errant Road, Aster, NVI 87-10
Phone (570) 744-6 N. Fex. (576) 344-6172
Essente IV.
1230 S. S. Funds Dr., Ranta Fe., MRI 87-07
Physics 197-474-34-00 Fex. (5031-76-5-62)

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

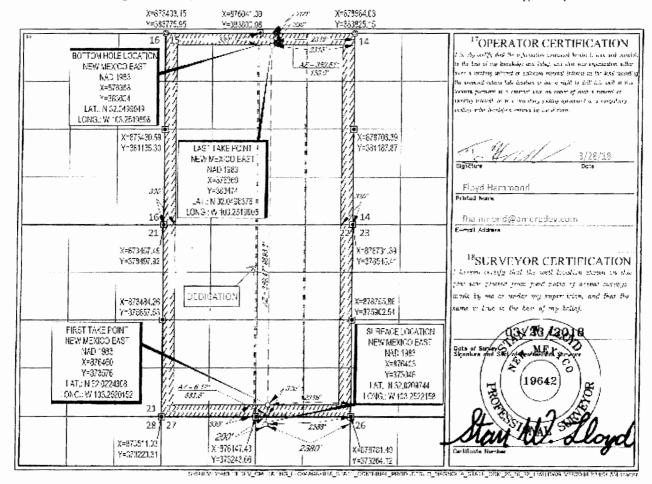
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

A MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025		r		roor code			1.601.940	14			
*Projectly	Code			MAGNOL	Temperty No.	ome COM 26 36	22		Well Number 115H		
OCRID	Na.			AMER	*Operator N: EDEV OPER ¹⁰ Surface Lo	ATING, LLC.			"Elevation 2906"		
liLar⊁d ma.	Stellan	Lawnship	Range	Luc Ida	Feet from the	North/So ath line	Feet from the	Enst West fixe	County		
В	27	26-S	36-E	-	200'	00' NORTH 2380' EAST LEA					
			11	Bottom Hol	e Location If Di	ifferent From Surf	ace		7,-11		
***	<i></i>	~		7 . 71	F 2 1	41 (4.3) (4.4)	20 1.00 1.1	31	22 4		

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



MAGNOLIA STATE COM 26-36-22 115H AND 105H

T26S-R36E-SECTION 15, W2E2
T26S-R36E-SECTION 22, W2E2
LEA COUNTY, NEW MEXICO

Tract 1 W2E2 160.00 Acres	
	Sec 15
Tract 2 W2NE4 80.00 Acres	
Tract 3 W25E4 80.00 Acres	Sec 22

MAGNOLIA STATE COM 26-36-22 115H AND 105H

T26S-R36E-SECTION 15, W2E2
T26S-R36E-SECTION 22, W2E2
LEA COUNTY, NEW MEXICO

TRACT 1: W2E2 SECTION 15 T26S-R36E

Total

S.E.S Resources, LLC	7.90%
Petraitis Oil & Gas, LLC	2.81%
Ameredev New Mexico, LLC	89.29%
Total	100.00%
TRACT 2: W2NE4 SECTION 22 T26S-R36E	
Ameredev New Mexico, LLC	100.00%
Total	100.00%
TRACT 3: W2SE4 SECTION 22 T26S-R36E	
	100 000
EOG Resources Inc.	100.00%

UNIT RECAPITULATION

100.00%

T26S-R36E-SECTION 15, W2E2 T26S-R36E-SECTION 22, W2E2

	AA 4 A
Total	100.00%
*EOG Resources Inc.	25.00%
*Petraitis Oil & Gas, LLC	1.40%
*S.E.S Resources, LLC	3.95%
Ameredev New Mexico, LLC	69.64%
	2

^{*}Interest Seeking to Compulsory Pool 94,1

Ameredev II, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735



March 28,2018

EOG Resources Inc. PO Box 10886 Midland, TX 79702 Attention: Wendy Dalton VIA Email and Certified Mail

RE:

Magnolia State Com 26-36-22 #115H Well Proposal

Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico

SHL: 200' FNL & 2,380' FEL Section 27: BHL: 200' FNL & 2,318' FEL Section 15

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Magnolia State Com 26-36-22 #115H Well (the "Well") on or about August 1, 2018, to test the Wolfcamp formation to a total vertical depth of 11,891' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$13,786,660 as outlined in the enclosed authority for expenditure ("AFE #2018-007"). Ameredev's records indicate EOG Resources Inc. ("EOG") owns a 25% working interest in the Well, and EOG's estimated costs associated with the Operation are approximately \$3,446,665. Ameredev also proposes to drill and log a pilot hole in the Well as outlined in the enclosed authority for expenditure ("AFE #2018-008"), estimated associated costs with the pilot hole are \$868,398. Should EOG elect to participate in the pilot hole, it agrees to pay 50% of the associated costs, being \$434,199.

In addition, Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 22: W2E2 & Section 15 W2E2, with Ameredev listed as the Operator ("Contract Area")
- 100%/200%/200% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Should EOG choose not to participate in Ameredev's proposed Operation, Ameredev proposes the following alternatives:

- EOG executes a farmout agreement of its leasehold interest in the Contract Area, delivering to Ameredev all of its working interest and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest to a 6.25% working interest in the Well upon 100% payout.
- 2. EOG to sell its entire leasehold interest in the Contract Area to Ameredev for \$5,500 per acre, reserving the difference between twenty-five percent (25%) and existing leasehold burdens as an overriding royalty interest, delivering a seventy-five percent (75%) net revenue interest to Ameredev.

Ameredev looks forward to working with EOG on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to Brandon Forteza at bforteza@ameredev.com at your earliest convenience.

Sincerely.

Brandon Forteza

737-300-4721

Election Ballot for the Magnolia State Com 26-36-22 #115H Well Propos	al (AFE# 2018-007)
EOG elects to participate in the proposed Operation by paying its proportionate share of the	costs outlined in the AFE 2018-007.
EOG elects to farmout its interest in the Contract Area as set forth in alternative 1 above.	
EOG elects to sell its interest in the Contract Area as set forth in alternative 2 above.	
EOG Resources Inc.	
By:	
Its:	

Page 2

Election Ballot for the Magnolia State Com 26-36-22 #115H Pilot Hole (AFE# 2018-008)

EOG	i elects to participate in the pilot hole by paying 50% of the costs outlined in AFE 2017-008.	
EOG	elects to not participate in the pilot hole outlined in AFE 2018-008.	
EOG Resources	Inc.	
By:		
Ite:		

Page 3 CONFIDENTIAL



Ameredev II, LLC

Lea County, New Mexico Township 26 South, Range 36 East SHL: Section 27, 200' FNL, 2380' FEL BHL: Section 15, 200' FNL, 2318' FEL

Magnolia State Com 26-36-22 115H

Pilot Hole

AFE # 2018-007

AFE # 2018-008

Capital Expenditure

March 27, 2018



Company

Authorization For Expenditure

Company Entity	Ameredev Opera	ting IIC		•			Date Prep		12, 2018	
	anereder opera	iding, EEC					L	Widicii	12, 2010	
AFE Type	Project I Magnolia St		Well No.	Prospect or Field	d Name	Property Number		Operation	on AFE No.	
Capital	26-36		115H	Delaware_V	wc 	40524	<u> </u>	201	8-007	
Location				County		State		Tyro	a Moll	
	Section 27 200'	CNI 8 2280'I		County			Oil	х	Expl	x
203-30E	Section 27 200	FNL & 2380 I		Lea		NM	Gas		Prod	
Estimate Type			E	Est. Start Date	Es	st. Comp Date	Forr	nation		MD
Original Estimate		10						_		2,000'
Revised Estimate Supplemental Est		0		July 1, 2018	AL	igust 15, 2018	Wol	fcamp		TVD 1,891'
эарргетенал езе	mate						1	77.11.72		.,031
Drill and Complet	te Wolfcamp 2 N	file Lateral W	ell and Buil	ld Full Unit Battery.						
Total Cost									\$13,786,6	60
Comments on As										
Operator so long control insurance in no event later to being covered by elect to purcha. Well control insur related redrilling. Marketing Electic Ameredev sells its insufficient volum Upon written req	indicated below as Operator con by you must provide than commenced insurance procured by the p	ducts operati de a certificat ment of drillin red by Opera rol insurance poli by Operator, p llution expen s-length conti er time. Shoul rv, we will sha	ons hereur te of such in g operation tor. cy. provides, ar ses covering racts with to d you choose with you	g working interest own der and to pay your prosurance acceptable to the series. You agree that fails mong other terms, for grailling (through comparing third party purchasers, see to market your share unthe terms and conditions of its contracts.	orated share Operator, a ure to provid \$20,000,000 pletion) with Such contracter of gas with	of the premiums there to form and limits, at the certificate of insu (100% W.I.) of Combin a \$250,000 (100% W.I.) ot smay include fees. In Ameredev, you will be	efore. If yo the time the urance, as placed Single Li.) retention. addition, placed subject to	u elect to pris AFE is ret rovided her mit coverage enalties ma	urchase you curned, if a ein, will re- ge for well o y be incurr	ur own well vailable, but sult in your control and
costs without affe	re estimates onlecting the author	ization for ex	penditure l	free operations withou herein granted. By app nder term of the joint o	roval of this	AFE, the working inter	est owner a	grees to pa	y its propo	rtionate
			Ame	rican Resource Dev	elopment/	LLC Approval				
Prepared by		Operations 9	Supt.	VP Land	VP Geology	coo		CEO		
Julia Steger		Zachary Boyo		Noah Bramble	Eric Rhoden	Floyd Hami	mond	Parker Ree	se	

Joint Interest Approval

Date



NGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000.00
MISC PREPARATION COSTS	0.004	\$15,000.00		
RESTORATION DRILLING RIG	0.008	\$0.00		
COIL TUBING	0.012	\$0.00		
FUEL	0.016	\$180,000.00	\$5,400.00	\$185,400.00
TRAILER, CAMP & CATERING	0.018	\$31,900.00		
WATER & SEPTIC SURFACE RENTALS	0.020	\$10,800.00		
DRILL BITS	0.024	\$26,900.00 \$103,000.00		
DOWNHOLE RENTALS	0.030	\$0.00		
DIRECTIONAL DRILLING	0.032	\$176,000.00	\$0.00	\$176,000.00
COMPOSITE PLUGS	0.034	\$0.00		
BOTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00		
BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS	0.040	\$420.00 \$17,250.00		
TUBUING REPAIR	0.042	\$8,437.50		
TUBING RENTALS	0.046	\$0.00		
WELL CONTROL-EQUIP/SERVICES	0.048	\$23,100.00		\$94,500.00
BOP TESTING	0.050	\$7,000.00		
WELL TESTING MUD & ADDITIVES	0.052	\$0.00		
PUMPING CHARGES (FRAC STIMULATION)	0.060	\$280,000.00		
WATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00		\$15,175.00
STIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00		
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$58,100.00		
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$157,400.00		
CASING CREWS 7" and larger	0.070	\$37,750.00 \$144,000.00		\$37,750.00 \$144,000.00
CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP	0.072	\$144,000.00		
ROADS & LOCATION PREPARATION	0.080	\$65,000.00		\$140,000.00
MOBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$280,000.00
SUPERVISION / CONTRACT	0.094	\$115,200.00	\$47,700.00	
ENGINEERING/CONSULTANT	0.102	\$0.00	\$8,500.00	
OR - ROUSTABOUT COETY AND EMERGENCY RESPONSE	0.103	\$0.00 \$4,200.00	\$171,000.00 \$0.00	
CONSTRUCTION FOR FLOW LINES & GASLIFT LINES	0.144	\$0.00		
FLOW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,500.00
OPEN HOLE LOGGING	0.200	\$0.00	\$416,200.00	\$416,200.00
POWERLINES & SUBSTATION	0.242	\$0.00		\$16,830.00
SECONDARY CONTAINMENTS FACILITY ELECTRICAL & AUTOMATION	0.254 0.258	\$0.00	\$85,000.00 \$6,500.00	\$85,000.00 \$6,500.00
SWD CONNECTION	0.262	\$0.00	\$17,500.00	\$17,500.00
CRANE FOR CONSTRUCTION	0.278	\$0.00	\$9,000.00	\$9,000.00
MAJOR INSTRUMENTATION	0.292	\$0.00	\$85,000.00	\$85,000.00
ELECTRICAL	0.296	\$0.00	\$120,000.00	\$120,000.00
OIL TREATING SALTWATER DISPOSAL COST	0.356	\$0.00 \$0.00	\$120,000.00 \$3,500.00	\$120,000.00 \$3,500.00
CONTINGENCY	5%	\$183,295		\$3,500.00
Tax	6.25%	\$229,119		\$774,531.45
TOTAL INTANGIBLE COST		\$2,816,692	\$8,944,658	
TANGIBLES - WELL EQUIPMENT	0.306	AF FOR THE		45
CONDUCTOR PIPE SURFACE CASING	0.206	\$5,500.00 \$215,125.00		\$5,500.00 \$215,125.00
INTERMEDIATE CASING	0.210	\$375,000.00	\$0.00	\$375,000.00
PRODUCTION CASING	0.216	\$632,500.00	\$0.00	\$632,500.00
TUBING	0.217	\$0.00		\$40,000.00
WELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000.00
ISOLATION PACKER DOWNHOLE LIFT EQUIPMENT	0.222	\$0.00	\$15,625.00 \$24,187.50	\$15,625.00 \$24,187.50
TANGIBLES - LEASE EQUIPMENT	0.234	1 \$0.00	\$24,187.50	\$24,187.50
LINE PIPE	0.238	\$0.00	\$6,250.00	\$6,250.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$134,248.13	\$134,248.13
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$61,875.00	\$61,875.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,875.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$110,500.00	\$110,500.00
BATTERY (MISC EQUIP) PIPELINE TO SALES	0.252	\$0.00	\$45,000.00 \$10,625.00	\$45,000.00 \$10,625.00
METERS AND METERING EQUIPMENT	0.270	\$0.00	\$10,625.00	\$10,625.00
VES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$225,000.00	\$225,000.00
4L TANGIBLES		\$1,261,625	\$763,686	\$2,025,311
TOTAL		\$4,078,317	\$9,708,343	\$13,786,660



Authorization For Expenditure

ATE Type	Company Entity	Ameredev Op	erating IIC					Date Prep		12, 2018	
Coping										· · ·	
Control County State Type Well Cost Type Type Type Type Well Cost Type Well Cost Type Type Type Type Type Well Cost Type Type Type Type Type Type Type Type	AFE Type			Well No.	Prospect or Field	Name	Property Number	Operation AFE No.			
Estimate Type Est. Start Date Est. Comp Date Formation MO	Capital	-		115H	Delaware_WC 40524		2018-008				
Estimate Type Est. Start Date Est. Comp Date Formation MO	Location				County		State		Tyc	e Well	
Stitute trype Est. Start Date Formation F		E Cartin - 27 20	00' ENIL 8 2280 EEI	1				Oil			×
August 31, 2018 Wolfcamp Wolfcamp VD VD VD VD VD VD VD V	265-36	Section 27 20	JU FNL & 2380 FE	<u> </u>	Lea		NM	Gas		Prod	
Supplemental Estimate	Estimate Type				est. Start Date	E:	st. Comp Date	Form	nation		MD
Project Description Drill Wolfcamp Pilot Hole. Well Control Insurance Water disposal not included. Well Control Insurance Water disposal not included. Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so make the product of the product											
Project Description Drill Wolfcamp Flot Hole. Total Cost		Incata		-	July 28, 2018	Au	igust 31, 2018	Wol	tcamp		
Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operators. elect to purchase my own well control insurance policy. well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$250,000 (100% W.I.) retention. Warketing Election											
Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in on event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. elect to purchase my own well control insurance policy. Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$250,000 (100% W.I.) retention. Marketing Election	Total Cost									\$868,398	.
Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. elect to purchase my own well control insurance policy. Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$250,000 (100% W.I.) retention. Marketing Election											
Ameredev sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Ameredev, you will be subject to all of the terms of such contracts. Upon written request to Ameredev, we will share with you the terms and conditions pursuant to which gas will be sold. elect to take my gas in kind. elect to market my gas with Ameredev pursuant to the terms and conditions of its contracts. Comments on AFE The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory, and well costs under term of the joint operating agreement, regulatory order, or other applicable agreement covering this well. American Resource Development LLC Approval	Unless otherwise long as Operator you must provide commencement of procured by Oper elect to purchase Well control insur	indicated below conducts operate a certificate of of drilling operate ator. se my own well contracted to	tions hereunder at such insurance act tions. You agree t trol insurance policy. by Operator, provi	nd to pay yo ceptable to hat failure t ides, among	our prorated share of th Operator, as to form ar o provide the certificat control of the certificat control of the certificat	ne premiums and limits, at e of insurand	therefore. If you elected the time this AFE is rece, as provided herein the think the	et to purchas turned, if ava , will result in Single Limit c	e your owr ailable, but n your bein	n well contro in no event ig covered b	ol insurance, later than ny insurance
The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory, and well costs under term of the joint operating agreement, regulatory order, or other applicable agreement covering this well. American Resource Development LLC Approval Prepared by Operations Supt. VP Land VP Geology COO CEO	Ameredev sells its insufficient volum Upon written required elect to take m	s gas under arm nes delivered ove uest to Ameredo ny gas in kind.	er time. Should yo ev, we will share w	u choose to vith you the	market your share of g terms and conditions p	gas with Am	eredev, you will be su	bject to all o			
Prepared by Operations Supt. VP Land VP Geology COO CEO	The above costs a without affecting	re estimates on the authorizatio	n for expenditure	herein grar	nted. By approval of th	is AFE, the w	orking interest owner	agrees to pa	ay its propo	ortionate sh	are of
Prepared by Operations Supt. VP Land VP Geology COO CEO				Ama-:	can Recourse Davel	onment !!	C Approval				
	Prepared by		Operations Supt						CEO		
	Julia Steger		Zachary Boyd		Noah Bramble	Eric Rhoder	n Floyd Han	nmond	Parker Re	ese	

