

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Bravos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

AUG 02 2018

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30024-45030	Pool Code 98098	Pool Name Wolfbone
Property Code 322179	Property Name BRAHMAN STATE COM 15-10	Well Number 452H
OGRD No. 162928	Operator Name ENERGEN RESOURCES CORPORATION	Elevation 3338'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	24-S	35-E	N	508	SOUTH	1390	WEST	LRA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	24-S	35-E	D	100	NORTH	1150	WEST	LRA
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL A
OR A NON-STANDARD UNIT HAS BEEN APPRO

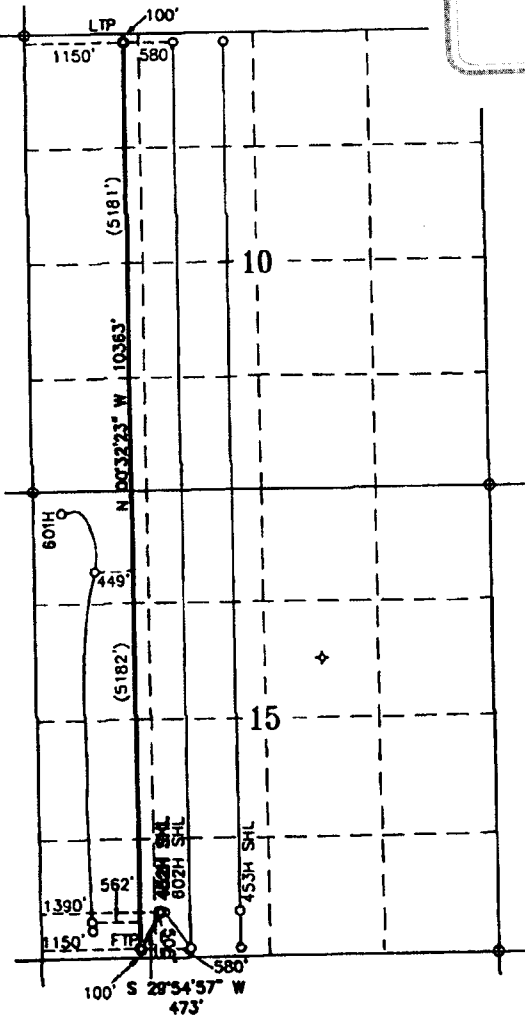
EXHIBIT 1

NOTES:
1. COORDINATES AND BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM NAD 83, CORRS 96, NEW MEXICO EAST ZONE WITH A CONVERGENCE ANGLE OF 0.53778259 AND DISTANCES ARE OF GRID VALUE WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99985905. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A CONSTRUCTION SURVEY.
2. SCALE 1" = 2000'

LAST T/P & BHL: 100' FSL & 1150' FSL
NAD 27
N: 451994.2
E: 801022.2
LAT: 32.2390240
LON: 103.3602355
NAD 83
N: 452053.5
E: 842207.3
LAT: 32.2390240
LON: 103.3602355

1ST T/P: 100' FSL & 1150' FSL
NAD 27
N: 441632.2
E: 801119.4
LAT: 32.2105410
LON: 103.3602233
NAD 83
N: 441691.3
E: 842304.9
LAT: 32.2105410
LON: 103.3602233

SHL: 508' FSL & 1390' FSL
NAD 27
N: 442042.3
E: 801355.3
LAT: 32.2116622
LON: 103.3594486
NAD 83
N: 442101.4
E: 842540.9
LAT: 32.2116622
LON: 103.3594486



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

Signature: Brenda F. Rathjen
Date: 7/11/2018

Printed Name: Brenda F. Rathjen

Date: 7/11/2018

SURVEYOR CERTIFICATION

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



Signature: Wilson D. Watson Jr.
Date: 7/11/2018

Certificate No. WILSON D. WATSON JR.
P.L.S. #3958
WATSON PROFESSIONAL GROUP INC

HOBBS OCD

DISTRICT I
1026 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to Appropriate
District Office

RECEIVED

OIL CONSERVATION DIVISION

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-45031	Pool Code 98098	Pool Name Wolfbone
Property Code 322179	Property Name BRAHMAN STATE COM 115-10	Well Number 453H
OGRID No. 162928	Operator Name ENERGEN RESOURCES CORPORATION	Elevation 3331'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	24-S	35-E	N	508	SOUTH	2310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	24-S	35-E	C	100	NORTH	2310	WEST	LEA
Dedicated Acres 320	Joint or Infill	Consolidation Code	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

