



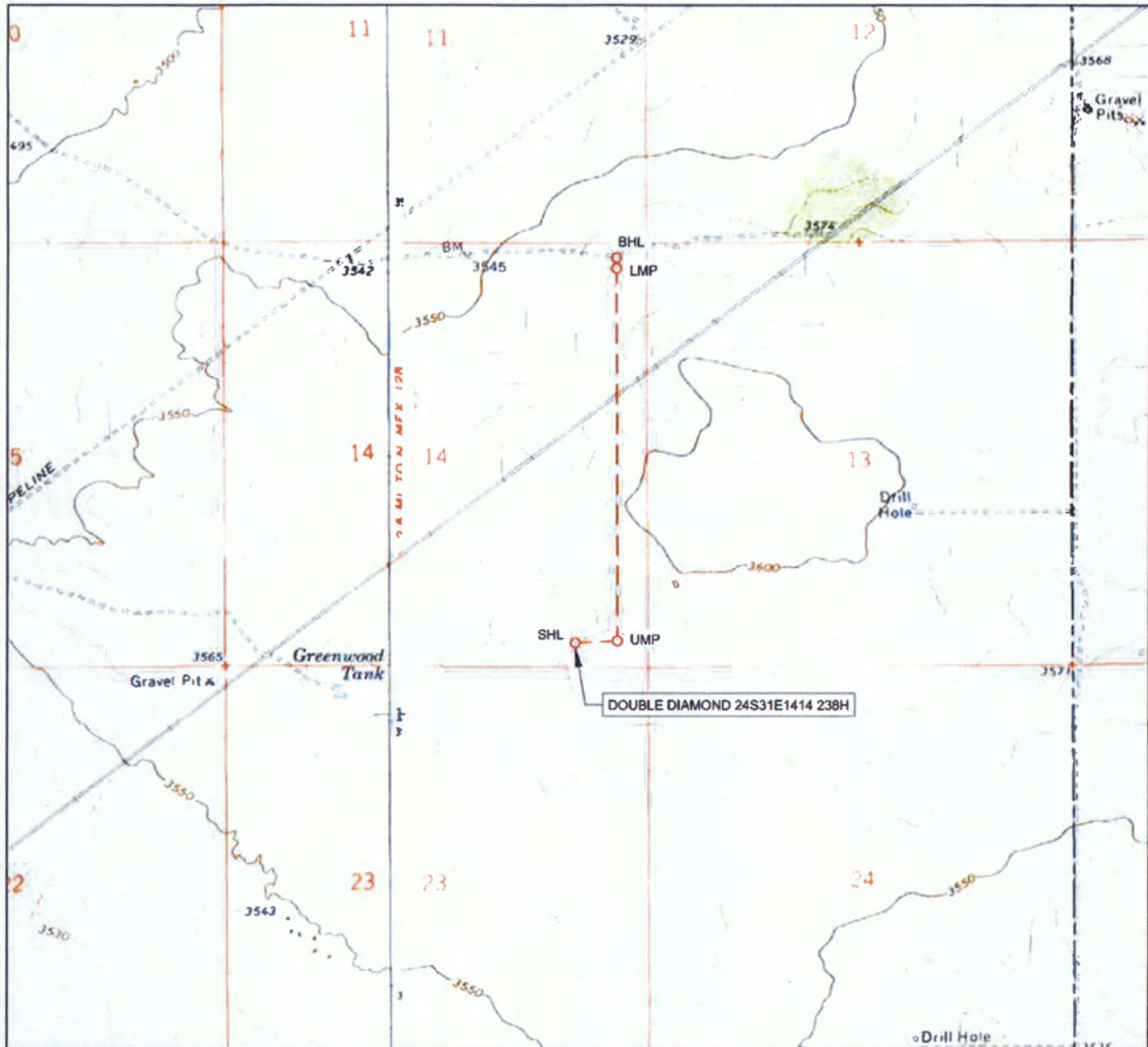
Double Diamond 24S31E1414 238H & 158H

(DISMISS) (DISMISS) + include in Cases
R-14696 R-14698 16132 16133

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LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: DOUBLE DIAMOND 24S31E1414 238H

SECTION 14 TWP 24-S RGE 31-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM ELEVATION 3586'
 DESCRIPTION 305' FSL & 860' FEL

LATITUDE N 32.2109581 LONGITUDE W 103.7428434



SCALE: 1" = 2000'
 0' 1000' 2000'

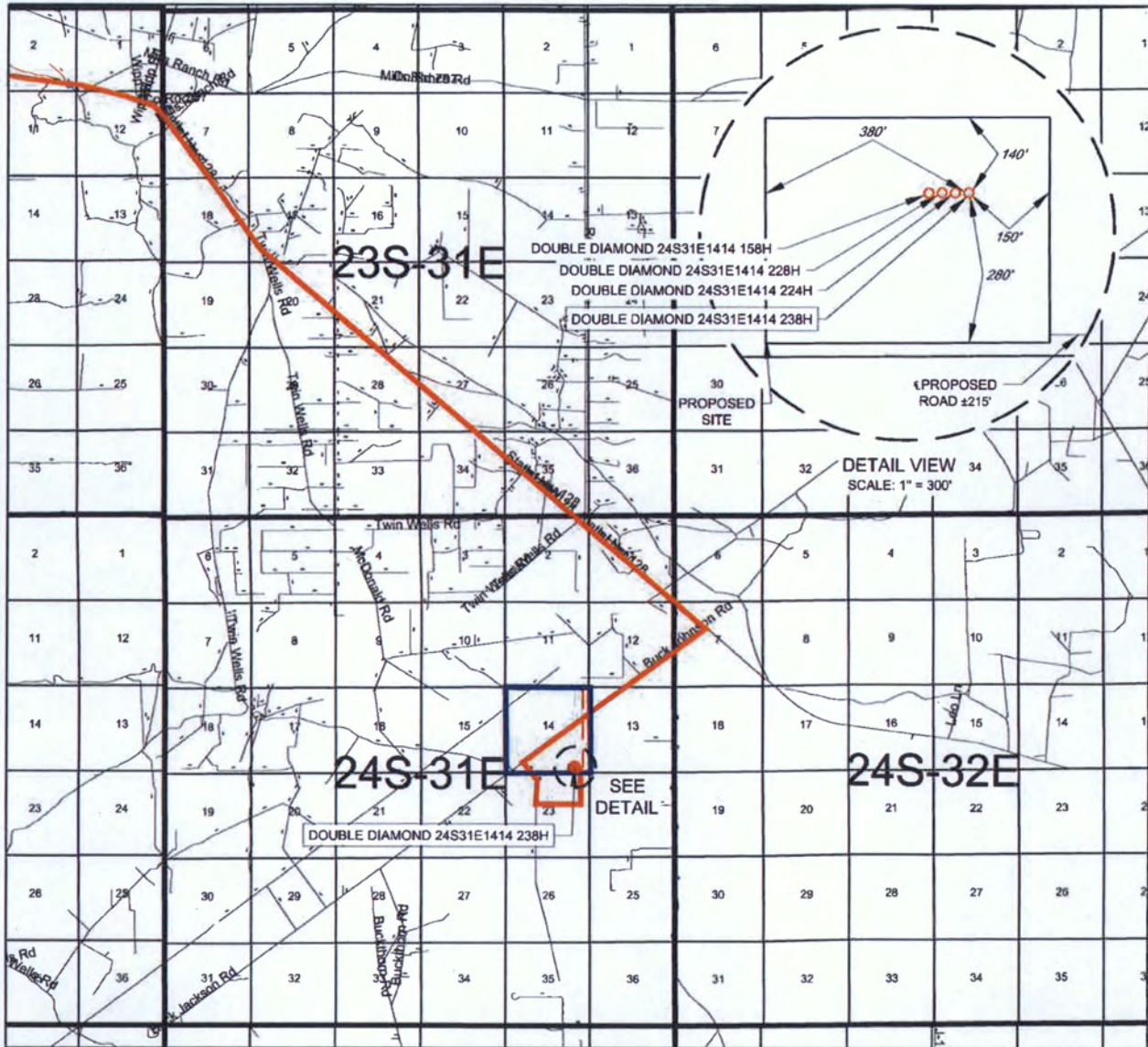
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 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX: (432) 682-1743
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EXHIBIT 2 VICINITY MAP



LEASE NAME & WELL NO.: DOUBLE DIAMOND 24S31E1414 238H

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COUNTY EDDY STATE NM
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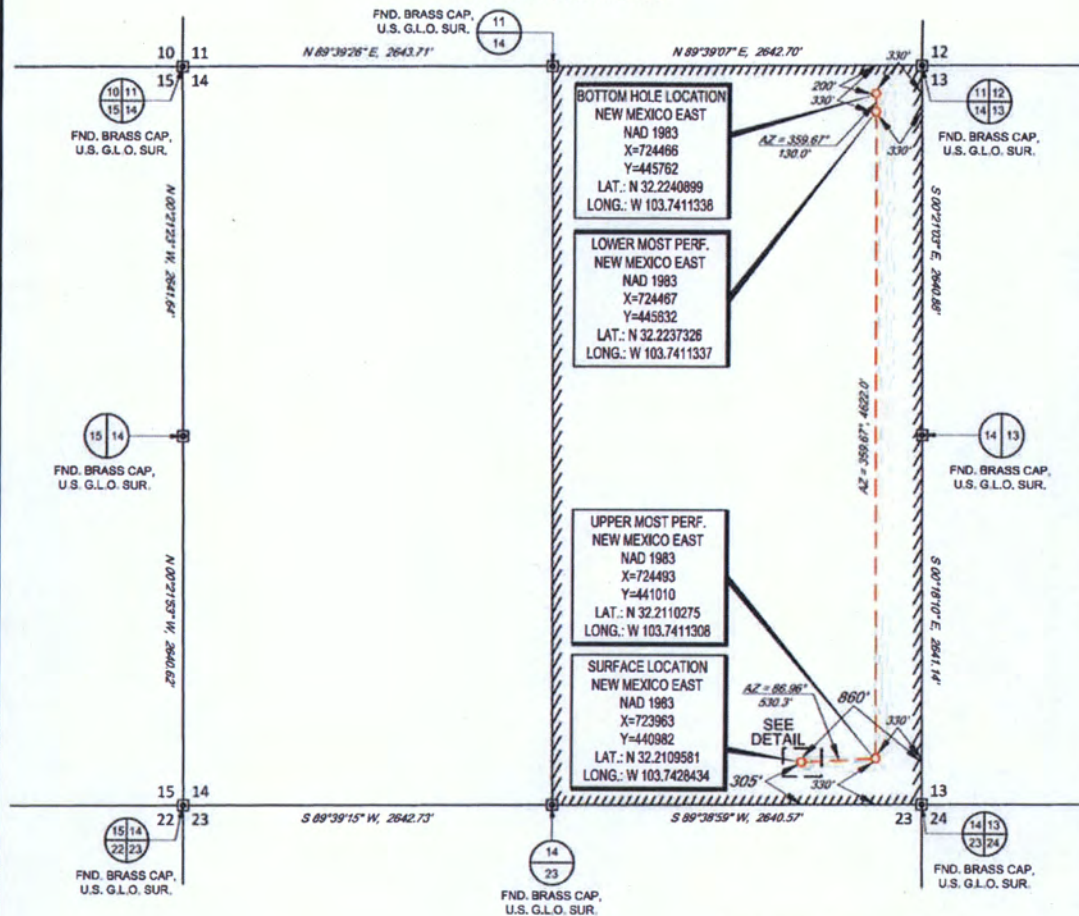
SCALE: 1" = 10000'
0' 5000' 10000'



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TAP ROCK EXHIBIT 2A

SECTION 14, TOWNSHIP 24-S, RANGE 31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



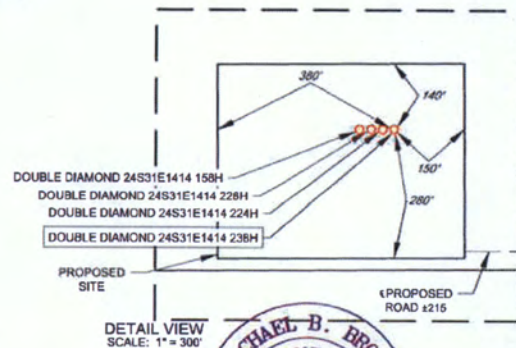
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DETAIL VIEW
SCALE: 1" = 300'



Michael B. Brown, P.S. No. 18329
JANUARY 26, 2018



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LOYALTY · INNOVATION · LEGACY

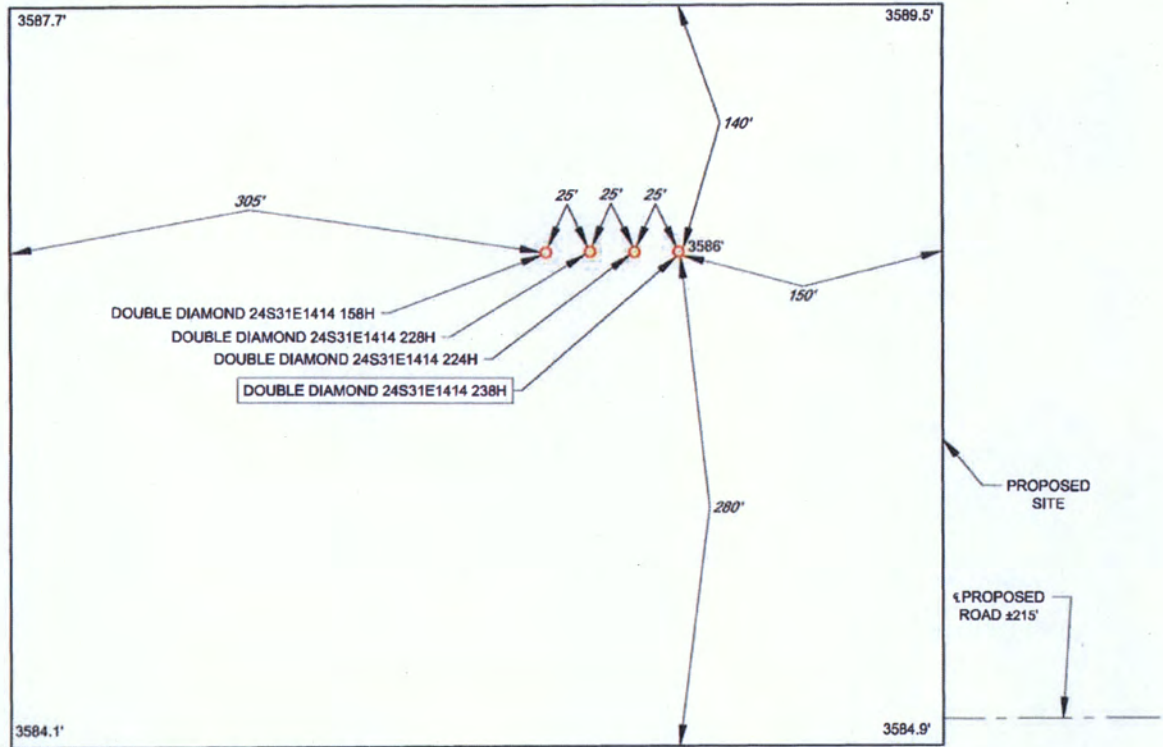
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EXHIBIT 2B



SECTION 14, TOWNSHIP 24-S, RANGE 31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: DOUBLE DIAMOND 24S31E1414 238H
238H LATITUDE N 32.2109581 238H LONGITUDE W 103.7428434



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

State of New
Energy, Minerals & ¹/₂
Departments
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name DOUBLE DIAMOND 24S31E1414	⁶ Well Number 158H
⁷ GRID No.	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁹ Elevation 3586'

¹⁰Surface Location

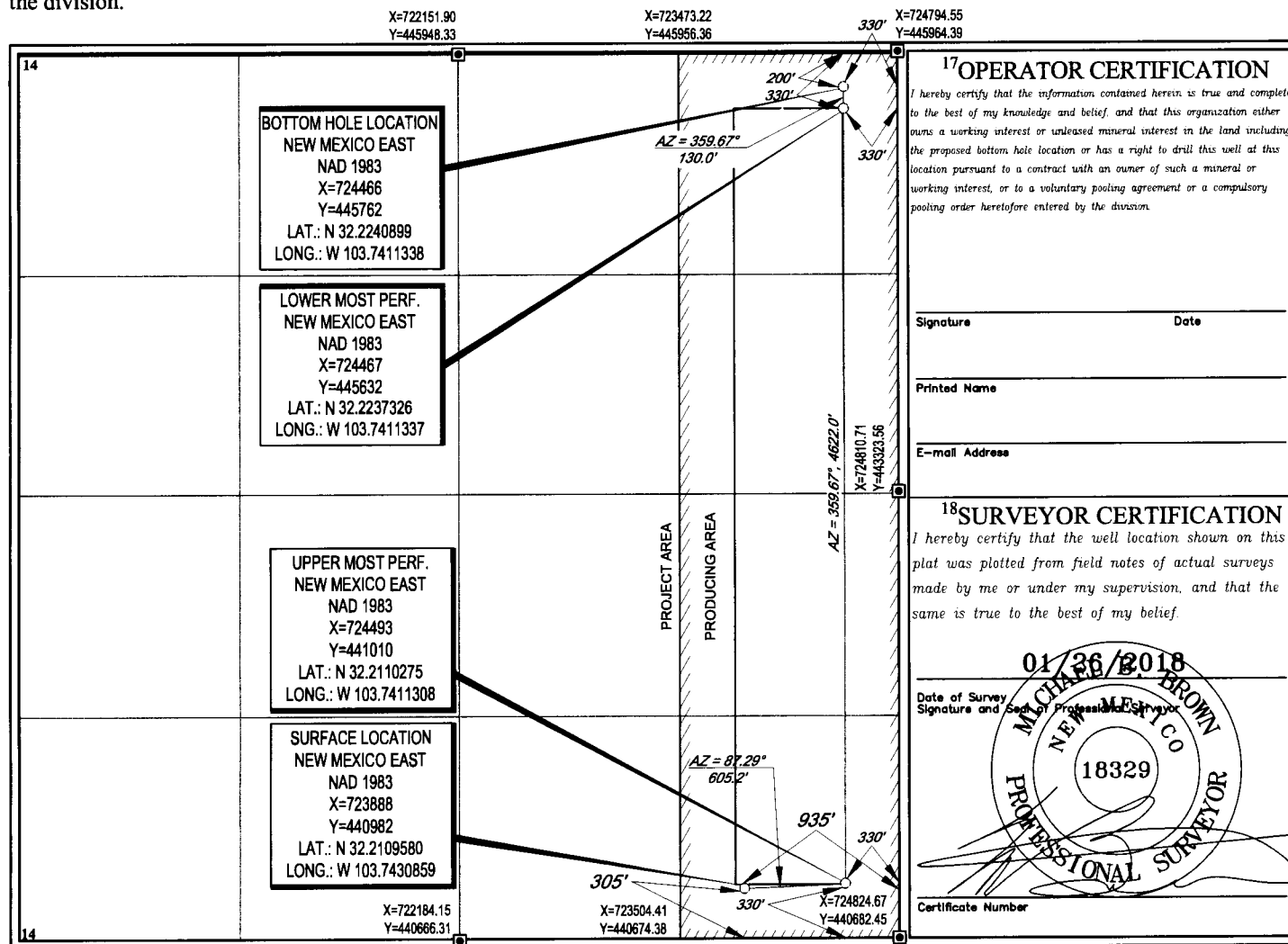
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	24-S	31-E	-	305'	SOUTH	935	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

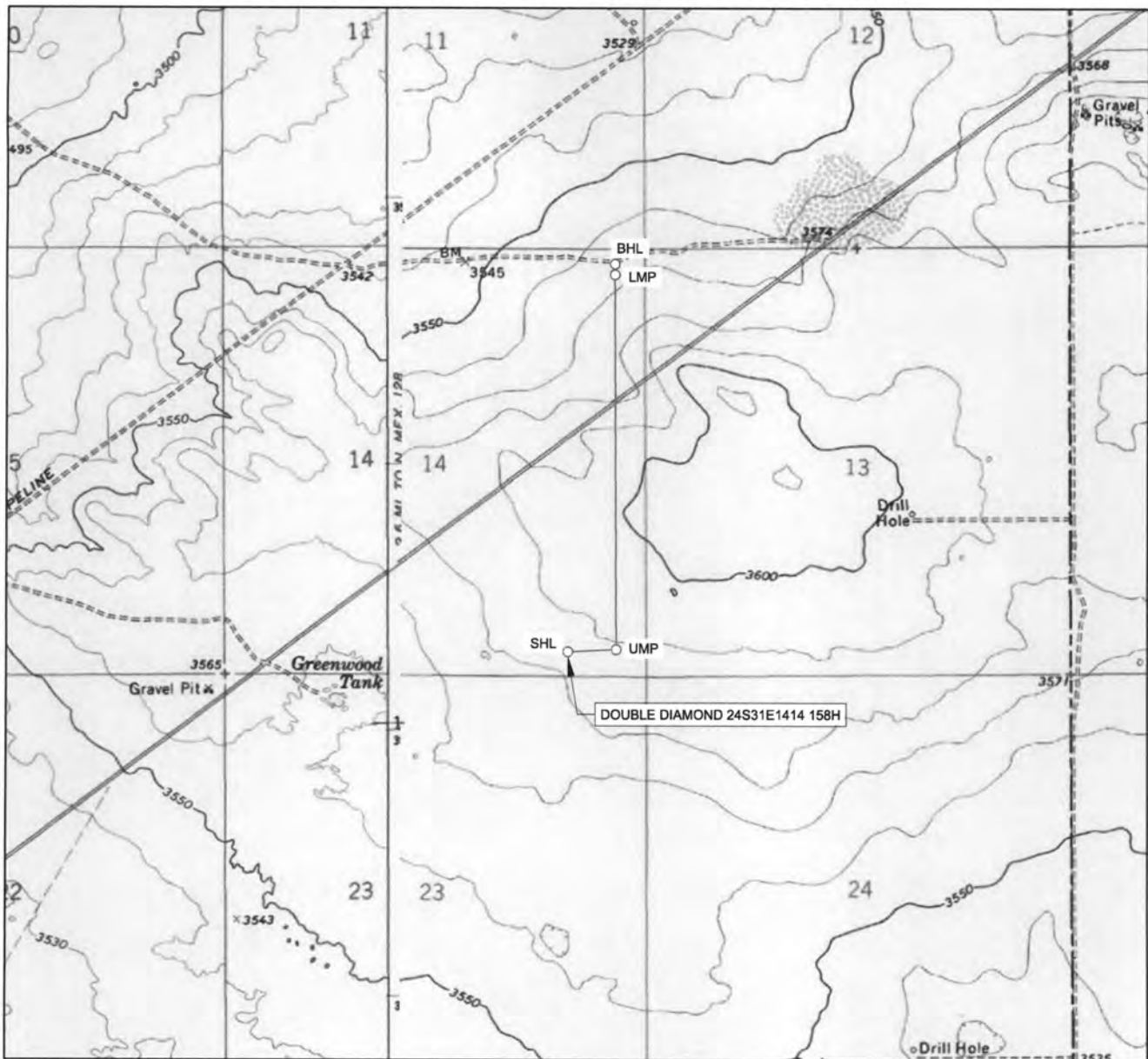
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	14	24-S	31-E	-	200'	NORTH	330'	EAST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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



LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: DOUBLE DIAMOND 24S31E1414 158H

SECTION 14 TWP 24-S RGE 31-E SURVEY N.M.P.M.
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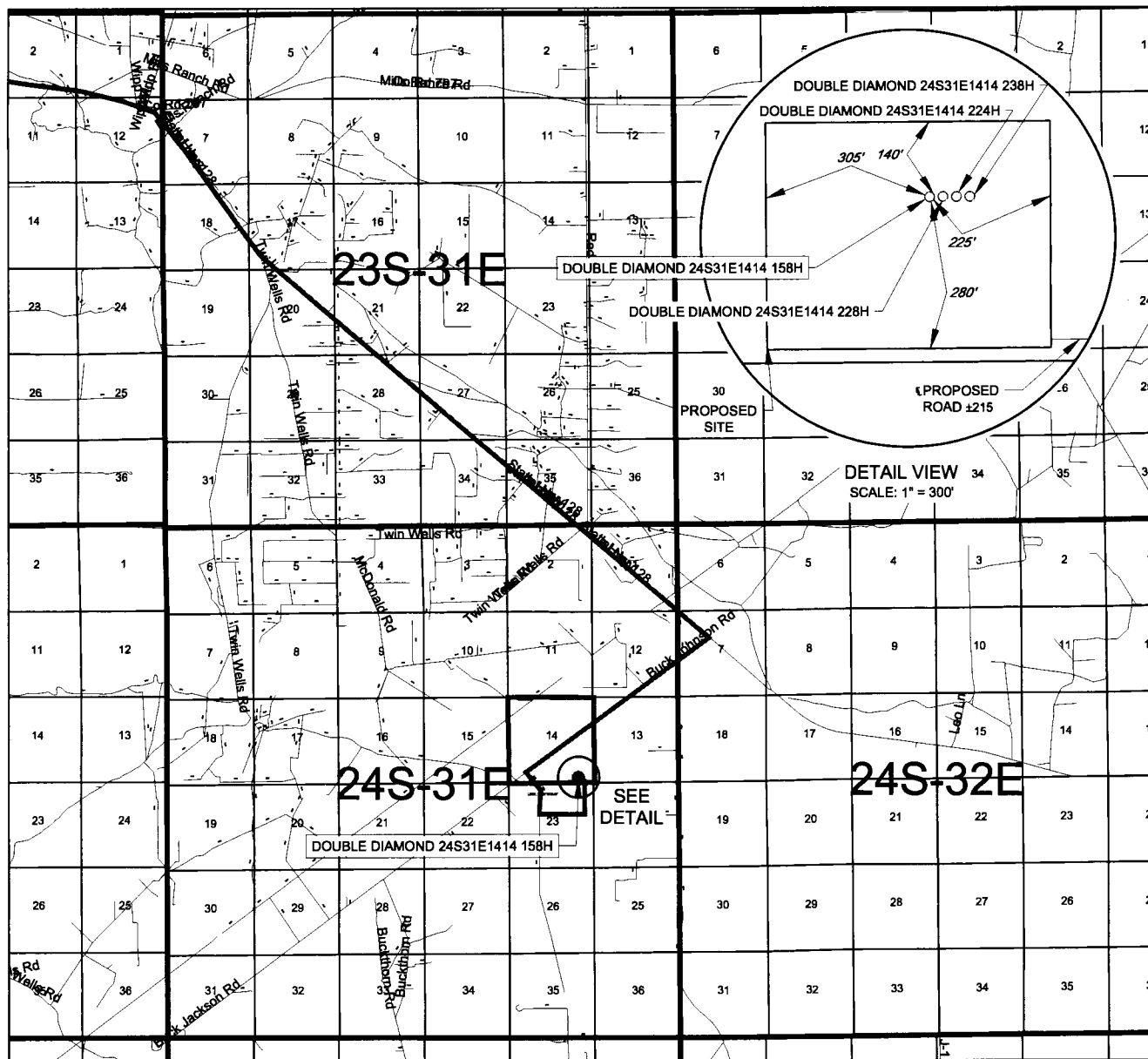
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EXHIBIT 2 VICINITY MAP