Joint Interest Approval



INTANGIBLES	Code	Geology Pilot Hole	Geology Coring	Total Cost
DRILLING RIG	0.010	\$120,000.00	\$0.00	\$120,000.00
FUEL	0.016	\$22,500.00	\$0.00	\$22,500.00
TRAILER, CAMP & CATERING	0.018	\$4,200.00	\$0.00	\$4,200.00
WATER & SEPTIC	0.020	\$21,600.00	\$0.00	\$21,600.00
SURFACE RENTALS	0.024	\$9,210.00	\$0.00	\$9,210.00
DRILL BITS	0.028	\$34,000.00	\$0.00	\$34,000.00
DOWNHOLE RENTALS	0.030	\$2,500.00	\$0.00	\$2,500.00
WELL CONTROL-EQUIP/SERVICES	0.048	\$7,500.00	\$0.00	\$7,500.00
BOP TESTING	0.050	\$1,200.00	\$0.00	\$1,200.00
MUD & ADDITIVES	0.060	\$65,100.00	\$0.00	\$65,100.00
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$2,550.00	\$0.00	\$2,550.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$6,222.22	\$0.00	\$6,222.22
REMEDIAL CEMENTING	0.076	\$15,000.00	\$0.00	\$15,000.00
MUD LOGGING	0.198	\$24,000.00	\$0.00	\$24,000.00
OPEN HOLE LOGGING	0.200	\$347,000.00	\$0.00	\$347,000.00
FISHING & SIDETRACK SERVICES	0.203	\$98,000	\$0.00	\$98,000.00
CONTINGENCY	5%	\$39,029.11	\$0	\$39,029.11
Tax	6,25%	\$48,786.39	\$0	\$48,786.39
TOTAL INTANGIBLE COST		\$868,398	\$0	\$868,398
TANGIBLES - WELL EQUIPMENT				
CONDUCTOR PIPE	0.206	\$0.00	\$0.00	\$0.00
SURFACE CASING	0.210	\$0.00	\$0.00	\$0.00
INTERMEDIATE CASING	0.212	\$0.00	\$0.00	\$0.00
PRODUCTION CASING	0.216	\$0.00	\$0.00	\$0.00
TUBING	0.217	\$0.00	\$0.00	\$0.00
ELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$0.00	\$0.00	\$0.00
ISOLATION PACKER	0.222	\$0.00	\$0.00	\$0.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$0.00	\$0.00
TANGIBLES - LEASE EQUIPMENT				
LINE PIPE	0.238	\$0.00	\$0.00	\$0.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$0.00	\$0.00
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$0.00	\$0.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$0.00	\$0.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$0.00	\$0.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$0.00	\$0.00
PIPELINE TO SALES	0.270	\$0.00	\$0.00	\$0.00
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$0.00	\$0.00
VALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$0.00	\$0.00
TOTAL TANGIBLES		\$0	\$0	\$0
TOTAL		\$868,398	\$0	\$868,398

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

Phone: (505) 476-3460 Fax: (505) 476-3462

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

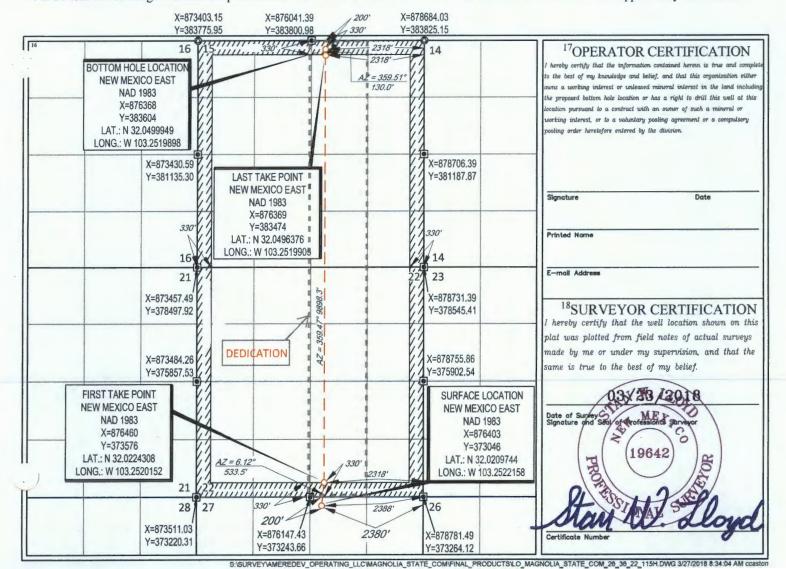
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED	REPORT
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WELL	LOCATION	AND AC	REAGE	DEDICA	TION PLA	AT
	LUCATION	ALL AL				

30-025	API Numbe	² Pool Code ³ Pool Name						³ Pool Name				
Property Code MAGNOLIA STATE COM 26 36 22									Well Number 115H			
⁷ OGRID	No.			*Operator Name *Operator Name AMEREDEV OPERATING, LLC. 2906								
	•				10 Surface Loc	cation						
UL or lot no.	Section 27	Township 26-S	Range 36-E	Lot Idn	Feet from the 200'	North/South line NORTH	Feet from the 2380'	East/West line EAST	County LEA			
			¹¹ B	ottom Hole	Location If Di	fferent From Surf	ace					
UL or lot no.	Section 15	Township 26-S	Range 36-E	Lot Idn	Feet from the 200'	North/South line NORTH	Feet from the 2318'	East/West line EAST	LEA			
12Dedicated Acres 320	13 Joint or	Infill 14Co	nsolidation Code	15Order	No.		'					

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



Ameredev II, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735



March 28,2018

EOG Resources Inc.
PO Box 10886
Midland, TX 79702
Attention: Wendy Dalton

VIA Email and Certified Mail

RE:

Magnolia State Com 26-36-22 #105H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 200' FNL & 2,360' FEL Section 27; BHL: 200' FNL & 2,318' FEL Section 15

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Magnolia State Com 26-36-22 #105H Well (the "Well") on or about August 1, 2018, to test the Wolfcamp formation to a total vertical depth of 11,600' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$12,741,672 as outlined in the enclosed authority for expenditure ("AFE #2018-009"). Ameredev's records indicate EOG Resources Inc. ("EOG") owns a 25% working interest in the Well, and EOG's estimated costs associated with the Operation are approximately \$3,185,418.00

In addition, Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 22: W2E2 & Section 15 W2E2, with Ameredev listed as the Operator ("Contract Area")
- 100%/200%/200% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Should EOG choose not to participate in Ameredev's proposed Operation, Ameredev proposes the following alternatives:

- EOG executes a farmout agreement of its leasehold interest in the Contract Area, delivering to Ameredev all of its working interest and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest to a 6.25% working interest in the Well upon 100% payout.
- 2. EOG to sell its entire leasehold interest in the Contract Area to Ameredev for \$5,500 per acre, reserving the difference between twenty-five percent (25%) and existing leasehold burdens as an overriding royalty interest, delivering a seventy-five percent (75%) net revenue interest to Ameredev.

Ameredev looks forward to working with EOG on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to Brandon Forteza at bforteza@ameredev.com at your earliest convenience.

Sincerely,

Brandon Forteza 737-300-4721

Page 1

Election Ballot for the Magnolia State Com 26-36-22 #105H Well Proposal (AFE# 2018-009)

EOG elects to participate in the proposed Operation by paying its proportionate share of the costs	outlined in the AFE 2018-009.
EOG elects to farmout its interest in the Contract Area as set forth in alternative 1 above.	
EOG elects to sell its interest in the Contract Area as set forth in alternative 2 above.	
EOG Resources Inc.	
By:	
Its:	



Ameredev II, LLC

Lea County, New Mexico Township 26 South, Range 36 East SHL: Section 27, 200' FNL, 2360' FEL BHL: Section 15, 200' FNL, 2318' FEL

Magnolia State Com 26-36-22 105H AFE # 2018-009 Capital Expenditure

March 27, 2018



Authorization For Expenditure

Company Entity	meredev Operat	ing IIC					Date Prepa		12, 2018	
^	meredev Operat	ing, LLC						March	12, 2010	
AFE Type	Project N		Well No.	Prospect or Field	Name	Property Number		Operation	on AFE No.	
Capital Magnolia State Com 26-36-22 105H				Delaware_W	c	40523		201	8-009	
cation				County		State		Туре	Well	
265-36E Section 27 200' FNL & 2360' FEL Lea NM						NM	Oil Gas	х	Expl Prod	х
							Gus		Prod	
timate Type			Es	t. Start Date	Est	. Comp Date	Form	nation		1D
riginal Estimate		10	A.,	gust 15, 2018 September 23, 2018		Wolf	camp	the same of the sa	/D	
pplemental Est	imate	0	- ~~	gust 13, 2010	Septe	111001 23, 2010	*****	camp	11,0	
ill and Complet	e Wolfcamp 2 Mi	ile Lateral V	Vell with Allo	cated Battery.						
otal Cost									\$12,741,672	2
perator so long	indicated below, as Operator cond	ucts operat	tions hereund	working interest owne	orated share	of the premiums ther	efore. If you	elect to pu	irchase your	own w
no event later teing covered by	han commencen insurance procur	ed by Oper	ing operation ator.	surance acceptable to is. You agree that failu						
	e my own well contro				20 000 000 (1000(1) 1) -{ (ad Ciapla III	14	o for well or	
				ong other terms, for \$ drilling (through comp					e for well co	ntroi ar
larketing Election	n									
sufficient volum	es delivered over	time. Shou	ıld you choos	nird party purchasers. See to market your share the terms and condition	of gas with	Ameredev, you will be	subject to			
elect to take m		ev pursuant to	the terms and c	conditions of its contracts.						
sts without affe	re estimates only cting the authori	zation for e	xpenditure h	ree operations withou erein granted. By appi der term of the joint o	oval of this A	FE, the working inter	est owner a	grees to pay	y its proport	ionate
			Amer	ican Resource Dev	elopment	LC Approval				
pared by		Operations	The second secon		VP Geology	coo		CEO	-	