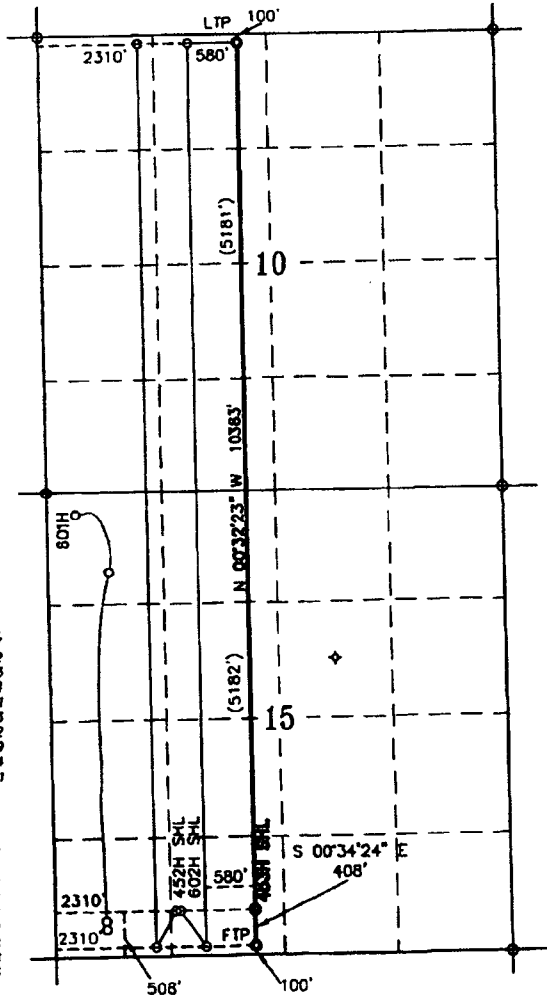
NOTES:

1. COORDINATES AND BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM NAD 83, CORRS 96, NEW MEXICO EAST ZONE WITH A CONVERGENCE ANGLE OF 0.53778259 AND DISTANCES ARE OF GRID VALUE WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99985905. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A CONSTRUCTION SURVEY.
2. SCALE 1" = 2000'

LAST T/P & BHL: 100' FSL & 2310' FWL
NAD 27
N: 452003.8
E: 802182.1
LAT: 32.2390216
LON: 103.3564840
NAD 83
N: 452063.1
E: 843367.3
LAT: 32.2390216
LON: 103.3564840

1ST T/P: 100' FSL & 2310' FWL
NAD 27
N: 441642.2
E: 802279.3
LAT: 32.2105394
LON: 103.3564731
NAD 83
N: 441701.2
E: 843464.9
LAT: 32.2105394
LON: 103.3564731

SHL: 508' FSL & 2310' FWL
NAD 27
N: 442050.1
E: 802275.2
LAT: 32.2116608
LON: 103.3564743
NAD 83
N: 442109.2
E: 843460.8
LAT: 32.2116608
LON: 103.3564743



OPERATOR CERTIFICATION

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

Brenda Rathjen 7/11/2018
Signature Date

Brenda F. Rathjen

Printed Name 7/11/2018

Date

SURVEYOR CERTIFICATION

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

APRIL 10 2018
Date Surveyed
Signature & Seal of 3959
Professional Surveyor
WILSON D. WATSON, JR.
NEW MEXICO

Certificate No. WILSON D. WATSON JR.
P.L.S. 3959
WATSON PROFESSIONAL GROUP INC



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

June 5th, 2018

Attn: Matt Solomon
Concho Resources, Inc.
600 W. Illinois Ave.
Midland, Texas 79701

Re: Well Proposal – Brahman State Com 15-10 452H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW/4, Sec 15-T24S-R35E
BHL: NW/4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation ("EGN") hereby proposes the drilling of the Brahman State Com 10-15 452H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980' and a TD of approximately 22,360' to test the 3rd Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W/2 of Section 15-T24S-R35E and the W/2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100/300% Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN's management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

EXHIBIT

2

_____ Elect to participate in the Brahman State Com 15-10 452H well.
_____ Elect not to participate in the Brahman State Com 15-10 452H well.

Concho Resources, Inc. Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

AFE Number	
Well Name	Brahman State Com 15-10 452H
Lateral Length	9,550'
API Number	00-000-00000
Operator	Energen Resources
Legal	

Proposed TD	22,360		
Formation	3rd Bone Spring		
Well Type	Development		
County, State	Lea, NM		
Energen WI	0.0000%	Rev. WI	0.000000%
Energen NRI	0.0000%	Rev. NRI	0.000000%

Objective D&C 22360' 3rd Bone Spring Horizontal well. Based on 38 day cycle time with lateral length of 9550'. Completions:
Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft. Date:

INTANGIBLE DRILLING COST					Original AFE
950.010	Company Labor				\$ -
950.020	Company Supervision				\$ -
950.030	Road & Site Construction				\$ 185,600.00
950.040	Field Office				\$ -
950.050	Vehicles				\$ -
950.060	ROW & Damages				\$ 57,500.00
950.070	Insurance and Bonds				\$ 10,000.00
950.080	Permits, Surveys, & Engineering				\$ 30,000.00
950.101	Drill Bits				\$ 80,200.00
950.102	Cement & Cementing Services				\$ 235,000.00
950.103	Contract Drilling (Daywork-Spud to RR)	\$ 22.000	\$/day	35.0 days	\$ 770,000.00
950.104	Mud, Fluid, and Chemicals				\$ 410,400.00
950.105	Drilling Equipment Rental				\$ 91,300.00
950.106	Fuel				\$ 163,400.00
950.107	Equipment Hauling				\$ 25,000.00
950.108	Drilling Fluid Disposal				\$ 38,400.00
950.109	Directional Drilling Services				\$ 337,400.00
950.110	Gas/Air Units				\$ -
950.111	Mobilization/Demobilization			3 days	\$ 177,800.00
950.112	Fishing Rentals/Labor				\$ -
950.113	Downhole Rental Tools				\$ 65,100.00
950.114	Surface Rentals				\$ 84,100.00
950.115	Closed Loop Rental				\$ 135,800.00
950.116	Drill Pipe Rental & Damages				\$ 54,500.00
950.117	Drilling: Special Services				\$ 134,500.00
950.118	Drilling Supervision				\$ 159,600.00
950.150	Logging				\$ 10,000.00
950.160	Coring and Core Analysis				\$ -
950.995	Contingency			3.0%	\$ 97,700.00
Total Intangible Drilling Cost					\$ 3,353,300
TANGIBLE DRILLING COST					Original AFE
940.101	Conductor Casing		150	ft @ 50.00 \$/ft	\$ 7,500.00
940.103	Misc/Other casing equipment				\$ 285,000.00
940.106	Surface Casing	13 3/8"	1,950	ft @ 40.00 \$/ft	\$ 78,000.00
940.109	Intermediate Casing	10 3/4"	5,800	ft @ 45.50 \$/ft	\$ 263,900.00
940.109	Intermediate Casing	7 5/8"	12,810	ft @ 25.82 \$/ft	\$ 330,800.00
940.104	Production Liner	4 1/2"	9,650	ft @ 15.58 \$/ft	\$ 150,300.00
940.104	Production Casing	5 1/2"	12,710	ft @ 23.26 \$/ft	\$ 295,600.00
Total Tangible Drilling Cost					\$ 1,411,100
Total Rig Release Cost					\$ 4,764,400

INTANGIBLE COMPLETION COSTS					Original AFE
950.201	Remedial Cement & Service				\$ -
950.202	Plug & Perforating Operations				\$ 272,600.00
950.203	Frac Tank Rental				\$ 20,000.00
950.204	Fuel				\$ 20,000.00
950.205	Equipment Hauling				\$ 15,000.00
950.206	Completion : Special Services				\$ 30,000.00
950.207	Stimulation				\$ 4,400,000.00
950.208	Completion Rig		days	\$/day	\$ 30,000.00
950.209	Drillouts				\$ 300,000.00
950.210	Water Disposal				\$ 65,000.00
950.211	Downhole Rentals				\$ 58,500.00
950.212	Surface Rentals				\$ 30,000.00
950.213	Fresh Water				\$ 552,000.00
950.214	Recycled Water				\$ -
950.215	Water Transfer				\$ 150,000.00
950.217	Well Control				\$ 15,000.00
950.218	Completions Supervision				\$ 78,750.00
950.219	Cased Hole Logging				\$ -
950.220	Completions Fishing				\$ -
950.221	Mud/Gel				\$ 15,000.00
950.222	Frac Pond				\$ 50,000.00
950.216	Special Reservoir Testing				\$ 5,000.00
950.250	Production Testing				\$ 225,000.00
950.260	Drilling Overhead				\$ -
950.270	Pumping Phase Cost (N2)				\$ -
950.900	Non-op IDC				\$ -
950.999	Cutback				\$ -
950.996	Completions Contingency			3%	\$ 190,000.00
Total Intangible Completion Cost					\$ 6,521,850
TANGIBLE COMPLETION COSTS					Original AFE
960.010	Company Labor				\$ 2,500.00
960.030	Road & Site Construction				\$ 20,000.00
960.080	Permits, Surveys, & Engineering				\$ 1,500.00
960.070	Installation				\$ 34,000.00
960.110	Equipment				\$ 65,000.00
960.130	Materials & Parts				\$ 36,000.00
940.102	Artificial Lift				\$ 22,500.00
940.105	Rods				\$ -
940.107	Tubing				\$ 151,200.00
940.201	Wellhead				\$ 35,000.00
940.202	Compressor/Dehydration Unit				\$ -
940.203	Meters/meter runs				\$ -
940.204	Other Surface Equipment				\$ -
940.205	Pumping Unit				\$ -
940.206	Seperator & Treater				\$ -
940.270	Pumping Phase Costs				\$ -
960.995	Wellhead/Facilities Contingency			3%	\$ 11,000.00
Total Tangible Completion Cost					\$ 378,700
Sub-total Completion Cost					\$ 6,900,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

July 18th, 2018

Attn: Katie Dean
Devon Energy
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

Re: Well Proposal - Brahman State Com 15-10 452H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW 4, Sec 15-T24S-R35E
BHL: NW 4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation ("EGN") hereby proposes the drilling of the Brahman State Com 15-10 452H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980' and a TD of approximately 22,360' to test the 3rd Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100-300% Non-consenting penalty
- \$7,000-\$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN's management and verification of title.


EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION


Conner Stewart
Landman

_____ Elect to participate in the Brahman State Com 15-10 452H well.
_____ Elect not to participate in the Brahman State Com 15-10 452H well.

Devon Energy Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

AFE Number		Proposed TD	22,360
Well Name	Brahman State Com 15-10 452H	Formation	3rd Bone Spring
Lateral Length	9,550'	Well Type	Development
API Number	00-000-00000	County, State	Lea, NM
Operator	Energen Resources	Energen WI	0.0000%
Legal		Energen NRI	0.0000%
		Rev. WI	0.000000%
		Rev. NRI	0.000000%

Objective D&C 22360' 3rd Bone Spring Horizontal well Based on 38 day cycle time with lateral length of 9550' Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft Date

INTANGIBLE DRILLING COST						Original AFE
950.010	Company Labor					\$ -
950.020	Company Supervision					\$ -
950.030	Road & Site Construction					\$ 185,600.00
950.040	Field Office					\$ -
950.050	Vehicles					\$ -
950.060	ROW & Damages					\$ 57,500.00
950.070	Insurance and Bonds					\$ 10,000.00
950.080	Permits, Surveys, & Engineering					\$ 30,000.00
950.101	Drill Bits					\$ 80,200.00
950.102	Cement & Cementing Services					\$ 235,000.00
950.103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day	35.0	days	\$ 770,000.00
950.104	Mud, Fluid, and Chemicals					\$ 410,400.00
950.105	Drilling Equipment Rental					\$ 91,300.00
950.106	Fuel					\$ 163,400.00
950.107	Equipment Hauling					\$ 25,000.00
950.108	Drilling Fluid Disposal					\$ 38,400.00
950.109	Directional Drilling Services					\$ 337,400.00
950.110	Gas/Air Units					\$ -
950.111	Mobilization/Demobilization			3	days	\$ 177,800.00
950.112	Fishing Rentals/Labor					\$ -
950.113	Downhole Rental Tools					\$ 65,100.00
950.114	Surface Rentals					\$ 84,100.00
950.115	Closed Loop Rental					\$ 135,800.00
950.116	Drill Pipe Rental & Damages					\$ 54,500.00
950.117	Drilling Special Services					\$ 134,500.00
950.118	Drilling Supervision					\$ 159,600.00
950.150	Logging					\$ 10,000.00
950.160	Coring and Core Analysis					\$ -
950.995	Contingency			3.0%		\$ 97,700.00
Total Intangible Drilling Cost						\$ 3,353,300
TANGIBLE DRILLING COST						Original AFE
940.101	Conductor Casing		150	ft @	50.00 \$/ft	\$ 7,500.00
940.103	Misc/Other casing equipment					\$ 285,000.00
940.106	Surface Casing	13 3/8"	1,950	ft @	40.00 \$/ft	\$ 78,000.00
940.109	Intermediate Casing	10 3/4"	5,800	ft @	45.50 \$/ft	\$ 263,900.00
940.109	Intermediate Casing	7 5/8"	12,810	ft @	25.82 \$/ft	\$ 330,800.00
940.104	Production Liner	4 1/2"	9,650	ft @	15.58 \$/ft	\$ 150,300.00
940.104	Production Casing	5 1/2"	12,710	ft @	23.26 \$/ft	\$ 295,600.00
Total Tangible Drilling Cost						\$ 1,411,100
Total Rig Release Cost						\$ 4,764,400