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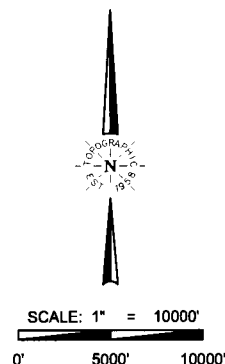
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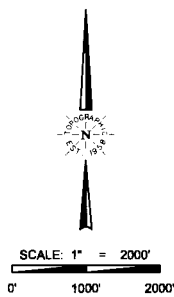
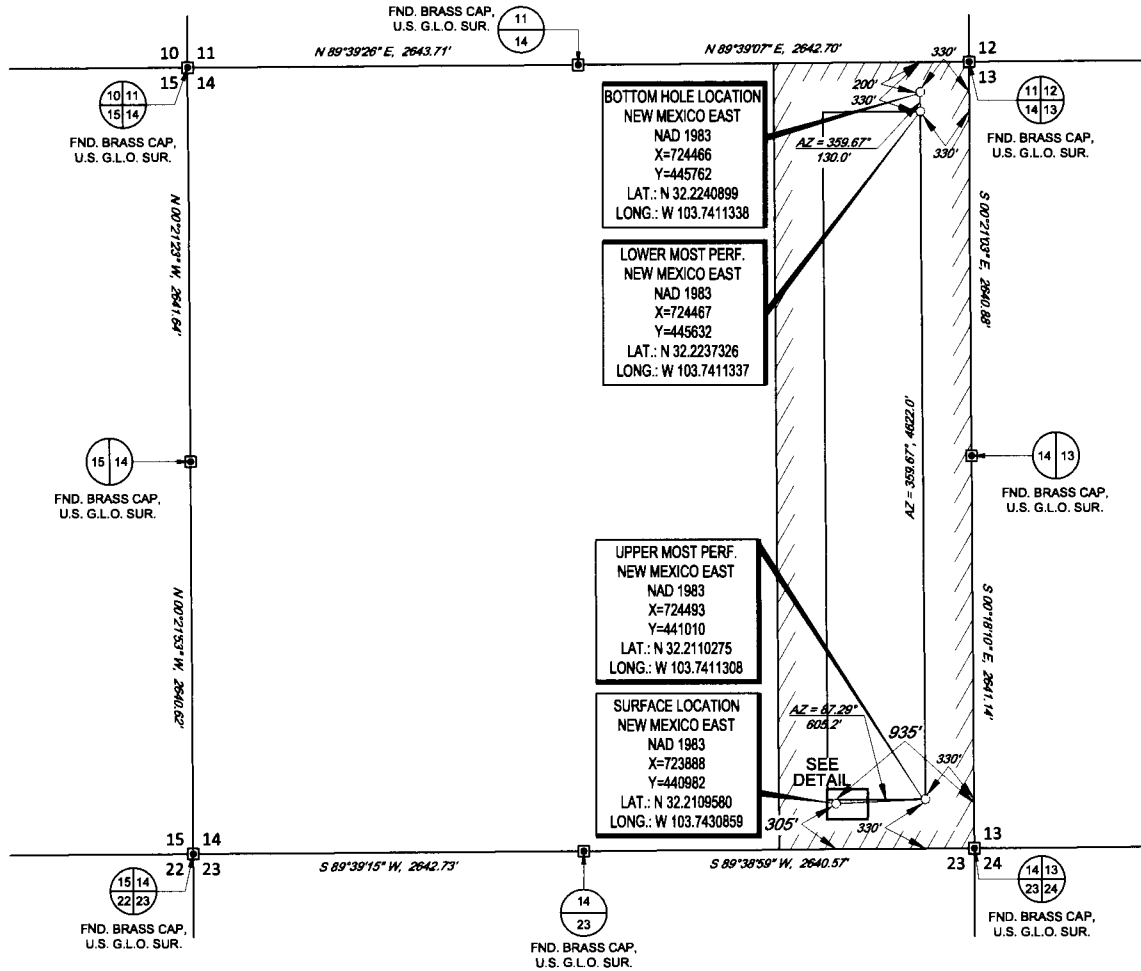


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TAP ROCK EXHIBIT 2A

SECTION 14, TOWNSHIP 24-S, RANGE 31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: DOUBLE DIAMOND 24S31E1414 158H

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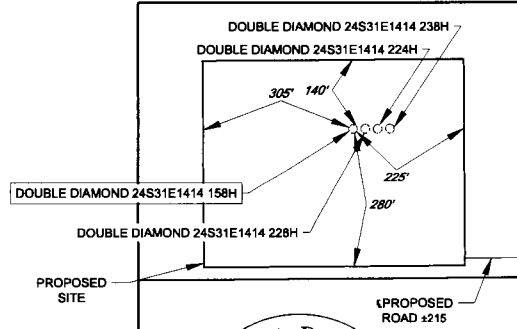
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BOTTOM HOLE LOCATION
NEW MEXICO EAST
NAD 1983
X=724466
Y=445762
LAT.: N 32.2240899
LONG.: W 103.7411338

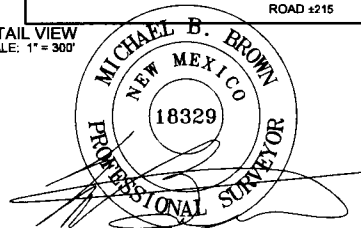
LOWER MOST PERF.
NEW MEXICO EAST
NAD 1983
X=724467
Y=445632
LAT.: N 32.2237326
LONG.: W 103.7411337

UPPER MOST PERF.
NEW MEXICO EAST
NAD 1983
X=724493
Y=441010
LAT.: N 32.2110275
LONG.: W 103.7411308

SURFACE LOCATION
NEW MEXICO EAST
NAD 1983
X=723888
Y=440982
LAT.: N 32.2109580
LONG.: W 103.7430859



DETAIL VIEW
SCALE: 1" = 300'



Michael B. Brown, P.S. No. 18329
JANUARY 26, 2018

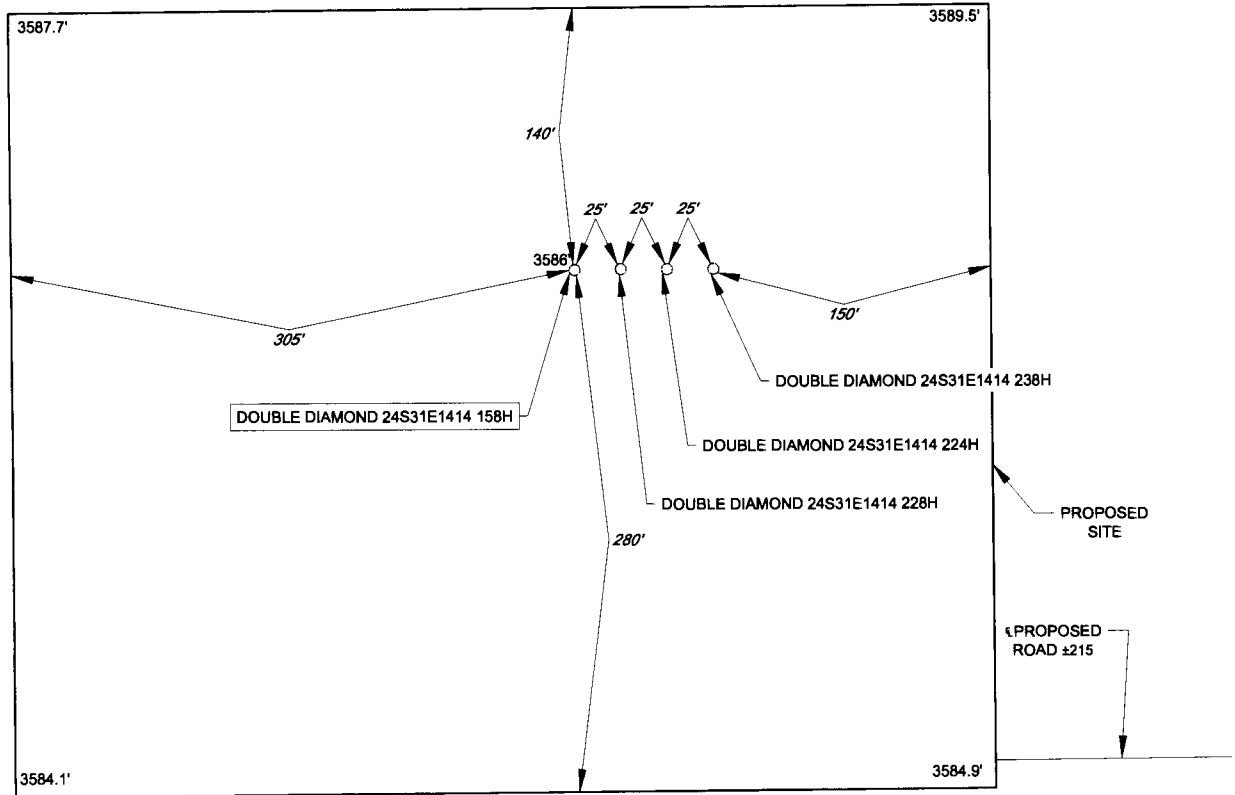
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EXHIBIT 2B



SECTION 14, TOWNSHIP 24-S, RANGE 31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: DOUBLE DIAMOND 24S31E1414 158H
158H LATITUDE N 32.2109580 158H LONGITUDE W 103.7430859



SCALE: 1" = 100'
0' 50' 100'

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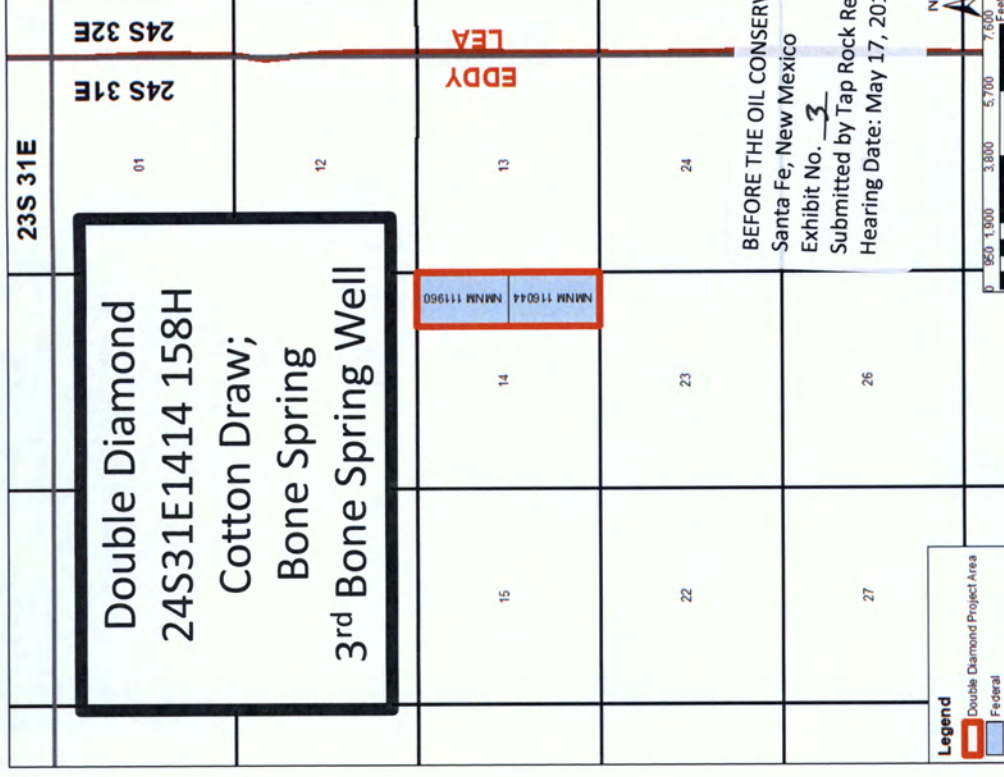
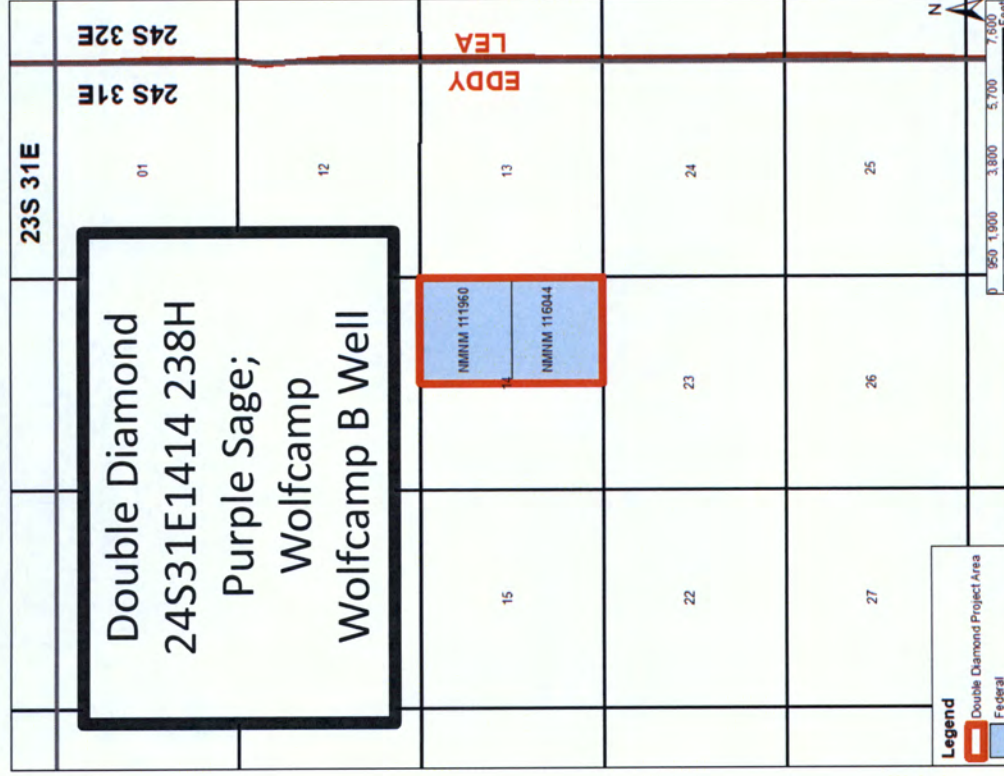
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Tract Maps



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 3
 Submitted by Tap Rock Resources
 Hearing Date: May 17, 2018

Purple Sage; Wolfcamp Unit Interest and
Cotton Draw; Bone Spring Unit Interest

(for all depths below 10,000')

Entity	Interest Type	Approximate Percentage
Tap Rock Resources, LLC	Working Interest	49.975%
Voluntary Joinder	Working Interest	0.025%
*Chevron U.S.A. Inc.	Uncommitted Working Interest	50%

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 4
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

*party subject to pooling application





October 30, 2017

Chevron USA Inc
PO Box 1635
Houston, Texas 77251

RE: **Well Proposal – Double Diamond 24S31E1414 #238H**

SHL: Sec 14, T24S, R31E - 275' FSL, 800' FEL

BHL: Sec 14, T24S, R31E - 200' FNL, 330' FEL

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 9
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

VIA Certified Mail # 7017 0190 0000 4060 5228

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the captioned well at the above referenced surface hole location (SHL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 12,850 feet subsurface to evaluate the Wolfcamp B Lower Formation. The proposed well will have a measured depth (MD) of approximately 17,850 feet.

Regarding the above, enclosed for your further handling is our AFE dated October 27, 2017 for the captioned proposed well. In the event Chevron USA Inc elects to participate in the proposed well, please execute the enclosed AFE and return to me as soon as possible. Your interest in this well is 50.00%.

TRO is proposing to drill this well under the terms of the AAPL Form 610-1989 Operating Agreement. The Operating Agreement covers the E2 of Section 14, Township 24 South, Range 31 East, Eddy County, New Mexico; a fully executable copy will be sent for your execution should you choose to participate.

If you do not wish to participate in the Operation, TRO would like to offer the following terms:

- 3 year primary term, Term Assignment
- 20% royalty interest
- \$1,500 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO's board and verification of title.

If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

TAP ROCK RESOURCES

602 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401



Should you have any questions regarding the above, please contact the undersigned.

Sincerely,
TAP ROCK OPERATING, LLC

Erica Hixson

Erica Hixson
Land Analyst
Office: 720-460-3316
ehixson@taprk.com
Enclosures

_____ I/We elect to participate in the drilling and completing of the Double Diamond
24S31E1414 #238H

_____ I/We elect not to participate in the drilling and completing of the Double Diamond
24S31E1414 #238H

_____ I/We wish to sell our interest at the terms listed herein

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

Tap Rock Operating

802 Park Point Drive • SUITE 200 • Golden, CO 80401

Phone (720) 772-6090

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	October 27, 2017	AFE NO.:	XXX
WELL NAME:	Double Diamond Fed 24S31E1414 #238	FIELD:	Purple Sage
LOCATION:	Cavems	MD/TVD:	17850'/12850'
STATE:	New Mexico	LATERAL LENGTH:	4,500
COUNTY:	Eddy	GEOLOGIC TARGET:	Wolfcamp B Lower

REMARKS: Drill and complete a horizontal lower Wolfcamp with 21 stages

INTANGIBLE COSTS	DRILLING	COMPLETION	PRODUCTION	TOTAL COSTS
Land (Legal, Regulatory, Surface, Survey)	41,900	3,000	-	44,900
Location/Pit Construction	108,000	-	8,000	116,000
Drilling (Contractor & Mob)	527,000	-	-	527,000
Cementing Services/Equipment	128,000	-	-	128,000
Bits/Drill Out Assemblies	88,500	30,000	-	98,500
Fluid Circulation Equipment/Services	49,320	-	-	49,320
Fluids/Chemicals	71,000	30,000	-	101,000
Fluids/Cuttings/Wastewater Disposal	125,000	-	-	125,000
Fuel/Power	110,000	105,000	-	215,000
Water	30,000	221,000	-	251,000
Directional Drilling, Surveys	151,000	-	-	151,000
Mud Logging	15,000	-	-	15,000
Logging/Formation Evaluation	-	4,500	-	4,500
Rig Supervision/Engineering	91,000	84,400	10,000	165,400
Freight/Transportation	30,000	18,500	20,000	68,500
Labor	128,500	13,000	8,500	150,000
Supplies	-	34,400	-	34,400
Rental - Surface Equipment	88,400	98,350	-	184,750
Rental - Living Quarters	51,200	18,080	-	69,280
Rental - Downhole Equipment	49,000	-	-	49,000
CTU/Workover Rig/Swab	-	80,000	-	80,000
Perforating/Wireline/Slickline	-	88,000	-	88,000
Temporary Packers/Plugs	-	22,000	-	22,000
High Pressure Pump Truck	-	41,500	-	41,500
Stimulation	-	1,554,000	-	1,554,000
Water Transfer/Flowback Services/Disposal	-	145,000	-	145,000
Permanent Equipment Installation	-	-	-	-
Plugging & Abandonment	-	-	-	-
Overhead	11,000	16,000	1,500	28,500
Insurance	32,220	-	-	32,220
Contingency	190,204	235,149	4,800	430,153
TOTAL INTANGIBLES :	\$ 2,092,244	\$ 2,818,879	\$ 52,600	\$ 4,960,923
TANGIBLE COSTS	DRILLING	COMPLETION	PRODUCTION	TOTAL COSTS
Conductor Casing	4,890	-	-	4,890
Surface Casing	42,750	-	-	42,750
1st Intermediate Casing	138,250	-	-	138,250
2nd Intermediate Casing	349,450	-	-	349,450
Production Casing	312,200	-	-	312,200
Tubing	-	-	-	-
Wellhead	50,000	-	37,000	87,000
Permanent Packers/Hanger/Plugs	-	-	-	-
Tanks	-	-	88,000	88,000
Production Vessels	-	-	88,000	88,000
Compressor	-	-	-	-
Surface Flowlines	-	-	25,000	25,000
Gathering Lines	-	-	25,000	25,000
Valves/Controllers	-	-	25,000	25,000
Artificial Lift Equipment	-	-	-	-
Instrumentation/Measurement	-	-	12,500	12,500
Electrical/Grounding/Safety Equipment	-	-	8,000	8,000
Permanent Equipment Installation	-	-	111,500	111,500
Other - Surface	-	-	-	-
Other - Downhole	-	-	-	-
TOTAL TANGIBLES :	\$ 896,540	\$ -	\$ 419,000	\$ 1,314,540
TOTAL COSTS :	\$ 2,987,784	\$ 2,818,879	\$ 471,600	\$ 6,276,483

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____	VP - Exploration _____	Senior Geologist _____
RCL	RRT	AS
CFO _____	VP - Operations _____	
WRS	AMB	
VP - Land & Legal _____	VP - Business Development _____	
CS	SG	

NON OPERATING PARTNER APPROVAL:

Company Name: _____	Signed by: _____	Title: _____
Working interest (%): _____	Date: _____	Tax ID: _____
Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one)		

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.



February 28, 2018

Chevron USA, Inc.
1400 Smith Street
Houston, TX 77002

RE: **Well Proposal – Double Diamond 24S31E1414 #158H**

SHL: 305' FSL, 935' FEL Section 14, T24S, R31E

BHL: 200' FNL, 330' FEL Section 14, T24S, R31E

Eddy County, New Mexico

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

VIA FedEx

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the captioned well at the above referenced surface hole location (SHL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 12,850 feet subsurface to evaluate the 3rd Bone Spring Carbonate Formation. The proposed well will have a measured depth (MD) of approximately 17,850 feet.

Regarding the above, enclosed for your further handling is our AFE dated February 20, 2018 for the captioned proposed well. In the event Chevron USA, Inc. elects to participate in the proposed well, please execute the enclosed AFE and return to me as soon as possible. Your interest in this well is 50.00%.

TRO is proposing to drill this well under the terms of the AAPL Form 610-1989 Operating Agreement. The Operating Agreement covers the E2 of Section 14, Township 24 South, Range 31 East, Eddy County, New Mexico; a fully executable copy will be sent for your execution should you choose to participate.

If you do not wish to participate in the Operation, TRO would like to offer the following terms:

- 3 year primary term, Term Assignment
- 20% royalty interest
- \$1,500 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO's board and verification of title.

If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well if uncommitted at such time.

Should you have any questions regarding the above, please email the undersigned or contact our Vice President of Operations, Aaron Byrd, at 720-772-3065.



Sincerely,

TAP ROCK OPERATING, LLC

Clayton Sporich

Vice President – Land & Legal

Office: 720-772-5903

Cell: 214-707-7073

csporich@taprk.com

Chevron USA, Inc. hereby elects to:

_____ participate in the drilling of the Double Diamond 24S31E1414 #158H

_____ non-consent the drilling of the Double Diamond 24S31E1414 #158H

_____ sell our interest at the terms listed herein

By: _____

Name: _____

Title: _____

Date: _____

Enclosures

Tap Rock Operating

602 Park Point Drive • SUITE 200 • Golden, CO 80401

Phone (720) 772-5090

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	February 20, 2018	AFE NO.:	XXX
WELL NAME:	Double Diamond Fed 24S31E #158H	FIELD:	Pierce Crossing
LOCATION:	Ski Shop	MD/TVD:	16100'/11020'
STATE:	New Mexico	LATERAL LENGTH:	4,500
COUNTY:	Eddy	GEOLOGIC TARGET:	3rd Bone Spring

REMARKS: Drill and complete a horizontal 3rd Bone Spring well with a lateral length of 4,500'.