Joint Interest Approval								
Company	Ву	Date						



DAMAGES MISC PREPARATION COSTS RESTORATION DRILLING RIG COIL TUBING FUEL TRAILER, CAMP & CATERING WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBILAR INSPECTIONS TUBING REPAIR TUBING REPAIR TUBING REPAIR TUBING REPAIR TUBING ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & INER EQUIP ADS & LOCATION PREPARATION .JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST	0.001 0.004 0.008 0.010 0.012 0.016 0.018 0.020 0.024 0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.094 0.094 0.094 0.094 0.096	\$25,000.00 \$15,000.00 \$15,000.00 \$624,000.00 \$31,900.00 \$103,000.00 \$103,000.00 \$103,000.00 \$176,000.00 \$1	\$0.00 \$0.00 \$4,000.00 \$32,500.00 \$4,000.00 \$2,700.00 \$14,285.00 \$4,800.00 \$44,800.00 \$44,650.00 \$57,000.00 \$96,000.00 \$77,200.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$123,825.00 \$11,400.00 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,100,000 \$51,000,000 \$51,000,000 \$51,000	\$25,000.0 \$15,000.0 \$4,000.0 \$656,500.0 \$660,000.0 \$182,700.0 \$46,185.0 \$15,600.0 \$69,550.0 \$110,000.0 \$72,200.0 \$1,72,200.0
MISC PREPARATION COSTS RESTORATION DRILLING RIG COIL TUBING FUEL TRAILER, CAMP & CATERING WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBING REPAIR TUBING REPAIR TUBING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION BILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP DEPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION DIL TREATING CONTINGENCY TAX FOTAL INTANGIBLE COST FANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.004 0.008 0.010 0.012 0.016 0.018 0.020 0.024 0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$15,000.00 \$0.00 \$624,000.00 \$180,000.00 \$180,000.00 \$31,900.00 \$110,800.00 \$10,800.00 \$10,800.00 \$10,800.00 \$176,000.00 \$1,13,20.00 \$1,13,20.00 \$1,13,20.00 \$1,17,250.00 \$1,17,250.00 \$23,100.00 \$23,100.00 \$23,100.00 \$23,100.00 \$3,750.00 \$3,750.00 \$3,750.00 \$3,750.00 \$1,17,750.00 \$3,750.00 \$3,750.00 \$3,750.00 \$1,17,000.00 \$3,750.00 \$3,750.00 \$1,17,000.00 \$3,750.00 \$3,17,000.00	\$0.00 \$4,000.00 \$32,500.00 \$60,000.00 \$2,700.00 \$14,285.00 \$4,800.00 \$44,800.00 \$42,650.00 \$7,000.00 \$96,000.00 \$0.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$5,100,000 \$5,000 \$5,000 \$5,000 \$5,000	\$15,000.0 \$4,000.0 \$46,000.0 \$665,500.0 \$60,000.0 \$182,700.0 \$46,185.0 \$15,600.0 \$569,500.0 \$110,000.0 \$96,000.0 \$1,320.
RESTORATION DRILLING RIG COIL TUBING FUEL TRAILER, CAMP & CATERING WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBLUAR INSPECTIONS TUBUING REPAIR TUBING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WULL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION BILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP DEPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION DIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.008 0.010 0.012 0.016 0.018 0.020 0.024 0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$0.00 \$624,000.00 \$180,000.00 \$31,900.00 \$10,800.00 \$103,000.00 \$103,000.00 \$103,000.00 \$176,000.00 \$1,320.00 \$1,320.00 \$420.00 \$17,250.00 \$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$23,100.00 \$3,750.00 \$3,750.00 \$3,750.00 \$3,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$31,750.00 \$115,200.00 \$65,000.00 \$65,000.00 \$65,000.00	\$4,000.00 \$32,500.00 \$60,000.00 \$2,700.00 \$14,285.00 \$4,800.00 \$42,650.00 \$7,000.00 \$96,000.00 \$0.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$61,700.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000.00 \$5,100,000 \$5,100,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000	\$4,000. \$656,500. \$60,000. \$182,700. \$46,185. \$15,600. \$69,550. \$110,000. \$96,000. \$176,000. \$72,200. \$1,320. \$420. \$1,320. \$420. \$17,250. \$8,437. \$38,500. \$94,500. \$7,000. \$123,825. \$341,700. \$5,100,000. \$15,175. \$871,120. \$58,100. \$183,030. \$37,750. \$144,000. \$55,500. \$55,000. \$280,000. \$162,900.
DRILLING RIG COIL TUBING FUEL TRAILER, CAMP & CATERING WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBLIAR INSPECTIONS TUBLING REPAIR TUBLING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION .JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.010 0.012 0.012 0.016 0.018 0.020 0.024 0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.050 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$624,000.00 \$180,000.00 \$1180,000.00 \$31,900.00 \$10,800.00 \$103,000.00 \$103,000.00 \$103,000.00 \$103,000.00 \$176,000.00 \$1,320.00 \$1,320.00 \$1,320.00 \$1,320.00 \$1,320.00 \$2420.00 \$1,320.00 \$23,100.00 \$23,100.00 \$7,000.00 \$23,100.00 \$3,750.00 \$3,750.00 \$3,750.00 \$37,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$55,000.00 \$65,000.00 \$65,000.00 \$157,400.00	\$32,500.00 \$60,000.00 \$2,700.00 \$14,285.00 \$4,800.00 \$42,650.00 \$7,000.00 \$96,000.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$71,400.00 \$5123,825.00 \$61,700.00 \$51,10,000.00 \$51,1425.00 \$867,870.00 \$50.00	\$656,500.0 \$60,000.0 \$182,700.0 \$46,185.0 \$15,600.0 \$69,550.0 \$110,000.0 \$96,000.0 \$176,000.0 \$72,200.0 \$1,320.0 \$420.0 \$1,320.0 \$420.0 \$1,320.0 \$420.0 \$1,320.0 \$54,000.0 \$57,000.0 \$57,000.0 \$7,000.0 \$15,175.0 \$8,437.1 \$15,175.0 \$1120.0 \$58,100.0 \$123,825.0 \$144,700.0 \$144,000.0 \$144,000.0 \$144,000.0 \$155,000.0 \$155,000.0 \$165,000.0 \$165,000.0 \$162,900.0 \$162,900.0
COIL TUBING FUEL TRAILER, CAMP & CATERING WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBUING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATIONJBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.012 0.016 0.018 0.020 0.024 0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$0.00 \$180,000.00 \$31,900.00 \$10,800.00 \$10,800.00 \$103,000.00 \$1,76,000.00 \$1,76,000.00 \$1,320.00 \$420.00 \$1,320.00 \$420.00 \$1,7,250.00 \$23,100.00 \$7,000.00 \$23,100.00 \$7,000.00 \$3,750.00 \$3,750.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$65,000.00 \$115,200.00 \$280,000.00	\$60,000.00 \$2,700.00 \$14,285.00 \$44,800.00 \$42,650.00 \$7,000.00 \$96,000.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$71,400.00 \$5123,825.00 \$61,700.00 \$51,10,000.00 \$11,425.00 \$867,870.00 \$25,630.00 \$25,630.00 \$0.00 \$25,630.00 \$30.00 \$40.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00	\$60,000.0 \$182,700.0 \$46,185.0 \$15,600.0 \$69,550.0 \$110,000.0 \$96,000.0 \$776,000.0 \$72,200.0 \$1,320.0 \$420.0 \$1,320.0 \$420.0 \$1,320.0 \$420.0 \$1,320.0 \$51,000.0 \$51,000.0 \$51,000.0 \$51,000.0 \$1
FUEL TRAILER, CAMP & CATERING WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBUING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATIONJBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.016 0.018 0.020 0.024 0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.061 0.062 0.064 0.068 0.070 0.072 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$180,000.00 \$31,900.00 \$10,800.00 \$10,800.00 \$103,000.00 \$0.00 \$176,000.00 \$1,320.00 \$420.00 \$1,320.00 \$420.00 \$1,320.00 \$23,100.00 \$7,000.00 \$7,000.00 \$280,000.00 \$3,750.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$5,500.00 \$5,500.00 \$1,77,000.00 \$1,77,000.00 \$1,77,000.00 \$2,000 \$3,750.00 \$3,750.00 \$1,15,200.00 \$2,500.00 \$2,500.00 \$2,500.00 \$2,500.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00	\$2,700.00 \$14,285.00 \$44,800.00 \$42,650.00 \$7,000.00 \$96,000.00 \$96,000.00 \$0.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$25,630.00 \$0.00 \$25,630.00 \$0.00 \$25,630.00 \$30.00 \$40.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00 \$50.00	\$182,700.0 \$46,185.0 \$15,600.0 \$69,550.0 \$110,000.0 \$96,000.0 \$176,000.0 \$72,200.0 \$1,320.0 \$420.0 \$1,320.0 \$437.2 \$38,500.0 \$70,000.0 \$71,250.0 \$70,000.0 \$70,000.0 \$115,175.0 \$871,120.0 \$58,100.0 \$183,030.0 \$144,000.0 \$55,500.0 \$65,000.0 \$280,000.0 \$162,900.0
TRAILER, CAMP & CATERING WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBUING REPAIR TUBUING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.018 0.020 0.024 0.028 0.030 0.032 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$31,900.00 \$10,800.00 \$103,000.00 \$103,000.00 \$103,000.00 \$1,76,000.00 \$1,76,000.00 \$1,320.00 \$420.00 \$1,320.00 \$420.00 \$1,320.00 \$23,100.00 \$7,000.00 \$23,100.00 \$7,000.00 \$280,000.00 \$3,750.00 \$33,750.00 \$37,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$5,500.00 \$5,500.00 \$5,500.00 \$1,15,200.00 \$280,000.00 \$280,000.00 \$5,000 \$1,15,200.00 \$20,000.00 \$20,000.00 \$5,000.00 \$1,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00 \$20,000.00	\$14,285.00 \$4,800.00 \$42,650.00 \$7,000.00 \$96,000.00 \$96,000 \$72,200.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$25,630.00 \$0.00 \$0.00 \$10,000	\$46,185.6 \$15,600.6 \$69,550.6 \$110,000.6 \$96,000.6 \$176,000.6 \$72,000.6 \$1,320.6 \$420.6 \$1,320.6 \$437.5 \$38,500.6 \$70,000.6 \$123,825.6 \$341,700.6 \$5,100,000.6 \$15,175.6 \$871,120.6 \$58,100.6 \$1383,030.6 \$37,750.6 \$144,000.6 \$55,000.6 \$55,000.6 \$65,000.6 \$280,000.6 \$162,900.6
WATER & SEPTIC SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBUING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP **JOS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.020 0.024 0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$10,800.00 \$26,900.00 \$103,000.00 \$0.00 \$176,000.00 \$420.00 \$1,320.00 \$420.00 \$420.00 \$2420.00 \$2420.00 \$23,100.00 \$7,000.00 \$280,000.00 \$280,000.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$5,500.00 \$5,500.00 \$144,000.00 \$115,200.00 \$280,000.00	\$4,800.00 \$42,650.00 \$7,000.00 \$96,000.00 \$96,000.00 \$72,200.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$15,600.1 \$69,550.1 \$110,000.1 \$96,000.1 \$176,000.1 \$72,200.1 \$1,320.1 \$420.1 \$17,250.1 \$8,437.1 \$38,500.1 \$7,000.1 \$123,825.1 \$341,700.1 \$51,175.1 \$871,120.1 \$58,100.1 \$183,030.1 \$37,750.1 \$144,000.1 \$55,000.1 \$55,000.1 \$15,000.1 \$15,000.1 \$183,030.1 \$17,750.1 \$184,000.1 \$185,000.1 \$185,000.1 \$185,000.1 \$185,000.1 \$186,000.1 \$186,000.1 \$186,000.1 \$186,000.1
SURFACE RENTALS DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBUING REPAIR TUBING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WULL TESTING WULL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.024 0.028 0.030 0.032 0.034 0.038 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$26,900.00 \$103,000.00 \$0.00 \$176,000.00 \$1,320.00 \$1,320.00 \$1,320.00 \$17,250.00 \$240,000 \$23,100.00 \$7,000.00 \$280,000.00 \$3,750.00 \$3,750.00 \$157,400.00 \$157,400.00 \$157,400.00 \$25,500.00 \$157,400.00 \$157,400.00 \$157,400.00 \$157,400.00 \$157,400.00 \$157,400.00 \$157,400.00 \$157,000 \$144,000.00 \$5,500.00 \$280,000.00 \$280,000.00 \$280,000.00 \$280,000.00 \$280,000.00	\$42,650.00 \$7,000.00 \$96,000.00 \$96,000.00 \$72,200.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$69,550.0 \$110,000.0 \$96,000.0 \$176,000.0 \$72,200.0 \$1,320.0 \$420.0 \$1,320.0 \$420.0 \$1,320.0 \$1,320.0 \$1,320.0 \$1,320.0 \$1,320.0 \$1,320.0 \$1,000.0
DRILL BITS DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBULAR INSPECTIONS TUBUING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING WULL TESTING WULL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.028 0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$103,000.00 \$0.00 \$176,000.00 \$0.00 \$1,320.00 \$1,320.00 \$420.00 \$17,250.00 \$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$280,000.00 \$280,000.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$5,500.00 \$5,500.00 \$141,000.00 \$115,200.00 \$280,000.00	\$7,000.00 \$96,000.00 \$0.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$110,000.0 \$96,000.0 \$176,000.0 \$176,000.0 \$1,320.0 \$1,320.0 \$420.0 \$17,250.0 \$8,437.0 \$94,500.0 \$7,000.0 \$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
DOWNHOLE RENTALS DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBULAR INSPECTIONS TUBUING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION BILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP DPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.030 0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$0.00 \$176,000.00 \$0.00 \$1,320.00 \$420.00 \$17,250.00 \$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$0.00 \$280,000.00 \$33,750.00 \$33,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$65,000.00 \$0	\$96,000.00 \$0.00 \$72,200.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$96,000.1 \$176,000.1 \$176,000.1 \$72,200.1 \$1,320.1 \$420.1 \$17,250.1 \$8,437.1 \$38,500.1 \$7,000.1 \$123,825.1 \$341,700.1 \$51,175.1 \$871,120.1 \$58,100.1 \$183,030.1 \$37,750.1 \$144,000.1 \$55,500.0 \$65,000.1 \$280,000.1
DIRECTIONAL DRILLING COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBULAR INSPECTIONS TUBUING REPAIR TUBING REPAIR TUBING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATIONJBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.032 0.034 0.038 0.040 0.042 0.044 0.046 0.050 0.052 0.060 0.061 0.062 0.066 0.068 0.070 0.072 0.072 0.080 0.086 0.086 0.094	\$176,000.00 \$0.00 \$1,320.00 \$1,320.00 \$420.00 \$17,250.00 \$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$0.00 \$280,000.00 \$3,750.00 \$3,750.00 \$31,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$5,500.00 \$5,500.00 \$5,500.00 \$5,500.00 \$5,500.00 \$5,500.00 \$5,500.00 \$5,500.00 \$0,000 \$0,000	\$0.00 \$72,200.00 \$0.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00	\$176,000.0 \$72,200.0 \$1,320.0 \$1,320.0 \$420.0 \$17,250.0 \$8,437.1 \$38,500.0 \$7,000.0 \$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$58,100.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
COMPOSITE PLUGS BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBUING REPAIR TUBING REPAIR TUBING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATIONJBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.034 0.038 0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$0.00 \$1,320.00 \$420.00 \$17,250.00 \$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$0.00 \$280,000.00 \$3,750.00 \$3,750.00 \$3,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$0.00	\$72,200.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$72,200.0 \$1,320.1 \$420.6 \$17,250.1 \$8,437.1 \$38,500.0 \$94,500.0 \$7,000.0 \$123,825.6 \$341,700.0 \$55,100,000.0 \$15,175.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$55,500.0 \$65,000.0 \$280,000.0 \$162,900.0
BOTTOM HOLE ASSEMBLY INSPECTION BOTTOM HOLE ASSEMBLE REPAIR TUBULAR INSPECTIONS TUBUING REPAIR TUBING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.040 0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.068 0.070 0.072 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$420.00 \$17,250.00 \$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$0.00 \$280,000.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$65,000.00 \$280,000.00 \$0.00	\$0.00 \$0.00 \$0.00 \$38,500.00 \$71,400.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$420.0 \$17,250.0 \$8,437.1 \$38,500.0 \$94,500.0 \$7,000.0 \$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$55,500.0 \$65,000.0 \$280,000.0 \$162,900.0
TUBULAR INSPECTIONS TUBUING REPAIR TUBING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATIONJBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.042 0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$17,250.00 \$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$0.00 \$280,000.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$280,000.00 \$280,000.00	\$0.00 \$0.00 \$38,500.00 \$71,400.00 \$0.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$17,250.0 \$8,437.1 \$38,500.0 \$94,500.0 \$7,000.0 \$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$55,000.0 \$65,000.0 \$65,000.0 \$280,000.0 \$162,900.0
TUBUING REPAIR TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP *I.OAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.044 0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$8,437.50 \$0.00 \$23,100.00 \$7,000.00 \$0.00 \$280,000.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$280,000.00 \$115,200.00 \$0.00	\$0.00 \$38,500.00 \$71,400.00 \$0.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$8,437.: \$38,500.0 \$94,500.0 \$7,000.0 \$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$55,000.0 \$65,000.0 \$65,000.0 \$280,000.0 \$162,900.0
TUBING RENTALS WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.046 0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$0.00 \$23,100.00 \$7,000.00 \$280,000.00 \$280,000.00 \$3,750.00 \$3,750.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$280,000.00 \$280,000.00 \$115,200.00	\$38,500.00 \$71,400.00 \$0.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$38,500.6 \$94,500.6 \$7,000.6 \$123,825.6 \$341,700.6 \$5,100,000.6 \$15,175.6 \$871,120.6 \$58,100.6 \$183,030.6 \$37,750.6 \$144,000.6 \$5,500.6 \$65,000.6 \$280,000.6 \$162,900.6
WELL CONTROL-EQUIP/SERVICES BOP TESTING WELL TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.048 0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$23,100.00 \$7,000.00 \$0.00 \$280,000.00 \$0.00 \$3,750.00 \$3,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$37,750.00 \$280,000.00 \$65,000.00 \$280,000.00 \$0.00	\$71,400.00 \$0.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$94,500.0 \$7,000.0 \$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$588,000.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
BOP TESTING WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.050 0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$7,000.00 \$0.00 \$280,000.00 \$0.00 \$3,750.00 \$3,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$0.00 \$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$7,000.0 \$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$183,030.0 \$17,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
WELL TESTING MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.052 0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$0.00 \$280,000.00 \$0.00 \$3,750.00 \$33,250.00 \$55,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$123,825.00 \$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$123,825.0 \$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$183,030.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
MUD & ADDITIVES PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.060 0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$280,000.00 \$0.00 \$3,750.00 \$3,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$61,700.00 \$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$341,700.0 \$5,100,000.0 \$15,175.0 \$871,120.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
PUMPING CHARGES (FRAC STIMULATION) WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FI.OAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.061 0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$0.00 \$3,750.00 \$3,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$5,100,000.00 \$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$5,100,000.0 \$15,175.0 \$871,120.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
WATER FOR DRILLING RIG/WATER RIGHTS STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FI.OAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATIONJBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.062 0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$3,750.00 \$3,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$11,425.00 \$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$15,175.0 \$871,120.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,5000.0 \$65,000.0 \$280,000.0 \$162,900.0
STIMULATION WATER / TRANSFER / STORAGE SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.064 0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$3,250.00 \$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$867,870.00 \$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$871,120.0 \$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
SOLIDS CONTROL-EQUIP/SERVICES MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATIONDILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.066 0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$58,100.00 \$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$0.00 \$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$47,700.00	\$58,100.0 \$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
MUD / FLUIDS DISPOSAL CHARGES CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION .JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.068 0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$157,400.00 \$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$25,630.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$47,700.00	\$183,030.0 \$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION .JBILIZE & DEMOBILIZE SUBJECT ON / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.070 0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$37,750.00 \$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$47,700.00	\$37,750.0 \$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
CMTNG, THRU INTERMED CASING & FLOAT EQUIP FLOAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION BILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.072 0.074 0.080 0.086 0.094 0.103 0.124	\$144,000.00 \$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$47,700.00	\$144,000.0 \$5,500.0 \$65,000.0 \$280,000.0 \$162,900.0
FI.OAT EQUIPMENT / CASING & LINER EQUIP ADS & LOCATION PREPARATION . JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FILOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY TAX TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.074 0.080 0.086 0.094 0.103 0.124	\$5,500.00 \$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$0.00 \$0.00 \$0.00 \$47,700.00	\$5,500.6 \$65,000.6 \$280,000.6 \$162,900.6
ADS & LOCATION PREPARATION .JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.080 0.086 0.094 0.103 0.124	\$65,000.00 \$280,000.00 \$115,200.00 \$0.00	\$0.00 \$47,700.00	\$65,000.0 \$280,000.0 \$162,900.0
.JBILIZE & DEMOBILIZE SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.086 0.094 0.103 0.124	\$280,000.00 \$115,200.00 \$0.00	\$47,700.00	\$162,900.0
SUPERVISION / CONTRACT LABOR - ROUSTABOUT CO. SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.103 0.124	\$0.00		
SAFETY AND EMERGENCY RESPONSE FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.124		\$34,200.00	\$34,300.0
FLOW TESTIN / EQUIP OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING		4		734,200.0
OPEN HOLE LOGGING FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING		\$4,200.00	\$0.00	\$4,200.0
FACILITY ELECTRICAL & AUTOMATION CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.194	\$0.00	\$3,500.00	\$3,500.0
CRANE FOR CONSTRUCTION MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.200	\$0.00	\$416,200.00	\$416,200.0
MAJOR INSTRUMENTATION OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.258	\$0.00	\$6,500.00	\$6,500.0
OIL TREATING CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.278	\$0.00	\$4,500.00 \$42,500.00	\$4,500.0 \$42,500.0
CONTINGENCY Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.292	\$0.00	\$120,000.00	\$120,000.0
Tax TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	5%	\$176,970	\$395,689	\$572,659.4
TOTAL INTANGIBLE COST TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	6.25%	\$221,213	\$494,612	\$715,824.2
TANGIBLES - WELL EQUIPMENT CONDUCTOR PIPE SURFACE CASING	0.2370	\$2,802,460	\$8,201,886	\$11,004,34
CONDUCTOR PIPE SURFACE CASING		\$2,502,100	70,202,000	77-7-7-
CONDUCTOR PIPE SURFACE CASING			The second second	-
SURFACE CASING	0.206	\$5,500.00	\$0.00	\$5,500.0
	0.210	\$215,125.00	\$0.00	\$215,125.0
INTERIVIEDIATE CASING	0.212	\$375,000.00	\$0.00	\$375,000.0
PRODUCTION CASING	0.216	\$506,000.00	\$0.00	\$506,000.0
TUBING	0.217	\$0.00	\$40,000.00	\$40,000.0
WELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000.0
SOLATION PACKER	0.222	\$0.00	\$15,625.00	\$15,625.0
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$24,187.50	\$24,187.
ANGIBLES - LEASE EQUIPMENT				
LINE PIPE	0.238	\$0.00	\$6,250.00	\$6,250.
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$37,513.13	\$37,513.
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$61,875.00	\$61,875.
BATTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,875.
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$102,000.00	\$102,000.
SATTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,000.
PIPELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,625.
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000.0
ALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00 \$1,135,125	\$168,750.00 \$602,201	\$168,750.0
TAL TANGIBLES				\$1,737,3
OTAL		\$1,135,125	3002,201	