INTANGIBLE COMPLETION COSTS						Original AFE
950.201	Remedial Cement & Service					\$ -
950.202	Plug & Perforating Operations					\$ 272,600.00
950.203	Frac Tank Rental					\$ 20,000.00
950.204	Fuel					\$ 20,000.00
950.205	Equipment Hauling					\$ 15,000.00
950.206	Completion Special Services					\$ 30,000.00
950.207	Stimulation					\$ 4,400,000.00
950.208	Completion Rig			days	\$/day	\$ 30,000.00
950.209	Drillouts					\$ 300,000.00
950.210	Water Disposal					\$ 65,000.00
950.211	Downhole Rentals					\$ 58,500.00
950.212	Surface Rentals					\$ 30,000.00
950.213	Fresh Water					\$ 552,000.00
950.214	Recycled Water					\$ -
950.215	Water Transfer					\$ 150,000.00
950.217	Well Control					\$ 15,000.00
950.218	Completions Supervision					\$ 78,750.00
950.219	Cased Hole Logging					\$ -
950.220	Completions Fishing					\$ -
950.221	Mud/Gel					\$ 15,000.00
950.222	Frac Pond					\$ 50,000.00
950.216	Special Reservoir Testing					\$ 5,000.00
950.250	Production Testing					\$ 225,000.00
950.260	Drilling Overhead					\$ -
950.270	Pumping Phase Cost (N2)					\$ -
950.900	Non-op IDC					\$ -
950.999	Cutback					\$ -
950.996	Completions Contingency		3%			\$ 190,000.00
Total Intangible Completion Cost						\$ 6,521,850
TANGIBLE COMPLETION COSTS						Original AFE
960.010	Company Labor					\$ 2,500.00
960.030	Road & Site Construction					\$ 20,000.00
960.080	Permits, Surveys, & Engineering					\$ 1,500.00
960.070	Installation					\$ 34,000.00
960.110	Equipment					\$ 65,000.00
960.130	Materials & Parts					\$ 36,000.00
940.102	Artificial Lift					\$ 22,500.00
940.105	Rods					\$ -
940.107	Tubing					\$ 151,200.00
940.201	Wellhead					\$ 35,000.00
940.202	Compressor/Dehydration Unit					\$ -
940.203	Meters/meter runs					\$ -
940.204	Other Surface Equipment					\$ -
940.205	Pumping Unit					\$ -
940.206	Separator & Treater					\$ -
940.270	Pumping Phase Costs					\$ -
960.995	Wellhead/Facilities Contingency		3%			\$ 11,000.00
Total Tangible Completion Cost						\$ 378,700
Sub-total Completion Cost						\$ 6,900,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

July 19th, 2018

XTO Energy, Inc.
22777 Springwoods Village Pkwy.
Spring, Texas 77389

Re: Well Proposal - Brahman State Com 15-10 452H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW 4, Sec 15-T24S-R35E
BHL: NW 4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation ("EGN") hereby proposes the drilling of the Brahman State Com 15-10 452H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980' and a TD of approximately 22,360' to test the 3rd Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100 300% Non-consenting penalty
- \$7,000 \$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN's management and verification of title.

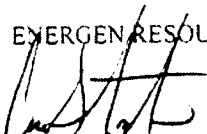
EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION



Conner Stewart
Landman

_____ Elect to participate in the Brahman State Com 15-10 452H well.
_____ Elect not to participate in the Brahman State Com 15-10 452H well.

XTO Energy, Inc. Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

A/E Number		Proposed TD	22,360
Well Name	Brahman State Com 15-10 452H	Formation	3rd Bone Spring
Lateral Length	9,550'	Well Type	Development
API Number	00-000-00000	County, State	Lea, NM
Operator	Energen Resources	Energen WI	0.0000%
Legal		Energen NRI	0.0000%
		Rev. WI	0.000000%
		Rev. NRI	0.000000%

Objective D&C 22360' 3rd Bone Spring Horizontal well Based on 38 day cycle time with lateral length of 9550' Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft Date

INTANGIBLE DRILLING COST						Original A/E
950 010	Company Labor					\$ -
950 020	Company Supervision					\$ -
950 030	Road & Site Construction					\$ 185,600.00
950 040	Field Office					\$ -
950 050	Vehicles					\$ -
950 060	ROW & Damages					\$ 57,500.00
950 070	Insurance and Bonds					\$ 10,000.00
950 080	Permits, Surveys, & Engineering					\$ 30,000.00
950 101	Drill Bits					\$ 80,200.00
950 102	Cement & Cementing Services					\$ 235,000.00
950 103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day	35.0	days	\$ 770,000.00
950 104	Mud, Fluid, and Chemicals					\$ 410,400.00
950 105	Drilling Equipment Rental					\$ 91,300.00
950 106	Fuel					\$ 163,400.00
950 107	Equipment Hauling					\$ 25,000.00
950 108	Drilling Fluid Disposal					\$ 38,400.00
950 109	Directional Drilling Services					\$ 337,400.00
950 110	Gas/Air Units					\$ -
950 111	Mobilization/Demobilization			3	days	\$ 177,800.00
950 112	Fishing Rentals/Labor					\$ -
950 113	Downhole Rental Tools					\$ 65,100.00
950 114	Surface Rentals					\$ 84,100.00
950 115	Closed Loop Rental					\$ 135,800.00
950 116	Drill Pipe Rental & Damages					\$ 54,500.00
950 117	Drilling Special Services					\$ 134,500.00
950 118	Drilling Supervision					\$ 159,600.00
950 150	Logging					\$ 10,000.00
950 160	Connq and Core Analysis					\$ -
950 995	Contingency			3.0%		\$ 97,700.00
Total Intangible Drilling Cost						\$ 3,353,300
TANGIBLE DRILLING COST						Original A/E
940 101	Conductor Casing		150	ft @	50.00 \$/ft	\$ 7,500.00
940 103	Misc/Other casing equipment					\$ 285,000.00
940 106	Surface Casing	13 3/8"	1,950	ft @	40.00 \$/ft	\$ 78,000.00
940 109	Intermediate Casing	10 3/4"	5,800	ft @	45.50 \$/ft	\$ 263,900.00
940 109	Intermediate Casing	7 5/8"	12,810	ft @	25.82 \$/ft	\$ 330,800.00
940 104	Production Liner	4 1/2"	9,650	ft @	15.58 \$/ft	\$ 150,300.00
940 104	Production Casing	5 1/2"	12,710	ft @	23.26 \$/ft	\$ 295,600.00
Total Tangible Drilling Cost						\$ 1,411,100
Total Rig Release Cost						\$ 4,764,400