INTANGIBLE COSTS	DRILLING	COMPLETION	PRODUCTION	TOTAL COSTS
Land (Legal, Regulatory, Surface, Survey)	32,900	3,000	-	35,900
Location/Pit Construction	65,000	-	20,000	85,000
Drilling (Contractor & Mob)	503,500	-	-	503,500
Cementing Services/Equipment	126,000	-	-	126,000
Bits/Drill Out Assemblies	62,000	40,000	-	102,000
Fluid Circulation Equipment/Services	56,280	-	-	56,280
Fluids/Chemicals	48,100	20,000	5,000	73,100
Fluids/Cuttings/Wastewater Disposal	52,500	-	-	52,500
Fuel/Power	76,950	184,000	10,000	270,950
Water	14,000	255,000	-	269,000
Directional Drilling, Surveys	148,100	-	-	148,100
Mud Logging	10,500	-	-	10,500
Logging/Formation Evaluation	-	6,000	-	6,000
Rig Supervision/Engineering	80,400	72,700	8,500	161,600
Freight/Transportation	30,000	18,000	20,000	68,000
Labor	110,000	13,000	8,500	131,500
Supplies	-	38,000	-	38,000
Rental - Surface Equipment	68,943	104,050	-	172,993
Rental - Living Quarters	37,850	19,210	-	57,060
Rental - Downhole Equipment	45,000	-	-	45,000
CTU/Workover Rig/Swab	-	80,000	90,000	170,000
Perforating/Wireline/Slickline	-	136,000	-	136,000
Temporary Packers/Plugs	-	33,000	-	33,000
High Pressure Pump Truck	-	104,000	-	104,000
Stimulation	-	1,863,000	-	1,863,000
Water Transfer/Flowback Services/Disposal	-	170,500	-	170,500
Permanent Equipment Installation	-	-	-	-
Plugging & Abandonment	-	-	-	-
Overhead	10,050	17,000	5,000	32,050
Insurance	28,980	-	-	28,980
Contingency	80,353	178,991	17,300	276,643
TOTAL INTANGIBLES :	\$ 1,687,406	\$ 3,355,451	\$ 184,300	\$ 5,227,156
TANGIBLE COSTS	DRILLING	COMPLETION	PRODUCTION	TOTAL COSTS
Conductor Casing	3,490	-	-	3,490
Surface Casing	39,900	-	-	39,900
1st Intermediate Casing	122,300	-	-	122,300
2nd Intermediate Casing	20,000	-	-	20,000
Production Casing	276,000	-	-	276,000
Tubing	-	-	79,100	79,100
Wellhead	45,000	-	60,000	105,000
Permanent Packers/Hanger/Plugs	-	-	-	-
Tanks	-	-	-	-
Production Vessels	-	-	50,000	50,000
Compressor	-	-	-	-
Surface Flowlines	-	-	25,000	25,000
Gathering Lines	-	-	25,000	25,000
Valves/Controllers	-	-	10,000	10,000
Artificial Lift Equipment	-	-	18,000	18,000
Instrumentation/Measurement	-	-	20,000	20,000
Electrical/Grounding/Safety Equipment	-	-	6,000	6,000
Permanent Equipment Installation	-	-	21,500	21,500
Other - Surface	-	-	-	-
Other - Downhole	-	-	-	-
TOTAL TANGIBLES :	\$ 506,690	\$ -	\$ 314,600	\$ 821,290
TOTAL COSTS :	\$ 2,194,096	\$ 3,355,451	\$ 498,900	\$ 6,048,446

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____	VP - Exploration _____
RCL	RRT
CFO _____	VP - Operations _____
WRS	AMB
VP - Land & Legal _____	Senior Geologist _____
CS	AS

NON OPERATING PARTNER APPROVAL:

Company Name: _____	Signed by: _____	Title: _____
Working Interest (%): _____	Date: _____	Tax ID: _____
Approval: Yes _____ No _____ (mark one)		

Communication Log

- 6/1/17 Tap Rock acquires its interest in Section 14 from 10,000 feet and below
- 8/9/17 Madron Surveying, Inc conducts surveys
- 8/9/17 Permits West orders archaeology report and begins gathering materials necessary for the permitting process
- 09/12/17 Proposed Wolfcamp Double Diamond wells to Chevron (201, 208). Laterals were 2 miles, extending from 24S 31E Section 14 to Section 11
- 9/18/2017 Chevron received 2 mile Wolfcamp proposals
- 09/20/17 Lewis Sumrall (Chevron Engineer) inquires about technical plans for the proposals
- 9/27/17 Tap Rock emails to rescind 2 mile lateral Wolfcamp proposals and responds to Chevron's previous questions.
- 10/3/2017 Lone Mountain Archaeological Services, Inc. conducts archaeology study and sends report.
- 10/30/17 Tap Rock re-proposes Wolfcamp wells as 1 mile laterals (224,228,234,238)
- 11/6/17 Chevron receives amended 1 mile Wolfcamp proposals
- 9/26/17 Notice of Staking was submitted to the BLM
- 12/8/18 Tap Rock has onsite with the BLM for a drilling pad in the E/2 of Section 14
- 2/5/18-2/9/18 Tap Rock meets with Chevron at NAPE to discuss development plans for Section 14
- 2/9/18-2/14/18 4 Double Diamond APDs are submitted to BLM, along with Environmental Assessment
- 02/28/18 Tap Rock proposed a 3rd Bone Spring Well (158)
- 3/1/18 Chevron received Bone Spring proposal
- 03/9/18 Erica Hixson (landman) from Tap Rock called Chris Cooper (Landman) at Chevron, left voicemail, emailed plats, C-102s, copies of proposals, and geoprogs
- 03/14/18 Erica Hixson sent Communitization Agreements and Section 14 JOA for all depths below 10,000 feet
- 3/19/18 Chris Cooper sends email acknowledging Tap Rock's June 1 lease obligation (which he learned of at Nape in February) and that Chevron cannot rig up by June 1; email states that Chevron will protest Tap Rock's development plan
- 3/21/18 Tap Rock receives Chevron competing proposals for Wolfcamp wells in Sections 14 and 11
- 3/21/18 Clayton calls Chris Cooper to propose that we develop Double Diamond E2E2 wells under wellbore specific JOA, he agrees
- 3/22/18 Chris Cooper emails regarding Chevron's request that it operate the Wolfcamp A, but is open to reciprocating operating agreements for the balance of the acreage
- 3/27/18 Tap Rock sends AFEs that reflect the deal that had been proposed for Tap Rock to develop the Wolfcamp B and Third Bone Spring

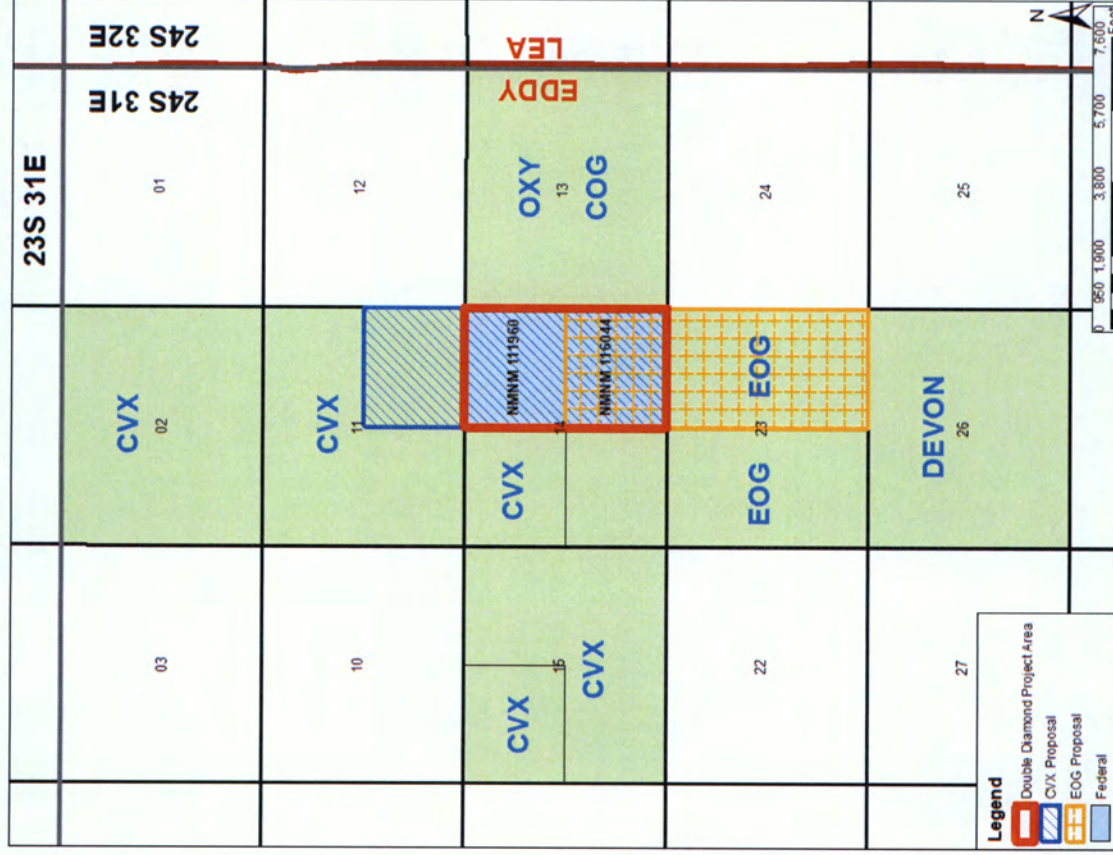
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

Communication Log Continued

- 4/3/18 (4PM) Holland and Hart calls to say Chevron asked them not to file for compulsory pooling
- 4/4/18 Tap Rock enlists Jim Bruce, who subsequently files pooling applications
- 4/6/18 Chris Cooper informs Tap Rock that Chevron will not participate with Tap Rock in alternative deal structure
- 4/10/18 Emailed Chevron copy of notice of force pooling hearing (which was also sent via mail to their attention)
- 4/22/18 Complete onsite for Double Diamond facilities w/ BLM
- 4/30/18 Clayton sends email to Chris Cooper with letter attachment requesting additional information on CVX's well proposals; also left voicemail regarding the same
- 5/2/18 Tap Rock received response from CVX regarding additional information requested by Tap Rock
- 5/7/18 Chuck Moran emails Clayton Sporich requesting copy of farmout agreement between Tap Rock and Douglas McLeod
- 5/11/18 Tap Rock receives an email from Chuck Moran with 10 AFEs for wells to be proposed on the Lands, but there are not actual proposals
- 5/15/18 Clayton sends email to Chris Cooper regarding nonstandard locations to prevent waste
- 5/15/18 Clayton sends email to Chuck Moran regarding nonstandard locations to prevent waste
- 5/16/18 Chuck Moran sends email opposing Tap Rock's proposal for non-standard locations
- 5/16/18 Clayton sends email to Jim Ball (Yates) regarding nonstandard locations to prevent waste

Competing Development Plans

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 8
 Submitted by Tap Rock Resources
 Hearing Date: May 17, 2018



Case No. 16134 & 16160

Double Diamond 24S31E1414 238H & 158H

Well	Reservoir	APD Submittal*	CVX February schedule			Frac Design
			Spud date	RDMO	POP date	
SND 11 14 Fed Com 003 Well No. 4H	Lower Avalon	5/8/2018	Sep-19	Feb-20	Jul-20	pending completion design approval
SND 11 14 Fed Com 003 Well No. 5H	Lower Avalon	5/8/2018	Oct-19	Feb-20	Jul-20	pending completion design approval
SND 11 14 Fed Com 003 Well No. 6H	Lower Avalon	5/8/2018	Nov-19	Feb-20	Jul-20	pending completion design approval
SND 11 14 Fed Com 004 Well No. 4H	Wolfcamp A	N/A	Dec-21	Jun-22	Sep-22	pending completion design approval

Well	Reservoir	APD Submittal*	CVX February schedule			Frac Design
			Spud date	RDMO	POP date	
SND 11 14 Fed Com 003 Well No. 4H	Lower Avalon	5/8/2018	Sep-19	Feb-20	Jul-20	pending completion design approval
SND 11 14 Fed Com 003 Well No. 5H	Lower Avalon	5/8/2018	Oct-19	Feb-20	Jul-20	pending completion design approval
SND 11 14 Fed Com 003 Well No. 6H	Lower Avalon	5/8/2018	Nov-19	Feb-20	Jul-20	pending completion design approval
SND 11 14 Fed Com 004 Well No. 4H Wolfcamp	Wolfcamp	N/A	Dec-21	Jun-22	Sep-22	pending completion design approval

Tap Rock
EXHIBIT 8

TAP ROCK RESOURCES, LLC

CLAYTON SPORICH
VICE PRESIDENT -LAND & LEGAL
DIRECT: (720) 772-6093
CELL: (214) 707-7073
CSPORICH@TAPRK.COM

602 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401



April 30, 2018

Chevron U.S.A. Inc.
Chris Cooper
1500 Smith Street
Houston, Texas
ChrisCooper@chevron.com

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 9
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

**Re: SND 11 14 Fed Com 003 #4H, 5H and 6H (the "Bone Spring Wells") and
SND 11 14 Fed Com 004 #4H, 5H and 6H (the "Wolfcamp Wells" and, together with
the Bone Spring Wells, the "Wells")**

Dear Chris,

After several months of discussions regarding the development of Section 14, Township 24S, Range 31E Eddy County, New Mexico ("Section 14"), Tap Rock was disappointed to learn that Chevron no longer wanted to work together for a mutually beneficial development plan. Until recently, it was our understanding that Tap Rock and Chevron had agreed to split operations between intervals within the Bone Spring and Wolfcamp formations, with Tap Rock operating the minimum wellbores necessary to meet its lease obligations. Tap Rock previously agreed to that concession as a good faith effort to address Chevron's communicated singular interest in operating the upper target of each formation. Additionally, Tap Rock had agreed to shorten its laterals to accommodate Chevron's future development plans. Unfortunately, it now appears that Chevron has changed its mind for unstated reasons and each operator has conflicting operating plans for Section 14.

Accordingly, and in connection with the proposed Wells and units, Tap Rock requests the following additional information to adequately assess Chevron's proposed Wells:

1. Proposed operating agreements
2. Timeline for spud, completion and initial production for each of the Wells
3. Proposed facility diagrams
4. Marketing plans
5. Status on BLM permitting process
6. Alternate deal structure proposals for Section 14
7. Full development plan for proposed units
8. Daily drilling and operating reports from other longer length laterals drilled by Chevron to similar depths in the area
9. Final drilling, completion and production costs from other longer length laterals drilled by Chevron to similar depths in the area

10. Completion design including, but not limited to: design type, frac stages, proppant pounds per foot and BBL water per foot

Tap Rock has expended significant time and resources towards the development of Section 14, and, as previously communicated, we have lease obligations on June 1, 2018. Accordingly, we request that Chevron provide us the materials requested herein no later than May 7, 2018.

Regards,
Tap Rock Operating, LLC

A handwritten signature in black ink, appearing to read 'CS', with a long horizontal flourish extending to the right.

Clayton Sporich
Vice President – Land & Legal



Chris Cooper
Land Representative

Chevron North America Exploration
and Production Company
(a division of Chevron U.S.A. Inc.)
1400 Smith Street
Houston, Texas 77002
Tel 713 372 6778
ChrisCooper@chevron.com

May 2, 2018

Tap Rock Resources, LLC
Attn: Clayton Sporich
602 Park Point Drive
Suite 200
Golden, Colorado 80401

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 10
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

RE: Chevron Well Proposal Information
SND 11 14 Fed Com 003 #4H, #5H, #6H
SND 11 14 Fed Com 004 #4H, #5H, #6H

Mr. Sporich:

I am in receipt of your April 30, 2018 letter discussing communications between Chevron and Tap Rock representatives regarding the development of Section 14, T243, R31E in Eddy County, New Mexico and requesting additional information regarding Chevron's proposed wells and development plans.

Chevron has put forth good-faith efforts in attempting to reach a mutually-agreeable solution in this area since February 2018. While it was noted to Tap Rock in emails, phone conversations, and face-to-face meetings that Chevron intended to operate this acreage, Chevron also met with Tap Rock to discuss other options. However, Chevron and Tap Rock never came to any understanding – or any agreement – about any proposals in any meeting or other communication between our parties. Chevron stated during our 3/27/18 meeting that all proposals were subject to final management approval, which was never broached by the Chevron negotiation team. Nevertheless, Chevron continued good-faith negotiations with Tap Rock until Chevron deemed the negotiations to no longer be in the best interests of the company.

In response to your requests for additional information, please see the numbered list below that corresponds to your letter:

1. Enclosed is an Operating Agreement for your review.
2. Chevron's rig is moving to this development area in as early as August and we expect to spud this location within the timeframe allowed by an OCD Order.
3. Tap Rock and Chevron have not entered into an Operating Agreement and have never had any agreement between the companies respecting this acreage, so Chevron is not obligated or inclined to provide this information. Upon execution of an Operating Agreement, Chevron would provide well information and development plans as articulated in the Operating Agreement.
4. See #3 above.
5. APDs for the Bone Spring wells have been submitted.
6. See #1 above.

7. As is shown by our proposed wells, Chevron intends to drill commercially viable benches by pad drilling multiple wells at a time and in a manner that most efficiently develops the entire bench.
8. Because Tap Rock is not a working interest owner of any Chevron-operated wells at similar depths in the area, Chevron is not obligated to provide this information and declines to do so.
9. See #8 above.
10. See #3 above.

Should you have any questions, please feel free to contact me at the information listed above.

Respectfully,

A handwritten signature in black ink, appearing to read 'CC', is positioned above the printed name.

Chris Cooper
Land Representative

Enclosures

TAP ROCK RESOURCES, LLC

602 PARK POINT DRIVE, SUITE 200 - GOLDEN, COLORADO 80401

CLAYTON SPORICH
VICE PRESIDENT - LAND & LEGAL
DIRLCL: (720) 772-5093
CELL: (214) 707-7073
CSPORICH@TAPRK.COM



May 15, 2018

Sent via e-mail and certified mail

Yates Holdings LLC
Jim Ball
P.O. Box 1394
Artesia, NM 88211
jimb@yatesholdings.com

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 11
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

Re: Application for Nonstandard Wellbore Locations

**Double Diamond 24S31E1414 238H: FTP 10' FSL and 330' FEL 14, 24S, 31E /LTP
10' FNL and 330' FEL 14, 24S, 31E;**

**Double Diamond 24S31E1414 228H: FTP 10' FSL and 330' FEL 14, 24S, 31E /LTP
10' FNL and 330' FEL 14, 24S, 31E; and**

**Double Diamond 24S31E1414 224H: FTP 10' FSL and 990' FEL 14, 24S, 31E /LTP
10' FNL and 990' FEL 14, 24S, 31E; and**

**Double Diamond 24S31E1414 158H: FTP 10' FSL and 330' FEL 14, 24S, 31E /LTP
10' FNL and 330' FEL 14, 24S, 31E (collectively, the "Wells")**

Dear Jim,

Pursuant to Division Rule 19.15.15.13, Tap Rock Operating, LLC ("Tap Rock") hereby notifies you that it plans to file for administrative approval of non-standard wellbore locations for its Wells. Attached are Form C-102s for each of the proposed Wells.

Tap Rock is seeking approval of the unorthodox locations in order to maximize recovery of reserves. Tap Rock proposes that it will offer a like number of non-standard location waivers to John A. Yates, Sr., Trustee of the Q Trust under the Will of Peggy A. Yates ("Yates") for its surrounding development in exchange for its waiver of protest of the Wells' locations in understanding that the proposed mutual agreement between the parties will result in the prevention of waste, maximization of ultimate recoveries and protection of correlative rights.

The affected offset tracts are the S/2 and E/2 of Section 11-T24S-R31E, the W/2 and S/2 of Section 12-T24S-R31E, the N/2 and W/2 of Section 24-T24S-R31E and the N/2 and E/2 of Section 23-T24S-R31E. In the event that you have an objection to Tap Rock's application, you must file a written letter with the Division within twenty (20) days from the date the Division receives the application.

Thank you for your consideration of the proposal. Please contact me if you have any questions about the application.

Regards,
Tap Rock Operating, LLC

Clayton Sporich

Clayton Sporich
Vice President-Land & Legal

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

**APPLICATION OF TAP ROCK RESOURCES,
LLC FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

Case No. 16134

**APPLICATION OF TAP ROCK RESOURCES,
LLC FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

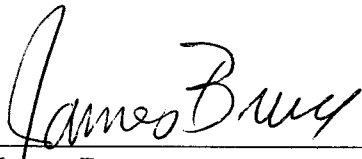
Case No. 16160

AFFIDAVIT OF NOTICE

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

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

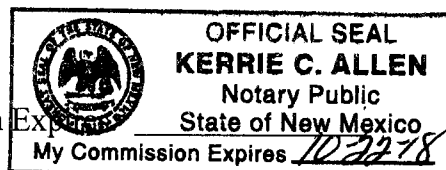
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Tap Rock Resources, LLC.
3. Tap Rock Resources, LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the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




James Bruce

SUBSCRIBED AND SWORN TO before me this 16th day of May, 2018 by James Bruce.

My Commission Expires





Notary Public

EXHIBIT 12

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

April 9, 2018

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications filed with the New Mexico Oil Conservation Division by Tap Rock Resources, LLC:

1. Application for a non-standard spacing and proration unit and compulsory pooling, regarding the Double Diamond 24S31E1414 Well No. 158H, a Bone Spring well in the E/2E/2 of Section 14; and


2. Application for compulsory pooling, regarding the Double Diamond 24S31E1414 Well No. 238H, a Wolfcamp well in the E/2 of Section 14,

all in Township 24 South, Range 31 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, May 17, 2018, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by these applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 10, 2018. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Tap rock Resources, LLC

EXHIBIT A

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, Texas 79706

Attention: Permitting Team

7017 2680 0000 1762 2038

U.S. Postal Service™

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)

\$

☐ Return Receipt (electronic)

\$

☐ Certified Mail Restricted Delivery

\$

☐ Adult Signature Required

\$

☐ Adult Signature Restricted Delivery

\$

Postage

\$

Total Postage and Fees

\$

Sent To

Street and Apt. No., or PO Box

Chevron U.S.A. Inc.

6301 Deauville Boulevard

City, State, ZIP+4®

Midland, Texas 79706

Postmark

Here

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, Texas 79706



9590 9402 3452 7275 9670 05

2. Article Number (Transfer from service label)

7017 2680 0000 1762 2038

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery

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

TAP ROCK-P Domestic Return Receipt

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

**APPLICATION OF TAP ROCK RESOURCES,
LLC FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

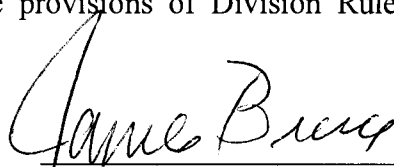
Case No. 16160

AFFIDAVIT OF NOTICE

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

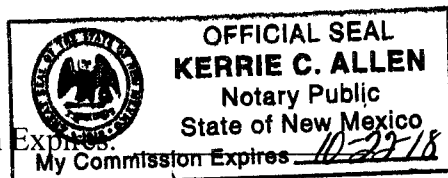
James Bruce, being duly sworn upon his oath, deposes and states:

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


James Bruce

SUBSCRIBED AND SWORN TO before me this 16th day of May, 2018 by James Bruce.

My Commission Expires.




Notary Public

EXHIBIT 13

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

April 27, 2018

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

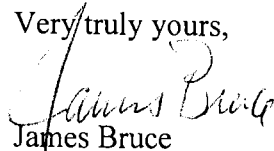
To: Persons on Exhibit A:

Enclosed is a copy of an application for a non-standard oil spacing and proration unit *etc.*, filed with the New Mexico Oil Conservation Division by Tap Rock Resources, LLC, regarding a Bone Spring well in the E/2E/2 of Section 14, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, May 17, 2018, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but **as an offset operator or working interest owner** who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 10, 2018. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Tap Rock Resources, LLC

Attachment A

EXHIBIT A

COG Operating LLC
COG Production, LLC
600 West Illinois Avenue
Midland, Texas 79701

OXY USA Inc.
Suite 110
5 Greenway Plaza
Houston, Texas 77046

Douglas McLeod
Suite 1455
518 17th Street
Denver, Colorado 80202

Vladin, LLC
105 South Fourth Street
Artesia, New Mexico 88210

EOG Resources Assets, LLC
EOG Y Resources, Inc.
EOG A Resources, Inc.
5509 Champions Drive
Midland, Texas 79706

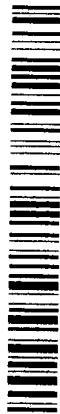
John A. Yates, Sr., Trustee of the
Q Trust U/W/O Peggy A. Yates
411 West Main Street
Artesia, New Mexico 88210

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

COG Operating LLC
COG Production, LLC
600 West Illinois Avenue
Midland, Texas 79701



9590 9402 3453 7275 3727 23

2. Article Number (Transfer from service label)

7017 0190 0000 8402 2456

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

Domestic Return Receipt

Tap - 0

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A. Signature

☒ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

- 3. Service Type**
- ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Collect on Delivery
 - ☐ Signature Confirmation™
 - ☐ Restricted Delivery

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Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$
Total Postage and Fees \$

COG Operating LLC
COG Production, LLC
600 West Illinois Avenue
Midland, Texas 79701

Sent To
Street and Apt. No., or PO Box
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$
Total Postage and Fees \$

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PS Form 3800, April 2015 PSN 7530-02-000-9047

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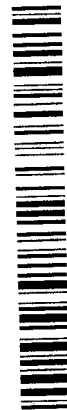
A. Signature

☒ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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



9590 9402 3453 7275 3726 93

2. Article Number (Transfer from service label)

7017 0190 0000 8402 2432

(over \$500)

Tap - 0

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

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1. Article Addressed to:

EOG Resources Assets, LLC
EOG Y Resources, Inc.
EOG A Resources, Inc.
5509 Champions Drive
Midland, Texas 79706



9590 9402 3453 7275 3726 86

2. A

7017 0190 0000 8402 2425

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

Domestic Return Receipt

Tap-u

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Certified Mail Fee \$		Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$	<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage \$		Total Postage and Fees \$	
Sent To EOG Resources Assets, LLC		EOG Y Resources, Inc.	
Street and Apt. No., Midland, Texas 79706		5509 Champions Drive	
City, State, Zip+4®			

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature	<input checked="" type="checkbox"/> Agent	<input type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery 5-4-18	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		

3. Service Type	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail™
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Certified Mail®
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery

Domestic Return Receipt

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1. Article Addressed to:

OXY USA Inc.
Suite 110
5 Greenway Plaza
Houston, Texas 77046



9590 9402 3453 7275 3727 16

2. A

7017 0190 0000 8402 2463

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

1AP-u

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Certified Mail Fee \$		Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$	<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage \$		Total Postage and Fees \$	
Sent To OXY USA Inc.		Suite 110	
Street and Apt. No., or PO Box 5 Greenway Plaza		Houston, Texas 77046	
City, State, Zip+4®			

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature	<input checked="" type="checkbox"/> Agent	<input type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		

3. Service Type	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail™
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Certified Mail®
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery

(over \$500)

1AP-u

Domestic Return Receipt

From: Jim Ball <jimb@yatesholdings.com>

To: Jim Bruce <jamesbruc@aol.com>

Cc: shall <shall@montand.com>; darlenec <darlenec@yatesholdings.com>; sharons <sharons@yatesholdings.com>

Subject: Tap Rock Case 16160

Date: Tue, May 15, 2018 3:47 pm

Attachments: 20180515083216945.pdf (290K)

Jim Bruce,

I believe the above case to be the same case as the attached letter refers to and although I did receive a mailing for Vladin, LLC, I also represent as Landman for Trust Q U/W/O Peggy Yates that we did not receive a notice for that entity. However, this email serves as acknowledgement and confirmation that I have received effective notice for the said Trust Q entity when I did receive the notice for Vladin, LLC. Thanks.