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

Phone: (505) 476-3460 Fax: (505) 476-3462

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

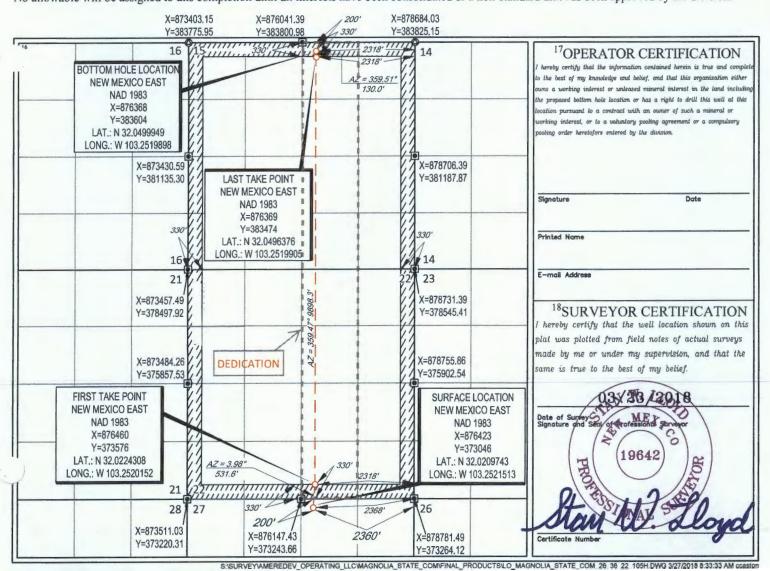
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number ² Pool Code ³ Pool Name ³ O-025-							e			
⁴ Property Code MAGNOLIA STATE COM 26 36 22									ell Number LO5H	
⁷ OGRID I	OGRID No. SOperator Name AMEREDEV OPERATING, LLC.								Elevation 2906'	
	•				10 Surface Loc	cation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	27	26-S	36-E	-	200'	NORTH	2360'	EAST	LEA	
			¹¹ B	ottom Hole	Location If Di	fferent From Surf	ace			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	15	26-S	36-E	-	200'	NORTH	2318'	EAST	LEA	
¹² Dedicated Acres	¹³ Joint or I	nfill 14C	onsolidation Code	15Order	No.					

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



Ameredev II, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735

March 28, 2018

S.E.S. Resources, LLC PO Box 10886 Midland, TX 79702



VIA Email and Certified Mail

RE:

Magnolia State Com 26-36-22 #115H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 200' FNL & 2,380' FEL Section 27; BHL: 200' FNL & 2,318' FEL Section 15

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Magnolia State Com 26-36-22 #115H Well (the "Well") on or about August 1, 2018, to test the Wolfcamp formation to a total vertical depth of 11,891' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$13,786,660 as outlined in the enclosed authority for expenditure ("AFE #2018-007"). Ameredev's records indicate S.E.S. Resources, LLC ("SES") owns a 3.95073568% working interest in the Well, and SES's estimated costs associated with the Operation are approximately \$544,674.50. Ameredev also proposes to drill and log a pilot hole in the Well as outlined in the enclosed authority for expenditure ("AFE #2018-008"), estimated associated costs with the pilot hole are \$868,398. Should SES elect to participate in the pilot hole, it agrees to pay 50% of the associated costs, being \$434,199.

In addition, Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 22: W2E2 & Section 15 W2E2, with Ameredev listed as the Operator
 ("Contract Area")
- 100%/200%/200% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Should SES choose not to participate in Ameredev's proposed Operation, Ameredev proposes the following alternatives:

- SES executes a farmout agreement of its leasehold interest in the Contract Area, delivering to Ameredev all of its working interest and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest to a 0.98768392% working interest in the Well upon 100% payout.
- SES to sell its entire leasehold interest in the Contract Area to Ameredev for \$5,500 per acre, reserving the difference between twenty-five
 percent (25%) and existing leasehold burdens as an overriding royalty interest, delivering a seventy-five percent (75%) net revenue interest
 to Ameredev.

Ameredev looks forward to working with SES on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to Brandon Forteza at bforteza@ameredev.com at your earliest convenience.

Sincerely,

Brandon Forteza 737-300-4721

Page 1

Election Ballot for the Magnolia State Com 26-36-22 #115H Well Proposal (AFE# 2018-007)

***	SES elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2018-007.
***	SES elects to farmout its interest in the Contract Area as set forth in alternative 1 above.
	SES elects to sell its interest in the Contract Area as set forth in alternative 2 above.
S.E.S. Re	esources, LLC
By:	
Its:	

Page 2

Election Ballot for the Magnolia State Com 26-36-22 #115H Pilot Hole (AFE# 2018-008)

S.E.S. Re	sources, LLC
S.E.S. Re	sources, LLC
	SES elects to not participate in the pilot hole outlined in AFE 2018-008.
	SES elects to participate in the pilot hole by paying 50% of the costs outlined in AFE 2017-008.



Ameredev II, LLC

Lea County, New Mexico Township 26 South, Range 36 East SHL: Section 27, 200' FNL, 2380' FEL BHL: Section 15, 200' FNL, 2318' FEL

Magnolia State Com 26-36-22 115H

Pilot Hole

AFE # 2018-007

AFE # 2018-008

Capital Expenditure

March 27, 2018



Ameredev Operating, LLC
Project Name

Authorization For Expenditure

Property Number

Prospect or Field Name

Date Prepared
March 12, 2018

Operation AFE No.

Art Type	Magnolia St	ate Com								
Capital	26-36-		115H	Delaware_\	NC	40524		201	B-007	
Location				County		State	l a it		Well	
26S-36E	Section 27 200' F	NL & 2380' F	EL	Le a		NM	Oil Gas	×	Expl Prod	×
							ous	<u> </u>	7700	
Estimate Type			E	st. Start Date	Es	st. Comp Date	Forn	nation	N	1D
Original Estimate		10								000'
Revised Estimate		0		July 1, 2018	Au	ıgust 15, 2018	Wol	fcamp		/D
Supplemental Est	imate	0					l		11,	891'
Total Cost Comments on As	e Wolfcamp 2 M	ile Lateral W	eli and Buil	d Full Unit Battery.			100000	A Control of the Cont	\$13,786,66	D
Water disposal no	ot included.									
Operator so long control insurance in no event later to being covered by elect to purchase Well control insur	as Operator cond , you must provid than commencer insurance procur se my own well contr rance procured b	ducts operati de a certifical ment of drillir red by Opera ol insurance poli y Operator, p	ons hereun te of such in g operatio tor. cy.	nder and to pay your pr nsurance acceptable to ns. You agree that fail mong other terms, for	rorated share o Operator, a ure to provid \$20,000,000	be covered by Operato e of the premiums there is to form and limits, at le the certificate of insu (100% W.I.) of Combin a \$250,000 (100% W.I.	efore. If yo the time th irance, as p ed Single Li	u elect to pu is AFE is ret rovided her mit coverag	urchase youi urned, if ava ein, will resu	r own well ailable, but ult in your
insufficient volum Upon written req	s gas under arm's es delivered ove uest to Amerede y gas in kind.	r time. Shoul v, we will sha	d you choo are with yo	se to market your sha	re of gas with	cts may include fees. In n Ameredev, you will be nt to which gas will be s	e subject to			
costs without affe	re estimates only cting the authori	ization for ex	penditure l vell costs u	herein granted. By app	oroval of this operating ag	reable change in plans. AFE, the working interrement, regulatory or	est owner a	grees to pa	y its proport	ionate
Prepared by		Operations 5		VP Land	VP Geology			CEO		
Julia Steger		Zachary Boy	d	Noah Bramble	Eric Rhoder	n Floyd Hami	mond	Parker Ree	se	
Company			Ву	Joint Intere	est Approva	Date				



ANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Fotal Cost
AMAGES	0.001	\$25,000.00	\$0.00	¢ar or
IISC PREPARATION COSTS	0.001	\$15,000.00	\$0.00	
ESTORATION	0.008	\$0.00	\$4,000.00	
RILLING RIG	0.010	\$624,000.00	\$32,500.00	
OIL TUBING	0.012	\$0.00	\$60,000.00	
JEL .	0.016	\$180,000.00	\$5,400.00	
RAILER, CAMP & CATERING	0.018	\$31,900.00	\$14,285.00	
ATER & SEPTIC	0.020	\$10,800.00	\$4,800.00	\$15,6
JRFACE RENTALS	0.024	\$26,900.00	\$56,150.00	\$83,0
RILL BITS	0.028	\$103,000.00	\$7,000.00	\$110,0
OWNHOLE RENTALS	0.030	\$0.00	\$96,000.00	\$96,0
RECTIONAL DRILLING	0.032	\$176,000.00	\$0.00	\$176,0
OMPOSITE PLUGS	0.034	\$0.00	\$72,200.00	\$72,2
OTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	\$1,3
OTTOM HOLE ASSEMBLE REPAIR	0.040	\$420.00	\$0.00	\$4
JBULAR INSPECTIONS	0.042	\$17,250.00	\$0.00	\$17,2
JBUING REPAIR	0.044	\$8,437.50	\$0.00	\$8,4
JBING RENTALS	0.046	\$0.00	\$38,500.00	\$38,5
ELL CONTROL-EQUIP/SERVICES	0.048	\$23,100.00	\$71,400.00	\$94,5
DP TESTING	0.050	\$7,000.00	\$0.00	\$7,0
ELL TESTING	0.052	\$0.00	\$123,825.00	\$123,8
UD & ADDITIVES	0.060	\$280,000.00	\$61,700.00	\$341,7
JMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$5,100,000.00	\$5,100,0
ATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$11,425.00	\$15,1
IMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$867,870.00	\$871,:
DLIDS CONTROL-EQUIP/SERVICES	0.066	\$58,100.00	\$0.00	\$58,
UD / FLUIDS DISPOSAL CHARGES	0.068	\$157,400.00	\$25,630.00	\$183,0
ASING CREWS 7" and larger	0.070	\$37,750.00	\$0.00	\$37,7
MTNG, THRU INTERMED CASING & FLOAT EQUIP	0.072	\$144,000.00	\$0.00	\$144,0
OAT EQUIPMENT / CASING & LINER EQUIP	0.074	\$5,500.00	\$0.00	\$5,5
DADS & LOCATION PREPARATION	0.080	\$65,000.00	\$75,000.00	\$140,0
OBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$280,0
PERVISION / CONTRACT	0.094	\$115,200.00	\$47,700.00	\$162,9
GINEERING/CONSULTANT	0.102	\$0.00	\$8,500.00	\$8,5
JOR - ROUSTABOUT CO.	0.103	\$0.00	\$171,000.00	\$171,0
FETY AND EMERGENCY RESPONSE	0.124	\$4,200.00	\$0.00	\$4,2
ONSTRUCTION FOR FLOW LINES & GASLIFT LINES	0.144	\$0.00	\$125,000.00	\$125,0
OW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,5
PEN HOLE LOGGING	0.200	\$0.00	\$416,200.00	\$416,2
OWERLINES & SUBSTATION	0.242	\$0.00	\$16,830.00	\$16,8
CONDARY CONTAINMENTS	0.254	\$0.00	\$85,000.00	\$85,0
CILITY ELECTRICAL & AUTOMATION	0.258	\$0.00	\$6,500.00	\$6,5
VD CONNECTION	0.262	\$0.00	\$17,500.00	\$17,5
ANE FOR CONSTRUCTION	0.278	\$0.00	\$9,000.00	\$9,0
AJOR INSTRUMENTATION	0.292	\$0.00	\$85,000.00	\$85,0
ECTRICAL	0.296	\$0.00	\$120,000.00	\$120,0
L TREATING	0.356	\$0.00	\$120,000.00	\$120,0
LTWATER DISPOSAL COST	0.380	\$0.00	\$3,500.00	\$3,5
ONTINGENCY	5%	\$183,295	\$436,330	\$619,6
X	6.25%	\$229,119	\$545,413	\$774,5
TAL INTANGIBLE COST		\$2,816,692	\$8,944,658	\$11,76
NGIBLES - WELL EQUIPMENT				
NDUCTOR PIPE	0.206	\$5,500.00	\$0.00	\$5,5
RFACE CASING	0.210	\$215,125.00	\$0.00	\$5,5
TERMEDIATE CASING	0.210	\$375,000.00	\$0.00	\$215,1
ODUCTION CASING	0.212	\$632,500.00	\$0.00	\$632,5
BING	0.217	\$0.00	\$40,000.00	\$632,5
ELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.217	\$33,500.00	\$18,500.00	\$52,0
DLATION PACKER	0.222	\$0.00	\$18,500.00	\$15,6
WNHOLE LIFT EQUIPMENT	0.222	\$0.00	\$13,623.00	\$15,6
NGIBLES - LEASE EQUIPMENT	0.237	\$0.00	724,187.30	324,1
IE PIPE	0.238	\$0.00	\$6,250.00	Ac. a.
	0.238	\$0.00	\$6,250.001 \$134,248.13	\$6,2
NKS, TANKS STEPS, STAIRS	0.244	\$0.00		\$134,2
TTERY (HEATER TREATERS)			\$61,875.00	\$61,8
TTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,8
TTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$110,500.00	\$110,5
TTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,0
ELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,6
ALERS AND METERING FOLLOMENT	0.274	\$0.00	\$10,000.00	\$10,0
TERS AND METERING EQUIPMENT				
VES, FITTINGS, PRODUCTION INSTRUMENTATION TAL TANGIBLES	0.282	\$0.00 \$1,261,625	\$225,000.00 \$763,686	\$225,0 \$2,02