INTANGIBLE COMPLETION COSTS						Original A/E
950 201	Remedial Cement & Service					\$ -
950 202	Plug & Perforating Operations					\$ 272,600.00
950 203	Frac Tank Rental					\$ 20,000.00
950 204	Fuel					\$ 20,000.00
950 205	Equipment Hauling					\$ 15,000.00
950 206	Completion Special Services					\$ 30,000.00
950 207	Simulation					\$ 4,400,000.00
950 208	Completion Rig				\$/day	\$ 30,000.00
950 209	Drillouts					\$ 300,000.00
950 210	Water Disposal					\$ 65,000.00
950 211	Downhole Rentals					\$ 58,500.00
950 212	Surface Rentals					\$ 30,000.00
950 213	Fresh Water					\$ 552,000.00
950 214	Recycled Water					\$ -
950 215	Water Transfer					\$ 150,000.00
950 217	Well Control					\$ 15,000.00
950 218	Completions Supervision					\$ 78,750.00
950 219	Cased Hole Logging					\$ -
950 220	Completions Fishing					\$ -
950 221	Mud/Gel					\$ 15,000.00
950 222	Frac Pond					\$ 50,000.00
950 216	Special Reservoir Testing					\$ 5,000.00
950 250	Production Testing					\$ 225,000.00
950 260	Drilling Overhead					\$ -
950 270	Pumping Phase Cost (N2)					\$ -
950 900	Non-op IDC					\$ -
950 999	Cutback					\$ -
950 995	Completions Contingency			3%		\$ 190,000.00
Total Intangible Completion Cost						\$ 6,521,850
TANGIBLE COMPLETION COSTS						Original A/E
960 010	Company Labor					\$ 2,500.00
960 030	Road & Site Construction					\$ 20,000.00
960 080	Permits, Surveys, & Engineering					\$ 1,500.00
960 070	Installation					\$ 34,000.00
960 110	Equipment					\$ 65,000.00
960 130	Materials & Parts					\$ 36,000.00
940 102	Artificial Lift					\$ 22,500.00
940 105	Rods					\$ -
940 107	Tubing					\$ 151,200.00
940 201	Wellhead					\$ 35,000.00
940 202	Compressor/Dehydration Unit					\$ -
940 203	Meters/meter runs					\$ -
940 204	Other Surface Equipment					\$ -
940 205	Pumping Unit					\$ -
940 206	Separator & Treater					\$ -
940 270	Pumping Phase Costs					\$ -
960 995	Wellhead/Facilities Contingency			3%		\$ 11,000.00
Total Tangible Completion Cost						\$ 378,700
Sub-total Completion Cost						\$ 6,900,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

September 4th, 2018

James Jackson
3100 River Bend Dr.
Hurst, TX 76054

Re: Well Proposal - Brahman State Com 15-10 452H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW 1/4, Sec 15-T24S-R35E
BHL: NW 1/4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation ("EGN") hereby proposes the drilling of the Brahman State Com 10-15 452H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980' and a TD of approximately 22,360' to test the 3rd Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100 300% Non-consenting penalty
- \$7,000 \$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN's management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

- _____ Elect to participate in the Brahman State Com 15-10 452H well.
- _____ Elect not to participate in the Brahman State Com 15-10 452H well.