Jim Ball
Landman



Yates Holdings LLP

P. O. Box 1394

Artesia, NM 88211-1394

Direct Phone: (575) 736-8572

Main Phone: (575) 736-8575

Fax: (575) 736-8577

Email: jimb@yatesholdings.com

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<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and Fees \$	
Sent To John A. Yates, Sr., Trustee of the Q Trust U/W/O Peggy A. Yates 411 West Main Street Artesia, New Mexico 88210	
City, State, ZIP+4®	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

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Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

Total Postage and Fees

Sent To

Douglas McLeod
 Suite 1455
 Street and Apt. No., or P.O. Box
 518 17th Street
 City, State, ZIP+4® Denver, Colorado 80202

PS Form 3811, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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

1. Article Addressed to:

Douglas McLeod
 Suite 1455
 518 17th Street
 Denver, Colorado 80202



9590 9402 3453 7275 3727 09

2. Article

7017 0190 0000 8402 2449 (over \$500)

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

Domestic Return Receipt

Tag - 0

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent
☐ Addressee

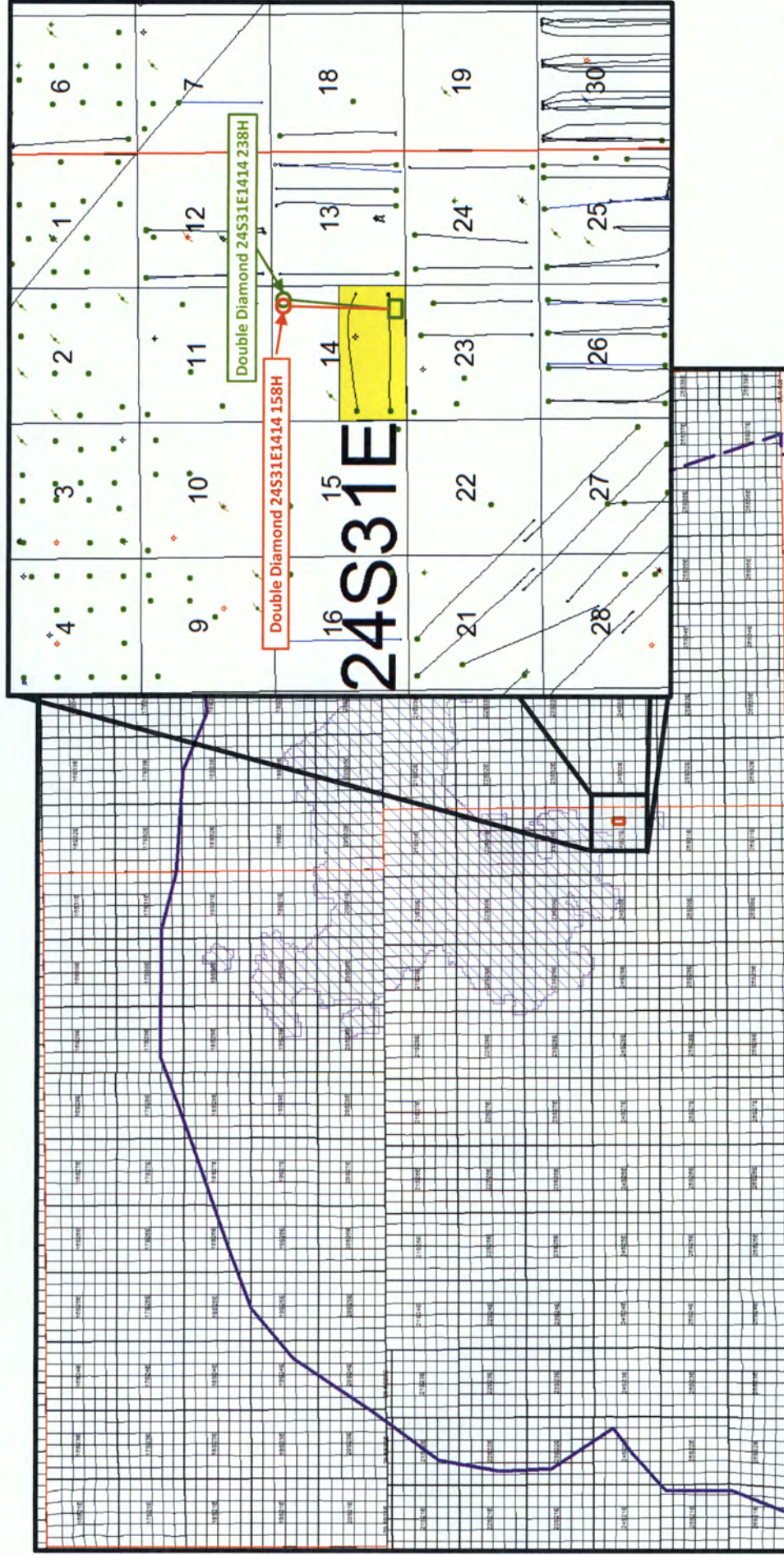
B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Locator Map



BEFORE THE OIL CONSERVATION DIVISION

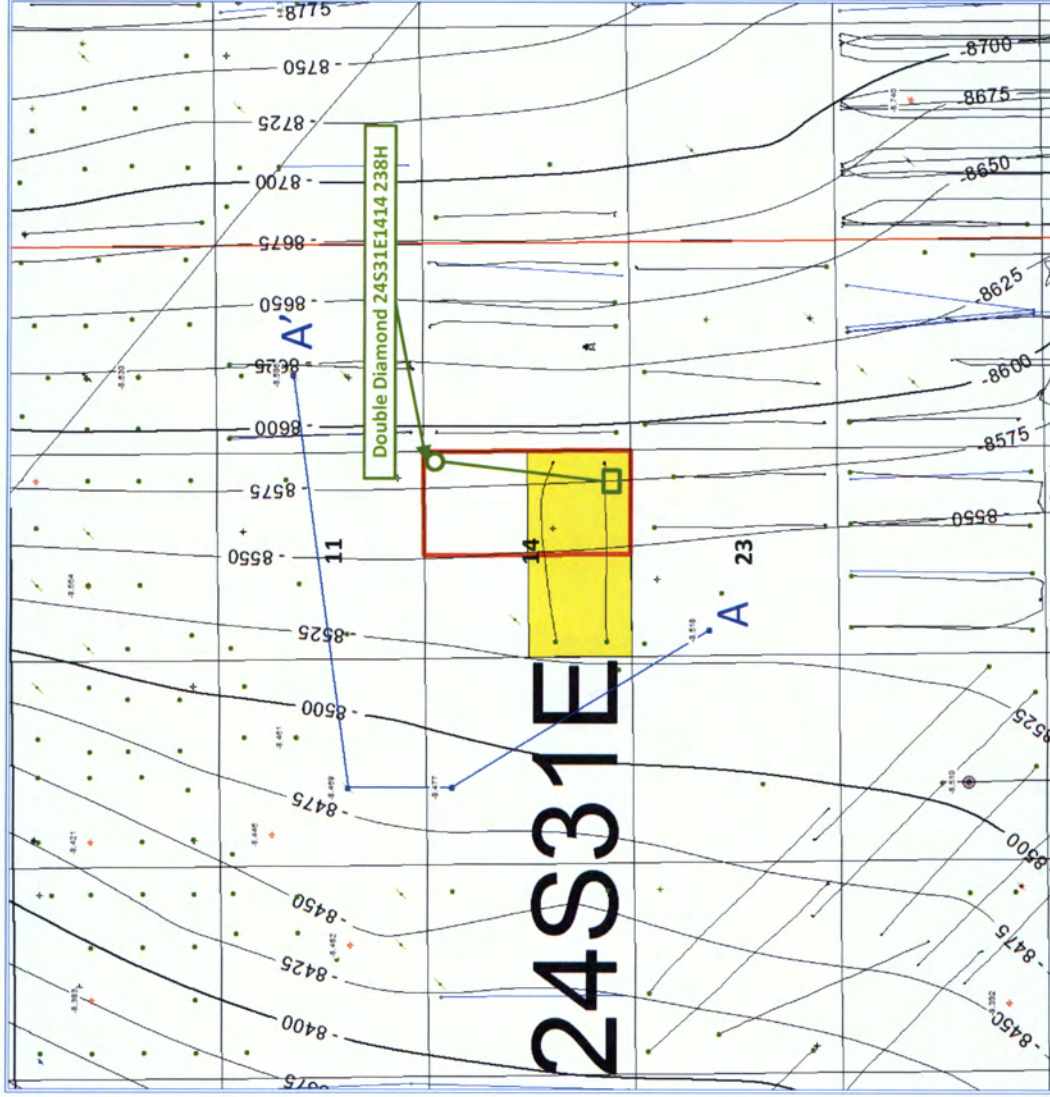
Santa Fe, New Mexico
Exhibit No. 14
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018



Double Diamond 24S31E1414 238H & 158H

Case No. 16134 & 16160

Subsea Structure Map (Top Wolfcamp B)



C.I. = 25'

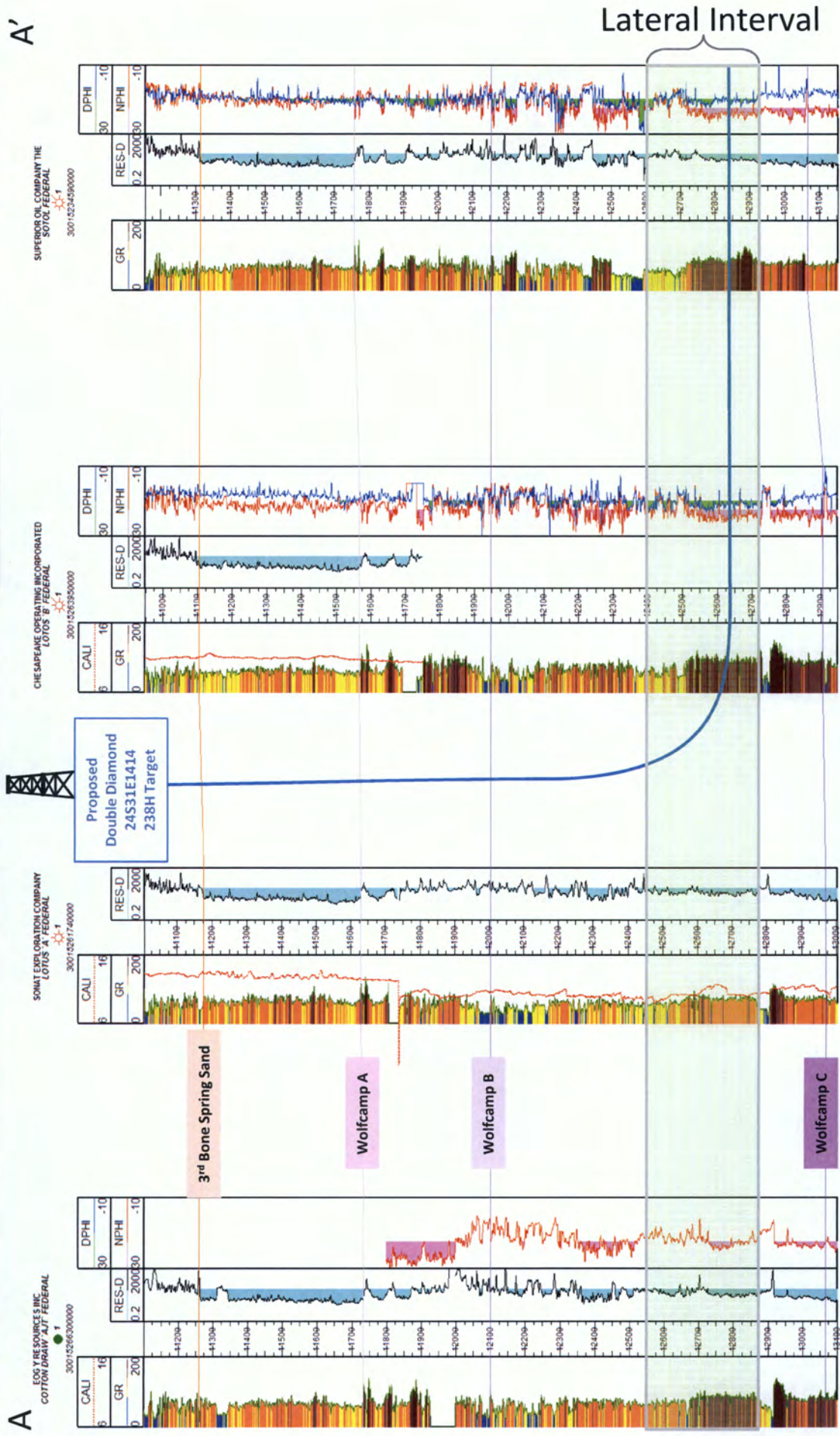
Map Legend

- SHL Tap Rock – Horizontal Locator
- BHL
- Tap Rock Acreage
- Project Area
- Wolfcamp B Producer/Test

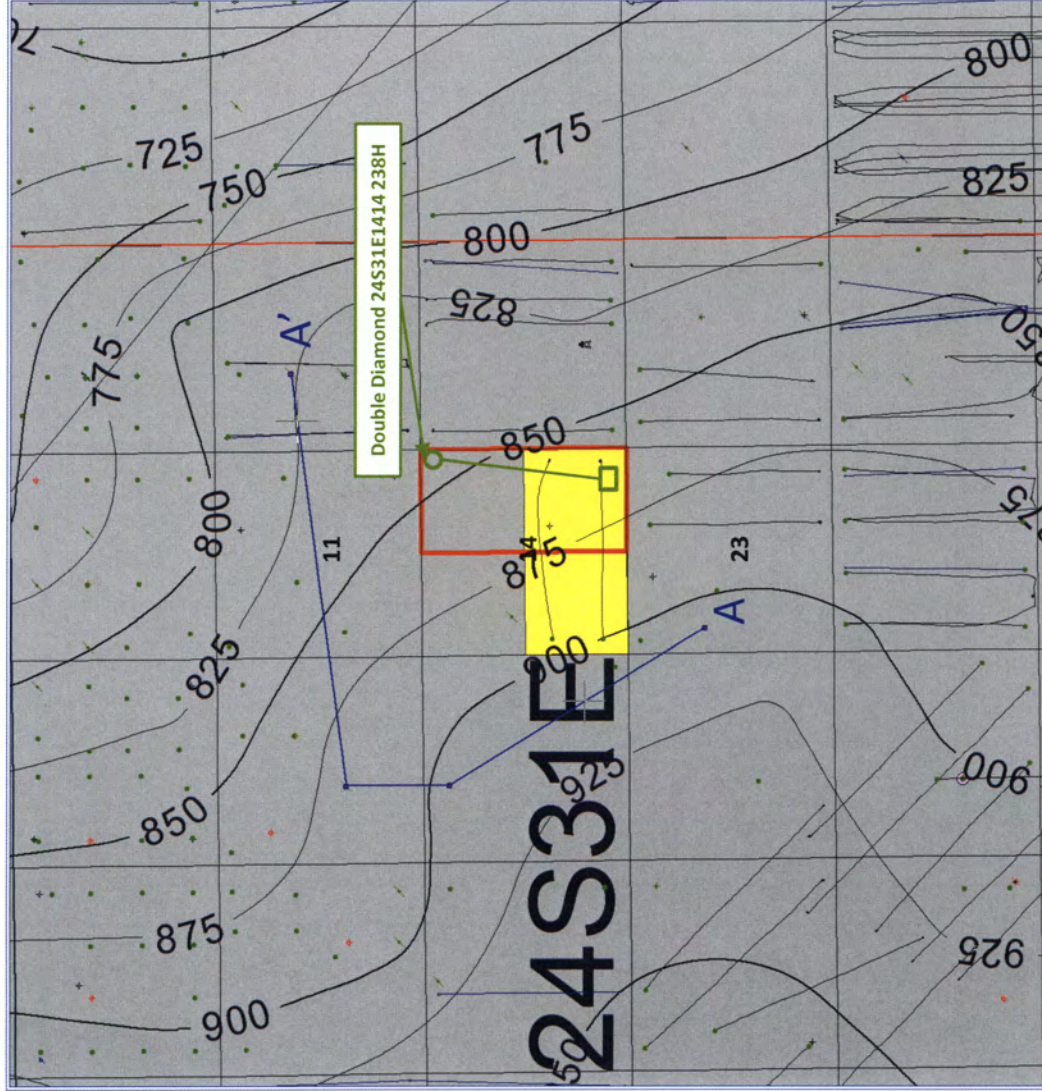
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 15
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

TAP
ROCK

Stratigraphic Cross-Section – A-A'



Isopach Map (Wolfcamp B to Wolfcamp C)



Map Legend

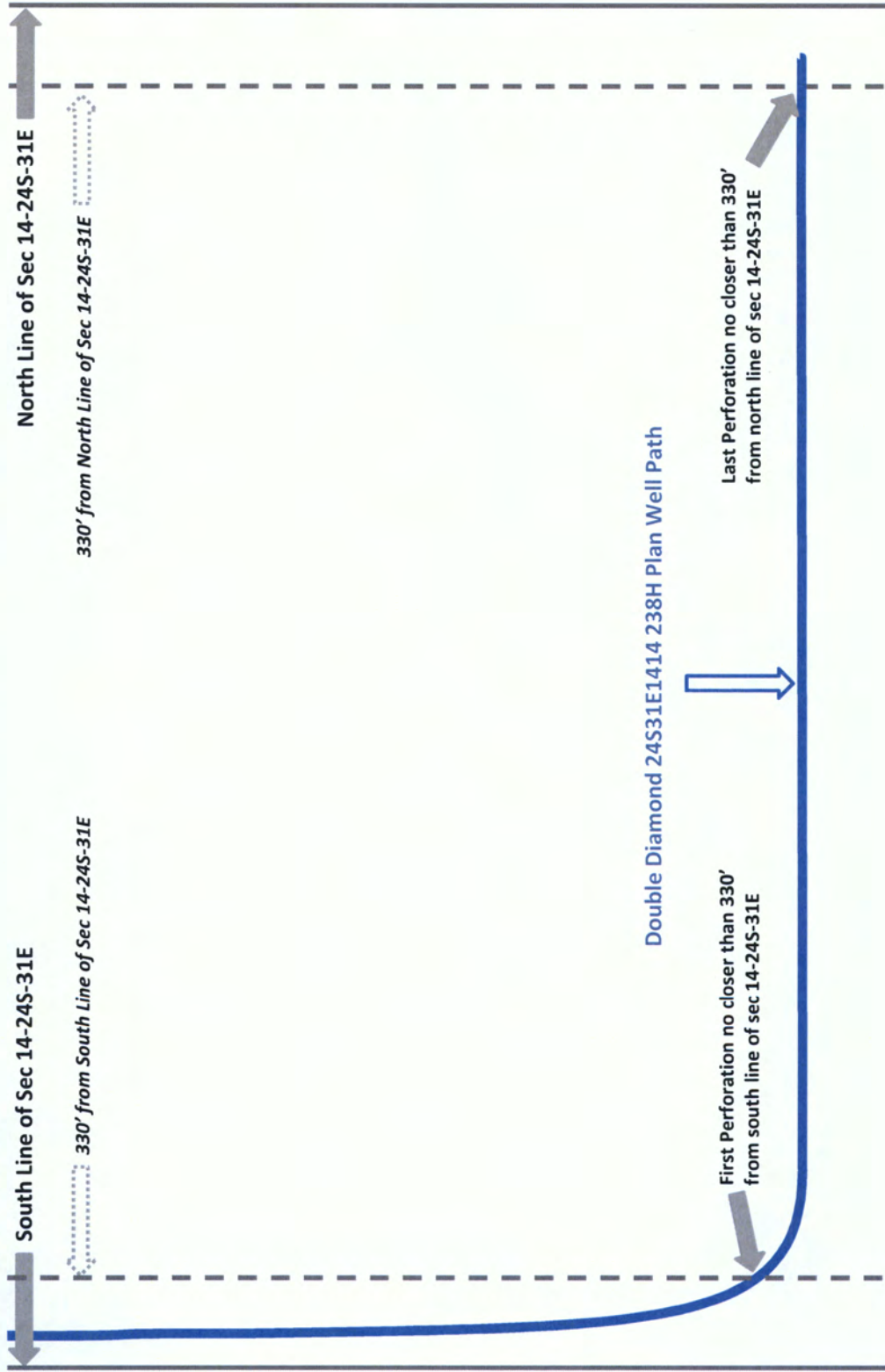
- SHL Tap Rock - Horizontal Locator
- BHL
- Tap Rock Acreage
- Project Area
- Wolfcamp B Producer/Test

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 17
 Submitted by Tap Rock Resources
 Hearing Date: May 17, 2018

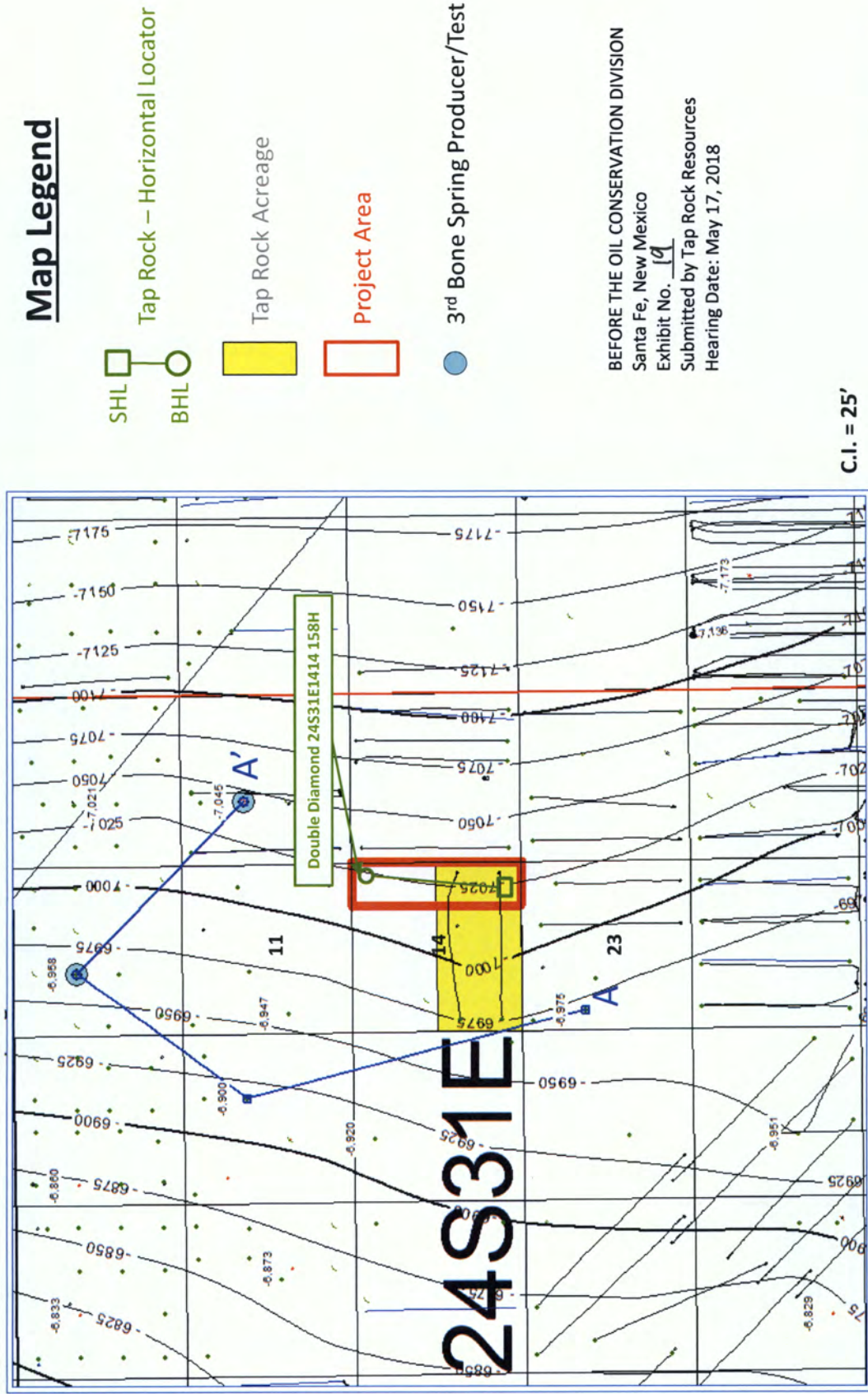
C.I. = 25'

Double Diamond 24S31E1414 238H

Double Diamond 24S31E1414 238H
Surface Hole: 305' FSL & 860' FEL of sec 14-24S-31E
Bottom Hole: 200' FNL & 330' FEL of sec 14-24S-31E



Subsea Structure Map (3rd Bone Spring Carbonate)

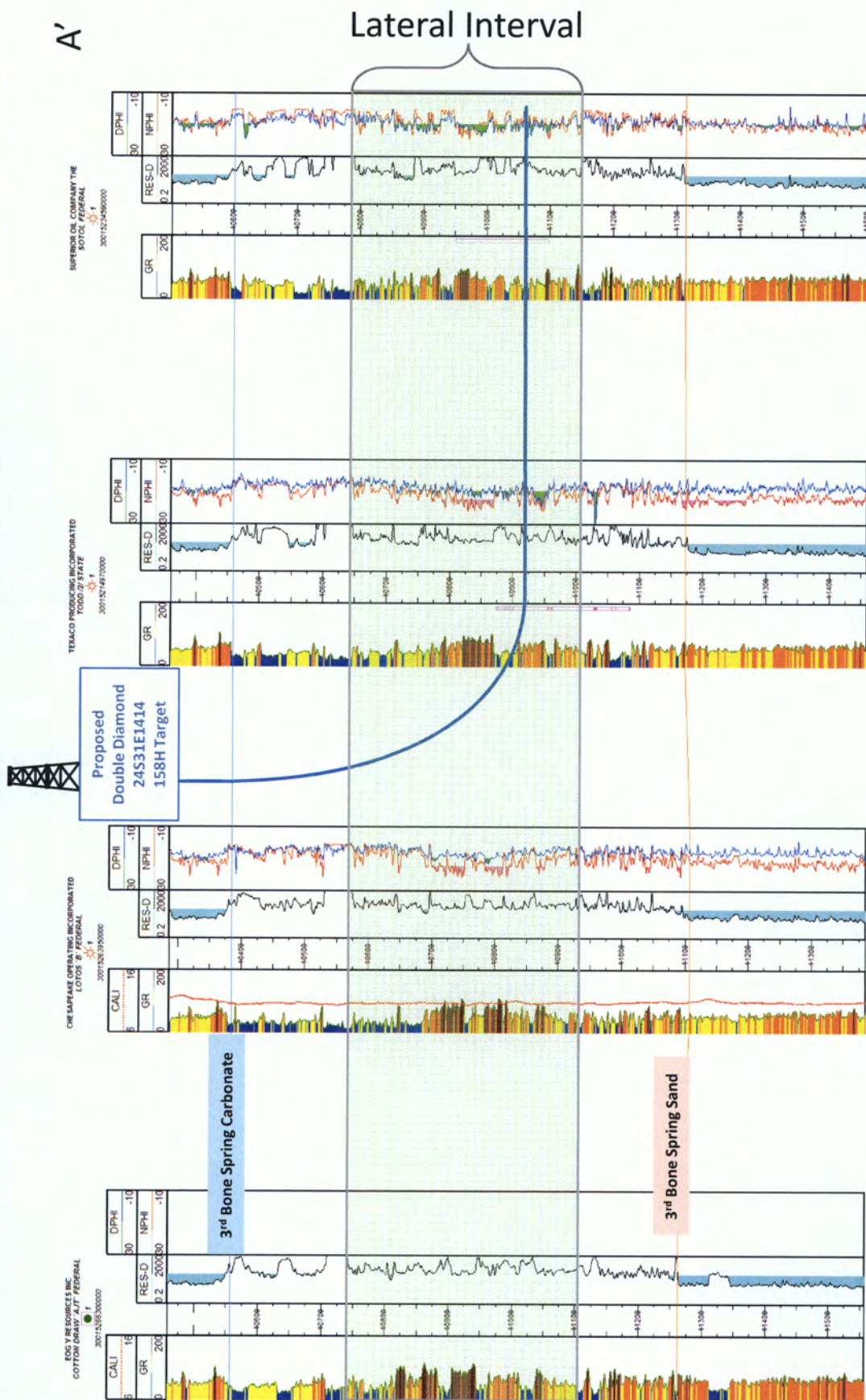


TAP
ROCK

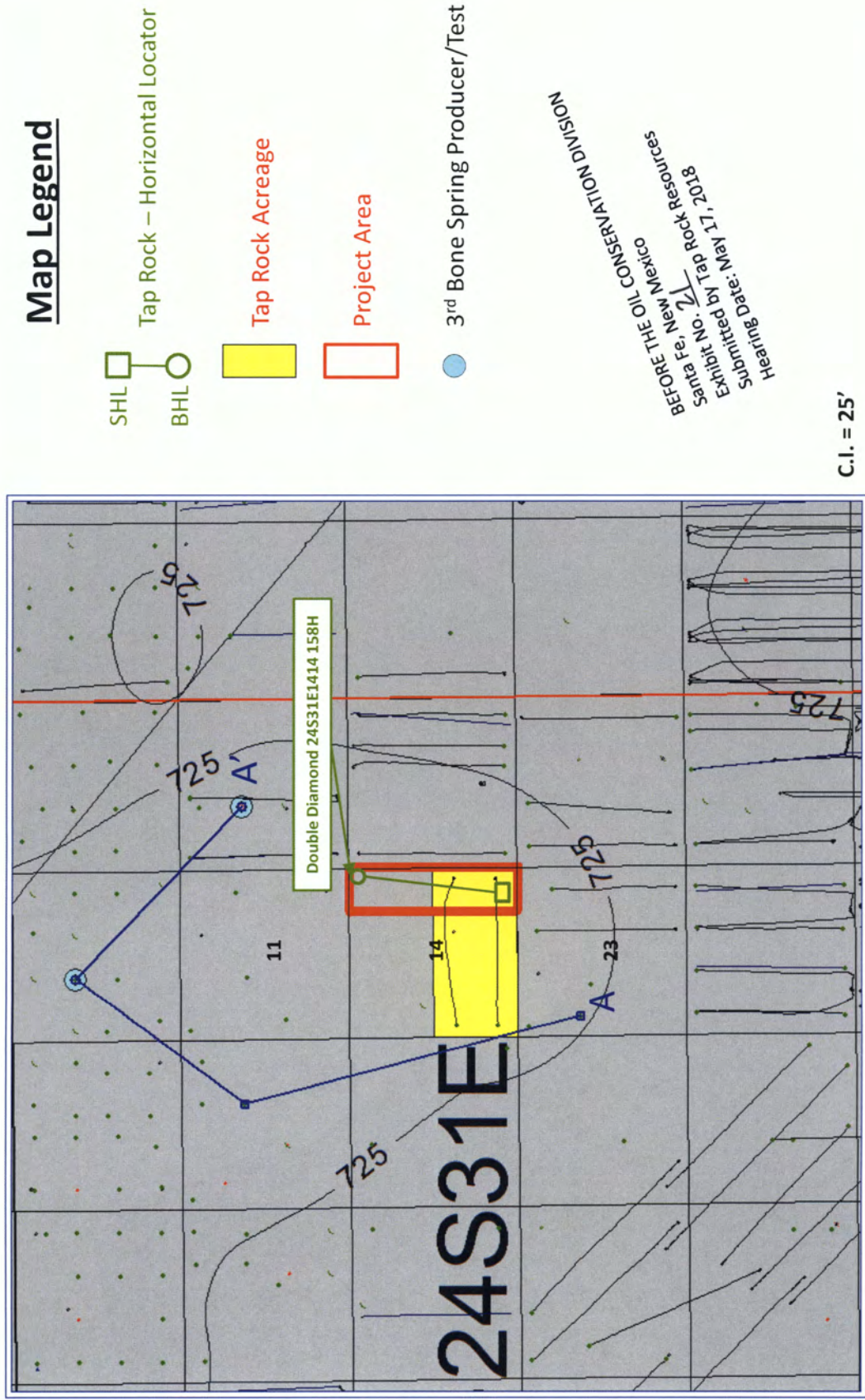
Double Diamond 24S31E1414 158H

Case No. 16160

Stratigraphic Cross-Section – A-A'