Julia Steger

Zachary Boyd

Authorization For Expenditure

Company Entity							Date Prepa	red			
<u> </u>	Ameredev Ope	rating, LLC						March	12, 2018		
AFE Type	Project	Name	Well No.	Prospect or Field	Name	Property Number		Operati	on AFE No.		
Capital	Magnolia : 26-36-22	State Com Pilot Hole	115H	Delaware_WC		40524	2018-008				
Location				County		State		Tun	e Well		
	Section 27 200)' FNL & 2380 FE	L	Lea		NM	Oil Gas	X	Expl Prod	х	
Estimata Tuna			6.	- Charles	-	4 Carra Dava				V	
Original Estimate		0	1	st. Start Date	ES	t. Comp Date	Form	ation	,	MD 22,000'	
Revised Estimate		0	ر [uly 28, 2018	Au	gust 31, 2018	Wolfcamp		TVD		
Supplemental Estim	nate								11	,891'	
Drill Wolfcamp Pilo	crioie.							1.1			
Total Cost									\$868,398		
Comments on Asso											
long as Operator co you must provide a commencement of procured by Operat lett to purchase a Well control insurar	dicated below, inducts operation certificate of subditiling operation or. The control of the co	ons hereunder al ich insurance ac ons. You agree t I insurance policy. Operator, provi	nd to pay you ceptable to C hat failure to ides, among	ting interest owner, agr or prorated share of the operator, as to form and provide the certificate other terms, for \$20,00 ng (through completion	e premiums d limits, at t of insurance	therefore. If you elec he time this AFE is ret e, as provided herein, " W.I.) of Combined S	t to purchase urned, if avail will result in ingle Limit co	your own able, but i your bein	well contro in no event g covered b	ol insurance, later than y insurance	
Marketing Election											
Ameredev sells its g insufficient volumes	as under arm's- delivered over st to Ameredev as in kind.	time. Should yo , we will share w	u choose to r vith you the t	arty purchasers. Such c market your share of ga erms and conditions pu ons of its contracts.	s with Ame	redev, you will be sub					
Comments on AFE											
without affecting the	e authorization	for expenditure	herein grant	perations without any t ed. By approval of this se joint operating agree	AFE, the w	orking interest owner	agrees to pay	its propo	rtionate sha	re of	
			America	an Resource Develo	pment LL	C Approval					
Prepared by	C	perations Supt	. \	/P Land	/P Geology	coo		EO			

|--|

Noah Bramble

Company	Ву	Date

Eric Rhoden

Floyd Hammond

Parker Reese



INTANGIBLES	Code	Geology Pilot Hole	Geology Coring	Total Cost
DRILLING RIG	0.010	\$120,000.00	\$0.00	\$120,000.00
FUEL	0.016	\$22,500.00	\$0.00	\$22,500.00
TRAILER, CAMP & CATERING	0.018	\$4,200.00	\$0.00	\$4,200.00
WATER & SEPTIC	0.020	\$21,600.00	\$0.00	\$21,600.00
SURFACE RENTALS	0.024	\$9,210.00	\$0.00	\$9,210.00
DRILL BITS	0.028	\$34,000.00	\$0.00	\$34,000.00
DOWNHOLE RENTALS	0.030	\$2,500.00	\$0.00	\$2,500.00
WELL CONTROL-EQUIP/SERVICES	0.048	\$7,500.00	\$0.00	\$7,500.00
BOP TESTING	0.050	\$1,200.00	\$0.00	\$1,200.00
MUD & ADDITIVES	0.060	\$65,100.00	\$0.00	\$65,100.00
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$2,550.00	\$0.00	\$2,550.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$6,222.22	\$0.00	\$6,222.22
REMEDIAL CEMENTING	0.076	\$15,000.00	\$0.00	\$15,000.00
MUD LOGGING	0.198	\$24,000.00	\$0.00	\$24,000.00
OPEN HOLE LOGGING	0.200	\$347,000.00	\$0.00	\$347,000.00
FISHING & SIDETRACK SERVICES	0.203	\$98,000	\$0.00	\$98,000.00
CONTINGENCY	5%	\$39,029.11	\$0	\$39,029.11
Tax	6.25%	\$48,786.39	\$0	\$48,786.39
TOTAL INTANGIBLE COST		\$868,398	\$0	\$868,398
TANGIBLES - WELL EQUIPMENT				
CONDUCTOR PIPE	0.206	\$0.00	\$0.00	\$0.00
SURFACE CASING	0.210	\$0.00	\$0.00	\$0.00
INTERMEDIATE CASING	0.212	\$0.00	\$0.00	\$0.00
PRODUCTION CASING	0.216	\$0.00	\$0.00	\$0.00
BING	0.217	\$0.00	\$0.00	\$0.00
ÆLLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$0.00	\$0.00	\$0.00
ISOLATION PACKER	0.222	\$0.00	\$0.00	\$0.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$0.00	\$0.00
TANGIBLES - LEASE EQUIPMENT	1			
LINE PIPE	0.238	\$0.00	\$0.00	\$0.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$0.00	\$0.00
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$0.00	\$0.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$0.00	\$0.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$0.00	\$0.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$0.00	\$0.00
PIPELINE TO SALES	0.270	\$0.00	\$0.00	\$0.00
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$0.00	\$0.00
VALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$0.00	\$0.00
TOTAL TANGIBLES		\$0	\$0	\$0
			1	
TOTAL		\$868,398	\$0	\$868,398

District I 1825 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III Rio Brazos Road, Aztec, NM 87410 2: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

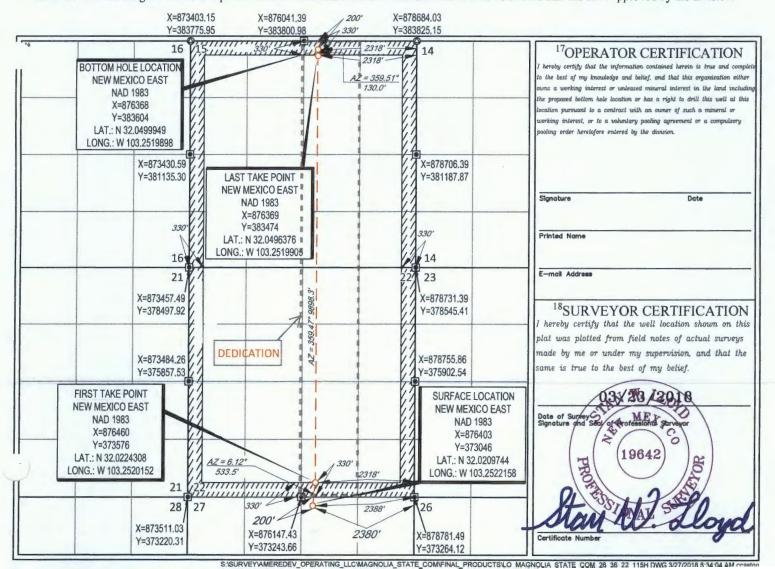
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDEI	D REPORT
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WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025	¹ API Numbe	r		² Pool Code		³ Pool Name				
⁴ Property (Code				⁵ Property Na				ell Number	
			N	AAGNOLI	A STATE (COM 26 36 2	22	1	115H	
⁷ OGRID !	No.			AMERE	SOperator Na DEV OPER	ATING, LLC.			Elevation 2906	
					10 Surface Loc	cation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	27	26-S	36-E	-	200'	NORTH	2380'	EAST	LEA	
			¹¹ B	ottom Hole	Location If Di	fferent From Surf	ace			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	15	26-S	36-E	-	200'	NORTH	2318'	EAST	LEA	
12Dedicated Acres	13 Joint or 1	Infill 14Co	onsolidation Code	15Order 1	No.					

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



Ameredev II, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735



March 28, 2018

S.E.S. Resources, LLC PO Box 10886 Midland, TX 79702 VIA Email and Certified Mail

RE:

Magnolia State Com 26-36-22 #105H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 200' FNL & 2,360' FEL Section 27; BHL: 200' FNL & 2,318' FEL Section 15

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Magnolia State Com 26-36-22 #105H Well (the "Well") on or about August I, 2018, to test the Wolfcamp formation to a total vertical depth of 11,600' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$12,741,672 as outlined in the enclosed authority for expenditure ("AFE #2018-009"). Ameredev's records indicate S.E.S. Resources, LLC ("SES") owns a 3.95073568% working interest in the Well, and SES's estimated costs associated with the Operation are approximately \$503,389.78.

In addition, Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 22: W2E2 & Section 15 W2E2, with Ameredev listed as the Operator ("Contract Area")
- 100%/200%/200% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Should SES choose not to participate in Ameredev's proposed Operation, Ameredev proposes the following alternatives:

- SES executes a farmout agreement of its leasehold interest in the Contract Area, delivering to Ameredev all of its working interest and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest to a 0.98768392% working interest in the Well upon 100% payout.
- 2. SES to sell its entire leasehold interest in the Contract Area to Ameredev for \$5,500 per acre, reserving the difference between twenty-five percent (25%) and existing leasehold burdens as an overriding royalty interest, delivering a seventy-five percent (75%) net revenue interest to Ameredev.

Ameredev looks forward to working with SES on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to Brandon Forteza at bforteza@ameredev.com at your earliest convenience.

Sincerely,

Brandon Forteza 737-300-4721

Page 1

Election Ballot for the Magnolia State Com 26-36-22 #105H Well Proposal (AFE# 2018-009)

SES elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2018-009	
SES elects to farmout its interest in the Contract Area as set forth in alternative 1 above.	
SES elects to sell its interest in the Contract Area as set forth in alternative 2 above.	
S.E.S. Resources, LLC	
By:	
Its:	



Ameredev II, LLC

Lea County, New Mexico Township 26 South, Range 36 East SHL: Section 27, 200' FNL, 2360' FEL BHL: Section 15, 200' FNL, 2318' FEL

Magnolia State Com 26-36-22 105H AFE # 2018-009 Capital Expenditure

March 27, 2018



Authorization For Expenditure

Capital Magno	200' FNL & 2360	Eșt	Prospect or Field Delaware_W County Lea t. Start Date		roperty Number			on AFE No	-			
26S-36E Section 27 stimate Type riginal Estimate evised Estimate upplemental Estimate roject Description	26-36-22 200' FNL & 2360	' FEL Est	County Lea	C	40523		20:					
265-36E Section 27 stimate Type riginal Estimate evised Estimate upplemental Estimate	200' FNL & 2360	Eșt	Lea					2018-009				
265-36E Section 27 stimate Type riginal Estimate evised Estimate upplemental Estimate	1.	Eșt	Lea		Charles		-	- Wall				
stimate Type riginal Estimate evised Estimate upplemental Estimate	1.	Eșt			State	Oil	X LAL	e Well Expl	,			
riginal Estimate evised Estimate applemental Estimate roject Description	0		t. Start Date		NM	Gas		Prod				
evised Estimate applemental Estimate oject Description	0	Aug		Est. C	omp Date	Forn	nation		MD			
opplemental Estimate		Aug						22,000'				
roject Description	1 0		gust 15, 2018	Septem	per 23, 2018	Wolf	fcamp		TVD 1,600'			
	np 2 Mile Lateral	Well with Alloc	cated Battery.									
otal Cost								\$12,741,6	72			
omments on Associated C later disposal not included												
Vell Control Insurance Unless otherwise indicated to Operator so long as Operato Control insurance, you must n no event later than comm	or conducts opera provide a certific nencement of dril	ations hereund cate of such ins	er and to pay your pro	orated share of	the premiums the	erefore. If yo						
elect to purchase my own we	ured by Operator	rator. colicy. c, provides, am	s. You agree that failu ong other terms, for \$	re to provide th	e certificate of in	surance, as p	is AFE is re rovided he mit covera	eturned, if a	our own available esult in y			
_	ell control insurance pured by Operator	rator. colicy. c, provides, am	s. You agree that failu ong other terms, for \$	re to provide th	e certificate of in	surance, as p	is AFE is re rovided he mit covera	eturned, if a	our own available esult in y			
elect to purchase my own we lell control insurance proce elated redrilling and clean-u	ell control insurance p ured by Operator up/pollution expe r arm's-length coi ed over time. Sho	rator. colicy. colory.	ong other terms, for \$ drilling (through comp ird party purchasers. \$ e to market your share	20,000,000 (10 letion) with a \$	20% W.I.) of Comb 250,000 (100% W	ined Single Li .l.) retention. In addition, p	nis AFE is re rovided he mit covera enalties m	eturned, if a erein, will re ege for well ay be incur	our own available esult in y control			
elect to purchase my own we /ell control insurance proce- elated redrilling and clean-u- larketing Election meredev sells its gas under sufficient volumes delivere	ell control insurance p ured by Operator up/pollution expe r arm's-length cor ed over time. Sho reredev, we will s	rator. colicy. colory.	ong other terms, for \$ drilling (through comp ird party purchasers. \$ e to market your share	20,000,000 (10 letion) with a \$	20% W.I.) of Comb 250,000 (100% W	ined Single Li .l.) retention. In addition, p	nis AFE is re rovided he mit covera enalties m	eturned, if a erein, will re ege for well ay be incur	our own available esult in y control			

Joint Interest Approva

Noah Bramble

Zachary Boyd

Julia Steger

Company	Ву	Date

Eric Rhoden

Floyd Hammond

Parker Reese



TANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000.
MISC PREPARATION COSTS	0.004	\$15,000.00	\$0.00	\$15,000
RESTORATION	0.008	\$0.00	\$4,000.00	\$4,000
DRILLING RIG COIL TUBING	0.010	\$624,000.00 \$0.00	\$32,500.00 \$60,000.00	\$656,500 \$60,000
FUEL	0.012	\$180,000.00	\$2,700.00	\$182,700
TRAILER, CAMP & CATERING	0.018	\$31,900.00	\$14,285.00	\$46,185
WATER & SEPTIC	0.020	\$10,800.00	\$4,800.00	\$15,600
SURFACE RENTALS	0.024	\$26,900.00	\$42,650.00	\$69,550
DRILL BITS	0.028	\$103,000.00	\$7,000.00	\$110,000
DOWNHOLE RENTALS	0.030	\$0.00	\$96,000.00	\$96,000
DIRECTIONAL DRILLING COMPOSITE PLUGS	0.032	\$176,000.00 \$0.00	\$0.00 \$72,200.00	\$176,000 \$72,200
BOTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	\$1,320
BOTTOM HOLE ASSEMBLE REPAIR	0.040	\$420.00	\$0.00	\$420
TUBULAR INSPECTIONS	0.042	\$17,250.00	\$0.00	\$17,250
TUBUING REPAIR	0.044	\$8,437.50	\$0.00	\$8,437
TUBING RENTALS	0.046	\$0.00	\$38,500.00	\$38,500
WELL CONTROL-EQUIP/SERVICES	0.048	\$23,100.00	\$71,400.00	\$94,500
BOP TESTING WELL TESTING	0.050	\$7,000.00	\$0.00	\$7,000
MUD & ADDITIVES	0.052	\$0.00 \$280,000.00	\$123,825.00 \$61,700.00	\$123,825 \$341,700
PUMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$5,100,000.00	\$5,100,000
NATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$11,425.00	\$15,175
TIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$867,870.00	\$871,120
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$58,100.00	\$0.00	\$58,100
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$157,400.00	\$25,630.00	\$183,030
CASING CREWS 7" and larger	0.070	\$37,750.00	\$0.00	\$37,750
MTNG, THRU INTERMED CASING & FLOAT EQUIP	0.072	\$144,000.00	\$0.00	\$144,000
LOAT EQUIPMENT / CASING & LINER EQUIP	0.074	\$5,500.00 \$65,000.00	\$0.00 \$0.00	\$5,500
ADS & LOCATION PREPARATION OBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$65,000 \$280,000
SUPERVISION / CONTRACT	0.094	\$115,200.00	\$47,700.00	\$162,900
ABOR - ROUSTABOUT CO.	0.103	\$0.00	\$34,200.00	\$34,200
SAFETY AND EMERGENCY RESPONSE	0.124	\$4,200.00	\$0.00	\$4,200
LOW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,500
OPEN HOLE LOGGING	0.200	\$0.00	\$416,200.00	\$416,200
ACILITY ELECTRICAL & AUTOMATION	0.258	\$0.00	\$6,500.00	\$6,500
RANE FOR CONSTRUCTION MAJOR INSTRUMENTATION	0.278	\$0.00 \$0.00	\$4,500.00 \$42,500.00	\$4,500 \$42,500
DIL TREATING	0.356	\$0.00	\$120,000.00	\$120,000
CONTINGENCY	5%	\$176,970	\$395,689	\$572,659
ax	6.25%	\$221,213	\$494,612	\$715,824
OTAL INTANGIBLE COST		\$2,802,460	\$8,201,886	\$11,004,3
ANGIBLES - WELL EQUIPMENT	0.006	45.500.00	40.00	4
ONDUCTOR PIPE URFACE CASING	0.206	\$5,500.00 \$215,125.00	\$0.00 \$0.00	\$5,500
NTERMEDIATE CASING	0.212	\$375,000.00	\$0.00	\$215,125 \$375,000
RODUCTION CASING	0.216	\$506,000.00	\$0.00	\$506,000
UBING	0.217	\$0.00	\$40,000.00	\$40,000
VELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000
SOLATION PACKER	0.222	\$0.00	\$15,625.00	\$15,625
OWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$24,187.50	\$24,187
ANGIBLES - LEASE EQUIPMENT				والمسالل
NE PIPE	0.238	\$0.00	\$6,250.00	\$6,250
ANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$37,513.13	\$37,513
ATTERY (HEATER TREATERS) ATTERY (SEPARATOR)	0.246	\$0.00	\$61,875.00 \$61,875.00	\$61,875 \$61,875
ATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$102,000.00	\$102,000
ATTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,000
IPELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,625
TETERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000
ALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$168,750.00	\$168,750
TAL TANGIBLES		\$1,135,125	\$602,201	\$1,737,3
				\$12,741,
TOTAL		\$3,937,585	\$8,804,087	\$