James Jackson Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

A/E Number		Proposed TD	22 360
Well Name	Brahman State Com 15-10 453H	Formation	3rd Bone Spring
Lateral Length	9 550'	Well Type	Development
API Number	00-000-00000	County, State	Lea, NM
Operator	Energen Resources	Energen WI	0.0000% Rev. WI 0.000000%
Legal		Energen NRI	0.0000% Rev. NRI 0.000000%

Objective D&C 22360' 3rd Bone Spring Horizontal well. Based on 35 day cycle time with lateral length of 9550'. Completions Based on 48 stage slickwater job w/ 200 ft spacing and 400K lbs of proppant @ 1000 lbs per lateral ft. Date

INTANGIBLE DRILLING COST		Original A/E
950.010	Company Labor	\$ -
950.020	Company Supervision	\$ -
950.030	Road & Site Construction	\$ 185,600.00
950.040	Field Office	\$ -
950.050	Vehicles	\$ -
950.060	ROW & Damages	\$ 57,500.00
950.070	Insurance and Bonds	\$ 10,000.00
950.080	Permits, Surveys, & Engineering	\$ 30,000.00
950.101	Drill Bits	\$ 80,200.00
950.102	Cement & Cementing Services	\$ 235,000.00
950.103	Contract Drilling (Daywork-Spot to RR)	\$ 22,000.00/day 35.0 days \$ 770,000.00
950.104	Mud, Fluid, and Chemicals	\$ 410,400.00
950.105	Drilling Equipment Rents	\$ 91,300.00
950.106	Fuel	\$ 163,400.00
950.107	Equipment Hauling	\$ 25,000.00
950.108	Drilling Fluid Disposal	\$ 38,400.00
950.109	Directional Drilling Services	\$ 337,400.00
950.110	Gas/Air Units	\$ -
950.111	Mobilization/Demobilization	\$ 177,800.00 3 days
950.112	Fishing Remedial/Labor	\$ -
950.113	Downhole Rental Tools	\$ 65,100.00
950.114	Surface Rentals	\$ 84,100.00
950.115	Closed Loop Rents	\$ 135,800.00
950.116	Drill Pipe Rental & Damages	\$ 54,500.00
950.117	Drilling Special Services	\$ 134,500.00
950.118	Drilling Supervision	\$ 159,600.00
950.150	Logging	\$ 10,000.00
950.160	Coring and Core Analysis	\$ -
950.999	Contingency	\$ 97,700.00 3.0%
Total Intangible Drilling Cost:		\$ 3,353,300
TANGIBLE DRILLING COST		Original A/E
940.101	Conductor Casing	\$ 7,500.00 150 ft @ 50.00 \$/ft
940.103	Misc/Other casing equipment	\$ 285,000.00
940.106	Surface Casing	\$ 78,000.00 13 3/8" 1,950 ft @ 40.00 \$/ft
940.109	Intermediate Casing	\$ 263,900.00 10 3/4" 5,800 ft @ 45.50 \$/ft
940.109	Intermediate Casing	\$ 330,800.00 7 5/8" 2,810 ft @ 25.82 \$/ft
940.104	Production Liner	\$ 150,300.00 4 1/2" 9,650 ft @ 15.58 \$/ft
940.104	Production Casing	\$ 295,600.00 5 1/2" 12,710 ft @ 23.26 \$/ft
Total Tangible Drilling Cost		\$ 1,411,100
Total Rig Release Cost		\$ 4,764,400

INTANGIBLE COMPLETION COSTS		Original A/E
950.201	Remedial Cement & Service	\$ -
950.202	Plug & Perforating Operations	\$ 272,600.00
950.203	Frac Tank Rents	\$ 20,000.00
950.204	Fuel	\$ 20,000.00
950.205	Equipment Hauling	\$ 15,000.00
950.206	Completion Special Services	\$ 30,000.00
950.207	Stimulation	\$ 4,400,000.00
950.208	Completion Rig	\$ 30,000.00 days \$/day
950.209	Drillouts	\$ 300,000.00
950.210	Water Disposal	\$ 65,000.00
950.211	Downhole Rentals	\$ 58,500.00
950.212	Surface Rentals	\$ 30,000.00
950.213	Fresh Water	\$ 552,000.00
950.214	Recycled Water	\$ -
950.215	Water Transfer	\$ 150,000.00
950.217	Well Control	\$ 15,000.00
950.218	Completions Supervision	\$ 78,750.00
950.219	Cased Hole Logging	\$ -
950.220	Completions Fishing	\$ -
950.221	Mud/Gel	\$ 15,000.00
950.222	Frac Pond	\$ 50,000.00
950.216	Special Reservoir Testing	\$ 5,000.00
950.250	Production Testing	\$ 225,000.00
950.260	Drilling Overhead	\$ -
950.270	Pumping Phase Cost (N2)	\$ -
950.900	Non-op IOC	\$ -
950.999	Cutback	\$ -
950.990	Completions Contingency	\$ 150,000.00 3%
Total Intangible Completion Cost		\$ 6,521,850
TANGIBLE COMPLETION COSTS		Original A/E
960.010	Company Labor	\$ 5,500.00
960.030	Road & Site Construction	\$ 20,000.00
960.030	Permits, Surveys, & Engineering	\$ 1,500.00
960.070	Installation	\$ 34,000.00
960.110	Equipment	\$ 60,000.00
960.130	Materials & Parts	\$ 38,000.00
940.102	Artificial Lift	\$ 22,000.00
940.105	Rods	\$ -
940.107	Tubing	\$ 101,000.00
940.201	Wellhead	\$ 25,000.00
940.202	Compressor/Dehydration Unit	\$ -
940.203	Meters/meter runs	\$ -
940.204	Other Surface Equipment	\$ -
940.205	Pumping Unit	\$ -
940.206	Separator & Treater	\$ -
940.270	Pumping Phase Costs	\$ -
960.999	Wellhead/Facilities Contingency	\$ 11,000.00
Total Tangible Completion Cost		\$ 378,700
Sub-total Completion Cost		\$ 6,900,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