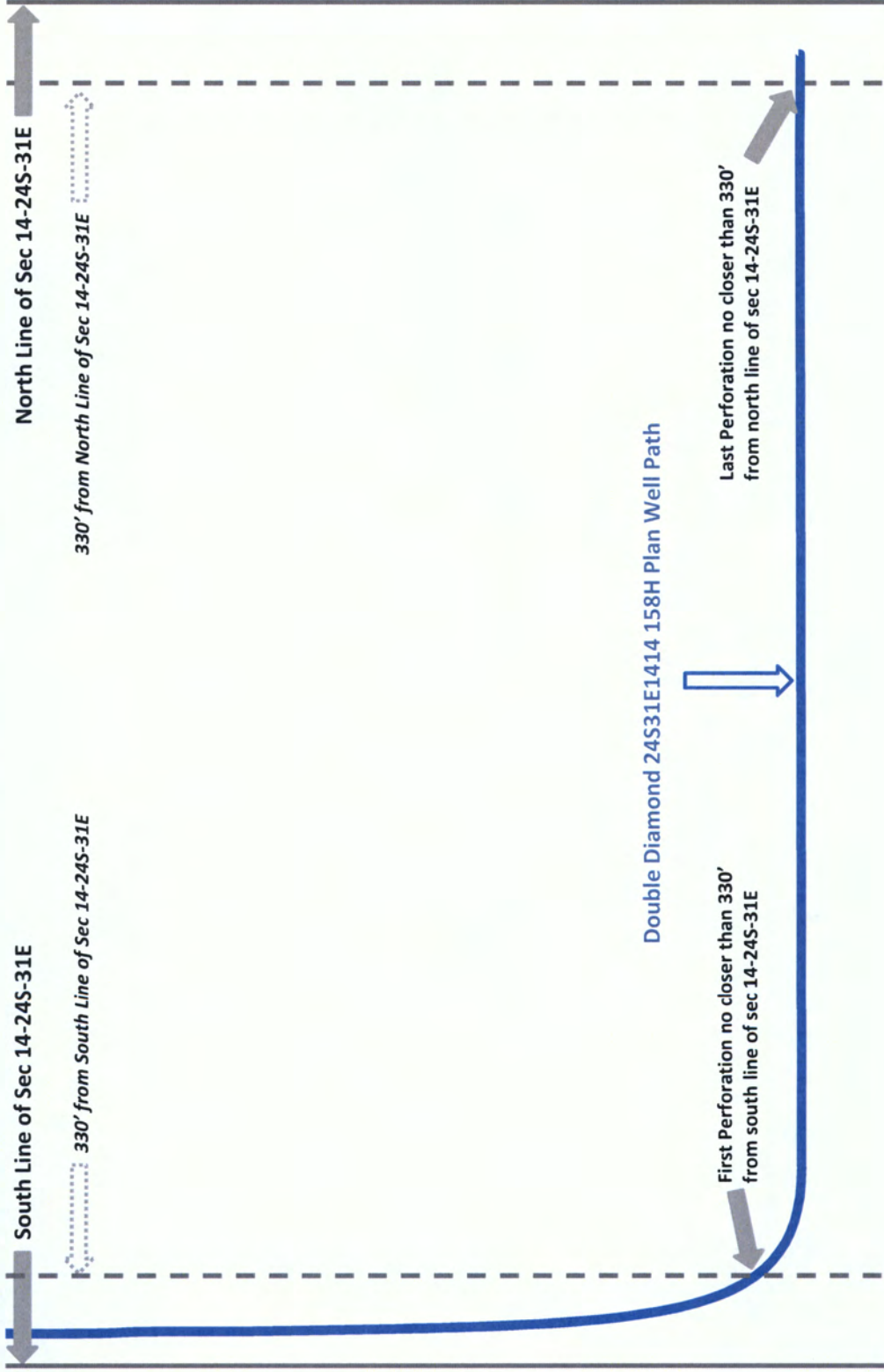


Isopach Map (3rd Bone Spring Carbonate to 3rd Bone Spring Sand)

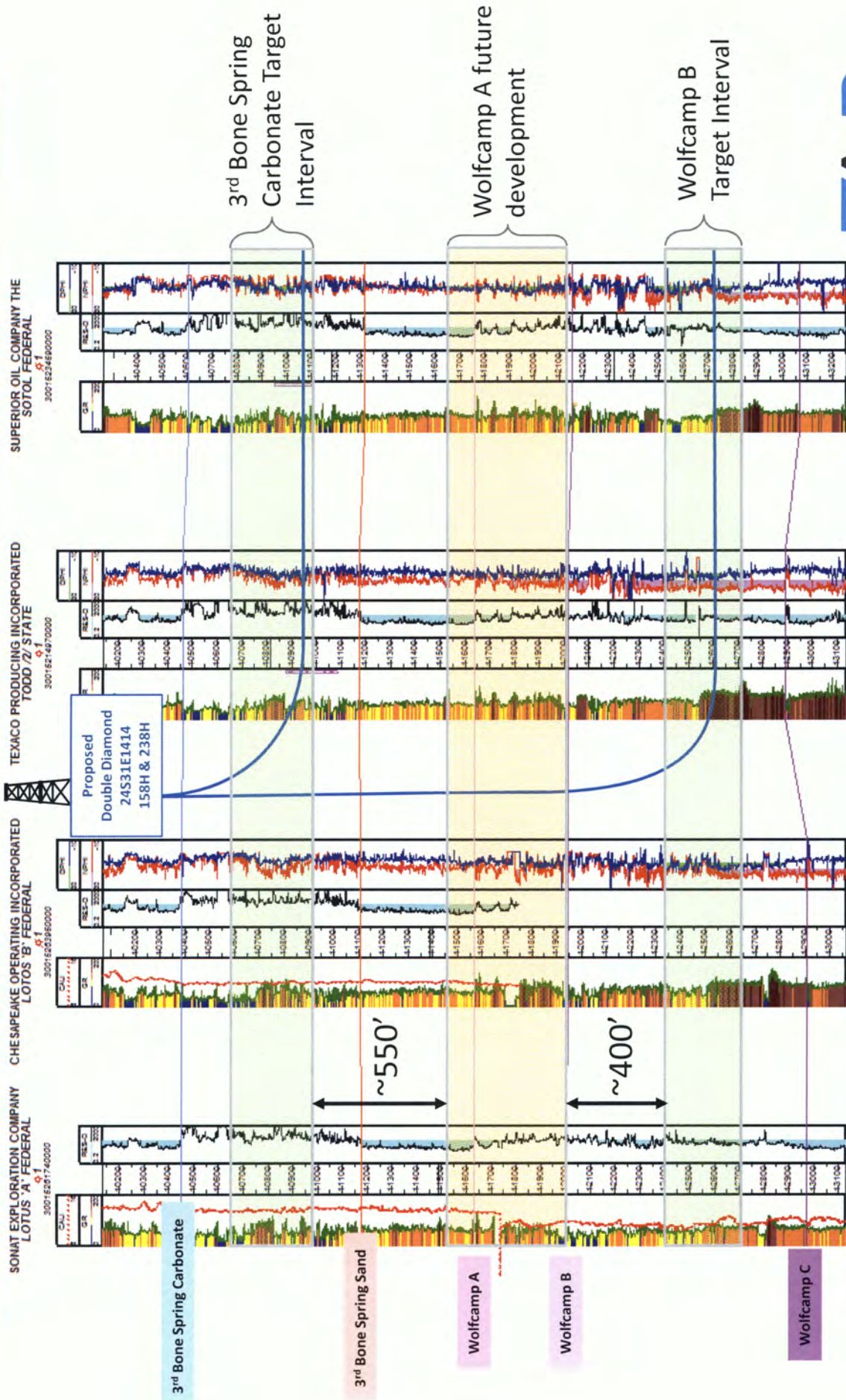


Double Diamond 24S31E1414 158H

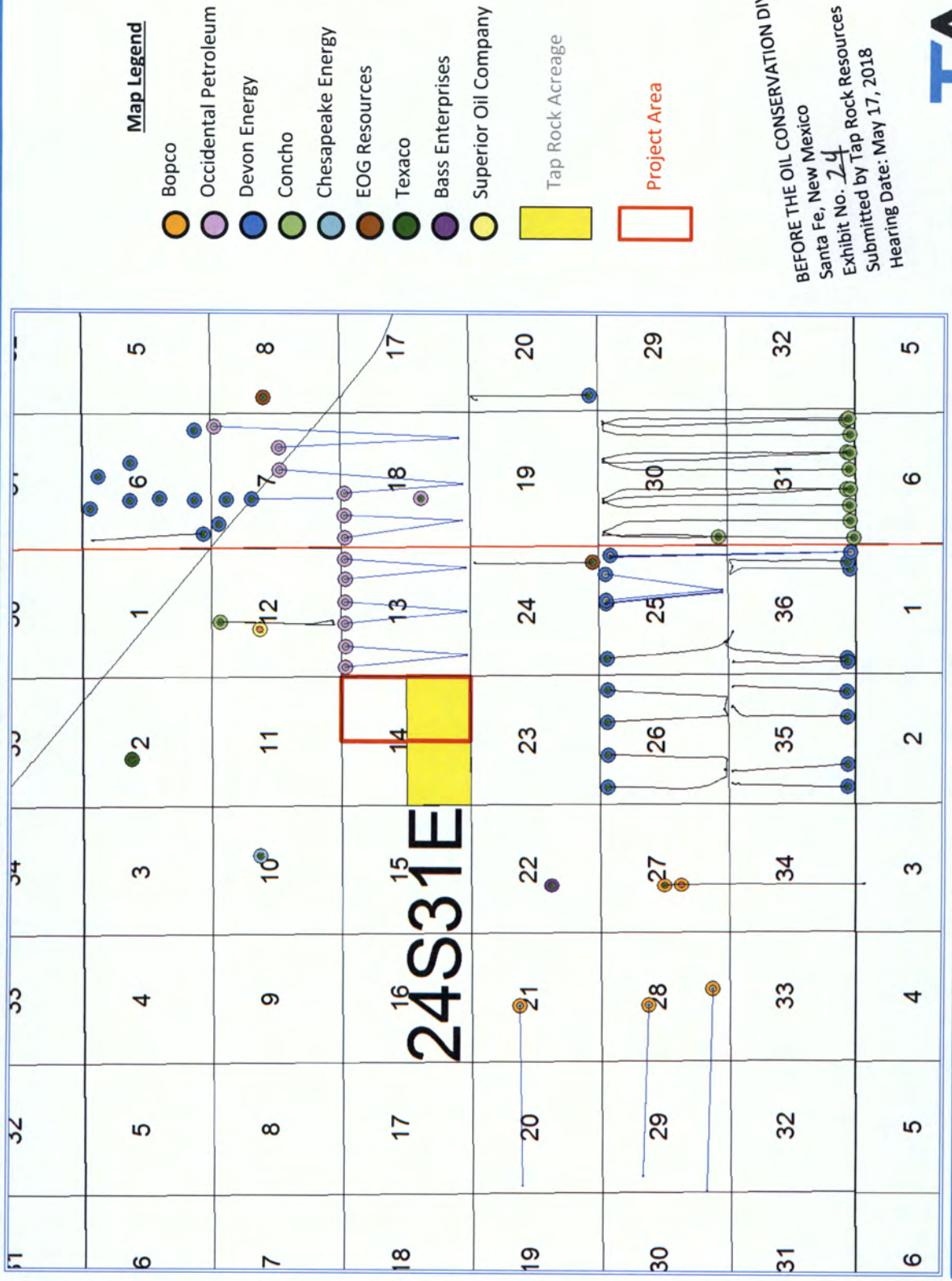
Double Diamond 24S31E1414 158H
Surface Hole: 305' FSL & 935' FEL of sec 14-24S-31E
Bottom Hole: 200' FNL & 330' FEL of sec 14-24S-31E



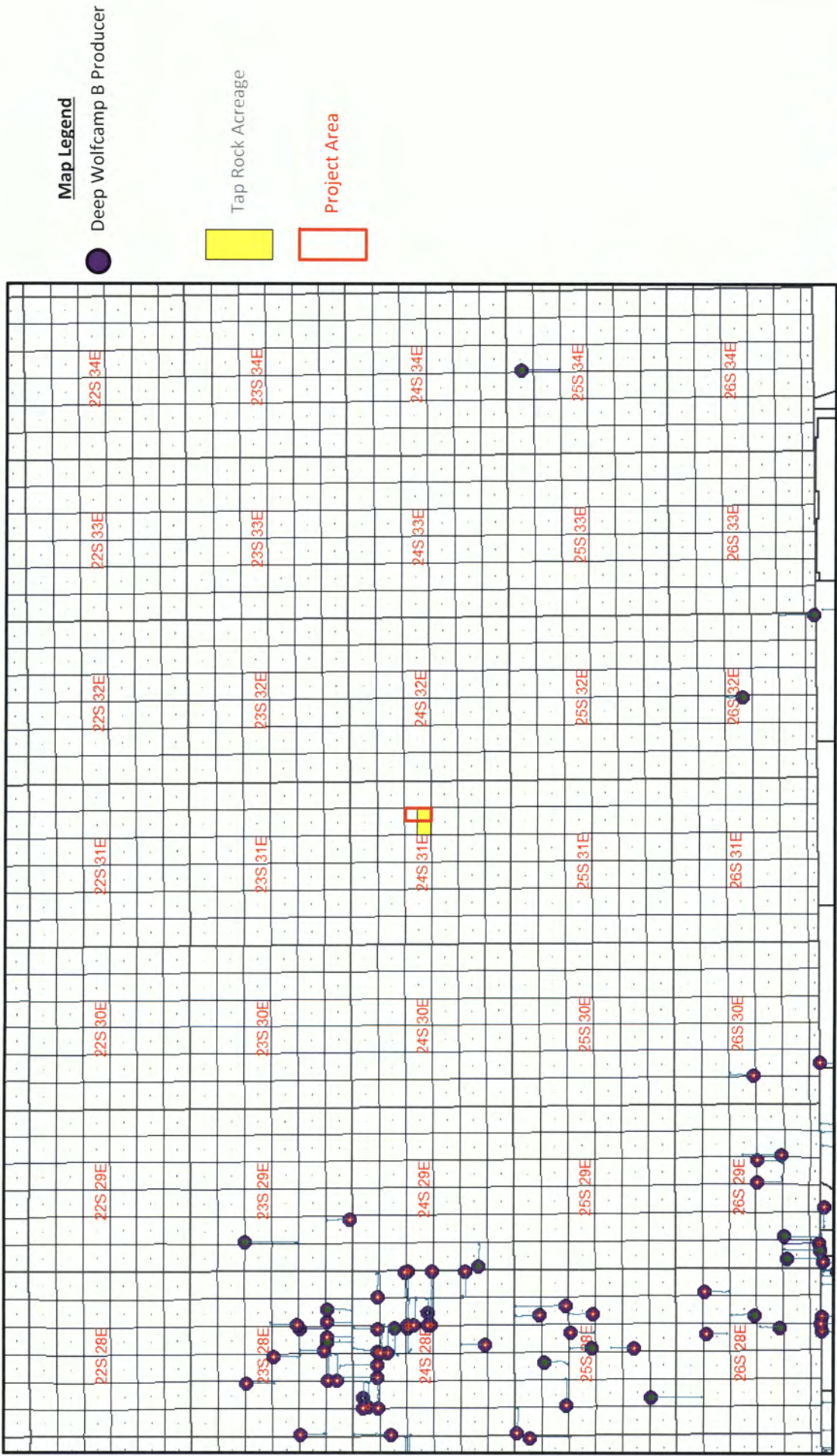
Vertical Reservoir Profile



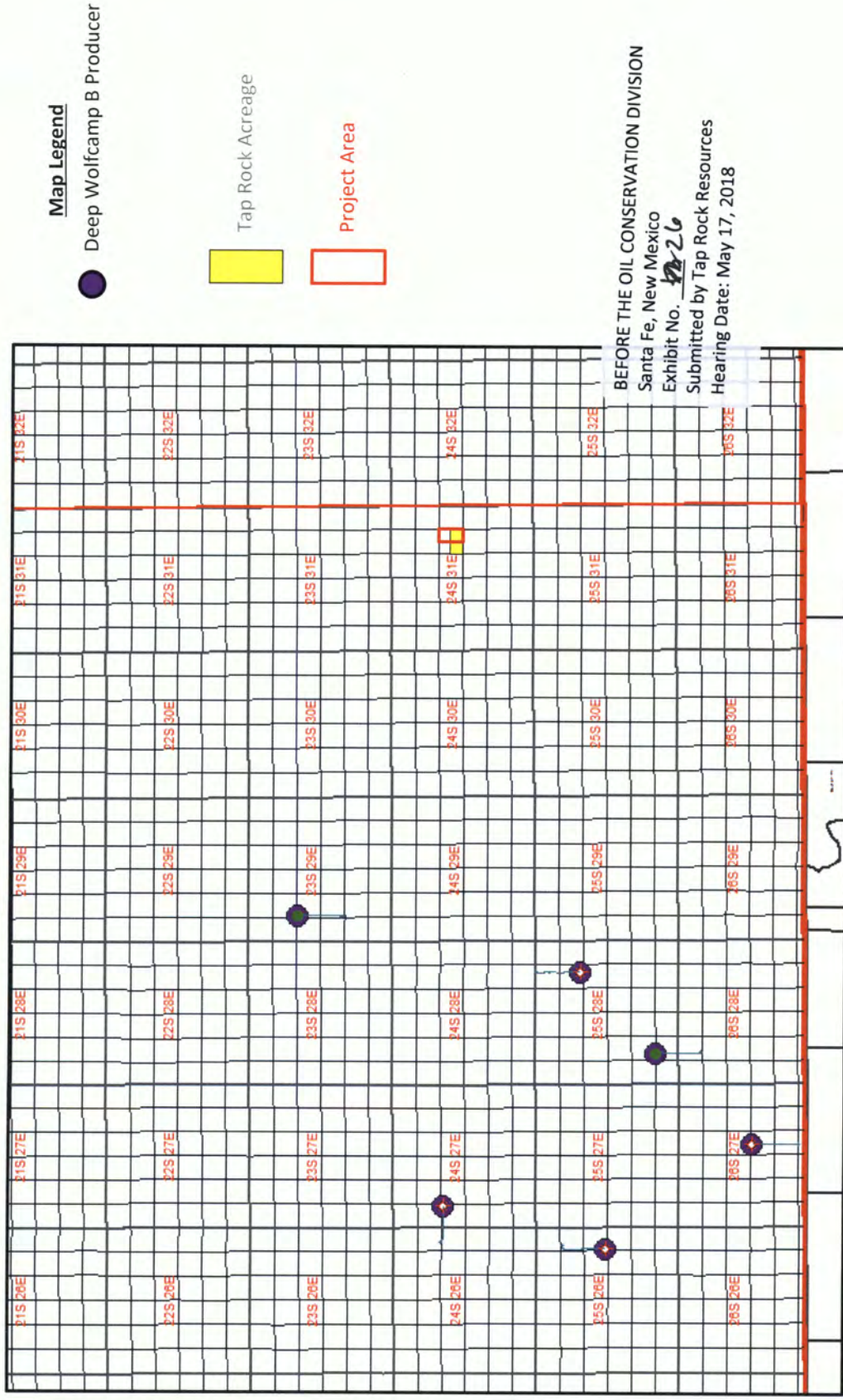
Operator Activity Targeting Bone Springs and Wolfcamp



Wolfcamp B Producers



Wolfcamp B Producers with 1.5 mile laterals or greater





Chris Cooper
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Tel 713.372.6778
Email ChrisCooper@chevron.com

MAR 19 2018

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 12, 2018

Tap Rock Resources
602 Park Point Drive
Suite 200
Golden, Colorado 80401

Douglas Cameron McLeod
600 Grant Street, Suite 850
Denver, Colorado 80203

RE: Proposal To Drill
SND 11 14 FED COM 004 4H
SND 11 14 FED COM 004 5H
SND 11 14 FED COM 004 6H
S/2 Section 11, Township 24 South, Range 31 East
Section 14, Township 24 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. **27**
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

Dear Working Interest Owner:

Chevron U.S.A. Inc. ("Chevron") hereby proposes to drill the above-mentioned wells with the surface hole locations, bottom hole locations, and depths as shown in the attached spreadsheet. Chevron will develop this area by pad drilling.

The wells are proposed to drill vertically to a depth of approximately 9,100' and horizontally in a southern direction within the Avalon formation to the referenced bottom hole location. Total measured depth of the wells is proposed to be approximately 15,900' from surface to terminus. Please note that compliance with topography, cultural, and/or environmental concerns, among others, may require modifications to Chevron's intended procedure and/or location.

Enclosed for your review and execution are detailed AFEs for each well, in duplicate, reflecting estimated costs associated with this proposal. If you intend to participate, please execute in the appropriate box on each AFE, for each individual well, and return to the undersigned within 30 days of receipt of this proposal. A governing Operating Agreement for these wells will be sent to you shortly.

Due to lease retention requirements, Chevron will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division after 30 days of your receipt of this letter. This will allow Chevron to move forward with planning and drilling the subject well(s) while allowing time to properly execute a JOA amongst the parties and meet its lease retention obligations.

Please note that Chevron is open to discuss possible trades, assignments, etc. of your working interest in the subject acreage. Should you be interested or have any questions, please feel free to contact me at the information listed above.