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
Rio Brazos Road, Aztec, NM 87410
2: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

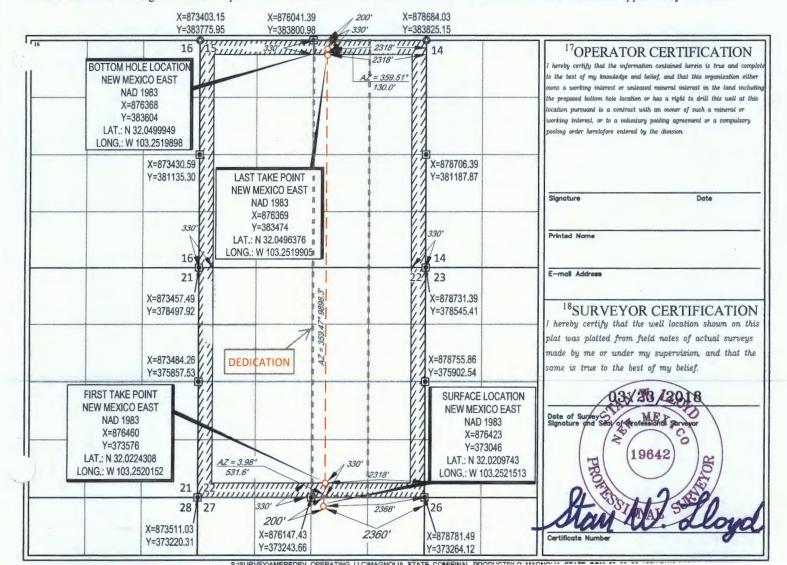
FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL	LOCATION	AND ACREAGE	DEDICATION PLA	T
, ,			D DD TOILE TOIL I DI	

30-025-	¹ API Number	r		² Pool Code		³ Pool Name				
⁴ Property (Code		N	MAGNOLIA STATE COM 26 36 22					⁶ Well Number 105H	
⁷ OGRID							Elevation 2906'			
					10 Surface Loc	cation				
UL or lot no.		Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	27	26-S	36-E	-	200'	NORTH	2360'	EAST	LEA	
			¹¹ B	ottom Hole	Location If Di	fferent From Surf	ace	1		
UL or lot no.	Lor lot no. Section Township R		Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	15	26-S	36-E	-	200'	NORTH	2318'	EAST	LEA	
¹² Dedicated Acres 320	¹³ Joint or l	Infill 14Co	nsolidation Code	15Order	No.					

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



Ameredev II, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735



March 28,2018

Petraitis Oil & Gas, LLC PO Box 10886 Midland, TX 79702

VIA Email and Certified Mail

RE:

Magnolia State Com 26-36-22 #105H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 200' FNL & 2,360' FEL Section 27; BHL: 200' FNL & 2,318' FEL Section 15

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Magnolia State Com 26-36-22 #105H Well (the "Well") on or about August 1, 2018, to test the Wolfcamp formation to a total vertical depth of 11,600' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$12,741,672 as outlined in the enclosed authority for expenditure ("AFE #2018-009"). Ameredev's records indicate Petraitis Oil & Gas, LLC ("Petraitis") owns a 1.40470294% working interest in the Well, and Petraitis's estimated costs associated with the Operation are approximately \$178,982.64

In addition, Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 22: W2E2 & Section 15 W2E2, with Ameredev listed as the Operator ("Contract Area")
- 100%/200%/200% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Should Petraitis choose not to participate in Ameredev's proposed Operation, Ameredev proposes the following alternatives:

- Petraitis executes a farmout agreement of its leasehold interest in the Contract Area, delivering to Ameredev all of its working interest and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest to a 0.35117573% working interest in the Well upon 100% payout.
- Petraitis to sell its entire leasehold interest in the Contract Area to Ameredev for \$5,500 per acre, reserving the difference between twenty-five percent (25%) and existing leasehold burdens as an overriding royalty interest, delivering a seventy-five percent (75%) net revenue interest to Ameredev.

Ameredev looks forward to working with Petraitis on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to Brandon Forteza at bforteza@ameredev.com at your earliest convenience.

Sincerely,

Brandon Forteza 737-300-4721

Page 1

Election Ballot for the Magnolia State Com 26-36-22 #105H Well Proposal (AFE# 2018-009)

Petraitis elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2018-009.
Petraitis elects to farmout its interest in the Contract Area as set forth in alternative 1 above.
Petraitis elects to sell its interest in the Contract Area as set forth in alternative 2 above.
Petraitis Oil & Gas, LLC
By:
Its:



Ameredev II, LLC

Lea County, New Mexico Township 26 South, Range 36 East SHL: Section 27, 200' FNL, 2360' FEL BHL: Section 15, 200' FNL, 2318' FEL

Magnolia State Com 26-36-22 105H AFE # 2018-009 Capital Expenditure

March 27, 2018



Authorization For Expenditure

Company Entity							•	Date Pr	epared		_
	meredev Opera	ting, LLC						March 12, 2018			
			Luciania			- 1 2-	-	-			
AFE Type	Project N Magnolia St		Well No.	Prospect	or Field Name	Prop	erty Numbe		Operati	on AFE No.	
Capital	26-36-		105H	Dela	ware_WC		40523		201	18-009	
Location				(County		State			e Well	
26S-36E	Section 27 200' I	FNL & 2360'	FEL		Lea		NM	Oil Gas	X	Prod	X
		100.00						Ous		Frou	
Estimate Type			E	st. Start Date		Est. Com	Date	Fo	rmation	Harris I	MD
Original Estimate		10									2,000'
Revised Estimate		0	A	ugust 15, 2018		September	23, 2018	W	olfcamp		.600'
Supplemental Est	imate	0								1 11	,,000
Project Description	on	100									
Drill and Complet		lile Lateral W	ell with Alle	ocated Battery.							
Total Cost										\$12,741,6	72
rotor cost									*****	422// 12/0	
Comments on As	sociated Costs										
Water disposal no	ot included.										
Well Control Insu	rance		The same		7.75			- plo	Contract of		
Unless otherwise		, you, as a no	n-operating	g working intere	est owner, agre	e to be cove	red by Opera	tor's well o	ontrol insurar	nce procure	d by
Operator so long	as Operator cond	ducts operat	ions hereun	der and to pay	your prorated	hare of the	premiums th	erefore. If	ou elect to p	urchase you	ur own well
control insurance,											
in no event later t			-	ns. You agree t	hat failure to p	rovide the c	ertificate of i	nsurance, as	provided he	rein, will re	sult in your
being covered by	insurance procu	red by Opera	ator.								
elect to purchas	se my own well contr	ol insurance pol	icy.								
Well control insur	ance procured b	y Operator,	provides, ar	mong other terr	ms, for \$20,000	,000 (100%	W.I.) of Com	oined Single	Limit covera	ge for well o	control and
related redrilling a	and clean-up/pol	llution expen	se covering	drilling (through	gh completion)	with a \$250	,000 (100% V	V.I.) retention	n.		
Marketing Electio	in.	1000	10			Planet	V	* 11 - 1		-	
Ameredev sells its		length cont	racts with t	hird party purc	hasers. Such co	ntracts may	include fees.	In addition.	penalties ma	av be incurr	ed for
insufficient volum	-	_				-					
Upon written requ	uest to Amerede	v, we will sh	are with you	u the terms and	conditions pur	suant to wh	ich gas will b	e sold.			
elect to take m	y gas in kind.										
elect to market	my gas with Amered	lev pursuant to	the terms and	conditions of its con	ntracts.						
Comments on AFI											
The above costs as costs without affe											
share of actual leg	-		-	-			_		-		
this well.	an, conditive, regu	and the second	coata u	term or (ii	e joint operation	o aprocinci	c, regulatory	order, or or	opplicabl	e aprecine	covering
			Annual State of the last of th	rican Resour	The second second		-				
Prepared by		Operations	Supt.	VP Land	VP Geo	logy	COO		CEO		

Joint litterest Approval						
Ву	Date					

Eric Rhoden

Noah Bramble

Floyd Hammond

Zachary Boyd

Julia Steger



and the same of th	Code	Day Halo Cost	After Caring Baint Cart	Total Cost
ANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000
MISC PREPARATION COSTS	0.004	\$15,000.00	\$0.00	\$15,000
ESTORATION	0.008	\$0.00	\$4,000.00	\$4,000
ORILLING RIG	0.010	\$624,000.00	\$32,500.00	\$656,500
OIL TUBING	0.012	\$0.00	\$60,000.00	\$60,000
UEL	0.016	\$180,000.00	\$2,700.00	\$182,700
RAILER, CAMP & CATERING	0.018	\$31,900.00	\$14,285.00	\$46,185
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URFACE RENTALS	0.024	\$26,900.00 \$103,000.00	\$42,650.00 \$7,000.00	\$69,550 \$110,000
RILL BITS	0.028	\$103,000.00	\$96,000.00	\$96,000
OWNHOLE RENTALS DIRECTIONAL DRILLING	0.030	\$176,000.00	\$0.00	\$176,000
OMPOSITE PLUGS	0.032	\$0.00	\$72,200.00	\$72,200
OTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	\$1,320
OTTOM HOLE ASSEMBLE REPAIR	0.040	\$420.00	\$0.00	\$420
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VELL CONTROL-EQUIP/SERVICES	0.048	\$23,100.00	\$71,400.00	\$94,500
OP TESTING	0.050	\$7,000.00	\$0.00	\$7,000
VELL TESTING	0.052	\$0.00	\$123,825.00	\$123,825
NUD & ADDITIVES	0.060	\$280,000.00	\$61,700.00	\$341,700
UMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$5,100,000.00	\$5,100,000
VATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$11,425.00	\$15,175
TIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$867,870.00	\$871,120
OLIDS CONTROL-EQUIP/SERVICES	0.066	\$58,100.00	\$0.00	\$58,100
NUD / FLUIDS DISPOSAL CHARGES	0.068	\$157,400.00	\$25,630.00	\$183,030
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LOW TESTIN / EQUIP	0.194	\$0.00	\$3,500.00	\$3,500
PPEN HOLE LOGGING	0.200	\$0.00 \$0.00	\$416,200.00 \$6,500.00	\$416,200 \$6,500
ACILITY ELECTRICAL & AUTOMATION RANE FOR CONSTRUCTION	0.258	\$0.00	\$4,500.00	\$4,500
MAJOR INSTRUMENTATION	0.292	\$0.00	\$42,500.00	\$42,500
UL TREATING	0.356	\$0.00	\$120,000.00	\$120,000
ONTINGENCY	5%	\$176,970	\$395,689	\$572,659
ax	6.25%	\$221,213	\$494,612	\$715.824
OTAL INTANGIBLE COST	0.2370	\$2,802,460	\$8,201,886	\$11,004,
OTAL INTANGIBLE COST		72,002,400	40,201,000	411,004
ANGIBLES - WELL EQUIPMENT	4	and the same of th		
ONDUCTOR PIPE	0.206	\$5,500.00	\$0.00	\$5,500
	0.210	\$215,125.00	\$0.00	\$215,125
URFACE CASING VTERMEDIATE CASING	0.210	\$375,000.00	\$0.00	\$375,000
RODUCTION CASING	0.216	\$506,000.00	\$0.00	\$506,000
UBING	0.217	\$0.00	\$40,000.00	\$40,000
VELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000
OLATION PACKER	0.222	\$0.00	\$15,625.00	\$15,625
OWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$24,187.50	\$24,187
ANGIBLES - LEASE EQUIPMENT	1 E E E			
NE PIPE	0.238	\$0.00	\$6,250.00	\$6,250
ANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$37,513.13	\$37,513
ATTERY (HEATER TREATERS)	0.246	\$0.00	\$61,875.00	\$61,87
ATTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,875
ATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$102,000.00	\$102,000
ATTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,000
IPELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,625
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000
ALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$168,750.00	\$168,750
TAL TANGIBLES		\$1,135,125	\$602,201	\$1,737,
OTAL		\$3,937,585	\$8,804,087	\$12,741

320

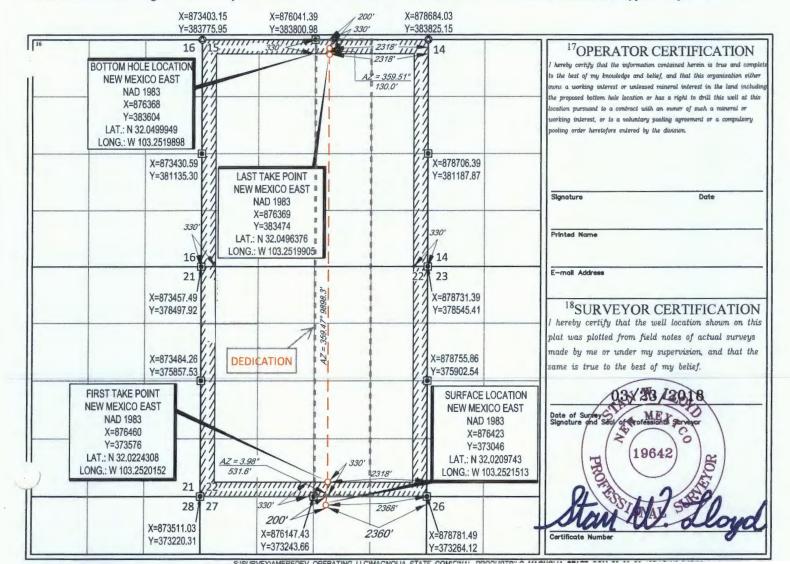
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED	REPORT
AMENDED	WEI OW

		V	VELL LO	CATION	AND ACRE	EAGE DEDICA	ATION PLAT			
30-025-	¹ API Numbe	r		² Pool Code			³ Pool Name	e		
⁴ Property	Code		N	*Property Name MAGNOLIA STATE COM 26 36 22					⁶ Well Number 105H	
⁷ OGRID	No.			SOperator Name AMEREDEV OPERATING, LLC.			⁹ Elevation 2906'			
					10 Surface Loc	cation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
В	27	26-S	36-E	-	200'	NORTH	2360'	EAST	LEA	
			¹¹ Be	ottom Hole	Location If Di	fferent From Surf	ace			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	om the North/South line Feet from the East.		East/West line	County	
В	15	26-S	36-E	-	200'	NORTH	2318'	EAST	LEA	
12Dedicated Acres	¹³ Joint or	Infill 14C	onsolidation Code	15Order	No.					

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



Ameredev II, LLC 5707 Southwest Parkway Building 1, Suite 275 Austin, Texas 78735

March 28, 2018

Petraitis Oil & Gas, LLC PO Box 10886 Midland, TX 79702



VIA Email and Certified Mail

RE:

Magnolia State Com 26-36-22 #115H Well Proposal
Township 26 South, Range 36 East, N.M.P.M., Lea County, New Mexico
SHL: 200' FNL & 2,380' FEL Section 27; BHL: 200' FNL & 2,318' FEL Section 15

Dear Working Interest Owner:

Ameredev Operating, LLC ("Ameredev"), as Operator, hereby proposes to commence to drill and complete the Magnolia State Com 26-36-22 #115H Well (the "Well") on or about August 1, 2018, to test the Wolfcamp formation to a total vertical depth of 11,891' and a total measured depth of 22,000' ("Operation"). The estimated costs associated with the Operation are \$13,786,660 as outlined in the enclosed authority for expenditure ("AFE #2018-007"). Ameredev's records indicate Petraitis Oil & Gas, LLC ("PETRAITIS") owns a 1.40470294% working interest in the Well, and PETRAITIS's estimated costs associated with the Operation are approximately \$193,661.62. Ameredev also proposes to drill and log a pilot hole in the Well as outlined in the enclosed authority for expenditure ("AFE #2018-008"), estimated associated costs with the pilot hole are \$868,398. Should PETRAITIS elect to participate in the pilot hole, it agrees to pay 50% of the associated costs, being \$434,199.

In addition, Ameredev proposes the Operation to be governed by the terms of the 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following terms:

- Contract Area consisting of Township 26 South, Range 36 East, Section 22: W2E2 & Section 15 W2E2, with Ameredev listed as the Operator
 ("Contract Area")
- 100%/200%/200% non-consent risk penalties
- \$7,000/\$700 drilling and producing overhead rates

Should PETRAITIS choose not to participate in Ameredev's proposed Operation, Ameredev proposes the following alternatives:

- PETRAITIS executes a farmout agreement of its leasehold interest in the Contract Area, delivering to Ameredev all of its working interest
 and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and
 existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest to a 0.35117573%
 working interest in the Well upon 100% payout.
- 2. PETRAITIS to sell its entire leasehold interest in the Contract Area to Ameredev for \$5,500 per acre, reserving the difference between twenty-five percent (25%) and existing leasehold burdens as an overriding royalty interest, delivering a seventy-five percent (75%) net revenue interest to Ameredev.

Ameredev looks forward to working with PETRAITIS on this matter. Please feel free to contact me at the information provided below with any questions. Please be advised that Ameredev may file for compulsory pooling in the near future, as such please indicate your election below and return to Brandon Forteza at bforteza@ameredev.com at your earliest convenience.

Sincerely,

Brandon Forteza 737-300-4721

Page 1

Election Ballot for the Magnolia State Com 26-36-22 #115H Well Proposal (AFE# 2018-007)

PETRAITIS elects to participate in the proposed Operation by paying its proportionate share of the costs outlined in the AFE 2018-007.
PETRAITIS elects to farmout its interest in the Contract Area as set forth in alternative 1 above.
PETRAITIS elects to sell its interest in the Contract Area as set forth in alternative 2 above.
Petraitis Oil & Gas, LLC
By:
ts:

Election Ballot for the Magnolia State Com 26-36-22 #115H Pilot Hole (AFE# 2018-008)

	PETRAITIS elects to participate in the pilot hole by paying 50% of the costs outlined in AFE 2017-008. PETRAITIS elects to not participate in the pilot hole outlined in AFE 2018-008.
Petraitis	oil & Gas, LLC
By:	
Its:	



Ameredev II, LLC

Lea County, New Mexico Township 26 South, Range 36 East SHL: Section 27, 200' FNL, 2380' FEL BHL: Section 15, 200' FNL, 2318' FEL

Magnolia State Com 26-36-22 115H

Pilot Hole

AFE # 2018-007

AFE # 2018-008

Capital Expenditure

March 27, 2018



Authorization For Expenditure

Company Entity				•			Date Prep	ared			
	meredev Opera	iting, LLC]			Date Fiep		12, 2018		
A 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	D		Maril No.	Durant au Sial	d 842	Daran and Alamahara		0	AFFAI		
AFE Type	Project I Magnolia St		Well No.		Prospect or Field Name Property Number		Operation AFE No.				
Capital	26-36		115H	Delaware_V	NC	40524		201	8-007		
				Country		She.ha		T	- Mar D		
Location County State Type Well Oil x Expl x											
26S-36E S	Section 27 200'	FNL & 2380'	FEL	Lea		NM	Gas		Prod		
Estimate Turn				on Shart Date	-	A Comp Bata	Fa			40	
Estimate Type Original Estimate		1 🕞		est. Start Date		t. Comp Date	FOII	nation		000'	
Revised Estimate		0	1	July 1, 2018	Au	gust 15, 2018	Wolf	fcamp	T	VD	
Supplemental Esti	mate	0							11,	891'	
Project Description		1ile Lateral W	ell and Buil	d Full Unit Battery.							
Total Cost					TODA I TO			- 1111	\$13,786,66	0	
Comments on Ass	ociated Costs										
Operator so long a control insurance, in no event later to being covered by in elect to purchas Well control insurarelated redrilling a Marketing Electio Ameredev sells its insufficient volume.	indicated below as Operator con you must provi han commence nsurance procu e my own well cont ance procured b and clean-up/po gas under arm! es delivered ove lest to Amerede	ducts operati de a certifica ment of drillir red by Opera rol insurance poli by Operator, p Illution expen s-length cont er time. Shoul	ons hereur te of such i ng operatio itor. icy. provides, ar se covering racts with t	g working interest own der and to pay your properties. You agree that fails mong other terms, for standing (through compared that party purchasers, use to market your share uthe terms and conditions.	orated share Operator, a ure to provid \$20,000,000 pletion) with Such contracte of gas with	of the premiums there s to form and limits, at e the certificate of insu (100% W.I.) of Combin a \$250,000 (100% W.I. ts may include fees. In Ameredev, you will be	efore. If you the time th urance, as p ed Single Li) retention. addition, p e subject to	u elect to pu is AFE is ret rovided her mit coverag enalties ma	urchase your urned, if ava ein, will resu e for well co y be incurre	r own well ailable, but ult in your ontrol and	
elect to market	my gas with Amered	dev pursuant to t	the terms and	conditions of its contracts.							
costs without affec	e estimates only ting the author	ization for ex	penditure l	free operations withou herein granted. By app nder term of the joint o	roval of this	AFE, the working intere	est owner a	grees to pa	y its proport	ionate	
			-								
Prepared by		Operations		rican Resource Dev VP Land				CFO			
Prepared by		Operations S	σαμι.	Vr Lalla	VP Geology			CEO			
Julia Steger		Zachary Boy	d	Noah Bramble	Eric Rhoden	Floyd Hamr	mond	Parker Ree	se		

Joint interest Approval						
Company	Ву	Date				
	<u> </u>					



Steamble 1.5 apr				
ANGIBLES	Code	Dry Hole Cost	After Casing Point Cost	Total Cost
DAMAGES	0.001	\$25,000.00	\$0.00	\$25,000.00
MISC PREPARATION COSTS	0.004	\$15,000.00	\$0.00	
RESTORATION	0.008	\$0.00	\$4,000.00	\$4,000.00
DRILLING RIG	0.010	\$624,000.00	\$32,500.00	
COIL TUBING	0.012	\$0.00	\$60,000.00	
FUEL TRAILER, CAMP & CATERING	0.016	\$180,000.00 \$31,900.00	\$5,400.00 \$14,285.00	
WATER & SEPTIC	0.020	\$10,800.00	\$4,800.00	\$15,600.00
SURFACE RENTALS	0.024	\$26,900.00	\$56,150.00	\$83,050.00
DRILL BITS	0.028	\$103,000.00	\$7,000.00	\$110,000.00
DOWNHOLE RENTALS	0.030	\$0.00	\$96,000.00	\$96,000.00
DIRECTIONAL DRILLING	0.032	\$176,000.00	\$0.00	\$176,000.00
COMPOSITE PLUGS	0.034	\$0.00	\$72,200.00	
BOTTOM HOLE ASSEMBLY INSPECTION	0.038	\$1,320.00	\$0.00	
BOTTOM HOLE ASSEMBLE REPAIR	0.040	\$420.00	\$0.00	
TUBULAR INSPECTIONS	0.042	\$17,250.00	\$0.00 \$0.00	\$17,250.00 \$8,437.50
TUBUING REPAIR TUBING RENTALS	0.044	\$8,437.50 \$0.00	\$38,500.00	\$8,437.50
WELL CONTROL-EQUIP/SERVICES	0.048	\$23,100.00	\$71,400.00	
BOP TESTING	0.050	\$7,000.00	\$0.00	
WELL TESTING	0.052	\$0.00	\$123,825.00	\$123,825.00
MUD & ADDITIVES	0.060	\$280,000.00	\$61,700.00	\$341,700.00
PUMPING CHARGES (FRAC STIMULATION)	0.061	\$0.00	\$5,100,000.00	\$5,100,000.00
WATER FOR DRILLING RIG/WATER RIGHTS	0.062	\$3,750.00	\$11,425.00	\$15,175.00
STIMULATION WATER / TRANSFER / STORAGE	0.064	\$3,250.00	\$867,870.00	
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$58,100.00	\$0.00	\$58,100.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$157,400.00 \$37,750.00	\$25,630.00	\$183,030.00
CASING CREWS 7" and larger CMTNG, THRU INTERMED CASING & FLOAT EQUIP	0.070	\$37,750.00	\$0.00 \$0.00	\$37,750.00 \$144,000.00
FLOAT EQUIPMENT / CASING & LINER EQUIP	0.072	\$5,500.00	\$0.00	\$5,500.00
ROADS & LOCATION PREPARATION	0.080	\$65,000.00	\$75,000.00	\$140,000.00
MOBILIZE & DEMOBILIZE	0.086	\$280,000.00	\$0.00	\$280,000.00
SUPERVISION / CONTRACT	0.094	\$115,200.00	\$47,700.00	\$162,900.00
SINEERING/CONSULTANT	0.102	\$0.00	\$8,500.00	\$8,500.00
JOR - ROUSTABOUT CO.	0.103	\$0.00	\$171,000.00	\$171,000.00
SAFETY AND EMERGENCY RESPONSE	0.124	\$4,200.00	\$0.00	\$4,200.00
CONSTRUCTION FOR FLOW LINES & GASLIFT LINES	0.144	\$0.00 \$0.00	\$125,000.00	\$125,000.00
FLOW TESTIN / EQUIP OPEN HOLE LOGGING	0.194	\$0.00	\$3,500.00 \$416,200.00	\$3,500.00 \$416,200.00
POWERLINES & SUBSTATION	0.242	\$0.00	\$16,830.00	\$16,830.00
SECONDARY CONTAINMENTS	0.254	\$0.00	\$85,000.00	\$85,000.00
FACILITY ELECTRICAL & AUTOMATION	0.258	\$0.00	\$6,500.00	\$6,500.00
SWD CONNECTION	0.262	\$0.00	\$17,500.00	\$17,500.00
CRANE FOR CONSTRUCTION	0.278	\$0.00	\$9,000.00	\$9,000.00
MAJOR INSTRUMENTATION	0.292	\$0.00	\$85,000.00	\$85,000.00
ELECTRICAL	0.296	\$0.00	\$120,000.00	\$120,000.00
OIL TREATING	0.356	\$0.00	\$120,000.00	\$120,000.00
SALTWATER DISPOSAL COST	0.380	\$0.00	\$3,500.00	\$3,500.00
CONTINGENCY Tax	5% 6.25%	\$183,295 \$229,119	\$436,330 \$545,413	\$619,625.16 \$774,531.45
TOTAL INTANGIBLE COST	0.2370	\$2,816,692	\$8,944,658	
100		7-70-3)032	7-,5-1,000	7,-04,010
TANGIBLES - WELL EQUIPMENT				
CONDUCTOR PIPE	0.206	\$5,500.00	\$0.00	\$5,500.00
SURFACE CASING	0.210	\$215,125.00	\$0.00	\$215,125.00
INTERMEDIATE CASING	0.212	\$375,000.00	\$0.00	\$375,000.00
PRODUCTION CASING	0.216	\$632,500.00	\$0.00	\$632,500.00
TUBING	0.217	\$0.00	\$40,000.00	\$40,000.00
WELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$33,500.00	\$18,500.00	\$52,000.00
ISOLATION PACKER	0.222	\$0.00	\$15,625.00	\$15,625.00
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$24,187.50	\$24,187.50
TANGIBLES - LEASE EQUIPMENT	0.238	\$0.00	\$6,250.00	\$6,250.00
LINE PIPE TANKS, TANKS STEPS, STAIRS	0.238	\$0.00	\$134,248.13	\$134,248.13
BATTERY (HEATER TREATERS)	0.244	\$0.00	\$134,248.13	\$134,248.13 \$61,875.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$61,875.00	\$61,875.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$110,500.00	\$110,500.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$45,000.00	\$45,000.00
PIPELINE TO SALES	0.270	\$0.00	\$10,625.00	\$10,625.00
TERS AND METERING EQUIPMENT	0.274	\$0.00	\$10,000.00	\$10,000.00
VES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$225,000.00	\$225,000.00
OTAL TANGIBLES		\$1,261,625	\$763,686	\$2,025,311
TOTAL		\$4,078,317	\$9,708,343	\$13,786,660



Authorization For Expenditure

Company Entity A	meredev Oper	ating, LLC					Date Prep		12, 2018	
			VAC-II NO	Durant ou Field	Name	Daniel de Normalia de		Onemalia	- AFF No.	
AFE Type	Project Magnolia		Well No.	Prospect or Field		Property Number				
Capital	26-36-22		115H	Delaware_W	/C	40524	2018-008			
						Charles				
Location				County		State	Oil	x	Well Expl	x
26S-36E	Section 27 200	' FNL & 2380 FE	L	Lea		NM	Gas		Prod	
Original Estimate		•	E I	st. Start Date	Es	t. Comp Date	Forn	nation	22,0	ID noo'
Revised Estimate		-	ر أ	uly 28, 2018	Au	gust 31, 2018	Wolf	camp		/D
Supplemental Estim	ate	0				-		•	11,	B91'
Project Description Drill Wolfcamp Pilot										
				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
Total Cost									\$868,398	
Comments on Asso	ciated Costs									
long as Operator cor you must provide a commencement of coprocured by Operator elect to purchase now Well control insuran	dicated below, inducts operation certificate of subtrilling operation or. iny own well controlling own well controlling ce procured by	ons hereunder ar nich insurance acc ons. You agree th I insurance policy.	nd to pay you ceptable to (hat failure to des, among	king interest owner, ag ur prorated share of th Operator, as to form an o provide the certificate other terms, for \$20,00 ng (through completion	e premiums d limits, at t e of insuranc 00,000 (1009	therefore. If you elect he time this AFE is retu e, as provided herein, « W.I.) of Combined Si	to purchase urned, if ava will result in	e your own ilable, but ii i your being	well control n no event la covered by	insurance, ater than insurance
Ameredev sells its ga insufficient volumes	delivered over st to Ameredev	time. Should yo	u choose to	party purchasers. Such market your share of g terms and conditions p	as with Ame	redev, you will be sub				acts.
	gas with Amerede	ev pursuant to the ter	rms and conditi	ons of its contracts.						
Comments on AFE										
without affecting the	authorization	for expenditure	herein gran	operations without any ted. By approval of thi he joint operating agre	s AFE, the w	orking interest owner	agrees to pa	y its propor	tionate shar	e of
				an Resource Devel						
Prepared by		Operations Supt.		VP Land	VP Geology	coo		CEO		
ulia Steger	12	achary Boyd		Noah Bramble	Eric Rhoden	Floyd Hami	mond	Parker Rees	se	
<u> </u>		11			, , , , , , , , , , , , , , , , , , , ,	1				
Company			Ву	Joint Interest	Approval	Date				