SND 12 11170-00000000		State: New Mexico	County: Eddy																																																																																																																																																																																																																																																																																																																																																																																																																																											
		Township/Range: 24S-91E	Section: 11/14																																																																																																																																																																																																																																																																																																																																																																																																																																											
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<td></td> <td>Battery Equipment</td> <td></td> <td></td> <td>33,340</td> </tr> <tr> <td></td> <td></td> <td>Frac Pond Equipment</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Compressor Station Equipment</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>Electrical, Pipelines, Roads, Well Connect</td> <td></td> <td></td> <td>750,000</td> </tr> <tr> <td colspan="6">Intangibles</td> </tr> <tr> <td></td> <td>00000000</td> <td>Company Drilling Equipment</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>74400001</td> <td>Rig Work</td> <td>733,785</td> <td></td> <td></td> </tr> <tr> <td></td> <td>66010100</td> <td>Company Labor</td> <td>211,733</td> <td>105,000</td> <td></td> </tr> <tr> <td></td> <td>70000300</td> <td>Contract Project Supervision</td> <td>36,418</td> <td>60,000</td> <td></td> </tr> <tr> <td></td> <td>71290100</td> <td>Fuel Diesel</td> <td>130,089</td> <td>790,000</td> <td></td> </tr> <tr> <td></td> <td>71290300</td> 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<td></td> </tr> <tr> <td></td> <td>71900120</td> <td>Engineering Services (Not Drilling)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>71900500</td> <td>Materials, Supply, Repair Parts</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>73200200</td> <td>Marine Transportation - Allocated</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>73400300</td> <td>Other Land Transportation Services - Not Rail</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>73400400</td> <td>ATC - Air Transportation</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>74200300</td> <td>Solid Waste Disposal</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>74200600</td> <td>Waste Water Disposal</td> <td></td> <td>80,000</td> <td></td> </tr> <tr> <td></td> <td>74400001</td> <td>WCR - Rig Daywork</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>74400006</td> <td>WCR - Directional Survey And Service Costs</td> <td></td> <td></td> <td></td> </tr> 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Inc.</td> <td>320</td> <td>66.66666670%</td> <td>\$7,075,633</td> </tr> <tr> <td colspan="2">Tap Rock Resources</td> <td>160</td> <td>33.33333330%</td> <td>\$3,537,817</td> </tr> <tr> <td colspan="5">100.00000000%</td> </tr> <tr> <td colspan="2">Approved (Print Name)</td> <td colspan="3">Approved (Signature)</td> </tr> <tr> <td colspan="2"></td> <td colspan="3"></td> </tr> <tr> <td colspan="2"></td> <td colspan="3">Date</td> </tr> </tbody> </table>					Code	Cost Method	Unit	Completion	Amount	Tangibles							71900021	Casing (tangible)	675,000				71900110	Wellheads (tangible)	47,000	10,500			71500100	Surface Lifting Equipment And Materials					71900020	WCR - Well Pipe - Tubing Under 2" OD					71900021	WCR - Well Pipe - Tubing 2" OD and Over		50,000			71900022	WCR - Well Pipe Casing					71900100	Well Equipment And Materials		260,000				Battery Equipment			33,340			Frac Pond Equipment						Compressor Station Equipment						Electrical, Pipelines, Roads, Well Connect			750,000	Intangibles							00000000	Company Drilling Equipment					74400001	Rig Work	733,785				66010100	Company Labor	211,733	105,000			70000300	Contract Project Supervision	36,418	60,000			71290100	Fuel Diesel	130,089	790,000			71290300	Utilities / Potable Water	3,388	1,140,925			71900100	Well Equipment & Materials					71900500	Materials, Parts, & Supply	7,500				72300100	Surface Equipment Rentals	300,000	620,000			72300200	Well Service Equipment Rentals	175,000	47,500			73400300	Transportation Services, Land & Marine	50,000				73400500	Transportation Air					74200300	Solid Waste Disposal	158,987				74400004	Drilling Fluids	135,500	550,000			74400006	Directional Survey & Services					74400007	Drill-Pipe Rental & Bits	175,000				74400009	Coil Tubing		250,000			74400010	Stimulation / Gravel Pack Material		1,137,285			74400011	Pumping Services					74400014	Perforating					74400015	Slickline Services					74400017	Coring					74400018	Testing					74400019	Logging Wireline					74400020	Logging While Drilling (LWD)					74400021	Logging Mud	17,500				74400024	Cementing	190,000				74400025	Fishing Services & Tools					74500021	Sitework / Locations	30,000				74500023	Mobilization	12,000				74500200	Tech Services, Affiliates, & 3rd Party					75100500	HES, Permits, & Fees					76150600	Communications Telephone					71400100	Chemicals and Treating Agents					71900120	Engineering Services (Not Drilling)					71900500	Materials, Supply, Repair Parts					73200200	Marine Transportation - Allocated					73400300	Other Land Transportation Services - Not Rail					73400400	ATC - Air Transportation					74200300	Solid Waste Disposal					74200600	Waste Water Disposal		80,000			74400001	WCR - Rig Daywork					74400006	WCR - Directional Survey And Service Costs					74400010	Stim/Gravel Pack Service (Not Materials)					74400011	WCR - Pumping Services		1,210,000			74400013	WCR - Equipment Lost In Hole					74400014	WCR - Perforating & Electric Line Services		430,000		<table border="1"> <thead> <tr> <th></th> <th>Tangibles</th> <th>Intangibles</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Subtotal</td> <td>\$1,825,840</td> <td>\$8,787,610</td> <td>\$10,613,450</td> </tr> <tr> <td>G&A</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>Total Cost</td> <td>\$1,825,840</td> <td>\$8,787,610</td> <td>\$10,613,450</td> </tr> <tr> <td>G&A Percentage:</td> <td>0.00</td> <td></td> <td></td> </tr> </tbody> </table>							Tangibles	Intangibles	Total	Subtotal	\$1,825,840	\$8,787,610	\$10,613,450	G&A	0.0	0.0	0.0	Total Cost	\$1,825,840	\$8,787,610	\$10,613,450	G&A Percentage:	0.00			Participation & Authorization		Net Acres	Share	Amount	Chevron U.S.A. 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	74400001	Rig Work	733,785																																																																																																																																																																																																																																																																																																																																																																																																																																													
	66010100	Company Labor	211,739	105,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
	70000300	Contract Project Supervision	36,418	60,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
	71290100	Fuel Diesel	130,089	790,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
	71290300	Utilities / Potable Water	3,388	1,140,925																																																																																																																																																																																																																																																																																																																																																																																																																																												
	71900100	Well Equipment & Materials																																																																																																																																																																																																																																																																																																																																																																																																																																														
	71900500	Materials, Parts, & Supply	7,500																																																																																																																																																																																																																																																																																																																																																																																																																																													
	72300100	Surface Equipment Rentals	300,000	620,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
	72300200	Well Service Equipment Rentals	175,000	47,500																																																																																																																																																																																																																																																																																																																																																																																																																																												
	73400300	Transportation Services, Land & Marine	50,000																																																																																																																																																																																																																																																																																																																																																																																																																																													
	73400500	Transportation Air																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74200300	Solid Waste Disposal	158,987																																																																																																																																																																																																																																																																																																																																																																																																																																													
	74400004	Drilling Fluids	135,500	550,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
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	74400007	Drill-Pipe Rental & Bits	175,000																																																																																																																																																																																																																																																																																																																																																																																																																																													
	74400009	Coil Tubing		250,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
	74400010	Stimulation / Gravel Pack Material		1,137,285																																																																																																																																																																																																																																																																																																																																																																																																																																												
	74400011	Pumping Services																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400014	Perforating																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400015	Slickline Services																																																																																																																																																																																																																																																																																																																																																																																																																																														
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	74400018	Testing																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400019	Logging Wireline																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400020	Logging While Drilling (LWD)																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400021	Logging Mud	17,500																																																																																																																																																																																																																																																																																																																																																																																																																																													
	74400024	Cementing	190,000																																																																																																																																																																																																																																																																																																																																																																																																																																													
	74400025	Fishing Services & Tools																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74500021	Sitework / Locations	30,000																																																																																																																																																																																																																																																																																																																																																																																																																																													
	74500023	Mobilization	12,000																																																																																																																																																																																																																																																																																																																																																																																																																																													
	74500200	Tech Services, Affiliates, & 3rd Party																																																																																																																																																																																																																																																																																																																																																																																																																																														
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	76150600	Communications Telephone																																																																																																																																																																																																																																																																																																																																																																																																																																														
	71400100	Chemicals and Treating Agents																																																																																																																																																																																																																																																																																																																																																																																																																																														
	71900120	Engineering Services (Not Drilling)																																																																																																																																																																																																																																																																																																																																																																																																																																														
	71900500	Materials, Supply, Repair Parts																																																																																																																																																																																																																																																																																																																																																																																																																																														
	73200200	Marine Transportation - Allocated																																																																																																																																																																																																																																																																																																																																																																																																																																														
	73400300	Other Land Transportation Services - Not Rail																																																																																																																																																																																																																																																																																																																																																																																																																																														
	73400400	ATC - Air Transportation																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74200300	Solid Waste Disposal																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74200600	Waste Water Disposal		80,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
	74400001	WCR - Rig Daywork																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400006	WCR - Directional Survey And Service Costs																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400010	Stim/Gravel Pack Service (Not Materials)																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400011	WCR - Pumping Services		1,210,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
	74400013	WCR - Equipment Lost In Hole																																																																																																																																																																																																																																																																																																																																																																																																																																														
	74400014	WCR - Perforating & Electric Line Services		430,000																																																																																																																																																																																																																																																																																																																																																																																																																																												
<table border="1"> <thead> <tr> <th></th> <th>Tangible</th> <th>Intangible</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>Subtotal</td> <td>\$1,825,840</td> <td>\$8,787,610</td> <td>\$10,613,450</td> </tr> <tr> <td>G&A</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>Total Cost</td> <td>\$1,825,840</td> <td>\$8,787,610</td> <td>\$10,613,450</td> </tr> <tr> <td>G&A Percentage:</td> <td>0.00</td> <td></td> <td></td> </tr> </tbody> </table>							Tangible	Intangible	Other	Subtotal	\$1,825,840	\$8,787,610	\$10,613,450	G&A	0.0	0.0	0.0	Total Cost	\$1,825,840	\$8,787,610	\$10,613,450	G&A Percentage:	0.00																																																																																																																																																																																																																																																																																																																																																																																																																									
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SNE 11 19 110 COM 000 6H

State: New Mexico
Township/Range: 24S-31ECounty: Eddy
Section: 11/14

Project Time

RPT Time

Cost Breakdown

Project Cost \$10,613,450

	Cost	Cost Element	Drilling	Completion	Facilities
Tangibles					
71900021	Casing (tangible)	675,000			
71900110	Wellheads (tangible)	47,000		10,500	
71500100	Surface Lifting Equipment And Materials				
71900020	WCR - Well Pipe - Tubing Under 2" OD				
71900021	WCR - Well Pipe - Tubing 2" OD and Over			50,000	
71900022	WCR - Well Pipe Casing				
71900100	Well Equipment And Materials			260,000	
	Battery Equipment				33,340
	Frac Pond Equipment				
	Compressor Station Equipment				
	Electrical, Pipelines, Roads, Well Connect				750,000
Intangibles					
00000000	Company Drilling Equipment				
74400001	Rig Work	733,785			
66010100	Company Labor	211,733		105,000	
70000300	Contract Project Supervision	35,418		60,000	
71290100	Fuel Diesel	130,089		790,000	
71290300	Utilities / Potable Water	3,388		1,140,925	
71900100	Well Equipment & Materials				
71900500	Materials, Parts, & Supply	7,500			
72300100	Surface Equipment Rentals	300,000		620,000	
72300200	Well Service Equipment Rentals	175,000		47,500	
73400300	Transportation Services, Land & Marine	50,000			
73400500	Transportation Air				
74200300	Solid Waste Disposal	158,987			
74400004	Drilling Fluids	135,500		550,000	
74400006	Directional Survey & Services				
74400007	Drill-Pipe Rental & Bits	175,000			
74400009	Coil Tubing			250,000	
74400010	Stimulation / Gravel Pack Material			1,137,285	
74400011	Pumping Services				
74400014	Perforating				
74400015	Slickline Services				
74400017	Coring				
74400018	Testing				
74400019	Logging Wireline				
74400020	Logging While Drilling (LWD)				
74400021	Logging Mud	17,500			
74400024	Cementing	190,000			
74400025	Fishing Services & Tools				
74500021	Sitework / Locations	30,000			
74500023	Mobilization	12,000			
74500200	Tech Services, Affiliates, & 3rd Party				
75100500	HES, Permits, & Fees				
76150600	Communications Telephone				
71400100	Chemicals and Treating Agents				
71900120	Engineering Services (Not Drilling)				
71900500	Materials, Supply, Repair Parts				
73200200	Marine Transportation - Allocated				
73400300	Other Land Transportation Services - Not Rail				
73400400	ATC - Air Transportation				
74200300	Solid Waste Disposal				
74200600	Waste Water Disposal			80,000	
74400001	WCR - Rig Daywork				
74400006	WCR - Directional Survey And Service Costs				
74400010	Stim/Gravel Pack Service (Not Materials)				
74400011	WCR - Pumping Services			1,210,000	
74400013	WCR - Equipment Lost In Hole				
74400014	WCR - Perforating & Electric Line Services			430,000	

	Tangible	Intangible	Total
Subtotal	\$1,825,840	\$9,787,610	\$10,613,450
G&A	0.0	0.0	0.0
Total Cost	\$1,825,840	\$9,787,610	\$10,613,450
G&A Percentage:	0.00		
Participation & Authorization	Net Acres	Share	Amount
Chevron U.S.A. Inc.	320	66.666666670%	\$7,075,633
Tap Rock Resources	160	33.333333330%	\$3,537,817
		100.000000000%	
Approved (Print Name)	Approved (Signature)		
	Date		

Well Name/Number	Surface Hole Location (All TZAS R31E)	Bottom Hole Location (All TZAS R31E)	True Vertical Depth (Feet)	Total Measured Depth (Feet)
SND 11 14 FED COM 004 4H	Section 11, 2360 FNL, 825 FEL	Section 14, 180 FSL, 330 FEL	11970	18770
SND 11 14 FED COM 004 5H	Section 11, 2360 FNL, 850 FEL	Section 14, 180 FSL, 1254 FEL	11860	18660
SND 11 14 FED COM 004 6H	Section 11, 2360 FNL, 875, FEL	Section 14, 180 FSL, 2178 FEL	11950	18750

usa0435@fedex.com

From: Erica Hixson <ehixson@taprk.com>
Sent: Thursday, May 17, 2018 12:39 PM
To: usa0435@fedex.com
Subject: Fwd: FW: Well Proposals - Haracz 23 Federal Com Wells: S/2 Sec. 14 & All Sec. 23-T24S-R31E, Eddy County, NM
Attachments: WP - Haracz 23 Fed Com Wells - Courtesy Copy.pdf

----- Forwarded message -----

From: Clayton Sporich <csporich@taprk.com>
Date: May 17, 2018 12:30 PM
Subject: FW: Well Proposals - Haracz 23 Federal Com Wells: S/2 Sec. 14 & All Sec. 23-T24S-R31E, Eddy County, NM
To: Erica Hixson <ehixson@taprk.com>
Cc:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 12-28
Submitted by Tap Rock Resources
Hearing Date: May 17, 2018

From: Charles Moran [mailto:Charles_Moran@eogresources.com]
Sent: Friday, May 11, 2018 12:26 PM
To: Clayton Sporich <csporich@taprk.com>
Subject: Well Proposals - Haracz 23 Federal Com Wells: S/2 Sec. 14 & All Sec. 23-T24S-R31E, Eddy County, NM

Clayton: As you are aware, EOG has its own plans for the development of the S/2 Sec. 14 & All Sec. 23-T24S-R31E, Eddy County, NM. EOG is providing Tap Rock courtesy copies of EOG's AFEs sent to working interest owners prior to the upcoming hearings. I have not sent well proposals to Tap Rock because I am unable to find where you have an interest and you have not provided me any documentation to support Tap Rock owning an interest.

EOG is in opposition to Tap Rocks current force pooling plans. The attached AFE's are for the following wells:

Well Name	Tw	Rng	Sec SHL	Sec BHL	SHL	BHL	Proje
Haracz 23 Fed Com #201H	T24S	R-31E	23	14	220 FSL & 600 FWL	230 FNL & 360 FWL	Sec. 2
Haracz 23 Fed Com #204H	T24S	R-31E	23	14	220 FSL & 1875 FWL	230 FNL & 1875 FWL	Sec. 2
Haracz 23 Fed Com #207H	T24S	R-31E	23	14	220 FSL & 1875 FEL	230 FNL & 1875 FEL	Sec. 2
Haracz 23 Fed Com #209H	T24S	R-31E	23	14	220 FSL & 633 FEL	230 FNL & 865 FEL	Sec. 2
Haracz 23 Fed Com #602H	T24S	R-31E	23	14	280 FSL & 2001 FWL	230 FNL & 2125 FWL	Sec. 2
Haracz 23 Fed Com #603H	T24S	R-31E	23	14	280 FSL & 2001 FWL	230 FNL & 2125 FEL	Sec. 2
Haracz 23 Fed Com #611H	T24S	R-31E	23	14	280 FSL & 726 FWL	230 FNL & 615 FWL	Sec. 2
Haracz 23 Fed Com #615H	T24S	R-31E	23	14	220 FSL & 376 FEL	230 FNL & 615 FEL	Sec. 2
Haracz 23 Fed Com #711H	T24S	R-31E	23	14	280 FSL & 693 FWL	230 FNL & 610 FWL	Sec. 2
Haracz 23 Fed Com #715H	T24S	R-31E	23	14	220 FSL & 343 FEL	230 FNL & 610 FEL	Sec. 2

If you would like to discuss ahead of time please do not hesitate to contact me. I look forward to working with you to resolve this matter.

Chuck Moran
EOG Resources, Inc. - Midland Division
432-686-3684

From: Clayton Sporich [mailto:csporich@taprk.com]
Sent: Monday, May 07, 2018 12:50 PM
To: Charles Moran <Charles_Moran@eogresources.com>
Subject: Tap Rock's Application - Sec. 14, T24S-R31E, Eddy County, NM

**** External email. Use caution.****

Chuck,

Thank you again for your assistance on Tap Rock's rig visit last week.

I understand from our conversation last week that EOG plans to contest Tap Rock's pending applications at the Division based on its own competing development plan for Section 14, Township 24 South, Range 31 East (the "Section"). As discussed, Tap Rock has not received a development proposal from EOG to date. Further, EOG does not own any interest in Tap Rock's initial development plan for the Section—all wells will be drilled and completed at depths below 10,000'. By contrast, Tap Rock has expended a tremendous amount of time and resources to develop the Section and has a vested interest in timely development.

Accordingly, please provide the following to Tap Rock no later than May 11th in anticipation of the hearing:

1. Well proposals, if any, for the Section including estimated costs and an operating agreement ("EOG Proposal(s)");
2. Drilling schedules, including spud date, drilling and completion schedules and approximate dates of first production for EOG Proposal;
3. Status of APDs for the EOG Proposal, including filing dates and on-site reviews;
4. Proposed completion design for EOG Proposal, including, but not limited to: design type, frac stages, proppant pounds per foot and water in barrels per foot;
5. Alternative deal structures for the Section; and
6. Production facility and marking plans for EOG Proposal.

Because of the depth severed ownership in the Section, we believe that there is a way that our two companies can work together for optimal development. Please contact me if you wish to discuss further.

Thank you,

Clayton Sporich
Vice President – Land & Legal
Direct: (720) 772-5093
Cell: (214) 707-7073
csporich@taprk.com





MIDLAND Printed:04/12/2018

AFE No.	CE11071	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)		(ACP)
EOG AFE Amt:	(Drig)	\$2,537,500
	(Land)	\$88,500
	(Completion)	\$3,432,000
	(Facility)	\$435,500
	(Flowback)	\$206,500
	Total Cost	\$6,700,000

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	Haracz 23 Fed Com #201H D&C	AFE Date :	4/12/2018	Budget Year :	2018
Reg. Lease No. :		Prospect Name :	RED HILLS NORTH	TVD / MD :	9100 / 16700	Begin Date :	
Location :	Section 23-T24S-R31E, 220 FSL & 600 FWL.			BHLocation :	BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 360 FWL.		
Formation :	Leonard B			DD&A Field :			
Operator :	EOG RESOURCES INC	County & State :	EDDY / NM	Field :	UNASSIGNED	Water Depth :	
AFE Description :	Haracz 23 Fed Com #201H D&C 9,100' TVD TO 16,700' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE LEONARD B FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.			Product :	OIL	Days :	0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	67,000	0	5,000	0	0	72,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	7,500	7,500
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	180,000	0	0	0	0	180,000
FOOTAGE COST	403	0	0	0	0	0	0
DAY WORK COST	404	382,500	0	0	0	0	382,500
BITS & BHA	405	100,000	0	0	0	0	100,000
COMP-BITS & PHA	405	0	0	10,000	0	0	10,000
COMP - FUEL	406	0	0	200,000	0	2,500	202,500
FUEL	406	86,000	0	0	0	0	86,000
WATER	407	18,000	0	450,000	0	0	468,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	275,000	0	0	0	0	275,000
CEMENTING & SERVICE	409	180,000	0	0	0	0	180,000
COMP- PERFORATING	413	0	0	225,000	0	0	225,000
COMP- STIMULATION	414	0	0	1,900,000	0	0	1,900,000
COMP-TRANSPORTATION	415	0	0	20,000	0	4,000	24,000
TRANSPORTATION	415	36,000	0	0	0	0	36,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	110,000	0	0	110,000
FLBK-EQUIPMENT	417	135,000	0	0	3,000	25,000	163,000
RENT/OPERATIONS	418	0	0	20,000	0	0	20,000
COMP-COMPLETION RIG	419	10,000	0	0	0	0	10,000
OTHER DRILLING EXPENSE	421	0	0	25,000	0	7,500	32,500
COMP-ENVIRON & SAFETY CHARGES	421	15,000	0	0	0	0	15,000
ENVIRONMENTAL & SAFETY	422	225,000	0	0	0	0	225,000
DIRECTIONAL DRILLING	424	0	0	90,000	0	0	90,000
COMP- SUPERVISION	424	100,000	0	0	0	0	100,000
SUPERVISION	431	0	0	3,500	0	0	3,500
COMP- COMMUNICATIONS	436	15,000	0	0	0	0	15,000
TUBULAR INSPECTION/HANDLING	438	0	0	3,500	0	0	3,500
COMP-CASED HOLE LOGGING/TEST	441	75,000	0	0	0	0	75,000
SPECIALTY SERVICES	442	0	0	7,000	0	0	7,000
COMP-WIRELINE SERVICES	445	0	0	140,000	0	0	140,000
COMP-COIL TUBING/NITROGEN	446	0	0	17,000	0	0	17,000
COMP-CONTRACT LABOR MISC	447	110,000	0	17,000	0	90,000	217,000
FLBK-DISPOSAL COSTS	448	0	0	10,000	0	0	10,000
COMP-COMPLETION FLUIDS	453	0	7,500	0	0	0	7,500
TITLE OPINION-DRILL SITE	465	0	0	50,000	0	57,000	107,000
COMP-FLOWBACK	480	0	0	0	0	0	0
COMP-LAND DRILL SITE TITLE OPINION	482	0	12,500	0	0	0	12,500
COMP-LAND ROW DRILLING	483	0	12,500	0	0	0	12,500
COMP-LAND ROW COMPLETION	484	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
DRILL	486	0	16,000	0	0	0	16,000
COMP-LAND SURVEY & DAMAGES							
COMP							
COMP-REG-PERMIT FEE/ENV							
SURV&ASSESS							
TOTAL INTANGIBLES		\$2,014,500	\$88,500	\$3,318,000	\$3,000	\$196,500	\$5,620,500

	UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING						102	28,000	0	0	0	28,000
INTERMEDIATE CASING						103	120,000	0	0	0	120,000
PRODUCTION CASING						104	300,000	0	0	0	300,000
COMP-TUBING						106	0	0	44,000	0	44,000
WELLHEAD EQUIPMENT						107	75,000	0	60,000	0	135,000
COMP-FAC-FLOW LINES						109	0	0	0	150,000	150,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	12,500
COMP-PUMP						113	0	0	7,500	0	7,500
EQUIP/SUBSURFACE											
COMP-FAC-						115	0	0	0	88,000	88,000
HEATERS,TREATRS,SEPRS											
COMP-FAC-METERING						118	0	0	0	24,000	24,000
EQUIPMENT											
COMP-FAC-CONSTRUCTION						122	0	0	0	125,000	125,000
COST											
COMP-FAC-LABR/ELEC						124	0	0	0	1,000	1,000
MEAS/AUTOMA											
COMP-FAC-						128	0	0	0	5,000	5,000
INSTRUMENT/ELECTRIC											
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL						421	0	0	0	2,500	2,500
& SAFETY											
COMP-FAC-ELECTRICAL						471	0	0	0	3,000	3,000
LABOR											
TOTAL TANGIBLES							\$523,000	\$0	\$114,000	\$432,500	\$1,079,500
TOTAL COST							\$2,537,500	\$88,500	\$3,432,000	\$435,500	\$6,700,000

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm :	By	Title	Date



MIDLAND

Printed 04/12/2018

AFE No.	CE11072	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,537,500
	(Land)	\$88,500
	(Completion)	\$3,432,000
	(Facility)	\$435,500
	(Flowback)	\$206,500
	Total Cost	\$6,700,000

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	Haracz 23 Fed Com #204H D&C	AFE Date :	4/12/2018	Budget Year :	2018
Reg. Lease No. :		Prospect Name :	RED HILLS NORTH	TVD / MD :	9100 / 16700	Begin Date :	
Location :	Section 23-T24S-R31E, 220 FSL & 1,875 FWL,			BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 1,875 FWL,			
Formation :	Leonard B			DD&A Field :			
Operator :	EOG RESOURCES INC	County & State :	EDDY / NM	Field :	UNASSIGNED	Water Depth :	
AFE Description :	Haracz 23 Fed Com #204H D&C 9,100' TVD TO 16,000' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE LEONARD B FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.			Product :	OIL	Days :	0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	67,000	0	5,000	0	0	72,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	7,500	7,500
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	180,000	0	0	0	0	180,000
FOOTAGE COST	403	0	0	0	0	0	0
DAY WORK COST	404	382,500	0	0	0	0	382,500
BITS & BHA	405	100,000	0	0	0	0	100,000
COMP-BITS & PHA	405	0	0	10,000	0	0	10,000
COMP - FUEL	406	0	0	200,000	0	2,500	202,500
FUEL	406	86,000	0	0	0	0	86,000
WATER	407	18,000	0	450,000	0	0	468,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	275,000	0	0	0	0	275,000
CEMENTING & SERVICE	409	180,000	0	0	0	0	180,000
COMP- PERFORATING	413	0	0	225,000	0	0	225,000
COMP- STIMULATION	414	0	0	1,900,000	0	0	1,900,000
COMP-TRANSPORTATION	415	0	0	20,000	0	4,000	24,000
TRANSPORTATION	415	36,000	0	0	0	0	36,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	110,000	0	0	110,000
FLBK-EQUIPMENT	417	135,000	0	0	3,000	25,000	163,000
RENT/OPERATIONS	418	0	0	20,000	0	0	20,000
COMP-COMPLETION RIG	419	10,000	0	0	0	0	10,000
OTHER DRILLING EXPENSE	421	0	0	25,000	0	7,500	32,500
COMP-ENVIRON & SAFETY CHARGES	421	0	0	0	0	0	0
ENVIRONMENTAL & SAFETY	422	15,000	0	0	0	0	15,000
DIRECTIONAL DRILLING	422	225,000	0	0	0	0	225,000
COMP- SUPERVISION	424	0	0	90,000	0	0	90,000
SUPERVISION	424	100,000	0	0	0	0	100,000
COMP- COMMUNICATIONS	431	0	0	3,500	0	0	3,500
TUBULAR INSPECTION/HANDLING	436	15,000	0	0	0	0	15,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	3,500	0	0	3,500
SPECIALTY SERVICES	441	75,000	0	0	0	0	75,000
COMP-WIRELINE SERVICES	442	0	0	7,000	0	0	7,000
COMP-COIL TUBING/NITROGEN	445	0	0	140,000	0	0	140,000
COMP-CONTRACT LABOR MISC	446	0	0	17,000	0	0	17,000
FLBK-DISPOSAL COSTS	447	110,000	0	17,000	0	90,000	217,000
COMP-COMPLETION FLUIDS	448	0	0	10,000	0	0	10,000
TITLE OPINION-DRILL SITE	453	0	7,500	0	0	0	7,500
COMP-FLOWBACK	465	0	0	50,000	0	57,000	107,000
COMP-LAND DRILLSITE TITLE OPINION	480	0	0	0	0	0	0
COMP-LAND ROW DRILLING	482	0	12,500	0	0	0	12,500
COMP-LAND ROW COMPLETION	483	0	12,500	0	0	0	12,500
COMP-LAND SURVEY & DAMAGES	484	0	20,000	0	0	0	20,000
DRILL	485	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
COMP	486	0	16,000	0	0	0	16,000
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	16,000	0	0	0	16,000
TOTAL INTANGIBLES		\$2,014,500	\$88,500	\$3,318,000	\$3,000	\$196,500	\$5,620,500