INTANGIBLES	Code	Geology Pilot Hole	Geology Coring	Total Cost
DRILLING RIG	0.010	\$120,000.00	\$0.00	\$120,000.00
FUEL	0.016	\$22,500.00	\$0.00	\$22,500.00
TRAILER, CAMP & CATERING	0.018	\$4,200.00	\$0.00	\$4,200.00
WATER & SEPTIC	0.020	\$21,600.00	\$0.00	\$21,600.00
SURFACE RENTALS	0.024	\$9,210.00	\$0.00	\$9,210.00
DRILL BITS	0.028	\$34,000.00	\$0.00	\$34,000.00
DOWNHOLE RENTALS	0.030	\$2,500.00	\$0.00	\$2,500.00
WELL CONTROL-EQUIP/SERVICES	0.048	\$7,500.00	\$0.00	\$7,500.00
BOP TESTING	0.050	\$1,200.00	\$0.00	\$1,200.00
MUD & ADDITIVES	0.060	\$65,100.00	\$0.00	\$65,100.00
SOLIDS CONTROL-EQUIP/SERVICES	0.066	\$2,550.00	\$0.00	\$2,550.00
MUD / FLUIDS DISPOSAL CHARGES	0.068	\$6,222.22	\$0.00	\$6,222.22
REMEDIAL CEMENTING	0.076	\$15,000.00	\$0.00	\$15,000.00
MUD LOGGING	0.198	\$24,000.00	\$0.00	\$24,000.00
OPEN HOLE LOGGING	0.200	\$347,000.00	\$0.00	\$347,000.00
FISHING & SIDETRACK SERVICES	0.203	\$98,000	\$0.00	\$98,000.00
CONTINGENCY	5%	\$39,029.11	\$0	\$39,029.11
Тах	6.25%	\$48,786.39	\$0	\$48,786.39
TOTAL INTANGIBLE COST		\$868,398	\$0	\$868,398
TANGET STATE OF THE STATE OF TH				
TANGIBLES - WELL EQUIPMENT	0.200	\$0.00	\$0.00	\$0.00
CONDUCTOR PIPE	0.206	\$0.00	\$0.00	\$0.00
SURFACE CASING	0.210	\$0.00	\$0.00	\$0.00
INTERMEDIATE CASING	0.212	\$0.00	\$0.00	\$0.00
PRODUCTION CASING	0.216		\$0.00	\$0.00
IBING	0.217	\$0.00	\$0.00	\$0.00
ELLHEAD, TREE CHOKES (BEFORE CASING POINT)	0.218	\$0.00		\$0.00
ISOLATION PACKER	0.222	\$0.00	\$0.00	
DOWNHOLE LIFT EQUIPMENT	0.234	\$0.00	\$0.00	\$0.00
TANGIBLES - LEASE EQUIPMENT			togal	40.00
LINE PIPE	0.238	\$0.00	\$0.00	\$0.00
TANKS, TANKS STEPS, STAIRS	0.244	\$0.00	\$0.00	\$0.00
BATTERY (HEATER TREATERS)	0.246	\$0.00	\$0.00	\$0.00
BATTERY (SEPARATOR)	0.248	\$0.00	\$0.00	\$0.00
BATTERY (GAS TREATING EQUIPMENT)	0.250	\$0.00	\$0.00	\$0.00
BATTERY (MISC EQUIP)	0.252	\$0.00	\$0.00	\$0.00
PIPELINE TO SALES	0.270	\$0.00	\$0.00	\$0.00
METERS AND METERING EQUIPMENT	0.274	\$0.00	\$0.00	\$0.00
VALVES, FITTINGS, PRODUCTION INSTRUMENTATION	0.282	\$0.00	\$0.00	\$0.00
TOTAL TANGIBLES		\$0	\$0	\$0
TOTAL	I I	\$868,398	\$0	\$868,398

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

APPLICATION OF AMEREDEV OPERATING, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 16111

<u>AFFIDAVIT</u>

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Adam G. Rankin, attorney in fact and authorized representative of Ameredev Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 2nd day of May, 2018 by Adam G. Rankin.

otary Public

10931256_1



Adam G. Rankin Associate Phone (505) 988-4421

Fax (505) 983-6043 agrankin@hollandhart.com

April 9, 2018

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Ameredev Operating, LLC for a non-standard spacing and

proration unit and compulsory pooling, Lea County, New Mexico.

Magnolia State Com 26-36-22 No. 115H Well Magnolia State Com 26-36-22 No. 105H Well

Ladies & Gentlemen:

This letter is to advise you that Ameredev Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on May 3, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Brandon Forteza at (737) 300-4721 or bforteza@ameredev.com.

Sincerely

Adam G. Rankin

ATTORNEY FOR

AMEREDEV OPERATING, LLC



Adam G. Rankin Associate Phone (505) 988-4421 Fax (505) 983-6043 agrankin@hollandhart.com

April 9, 2018

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

Re: Application of Ameredev Operating, LLC for a non-standard spacing and

proration unit and compulsory pooling, Lea County, New Mexico.

Magnolia State Com 26-36-22 No. 115H Well Magnolia State Com 26-36-22 No. 105H Well

This letter is to advise you that Ameredev Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on May 3, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Brandon Forteza at (737) 300-4721 or bforteza@ameredev.com.

Sincerely,

Adam G. Rankin

ATTORNEY FOR

AMEREDEV OPERATING, LLC



Shipment Confirmation Acceptance Notice

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

20180409 - Ameredev Operating, LLC Magnolia 115H & 105H Wells PP List CM#100091.0001

Shipment Date: 04/09/2018 Shipped From: Name: HOLLAND & HART LLP Address: 110 N GUADALUPE ST # 1 City: SANTA FE State: NM ZIP+4® 87501

Type of Mail	V olume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	3
Total	3

^{*}Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

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USPS SCAN AT ACCEPTANCE



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	9214 8901 9403 8305 4061 03	EOG Resources Inc Atlention: Wendy Dalton PO BOX 10866 Midland TX 79702	Delivered Signature Received	No



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

20180409 - Ameredev Operating, LLC Magnolia 115H & 105H Wells Offset List CM#100091.0001 - Shipment Date: 04/09/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	V olume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

^{*}Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

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- 4. Confirm the volume count message by selecting Yes or No
- 5. Select Pay and End Visit to complete transaction

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Name and Address of Sender		Check type of mail or service			7,											
Holland & Hart LLP		☐ Adult Signature Required	☐ Priority Mail Express													
110 N Guadalupe St # 1		 Adult Signature Restricted Delivery 	☐ Registered Mail	Affix Stamp Here												
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9214 8901 9403 8305 4063 01

Recipient

Blackbeard Operating LLC ATTN: Chris Gonzales

201 W Wall Street Suite 900

Midland TX 79701

Status

DL Custom

Delivered

Signature No

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Account Tools

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District I
7625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
Rio Brazos Road, Aztec, NM 87410
.: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

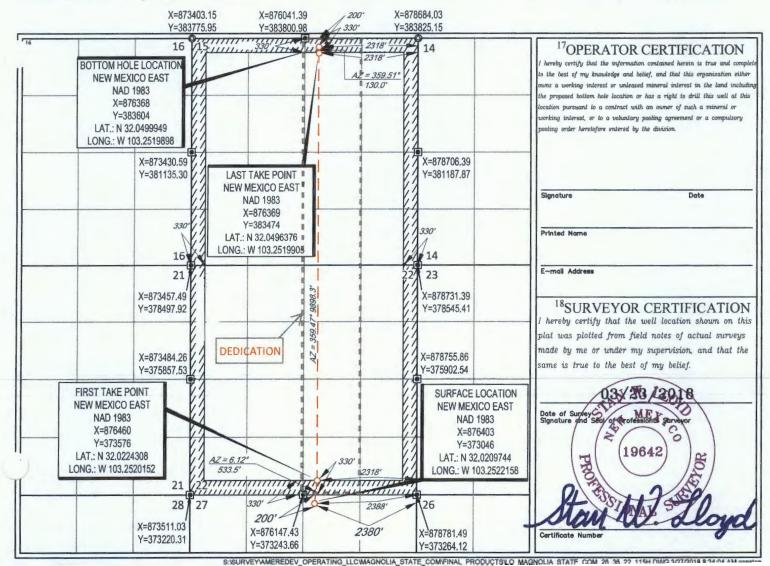
2906

	WELL LOCATION AND A	CREAGE DEDICATION PLAT	
API Number 30-025-	² Pool Code	³ Pool Name	
⁴ Property Code		perty Name TE COM 26 36 22	⁶ Well Number 115H
OGRID No.	⁸ Ope	rator Name	⁹ Elevation

¹⁰Surface Location Feet from the North/South line Feet from the East/West line UL or lot no. Section Township Range Lot Idn 200' 2380 \mathbf{B} 27 26-S 36-E NORTH EAST LEA ¹¹Bottom Hole Location If Different From Surface Feet from the North/South line East/West line County UL or lot no. Township Range Lot Ida Feet from the Section 200' NORTH 2318' LEA 15 26-S 36-E EAST B 12Dedicated Acres ³Joint or Infill *Consolidation Code ⁵Order No. 320

AMEREDEV OPERATING, LLC.

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



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 that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated April 13, 2018 and ending with the issue dated April 13, 2018.

Publisher

Sworn and subscribed to before me this 13th day of April 2018.

Business Manager

My commission expires

January 29, 2019



OFFICIAL SEAL **GUSSIE BLACK** Notary Public State of New Mexico My Commission Expires 1-29-19

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

LEGAL NOTICE April 13, 2018

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on May 3, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by April 23, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed. form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All offset owners and pooled parties, including EOG Resources Inc; Petraitis Oli & Gas, LLC; S.E.S. Resources, LLC; Blackbeard Operating, LLC.

Case No. 16111: Application of Ameredev Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 320-acre, more or less, spacing, and proration unit comprised of the W/2 E/2 of Section 22 and the W/2 E/2 of Section 15. Township 26 South, Range 36 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial welfs, to be drilled and completed simultaneously: the proposed Magnolia State Com 26-36-22 No. 115H Well and the proposed Magnolia State Com 26-36-22 No. 105H Well. These wells will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 27 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 15. The completed interval for both wells will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof as well as actual operating occus and charges for supervision, designation of operating costs and charges for supervision, designation of Ameredev Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Jal, NM. #32698

67100754

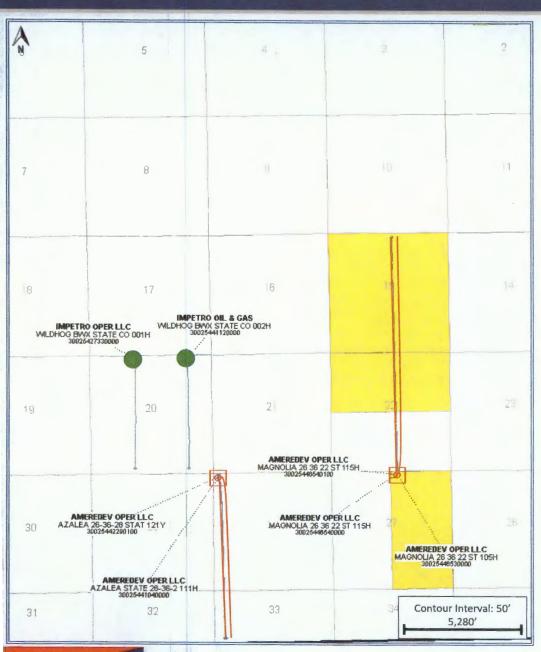
00210094

HOLLAND & HART LLC PO BOX 2208 SANTA FE,, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 6 Submitted by: AMEREDEV OPERATING, LLC

Hearing Date: May 3, 2018

Wolfcamp Pool - Magnolia State Com 26-36-22 105H/115H

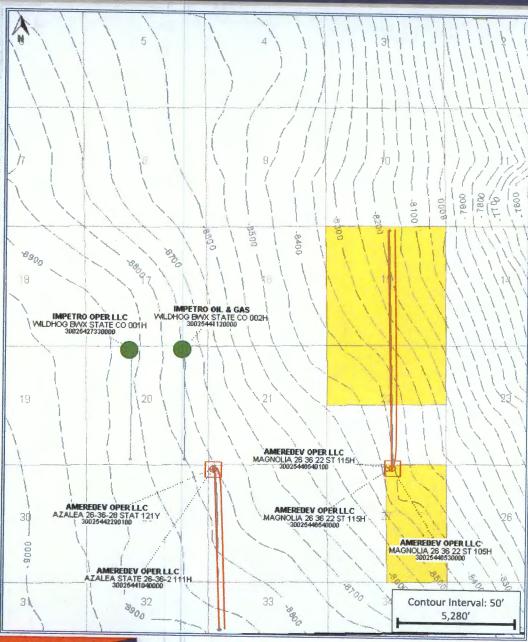


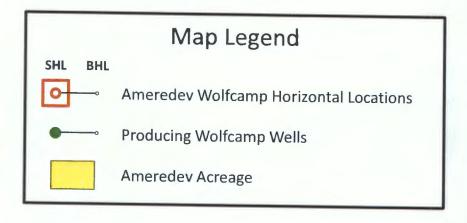




BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by: AMEREDEV OPERATING, LLC
Hearing Date: May 3, 2018

Wolfcamp Pool - Wolfcamp Structure Map (Subsea Depth)



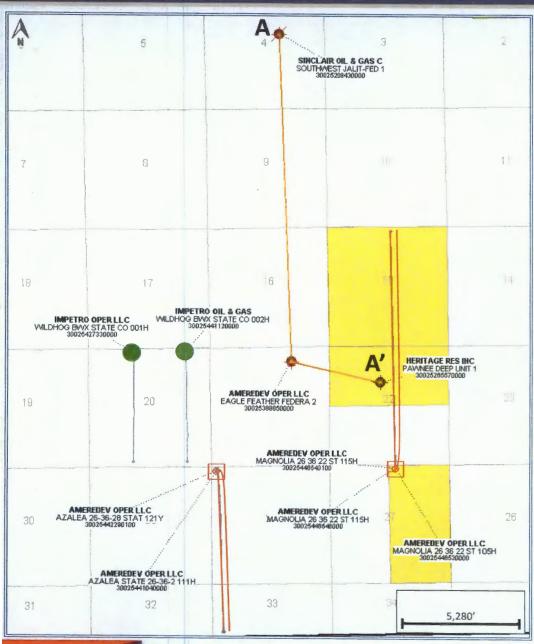


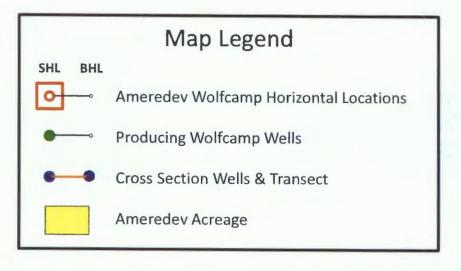
BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Exhibit No. 8
Submitted by: AMEREDEV OPERATING, LLC
Hearing Date: May 3, 2018



Wolfcamp Pool - Cross Section Map





BEFORE THE OIL CONSERVATION DIVISION

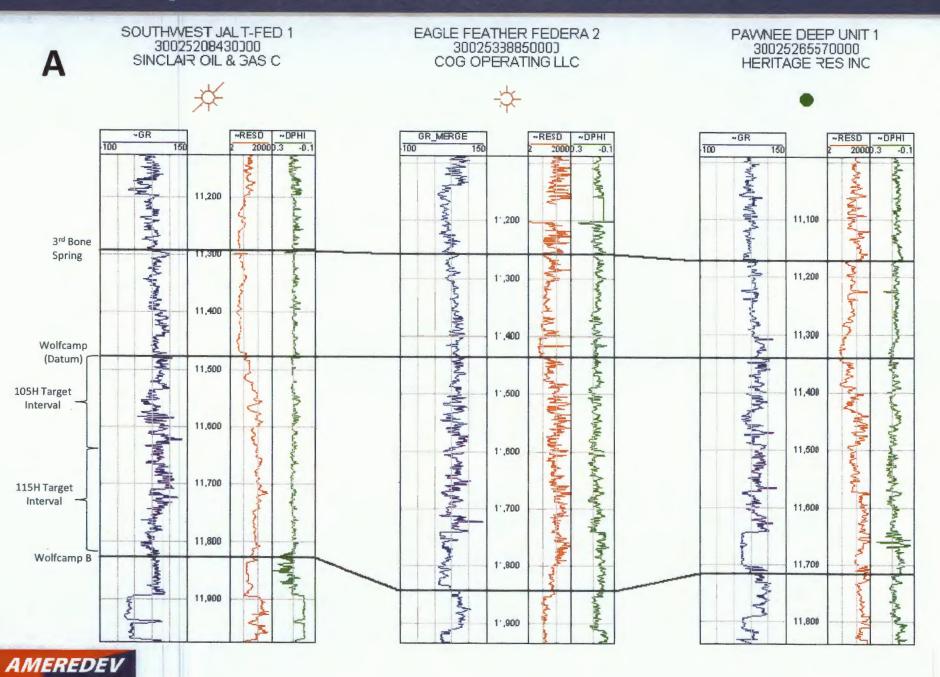
Santa Fe, New Mexico Exhibit No. 9

Submitted by: AMEREDEV OPERATING, LLC

Hearing Date: May 3, 2018



Wolfcamp Pool - Stratigraphic Cross Section



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 10
Submitted by: AMEREDEV OPERATING, LLC
Hearing Date: May 3, 2018