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						102	28,000	0	0	0	0	28,000
INTERMEDIATE CASING						103	120,000	0	0	0	0	120,000
PRODUCTION CASING						104	300,000	0	0	0	0	300,000
COMP-TUBING						106	0	0	44,000	0	0	44,000
WELLHEAD EQUIPMENT						107	75,000	0	60,000	0	0	135,000
COMP-FAC-FLOW LINES						109	0	0	0	150,000	0	150,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	0	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	10,000	12,500
COMP-PUMP						113	0	0	7,500	0	0	7,500
EQUIP/SUBSURFACE												
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	88,000	0	88,000
COMP-FAC-METERING EQUIPMENT						118	0	0	0	24,000	0	24,000
COMP-FAC-CONSTRUCTION COST						122	0	0	0	125,000	0	125,000
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	1,000	0	1,000
COMP-FAC-INSTRUMENT/ELECTRIC						128	0	0	0	5,000	0	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	0	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	0	2,500
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	0	3,000
TOTAL TANGIBLES							\$523,000	\$0	\$114,000	\$432,500	\$10,000	\$1,079,500
TOTAL COST							\$2,537,500	\$88,500	\$3,432,000	\$435,500	\$206,500	\$6,700,000

By	Date	By	Date
JOINT OPERATOR APPROVAL			

Firm :	By	Title	Date
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AFE No.	CE11073	Original
Property No.	XXXXXX-000	
EOG W.L.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,537,500
	(Land)	\$88,500
	(Completion)	\$3,432,000
	(Facility)	\$435,500
	(Flowback)	\$206,500
	Total Cost	\$6,700,000

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	Haracz 23 Fed Com #207H	AFE Date :	4/12/2018	Budget Year :	2018
Reg. Lease No. :		D&C					
Location :	Section 23-T24S-R31E, 220 FSL & 1,875 FEL,	Prospect Name :	RED HILLS NORTH	TVD / MD :	9100 / 16000	Begin Date :	
				BHLocation :	BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 1,875 FEL,		
Formation :	Leonard B			DD&A Field :			
Operator :	EOG RESOURCES INC	County & State :	EDDY / NM	Field :	UNASSIGNED	Water Depth :	
AFE Description :	Haracz 23 Fed Com #207H D&C 9,100' TVD TO 16,700' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE LEONARD B FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.				Product :	OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	67,000	0	5,000	0	0	72,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	7,500	7,500
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	180,000	0	0	0	0	180,000
FOOTAGE COST	403	0	0	0	0	0	0
DAY WORK COST	404	382,500	0	0	0	0	382,500
BITS & BHA	405	100,000	0	0	0	0	100,000
COMP-BITS & PHA	405	0	0	10,000	0	0	10,000
COMP - FUEL	406	0	0	200,000	0	2,500	202,500
FUEL	406	86,000	0	0	0	0	86,000
WATER	407	18,000	0	450,000	0	0	468,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	275,000	0	0	0	0	275,000
CEMENTING & SERVICE	409	180,000	0	0	0	0	180,000
COMP- PERFORATING	413	0	0	225,000	0	0	225,000
COMP- STIMULATION	414	0	0	1,900,000	0	0	1,900,000
COMP-TRANSPORTATION	415	0	0	20,000	0	4,000	24,000
TRANSPORTATION	415	36,000	0	0	0	0	36,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	110,000	0	0	110,000
FLBK-EQUIPMENT RENT/OPERATIONS	417	135,000	0	0	3,000	25,000	163,000
COMP-COMPLETION RIG	418	0	0	20,000	0	0	20,000
OTHER DRILLING EXPENSE	419	10,000	0	0	0	0	10,000
COMP-ENVIRON & SAFETY CHARGES	421	0	0	25,000	0	7,500	32,500
ENVIRONMENTAL & SAFETY	421	15,000	0	0	0	0	15,000
DIRECTIONAL DRILLING	422	225,000	0	0	0	0	225,000
COMP- SUPERVISION	424	0	0	90,000	0	0	90,000
SUPERVISION	424	100,000	0	0	0	0	100,000
COMP- COMMUNICATIONS	431	0	0	3,500	0	0	3,500
TUBULAR INSPECTION/HANDLING	436	15,000	0	0	0	0	15,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	3,500	0	0	3,500
SPECIALTY SERVICES	441	75,000	0	0	0	0	75,000
COMP-WIRELINE SERVICES	442	0	0	7,000	0	0	7,000
COMP-COIL TUBING/NITROGEN	445	0	0	140,000	0	0	140,000
COMP-CONTRACT LABOR MISC	446	0	0	17,000	0	0	17,000
FLBK-DISPOSAL COSTS	447	110,000	0	17,000	0	90,000	217,000
COMP-COMPLETION FLUIDS	448	0	0	10,000	0	0	10,000
TITLE OPINION-DRILL SITE	453	0	7,500	0	0	0	7,500
COMP-FLOWBACK	465	0	0	50,000	0	57,000	107,000
COMP-LAND DRILLSITE TITLE OPINION	480	0	0	0	0	0	0
COMP-LAND ROW DRILLING	482	0	12,500	0	0	0	12,500
COMP-LAND ROW COMPLETION	483	0	12,500	0	0	0	12,500
COMP-LAND SURVEY & DAMAGES DRILL	484	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES COMP	485	0	20,000	0	0	0	20,000
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	486	0	16,000	0	0	0	16,000
TOTAL INTANGIBLES		\$2,014,500	\$88,500	\$3,318,000	\$3,000	\$196,500	\$5,620,500

	UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING						102	28,000	0	0	0	28,000
INTERMEDIATE CASING						103	120,000	0	0	0	120,000
PRODUCTION CASING						104	300,000	0	0	0	300,000
COMP-TUBING						106	0	0	44,000	0	44,000
WELLHEAD EQUIPMENT						107	75,000	0	60,000	0	135,000
COMP-FAC-FLOW LINES						109	0	0	150,000	0	150,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	12,500
COMP-PUMP EQUIP/SUBSURFACE						113	0	0	7,500	0	7,500
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	88,000	88,000
COMP-FAC-METERING EQUIPMENT						118	0	0	0	24,000	24,000
COMP-FAC-CONSTRUCTION COST						122	0	0	0	125,000	125,000
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	1,000	1,000
COMP-FAC-INSTRUMENT/ELECTRIC						128	0	0	0	5,000	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	2,500
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	3,000
TOTAL TANGIBLES							\$523,000	\$0	\$114,000	\$432,500	\$1,079,500
TOTAL COST							\$2,537,500	\$88,500	\$3,432,000	\$435,500	\$6,700,000

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm:	By	Title	Date



MIDLAND Printed:04/12/2018

AFE No.	CE11074	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Orig)	\$2,537,500
	(Land)	\$88,500
	(Completion)	\$3,432,000
	(Facility)	\$435,500
	(Flowback)	\$206,500
	Total Cost	\$6,700,000

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	Haracz 23 Fed Com #209H D&C	AFE Date :	4/12/2018	Budget Year :	2018
Reg. Lease No. :		Prospect Name :	RED HILLS NORTH	TVD / MD :	9100 / 16700	Begin Date :	
Location :	Section 23-T24S-R31E, 220 FSL & 633 FEL,			BHLocation :	BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 865 FEL,		
Formation :	Leonard B			DO&A Field :			
Operator :	EOG RESOURCES INC			County & State :	EDDY / NM		
AFE Description :	Haracz 23 Fed Com #209H D&C 9,100' TVD TO 16,700' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE LEONARD B FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.			Field :	UNASSIGNED		
				Product :	OIL		
				Water Depth :			
				Days :	0 / 0		

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	67,000	0	5,000	0	0	72,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	7,500	7,500
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	180,000	0	0	0	0	180,000
FOOTAGE COST	403	0	0	0	0	0	0
DAY WORK COST	404	382,500	0	0	0	0	382,500
BITS & BHA	405	100,000	0	0	0	0	100,000
COMP-BITS & PHA	405	0	0	10,000	0	0	10,000
COMP - FUEL	406	0	0	200,000	0	2,500	202,500
FUEL	406	86,000	0	0	0	0	86,000
WATER	407	18,000	0	450,000	0	0	468,000
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	275,000	0	0	0	0	275,000
CEMENTING & SERVICE	409	180,000	0	0	0	0	180,000
COMP- PERFORATING	413	0	0	225,000	0	0	225,000
COMP- STIMULATION	414	0	0	1,900,000	0	0	1,900,000
COMP-TRANSPORTATION	415	0	0	20,000	0	4,000	24,000
TRANSPORTATION	415	36,000	0	0	0	0	36,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	110,000	0	0	110,000
FLBK-EQUIPMENT	417	135,000	0	0	3,000	25,000	163,000
RENT/OPERATIONS	418	0	0	20,000	0	0	20,000
COMP.COMPLETION RIG	419	10,000	0	0	0	0	10,000
OTHER DRILLING EXPENSE	421	0	0	25,000	0	7,500	32,500
COMP-ENVIRON & SAFETY CHARGES	421	15,000	0	0	0	0	15,000
ENVIRONMENTAL & SAFETY	422	225,000	0	0	0	0	225,000
DIRECTIONAL DRILLING	424	0	0	90,000	0	0	90,000
COMP- SUPERVISION	424	100,000	0	0	0	0	100,000
SUPERVISION	431	0	0	3,500	0	0	3,500
COMP- COMMUNICATIONS	436	15,000	0	0	0	0	15,000
TUBULAR INSPECTION/HANDLING	438	0	0	3,500	0	0	3,500
COMP-CASED HOLE LOGGING/TEST	441	75,000	0	0	0	0	75,000
SPECIALTY SERVICES	442	0	0	7,000	0	0	7,000
COMP-WIRELINE SERVICES	445	0	0	140,000	0	0	140,000
COMP-COIL TUBING/NITROGEN	446	0	0	17,000	0	0	17,000
COMP-CONTRACT LABOR MISC	447	110,000	0	17,000	0	90,000	217,000
FLBK-DISPOSAL COSTS	448	0	0	10,000	0	0	10,000
COMP-COMPLETION FLUIDS	453	0	7,500	0	0	0	7,500
TITLE OPINION-DRILL SITE	465	0	0	50,000	0	57,000	107,000
COMP-FLOWBACK	480	0	0	0	0	0	0
COMP-LAND DRILLSITE TITLE OPINION	482	0	12,500	0	0	0	12,500
COMP-LAND ROW DRILLING	483	0	12,500	0	0	0	12,500
COMP-LAND ROW COMPLETION	484	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
COMP	486	0	16,000	0	0	0	16,000
COMP-REG-PERMIT FEE/ENV SURV&ASSESS							
TOTAL INTANGIBLES		\$2,014,500	\$88,500	\$3,318,000	\$3,000	\$196,500	\$5,620,500

	UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING						102	28,000	0	0	0	28,000
INTERMEDIATE CASING						103	120,000	0	0	0	120,000
PRODUCTION CASING						104	300,000	0	0	0	300,000
COMP-TUBING						106	0	0	44,000	0	44,000
WELLHEAD EQUIPMENT						107	75,000	0	60,000	0	135,000
COMP-FAC-FLOW LINES						109	0	0	150,000	0	150,000
COMP-FAC-VALVES & FITTINGS						110	0	0	31,000	0	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	12,500
COMP-PUMP						113	0	0	7,500	0	7,500
EQUIP/SUBSURFACE											
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	88,000	88,000
COMP-FAC-METERING						118	0	0	0	24,000	24,000
EQUIPMENT											
COMP-FAC-CONSTRUCTION						122	0	0	0	125,000	125,000
COST											
COMP-FAC-LAB/VELEC						124	0	0	0	1,000	1,000
MEAS/AUTOMA											
COMP-FAC-INSTRUMENT/ELECTRIC						128	0	0	0	5,000	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	2,500
COMP-FAC-ELECTRICAL						471	0	0	0	3,000	3,000
LABOR											
TOTAL TANGIBLES							\$523,000	\$0	\$114,000	\$432,500	\$1,079,500
TOTAL COST							\$2,537,500	\$88,500	\$3,432,000	\$435,500	\$6,700,000

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm :	By	Title	Date



MIDLAND Printed:04/12/2018

AFE No.	CE11075	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,869,000
	(Land)	\$81,000
	(Completion)	\$3,848,327
	(Facility)	\$212,500
	(Flowback)	\$415,000
	Total Cost	\$7,425,827

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	Haracz 23 Fed Com #602H D&C	AFE Date :	4/12/2018	Budget Year :	2018
Reg. Lease No. :		Prospect Name :	RED HILLS NORTH	TVD / MD :	11730 / 19300	Begin Date :	
Location :	Section 23-T24S-R31E, 280 FSL & 2,001 FWL,			BHLocation :	BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 2,125 FWL,		
Formation :	3rd Bone Spring			DD&A Field :			
Operator :	EOG RESOURCES INC			County & State :	EDDY / NM		Water Depth :
AFE Description :	Haracz 23 Fed Com #602H D&C 11,730' TVD TO 19,300' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE 3RD BONE SPRING FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.			Field :	UNASSIGNED		Product :
							Days :
							0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	80,000	0	5,000	0	0	85,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	15,000	15,000
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	110,000	0	0	0	0	110,000
FOOTAGE COST	403	30,000	0	0	0	0	30,000
DAY WORK COST	404	380,000	0	0	0	0	380,000
BITS & BHA	405	120,000	0	0	0	0	120,000
COMP-BITS & PHA	405	0	0	15,000	0	0	15,000
COMP - FUEL	406	0	0	235,832	0	5,000	240,832
FUEL	406	73,000	0	0	0	0	73,000
WATER	407	90,000	0	508,846	0	0	598,846
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	360,000	0	0	0	0	360,000
CEMENTING & SERVICE	409	185,000	0	0	0	0	185,000
COMP- PERFORATING	413	0	0	262,500	0	0	262,500
COMP- STIMULATION	414	0	0	2,074,929	0	0	2,074,929
COMP-TRANSPORTATION	415	0	0	20,000	0	500	20,500
TRANSPORTATION	415	28,000	0	0	0	0	28,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	80,000	0	0	80,000
FLBK-EQUIPMENT	417	125,000	0	0	3,000	65,000	193,000
RENT/OPERATIONS							
COMP-COMPLETION RIG	418	0	0	20,000	0	0	20,000
OTHER DRILLING EXPENSE	419	1,500	0	0	0	0	1,500
COMP-ENVIRON & SAFETY CHARGES	421	0	0	25,000	0	1,500	26,500
ENVIRONMENTAL & SAFETY	421	6,500	0	0	0	0	6,500
DIRECTIONAL DRILLING	422	295,000	0	0	0	0	295,000
COMP- SUPERVISION	424	0	0	119,800	0	0	119,800
SUPERVISION	424	115,000	0	0	0	4,500	119,500
COMP- COMMUNICATIONS	431	0	0	5,000	0	0	5,000
TUBULAR INSPECTION/HANDLING	436	10,000	0	0	0	0	10,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	5,000	0	0	5,000
SPECIALTY SERVICES	441	73,000	0	0	0	0	73,000
COMP-WIRELINE SERVICES	442	0	0	7,500	0	0	7,500
COMP-COIL TUBING/NITROGEN	445	0	0	202,720	0	0	202,720
COMP-CONTRACT LABOR MISC	446	0	0	20,000	0	500	20,500
FLBK-DISPOSAL COSTS	447	28,000	0	20,000	0	245,000	293,000
COMP-COMPLETION FLUIDS	448	0	0	10,000	0	0	10,000
TITLE OPINION-DRILL SITE	453	10,000	10,000	0	0	0	20,000
COMP-FLOWBACK	465	0	0	50,000	0	55,000	105,000
COMP-LAND DRILLSITE TITLE OPINION	480	0	0	0	0	0	0
COMP-LAND ROW DRILLING	482	0	7,500	0	0	0	7,500
COMP-LAND ROW COMPLETION	483	0	7,500	0	0	0	7,500
COMP-LAND SURVEY & DAMAGES	484	0	20,000	0	0	0	20,000
DRILL							
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
COMP							
COMP-REG-PERMIT FEE/ENV	486	0	16,000	0	0	0	16,000
SURV&ASSESS							
TOTAL INTANGIBLES		\$2,125,000	\$81,000	\$3,701,927	\$3,000	\$395,000	\$6,306,927

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						102	27,000	0	0	0	0	27,000
INTERMEDIATE CASING						103	225,000	0	0	0	0	225,000
PRODUCTION CASING						104	460,000	0	0	0	0	460,000
COMP-TUBING						106	0	0	58,900	0	0	58,900
WELLHEAD EQUIPMENT						107	32,000	0	60,000	0	0	92,000
COMP-FAC-FLOW LINES						109	0	0	0	16,000	0	16,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	0	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	20,000	22,500
COMP-PUMP						113	0	0	25,000	0	0	25,000
EQUIP/SUBSURFACE												
COMP-FAC-HEATERS,TREATRS,SEPRS						115	0	0	0	88,000	0	88,000
COMP-FAC-METERING						118	0	0	0	24,000	0	24,000
EQUIPMENT												
COMP-FAC-CONSTRUCTION						122	0	0	0	36,000	0	36,000
COST												
COMP-FAC-LABR/ELEC						124	0	0	0	1,000	0	1,000
MEAS/AUTOMA												
COMP-FAC-INSTRUMENT/ELECTRIC						128	0	0	0	5,000	0	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	0	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	0	2,500
COMP-FAC-ELECTRICAL						471	0	0	0	3,000	0	3,000
LABOR												
TOTAL TANGIBLES							\$744,000	\$0	\$146,400	\$209,500	\$20,000	\$1,119,900
TOTAL COST							\$2,869,000	\$81,000	\$3,848,327	\$212,500	\$415,000	\$7,425,827

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm	By	Title	Date



MIDLAND Printed:04/12/2018

AFE No.	CE11076	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,869,000
	(Land)	\$81,000
	(Completion)	\$3,848,327
	(Facility)	\$212,500
	(Flowback)	\$415,000
	Total Cost	\$7,425,827

AFE Type : DEVELOPMENT DRILLING		AFE Name : Haracz 23 Fed Com #603H D&C		AFE Date : 4/12/2018		Budget Year : 2018	
Reg. Lease No. :		Prospect Name : RED HILLS NORTH		TVD / MD : 11730 / 19300		Begin Date :	
Location : Section 23-T24S-R31E, 280 FSL & 2,001 FWL,		BHLocation : BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 2,125 FWL,					
Formation : 3rd Bone Spring		DD&A Field :					
Operator : EOG RESOURCES INC		County & State : EDDY / NM		Field : UNASSIGNED		Water Depth :	
AFE Description :		Haracz 23 Fed Com #603H D&C 11,730' TVD TO 19,300' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE 3RD BONE SPRING FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.				Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	80,000	0	5,000	0	0	85,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	15,000	15,000
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	110,000	0	0	0	0	110,000
FOOTAGE COST	403	30,000	0	0	0	0	30,000
DAY WORK COST	404	380,000	0	0	0	0	380,000
BITS & BHA	405	120,000	0	0	0	0	120,000
COMP-BITS & PHA	405	0	0	15,000	0	0	15,000
COMP - FUEL	406	0	0	235,832	0	5,000	240,832
FUEL	406	73,000	0	0	0	0	73,000
WATER	407	90,000	0	508,846	0	0	598,846
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	360,000	0	0	0	0	360,000
CEMENTING & SERVICE	409	185,000	0	0	0	0	185,000
COMP- PERFORATING	413	0	0	262,500	0	0	262,500
COMP- STIMULATION	414	0	0	2,074,929	0	0	2,074,929
COMP-TRANSPORTATION	415	0	0	20,000	0	500	20,500
TRANSPORTATION	415	28,000	0	0	0	0	28,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	80,000	0	0	80,000
FLBK-EQUIPMENT	417	125,000	0	0	3,000	65,000	193,000
RENT/OPERATIONS	418	0	0	20,000	0	0	20,000
COMP-COMPLETION RIG	419	1,500	0	0	0	0	1,500
OTHER DRILLING EXPENSE	421	0	0	25,000	0	1,500	26,500
COMP-ENVIRON & SAFETY CHARGES	421	6,500	0	0	0	0	6,500
ENVIRONMENTAL & SAFETY	422	295,000	0	0	0	0	295,000
DIRECTIONAL DRILLING	424	0	0	119,600	0	0	119,600
COMP- SUPERVISION	424	115,000	0	0	0	4,500	119,500
SUPERVISION	431	0	0	5,000	0	0	5,000
COMP- COMMUNICATIONS	436	10,000	0	0	0	0	10,000
TUBULAR INSPECTION/HANDLING	438	0	0	5,000	0	0	5,000
COMP-CASED HOLE LOGGING/TEST	441	73,000	0	0	0	0	73,000
SPECIALTY SERVICES	442	0	0	7,500	0	0	7,500
COMP-WIRELINE SERVICES	445	0	0	202,720	0	0	202,720
COMP-COIL TUBING/NITROGEN	446	0	0	20,000	0	500	20,500
COMP-CONTRACT LABOR MISC	447	28,000	0	20,000	0	245,000	293,000
FLBK-DISPOSAL COSTS	448	0	0	10,000	0	0	10,000
COMP-COMPLETION FLUIDS	453	10,000	10,000	0	0	0	20,000
TITLE OPINION-DRILL SITE	465	0	0	50,000	0	55,000	105,000
COMP-FLOWBACK	480	0	0	0	0	0	0
COMP-LAND DRILLSITE TITLE OPINION	482	0	7,500	0	0	0	7,500
COMP-LAND ROW DRILLING	483	0	7,500	0	0	0	7,500
COMP-LAND ROW COMPLETION	484	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
DRILL	486	0	16,000	0	0	0	16,000
COMP-LAND SURVEY & DAMAGES							
COMP							
COMP-REG-PERMIT FEE/ENV							
SURV&ASSESS							
TOTAL INTANGIBLES		\$2,125,000	\$81,000	\$3,701,927	\$3,000	\$395,000	\$6,305,927

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						102	27,000	0	0	0	0	27,000
INTERMEDIATE CASING						103	225,000	0	0	0	0	225,000
PRODUCTION CASING						104	460,000	0	0	0	0	460,000
COMP-TUBING						106	0	0	58,900	0	0	58,900
WELLHEAD EQUIPMENT						107	32,000	0	60,000	0	0	92,000
COMP-FAC-FLOW LINES						109	0	0	0	16,000	0	16,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	0	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	20,000	22,500
COMP-PUMP						113	0	0	25,000	0	0	25,000
EQUIP/SUBSURFACE												
COMP-FAC						115	0	0	0	88,000	0	88,000
HEATERS,TREATRS,SEPRS												
COMP-FAC-METERING						118	0	0	0	24,000	0	24,000
EQUIPMENT												
COMP-FAC-CONSTRUCTION						122	0	0	0	36,000	0	36,000
COST												
COMP-FAC-LABR/ELEC						124	0	0	0	1,000	0	1,000
MEAS/AUTOMA												
COMP-FAC						128	0	0	0	5,000	0	5,000
INSTRUMENT/ELECTRIC												
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	0	3,000
COMP-FAC-ENVIRONMENTAL						421	0	0	0	2,500	0	2,500
& SAFETY												
COMP-FAC-ELECTRICAL						471	0	0	0	3,000	0	3,000
LABOR												
TOTAL TANGIBLES							\$744,000	\$0	\$146,400	\$209,500	\$20,000	\$1,119,900
TOTAL COST							\$2,869,000	\$81,000	\$3,848,327	\$212,500	\$415,000	\$7,425,827

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm	By	Title	Date



MIDLAND

Printed: 04/12/2018

AFE No.	CE11077	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,869,000
	(Land)	\$81,000
	(Completion)	\$3,848,327
	(Facility)	\$212,500
	(Flowback)	\$415,000
	Total Cost	\$7,425,827

AFE Type : DEVELOPMENT DRILLING	AFE Name : Haracz 23 Fed Com #611H D&C	AFE Date : 4/12/2018	Budget Year : 2018
Reg. Lease No. :	Prospect Name : RED HILLS NORTH	TVD / MD : 11,250 / 19,000	Begin Date :
Location : Section 23-T24S-R31E, 280 FSL & 726 FWL,		BHLocation : BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 615 FWL,	
Formation : 3rd Bone Spring	DD&A Field :		
Operator : EOG RESOURCES INC	County & State : EDDY / NM	Field : UNASSIGNED	Water Depth :
AFE Description : Haracz 23 Fed Com #611H D&C 11,250' TVD TO 19,000' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE 3RD BONE SPRING FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	80,000	0	5,000	0	0	85,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	15,000	15,000
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	110,000	0	0	0	0	110,000
FOOTAGE COST	403	30,000	0	0	0	0	30,000
DAY WORK COST	404	380,000	0	0	0	0	380,000
BITS & BHA	405	120,000	0	0	0	0	120,000
COMP-BITS & PHA	405	0	0	15,000	0	0	15,000
COMP - FUEL	406	0	0	235,832	0	5,000	240,832
FUEL	406	73,000	0	0	0	0	73,000
WATER	407	90,000	0	508,846	0	0	598,846
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	360,000	0	0	0	0	360,000
CEMENTING & SERVICE	409	185,000	0	0	0	0	185,000
COMP- PERFORATING	413	0	0	262,500	0	0	262,500
COMP- STIMULATION	414	0	0	2,074,929	0	0	2,074,929
COMP-TRANSPORTATION	415	0	0	20,000	0	500	20,500
TRANSPORTATION	415	28,000	0	0	0	0	28,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	80,000	0	0	80,000
FLBK-EQUIPMENT	417	125,000	0	0	3,000	65,000	193,000
RENT/OPERATIONS	418	0	0	20,000	0	0	20,000
COMP-COMPLETION RIG	419	1,500	0	0	0	0	1,500
OTHER DRILLING EXPENSE	421	0	0	25,000	0	1,500	26,500
COMP-ENVIRON & SAFETY CHARGES	421	6,500	0	0	0	0	6,500
ENVIRONMENTAL & SAFETY	422	295,000	0	0	0	0	295,000
DIRECTIONAL DRILLING	424	0	0	119,600	0	0	119,600
COMP- SUPERVISION	424	115,000	0	0	0	4,500	119,500
SUPERVISION	431	0	0	5,000	0	0	5,000
COMP- COMMUNICATIONS	436	10,000	0	0	0	0	10,000
TUBULAR INSPECTION/HANDLING	438	0	0	5,000	0	0	5,000
COMP-CASED HOLE LOGGING/TEST	441	73,000	0	0	0	0	73,000
SPECIALTY SERVICES	442	0	0	7,500	0	0	7,500
COMP-WIRELINE SERVICES	445	0	0	202,720	0	0	202,720
COMP-COIL TUBING/NITROGEN	446	0	0	20,000	0	500	20,500
COMP-CONTRACT LABOR MISC	447	28,000	0	20,000	0	245,000	293,000
FLBK-DISPOSAL COSTS	448	0	0	10,000	0	0	10,000
COMP-COMPLETION FLUIDS	453	10,000	10,000	0	0	0	20,000
TITLE OPINION-DRILL SITE	465	0	0	50,000	0	55,000	105,000
COMP-FLOWBACK	480	0	0	0	0	0	0
COMP-LAND DRILLSITE TITLE OPINION	482	0	7,500	0	0	0	7,500
COMP-LAND ROW DRILLING	483	0	7,500	0	0	0	7,500
COMP-LAND ROW COMPLETION	484	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
DRILL	486	0	16,000	0	0	0	16,000
COMP-LAND SURVEY & DAMAGES							
COMP							
COMP-REG-PERMIT FEE/ENV							
SURV&ASSESS							
TOTAL INTANGIBLES		\$2,125,000	\$81,000	\$3,701,927	\$3,000	\$395,000	\$6,305,927

UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING					102	27,000	0	0	0	27,000
INTERMEDIATE CASING					103	225,000	0	0	0	225,000
PRODUCTION CASING					104	460,000	0	0	0	460,000
COMP-TUBING					106	0	0	58,900	0	58,900
WELLHEAD EQUIPMENT					107	32,000	0	60,000	0	92,000
COMP-FAC-FLOW LINES					109	0	0	16,000	0	16,000
COMP-FAC-VALVES & FITTINGS					110	0	0	31,000	0	31,000
COMP-VALVES & FITTINGS					110	0	0	2,500	0	2,500
COMP-PUMP					113	0	0	25,000	0	25,000
EQUIP/SUBSURFACE										
COMP-FAC-					115	0	0	0	88,000	88,000
HEATERS,TREATRS,SEPRS										
COMP-FAC-METERING					118	0	0	0	24,000	24,000
EQUIPMENT										
COMP-FAC-CONSTRUCTION					122	0	0	0	36,000	36,000
COST										
COMP-FAC-LAB/ELEC					124	0	0	0	1,000	1,000
MEAS/AUTOMA										
COMP-FAC-					128	0	0	0	5,000	5,000
INSTRUMENT/ELECTRIC										
COMP-FAC-TRANSPORTATION					415	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL					421	0	0	0	2,500	2,500
& SAFETY										
COMP-FAC-ELECTRICAL					471	0	0	0	3,000	3,000
LABOR										
TOTAL TANGIBLES						\$744,000	\$0	\$146,400	\$208,500	\$1,118,900
TOTAL COST						\$2,869,000	\$81,000	\$3,848,327	\$212,500	\$7,425,827

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm	By	Title	Date



MIDLAND Printed: 04/12/2018

AFE No.	CE11078	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,869,000
	(Land)	\$81,000
	(Completion)	\$3,848,327
	(Facility)	\$212,500
	(Flowback)	\$415,000
	Total Cost	\$7,425,827

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	Haracz 23 Fed Com #615H D&C	AFE Date :	4/12/2018	Budget Year :	2018
Reg. Lease No. :		Prospect Name :	RED HILLS NORTH	TVD / MD :	11,300 / 19,000	Begin Date :	
Location :	Section 23-T24S-R31E, 220 FSL & 376 FEL.						
Formation :	3rd Bone Spring	DD&A Field :					
Operator :	EOG RESOURCES INC	County & State :	EDDY / NM	Field :	UNASSIGNED	Water Depth :	
AFE Description :	Haracz 23 Fed Com #615H D&C 11,300' TVD TO 19,000' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE 3RD BONE SPRING FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.					Product :	OIL
						Days :	0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	80,000	0	5,000	0	0	85,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	15,000	15,000
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	110,000	0	0	0	0	110,000
FOOTAGE COST	403	30,000	0	0	0	0	30,000
DAY WORK COST	404	380,000	0	0	0	0	380,000
BITS & BHA	405	120,000	0	0	0	0	120,000
COMP-BITS & PHA	405	0	0	15,000	0	0	15,000
COMP - FUEL	406	0	0	235,832	0	5,000	240,832
FUEL	406	73,000	0	0	0	0	73,000
WATER	407	90,000	0	508,848	0	0	598,848
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	360,000	0	0	0	0	360,000
CEMENTING & SERVICE	409	185,000	0	0	0	0	185,000
COMP - PERFORATING	413	0	0	262,500	0	0	262,500
COMP - STIMULATION	414	0	0	2,074,929	0	0	2,074,929
COMP-TRANSPORTATION	415	0	0	20,000	0	500	20,500
TRANSPORTATION	415	28,000	0	0	0	0	28,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	80,000	0	0	80,000
FLBK-EQUIPMENT	417	125,000	0	0	3,000	65,000	193,000
RENT/OPERATIONS							
COMP-COMPLETION RIG	418	0	0	20,000	0	0	20,000
OTHER DRILLING EXPENSE	419	1,500	0	0	0	0	1,500
COMP-ENVIRON & SAFETY CHARGES	421	0	0	25,000	0	1,500	26,500
ENVIRONMENTAL & SAFETY	421	6,500	0	0	0	0	6,500
DIRECTIONAL DRILLING	422	295,000	0	0	0	0	295,000
COMP - SUPERVISION	424	0	0	119,600	0	0	119,600
SUPERVISION	424	115,000	0	0	0	4,500	119,500
COMP - COMMUNICATIONS	431	0	0	5,000	0	0	5,000
TUBULAR INSPECTION/HANDLING	436	10,000	0	0	0	0	10,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	5,000	0	0	5,000
SPECIALTY SERVICES	441	73,000	0	0	0	0	73,000
COMP-WIRELINE SERVICES	442	0	0	7,500	0	0	7,500
COMP-COIL TUBING/NITROGEN	445	0	0	202,720	0	0	202,720
COMP-CONTRACT LABOR MISC	446	0	0	20,000	0	500	20,500
FLBK-DISPOSAL COSTS	447	28,000	0	20,000	0	245,000	293,000
COMP-COMPLETION FLUIDS	448	0	0	10,000	0	0	10,000
TITLE OPINION-DRILL SITE	453	10,000	10,000	0	0	0	20,000
COMP-FLOWBACK	465	0	0	50,000	0	55,000	105,000
COMP-LAND DRILLSITE TITLE OPINION	480	0	0	0	0	0	0
COMP-LAND ROW DRILLING	482	0	7,500	0	0	0	7,500
COMP-LAND ROW COMPLETION	483	0	7,500	0	0	0	7,500
COMP-LAND SURVEY & DAMAGES	484	0	20,000	0	0	0	20,000
DRILL							
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
COMP							
COMP-REG-PERMIT FEE/ENV	486	0	16,000	0	0	0	16,000
SURV&ASSESS							
TOTAL INTANGIBLES		\$2,125,000	\$81,000	\$3,701,927	\$3,000	\$395,000	\$6,305,927

	UOM	QTY	SIZE	SIZE	GRADE	RATE					
SURFACE CASING						102	27,000	0	0	0	27,000
INTERMEDIATE CASING						103	225,000	0	0	0	225,000
PRODUCTION CASING						104	460,000	0	0	0	460,000
COMP-TUBING						106	0	0	58,900	0	58,900
WELLHEAD EQUIPMENT						107	32,000	0	60,000	0	92,000
COMP-FAC-FLOW LINES						109	0	0	16,000	0	16,000
COMP-FAC-VALVES & FITTINGS						110	0	0	31,000	0	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	2,500
COMP-PUMP						113	0	0	25,000	0	25,000
EQUIP/SUBSURFACE											
COMP-FAC-HEATERS, TREATRS, SEPRS						115	0	0	0	88,000	88,000
COMP-FAC-METERING EQUIPMENT						118	0	0	0	24,000	24,000
COMP-FAC-CONSTRUCTION COST						122	0	0	0	36,000	36,000
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	1,000	1,000
COMP-FAC-INSTRUMENT/ELECTRIC						128	0	0	0	5,000	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	2,500
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	3,000
TOTAL TANGIBLES							\$744,000	\$0	\$146,400	\$209,500	\$1,119,900
TOTAL COST							\$2,869,000	\$81,000	\$3,848,327	\$212,500	\$7,425,827

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm :	By	Title	Date



MIDLAND Printed 04/12/2018

AFE No.	CE11080	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,869,000
	(Land)	\$81,000
	(Completion)	\$3,848,327
	(Facility)	\$212,500
	(Flowback)	\$415,000
	Total Cost	\$7,425,827

AFE Type : DEVELOPMENT DRILLING	AFE Name : Haracz 23 Fed Com #711H D&C	AFE Date : 4/12/2018	Budget Year : 2018
Reg. Lease No. :	Prospect Name : RED HILLS NORTH	TVD / MD : 12000 / 19600	Begin Date :
Location : Section 23-T24S-R31E, 280 FSL & 693 FWL,	BHLocation : BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 610 FWL,		
Formation : WOLFCAMP	DD&A Field :		
Operator : EOG RESOURCES INC	County & State : EDDY / NM	Field : UNASSIGNED	Water Depth :
AFE Description : Haracz 23 Fed Com #711H D&C 12,000' TVD TO 19,600' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE WOLFCAMP FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM		Product : OIL	Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	80,000	0	5,000	0	0	85,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	15,000	15,000
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	110,000	0	0	0	0	110,000
FOOTAGE COST	403	30,000	0	0	0	0	30,000
DAY WORK COST	404	380,000	0	0	0	0	380,000
BITS & BHA	405	120,000	0	0	0	0	120,000
COMP-BITS & PHA	405	0	0	15,000	0	0	15,000
COMP - FUEL	406	0	0	235,832	0	5,000	240,832
FUEL	406	73,000	0	0	0	0	73,000
WATER	407	90,000	0	508,848	0	0	598,848
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	360,000	0	0	0	0	360,000
CEMENTING & SERVICE	409	185,000	0	0	0	0	185,000
COMP- PERFORATING	413	0	0	262,500	0	0	262,500
COMP- STIMULATION	414	0	0	2,074,929	0	0	2,074,929
COMP-TRANSPORTATION	415	0	0	20,000	0	500	20,500
TRANSPORTATION	415	28,000	0	0	0	0	28,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	80,000	0	0	80,000
FLBK-EQUIPMENT	417	125,000	0	0	3,000	65,000	193,000
RENT/OPERATIONS	418	0	0	20,000	0	0	20,000
COMP-COMPLETION RIG	419	1,500	0	0	0	0	1,500
OTHER DRILLING EXPENSE	421	0	0	25,000	0	1,500	26,500
COMP-ENVIRON & SAFETY CHARGES	421	6,500	0	0	0	0	6,500
ENVIRONMENTAL & SAFETY	422	295,000	0	0	0	0	295,000
DIRECTIONAL DRILLING	424	0	0	119,600	0	0	119,600
COMP- SUPERVISION	424	115,000	0	0	0	4,500	119,500
SUPERVISION	431	0	0	5,000	0	0	5,000
COMP- COMMUNICATIONS	436	10,000	0	0	0	0	10,000
TUBULAR INSPECTION/HANDLING	438	0	0	5,000	0	0	5,000
COMP-CASED HOLE LOGGING/TEST	441	73,000	0	0	0	0	73,000
SPECIALTY SERVICES	442	0	0	7,500	0	0	7,500
COMP-WIRELINE SERVICES	445	0	0	202,720	0	0	202,720
COMP-COIL TUBING/NITROGEN	446	0	0	20,000	0	500	20,500
COMP-CONTRACT LABOR MISC	447	28,000	0	20,000	0	245,000	293,000
FLBK-DISPOSAL COSTS	448	0	0	10,000	0	0	10,000
COMP-COMPLETION FLUIDS	453	10,000	10,000	0	0	0	20,000
TITLE OPINION-DRILL SITE	465	0	0	50,000	0	55,000	105,000
COMP-FLOWBACK	480	0	0	0	0	0	0
COMP-LAND DRILLSITE TITLE OPINION	482	0	7,500	0	0	0	7,500
COMP-LAND ROW DRILLING	483	0	7,500	0	0	0	7,500
COMP-LAND ROW COMPLETION	484	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES	485	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES	486	0	16,000	0	0	0	16,000
COMP-REG-PERMIT FEE/ENV SURV&ASSESS							
TOTAL INTANGIBLES		\$2,125,000	\$81,000	\$3,701,927	\$3,000	\$395,000	\$6,305,927

UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING				102	27,000	0	0	0	0	0	27,000
INTERMEDIATE CASING				103	225,000	0	0	0	0	0	225,000
PRODUCTION CASING				104	460,000	0	0	0	0	0	460,000
COMP-TUBING				106	0	0	58,900	0	0	0	58,900
WELLHEAD EQUIPMENT				107	32,000	0	60,000	0	0	0	92,000
COMP-FAC-FLOW LINES				109	0	0	0	16,000	0	0	16,000
COMP-FAC-VALVES & FITTINGS				110	0	0	0	31,000	0	0	31,000
COMP-VALVES & FITTINGS				110	0	0	2,500	0	20,000	0	22,500
COMP-PUMP				113	0	0	25,000	0	0	0	25,000
EQUIP/SUBSURFACE											
COMP-FAC-				115	0	0	0	88,000	0	0	88,000
HEATERS,TREATRS,SEPRS											
COMP-FAC-METERING				118	0	0	0	24,000	0	0	24,000
EQUIPMENT											
COMP-FAC-CONSTRUCTION				122	0	0	0	36,000	0	0	36,000
COST											
COMP-FAC-LABR/ELEC				124	0	0	0	1,000	0	0	1,000
MEAS/AUTOMA											
COMP-FAC-				128	0	0	0	5,000	0	0	5,000
INSTRUMENT/ELECTRIC											
COMP-FAC-TRANSPORTATION				415	0	0	0	3,000	0	0	3,000
COMP-FAC-ENVIRONMENTAL				421	0	0	0	2,500	0	0	2,500
& SAFETY											
COMP-FAC-ELECTRICAL				471	0	0	0	3,000	0	0	3,000
LABOR											
TOTAL TANGIBLES					\$744,000	\$0	\$146,400	\$209,500	\$20,000		\$1,119,900
TOTAL COST					\$2,869,000	\$81,000	\$3,848,327	\$212,500	\$415,000		\$7,425,827

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm	By	Title	Date



MIDLAND Printed:04/12/2018

AFE No.	CE11081	Original
Property No.	XXXXXX-000	
EOG W.I.(BCP)	(ACP)	
EOG AFE Amt:	(Drig)	\$2,869,000
	(Land)	\$81,000
	(Completion)	\$3,848,327
	(Facility)	\$212,500
	(Flowback)	\$415,000
	Total Cost	\$7,425,827

AFE Type :	DEVELOPMENT DRILLING	AFE Name :	Haracz 23 Fed Com #715H D&C	AFE Date :	4/12/2018	Budget Year :	2018
Reg. Lease No. :		Prospect Name :	RED HILLS NORTH	TVD / MD :	12050 / 19700	Begin Date :	
Location :	Section 23-T24S-R31E, 220 FSL & 343 FEL,			BHLocation :	BH(LATERAL #1): Section 14-T24S-R31E, 230 FNL & 610 FEL,		
Formation :	WOLFCAMP			DD&A Field :			
Operator :	EOG RESOURCES INC			Field :	UNASSIGNED		
County & State :	EDDY / NM			Water Depth :			
AFE Description :	Haracz 23 Fed Com #715H D&C 12,050' TVD TO 19,700' MD IS A 1.5 MILE LATERAL TO BE COMPLETED IN THE WOLFCAMP FORMATION. THE WELL IS LOCATED IN SECTION 14/23, T24S, R31E IN EDDY CO., NM.			Product :	OIL		Days : 0 / 0

DESCRIPTION	SUB ACT	DRILLING 230	LAND 237	COMPLETION 231	FACILITY 235	FLOWBACK 236	TOTAL
ACCESS LOCATION, ROADS&SURVEY	401	80,000	0	5,000	0	0	85,000
COMP-FLBK-LOCATION AND ROADS	401	0	0	0	0	15,000	15,000
COMP-RIG MOVE	402	0	0	5,000	0	0	5,000
RIG MOVE	402	110,000	0	0	0	0	110,000
FOOTAGE COST	403	30,000	0	0	0	0	30,000
DAY WORK COST	404	380,000	0	0	0	0	380,000
BITS & BHA	405	120,000	0	0	0	0	120,000
COMP-BITS & PHA	405	0	0	15,000	0	0	15,000
COMP - FUEL	406	0	0	235,832	0	5,000	240,832
FUEL	406	73,000	0	0	0	0	73,000
WATER	407	90,000	0	508,846	0	0	598,846
COMP-FLBK-CHEMICALS	408	0	0	0	0	3,000	3,000
MUD & CHEMICALS	408	360,000	0	0	0	0	360,000
CEMENTING & SERVICE	409	185,000	0	0	0	0	185,000
COMP - PERFORATING	413	0	0	262,500	0	0	262,500
COMP - STIMULATION	414	0	0	2,074,929	0	0	2,074,929
COMP-TRANSPORTATION	415	0	0	20,000	0	500	20,500
TRANSPORTATION	415	28,000	0	0	0	0	28,000
COMP-Completion Overhead	416	0	0	10,000	0	0	10,000
DRILLING OVERHEAD	416	5,000	0	0	0	0	5,000
COMP-EQUIPMENT RENTAL	417	0	0	80,000	0	0	80,000
FLBK-EQUIPMENT RENT/OPERATIONS	417	125,000	0	0	3,000	65,000	193,000
COMP-COMPLETION RIG	418	0	0	20,000	0	0	20,000
OTHER DRILLING EXPENSE	419	1,500	0	0	0	0	1,500
COMP-ENVIRON & SAFETY CHARGES	421	0	0	25,000	0	1,500	26,500
ENVIRONMENTAL & SAFETY	421	6,500	0	0	0	0	6,500
DIRECTIONAL DRILLING	422	295,000	0	0	0	0	295,000
COMP - SUPERVISION	424	0	0	119,600	0	0	119,600
SUPERVISION	424	115,000	0	0	0	4,500	119,500
COMP - COMMUNICATIONS	431	0	0	5,000	0	0	5,000
TUBULAR INSPECTION/HANDLING	436	10,000	0	0	0	0	10,000
COMP-CASED HOLE LOGGING/TEST	438	0	0	5,000	0	0	5,000
SPECIALTY SERVICES	441	73,000	0	0	0	0	73,000
COMP-WIRELINE SERVICES	442	0	0	7,500	0	0	7,500
COMP-COIL TUBING/NITROGEN	445	0	0	202,720	0	0	202,720
COMP-CONTRACT LABOR MISC	446	0	0	20,000	0	500	20,500
FLBK-DISPOSAL COSTS	447	28,000	0	20,000	0	245,000	293,000
COMP-COMPLETION FLUIDS	448	0	0	10,000	0	0	10,000
TITLE OPINION-DRILL SITE	453	10,000	10,000	0	0	0	20,000
COMP-FLOWBACK	465	0	0	50,000	0	55,000	105,000
COMP-LAND DRILLSITE TITLE OPINION	480	0	0	0	0	0	0
COMP-LAND ROW DRILLING	482	0	7,500	0	0	0	7,500
COMP-LAND ROW COMPLETION	483	0	7,500	0	0	0	7,500
COMP-LAND SURVEY & DAMAGES DRILL	484	0	20,000	0	0	0	20,000
COMP-LAND SURVEY & DAMAGES COMP	485	0	20,000	0	0	0	20,000
COMP-REG-PERMIT FEE/ENV SURV&ASSESS	496	0	16,000	0	0	0	16,000
TOTAL INTANGIBLES		\$2,125,000	\$81,000	\$3,701,927	\$3,000	\$395,000	\$6,305,927

	UOM	QTY	SIZE	SIZE	GRADE	RATE						
SURFACE CASING						102	27,000	0	0	0	0	27,000
INTERMEDIATE CASING						103	225,000	0	0	0	0	225,000
PRODUCTION CASING						104	460,000	0	0	0	0	460,000
COMP-TUBING						106	0	0	58,900	0	0	58,900
WELLHEAD EQUIPMENT						107	32,000	0	60,000	0	0	92,000
COMP-FAC-FLOW LINES						109	0	0	0	16,000	0	16,000
COMP-FAC-VALVES & FITTINGS						110	0	0	0	31,000	0	31,000
COMP-VALVES & FITTINGS						110	0	0	2,500	0	20,000	22,500
COMP-PUMP EQUIP/SUBSURFACE						113	0	0	25,000	0	0	25,000
COMP-FAC-HEATERS, TREATRS, SEPRS						115	0	0	0	88,000	0	88,000
COMP-FAC-METERING EQUIPMENT						118	0	0	0	24,000	0	24,000
COMP-FAC-CONSTRUCTION COST						122	0	0	0	36,000	0	36,000
COMP-FAC-LABR/ELEC MEAS/AUTOMA						124	0	0	0	1,000	0	1,000
COMP-FAC-INSTRUMENT/ELECTRIC						128	0	0	0	5,000	0	5,000
COMP-FAC-TRANSPORTATION						415	0	0	0	3,000	0	3,000
COMP-FAC-ENVIRONMENTAL & SAFETY						421	0	0	0	2,500	0	2,500
COMP-FAC-ELECTRICAL LABOR						471	0	0	0	3,000	0	3,000
TOTAL TANGIBLES							\$744,000	\$0	\$146,400	\$209,500	\$20,000	\$1,119,900
TOTAL COST							\$2,869,000	\$81,000	\$3,848,327	\$212,500	\$415,000	\$7,425,827

By	Date	By	Date
JOINT OPERATOR APPROVAL			
Firm	By	Title	Date

Clayton Sporich
Vice President – Land & Legal
Cell: (214) 707-7073
csporich@taprk.com

Begin forwarded message:

From: Clayton Sporich <csporich@taprk.com>
Date: February 19, 2018 at 10:56:31 AM MST
To: "Cooper, Christopher C" <ChrisCooper@chevron.com>
Cc: Ryan Springmeyer <rspringmeyer@taprk.com>
Subject: RE: Chevron Acreage - Sec 14 T24S R31E

Chris,

Thank you for your response. Our Farmout Agreement with Douglas McLeod is unrecorded (covers 10,000' and below), but we will receive title once the wells are drilled according to the terms of the Farmout Agreement.

As mentioned before, we have a must spud date of 6/1/18, which is why the proposals were sent out to CVX. We have filed our Notice of Staking (approved), and have filed our APDs for the Double Diamond 24S31E1414 #238H and #158H. Since CVX has not begun permitting, we don't see a way to meet our spud date deadline.

We would like CVX to join in these wells, but if we cannot come to a resolution soon, we will have to file for compulsory pooling. If you have any suggestions, we are open. Please let me know if you have any questions.

Thank you,

Clayton Sporich
Vice President – Land & Legal
Direct: (720) 772-5093
Cell: (214) 707-7073

1

csporich@taprk.com



From: Cooper, Christopher C [<mailto:ChrisCooper@chevron.com>]
Sent: Tuesday, February 13, 2018 6:54 AM
To: Clayton Sporich <csporich@taprk.com>
Cc: Ryan Springmeyer <rspringmeyer@taprk.com>
Subject: Chevron Acreage - Sec 14 T24S R31E

Clayton,

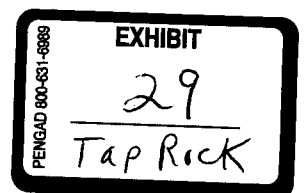
It was good to meet you and Ryan last week at NAPE. I'm glad that we got to meet face-to-face and get a high-level overview of Tap Rock and your proposals.

Based on your October 30, 2017 well proposals, you intend to drill four 5,000' Wolfcamp B wells on this section. As stated in our meeting, Chevron is also preparing drilling plans for this acreage and expects to begin drilling later this year or early next year. Chevron has received title on this section, and owns 100% WI in the N/2 of Section 14. Our records indicate that the S/2 of Section 14 surface to 10,000' is owned 25% by Douglas McLeod and below 10,000' is owned 100% by Douglas McLeod. I assume your referenced Farmout Agreement is unrecorded, and thus does not show up on our title.

Please be aware that Chevron intends to move forward with developing Section 14 along with our acreage in Section 11 to the north and will shortly begin the permitting process.

Chris Cooper
Land Representative

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002
Office: 713.372.6778
Email: ChrisCooper@chevron.com



From: Erica Hixson
To: usa0463@fedex.com
Subject: Fwd: FW: Double Diamond 238 & 158
Date: Friday, May 18, 2018 10:52:59 AM

----- Forwarded message -----

From: Erica Hixson <ehixson@taprk.com>;
Date: May 18, 2018 10:18 A **Subject:** Fwd: FW: Double Diamond 238 & 158
To: Clayton Sporich <csporich@taprk.com>;
Cc:

----- Forwarded message -----

From: Erica Hixson <ehixson@taprk.com>;
Date: Apr **From:** Erica Hixson

Sent: Wednesday, March 14, 2018 5:00 P **To:** Clayton Sporich (csporich@taprk.com)
<csporich@taprk.com>;
Subject: FW: Double Diamond 238 & 158

Do you want me to also send a copy to MLeod?
EH

From: Erica Hixson
Sent: Wednesday, March 14, 2018 4:58 P **To:** 'Hunter, Kristen' <Kristen.Hunter@chevron.
Cc: Clayton Sporich <csporich@taprk.SAWilliams@chevron.LewisSumrall@chevron.
Subject: RE: Double Diamond 238 & 158

Hi Kristen,

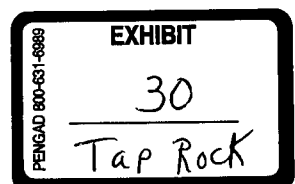
I've left you and Stephanie a few messages regarding the Double Diamond wells we plan to drill in a few months. Let me know if you are receiving them and if you need anything else from us. Attached is the JOA covering these wells as well as the Communitization Agreements. I will send hard copies to your attention tomorrow.

Thank you!

Best regards,

Erica Hixson

Erica Hixson



Landn

Office: 720-460-3316

ehixson@taprk.

-



-

-

From: Erica Hixson

Sent: Friday, March 9, 2018 1:33 P **To:** 'Hunter, Kristen' <

Kristen.Hunter@chevron. **Cc:** Clayton Sporich

csporich@taprk. csporich@taprk. SAWilliams@chevron. LewisSumrall@chevron. **Subject:**
RE: Double Diamond 238 & 158

Here are the plats.

Erica

From: Erica Hixson

Sent: Friday, March 9, 2018 1:24 P **To:** 'Hunter, Kristen' <

Kristen.Hunter@chevron. **Cc:** Clayton Sporich

csporich@taprk. csporich@taprk. SAWilliams@chevron. LewisSumrall@chevron. **Subject:**
Double Diamond 238 & 158

Hey Kristen,

I just left you a voicemail, but will follow up here with an Email. If you haven't already, you should be receiving a proposal for the Double Diamond #158 (also attached). You already have the proposal for the Double Diamond #238. Our geoprogs for both are attached for your technical folks, as well as plats. As I mentioned in my voicemail, we are on a bit of a time crunch for these. Our spud dates on these will be late May 2018.

Previously I know you said your title didn't show us in these lands. That is because our interest

is derived from a Participation Agreement with Doug MLeod. The terms of that PA stipulate that a well must be drilled by June 1, 2018. We are diligently working with Mr. MLeod to obtain an extension on this date, but in the meantime we are fully preparing to have a rig on site by end of May at the latest.

We have submitted BLM permits. Here's what is still pending:

1. Onsite for Facilities – scheduling for later this month. The onsite has been completed for the pad location itself.
2. Executed Proposals from Chevron
3. Joint Operating Agreements (forthcomng)
4. Communitization Agreement (forthcomng)
5. Potential hearing for nonstandard spacing/pooling – we are hopeful the pooling will be unnecessary pending your return of items 2-4 above).

I will have the JOAs & CAs documents to you by next Tuesday. Please let me know if you have questions or need any additional information.

Thanks!

Erica Hixson

Landn

Office: 720-460-3316

ehixson@taprk