June 5th, 2018

Attn: Matt Solomon
Concho Resources, Inc.
600 W. Illinois Ave.
Midland, Texas 79701

Re: Well Proposal – Brahman State Com 15-10 453H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW/4, Sec 15-T24S-R35E
BHL: NW/4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energien Resources Corporation (“EGN”) hereby proposes the drilling of the Brahman State Com 10-15 453H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980’ and a TD of approximately 22,360’ to test the 3rd Bone Spring formation (“Operation”). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure (“AFE”).

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W/2 of Section 15-T24S-R35E and the W/2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100/300% Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN’s management and verification of title.


EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION


Conner Stewart
Landman



_____ Elect to participate in the Brahman State Com 15-10 453H well.
_____ Elect not to participate in the Brahman State Com 15-10 453H well.

Concho Resources, Inc. Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

AFE Number	
Well Name	Brahman State Com 15-10 453H
Lateral Length	9,550'
API Number	00-000-00000
Operator	Energen Resources
Legal	

Proposed TD	22,360		
Formation	3rd Bone Spring		
Well Type	Development		
County, State	Lea, NM		
Energen WI	0.0000%	Rev. WI	0.000000%
Energen NRI	0.0000%	Rev. NRI	0.000000%

Objective D&C 22360' 3rd Bone Spring Horizontal well. Based on 38 day cycle time with lateral length of 9550'. Completions:
Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft. Date:

INTANGIBLE DRILLING COST					Original AFE
950.010	Company Labor				\$ -
950.020	Company Supervision				\$ -
950.030	Road & Site Construction				\$ 185,600.00
950.040	Field Office				\$ -
950.050	Vehicles				\$ -
950.060	ROW & Damages				\$ 57,500.00
950.070	Insurance and Bonds				\$ 10,000.00
950.080	Permits, Surveys, & Engineering				\$ 30,000.00
950.101	Drill Bits				\$ 80,200.00
950.102	Cement & Cementing Services				\$ 235,000.00
950.103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day	35.0 days	\$ 770,000.00
950.104	Mud, Fluid, and Chemicals				\$ 410,400.00
950.105	Drilling Equipment Rental				\$ 91,300.00
950.106	Fuel				\$ 163,400.00
950.107	Equipment Hauling				\$ 25,000.00
950.108	Drilling Fluid Disposal				\$ 38,400.00
950.109	Directional Drilling Services				\$ 337,400.00
950.110	Gas/Air Units				\$ -
950.111	Mobilization/Demobilization			3 days	\$ 177,800.00
950.112	Fishing Rentals/Labor				\$ -
950.113	Downhole Rental Tools				\$ 65,100.00
950.114	Surface Rentals				\$ 84,100.00
950.115	Closed Loop Rental				\$ 135,800.00
950.116	Drill Pipe Rental & Damages				\$ 54,500.00
950.117	Drilling: Special Services				\$ 134,500.00
950.118	Drilling Supervision				\$ 159,600.00
950.150	Logging				\$ 10,000.00
950.160	Coring and Core Analysis				\$ -
950.995	Contingency			3.0%	\$ 97,700.00
Total Intangible Drilling Cost					\$ 3,353,300
TANGIBLE DRILLING COST					Original AFE
940.101	Conductor Casing		150	ft @ 50.00 \$/ft	\$ 7,500.00
940.103	Misc/Other casing equipment				\$ 285,000.00
940.106	Surface Casing	13 3/8"	1,950	ft @ 40.00 \$/ft	\$ 78,000.00
940.109	Intermediate Casing	10 3/4"	5,800	ft @ 45.50 \$/ft	\$ 263,900.00
940.109	Intermediate Casing	7 5/8"	12,810	ft @ 25.82 \$/ft	\$ 330,800.00
940.104	Production Liner	4 1/2"	9,650	ft @ 15.58 \$/ft	\$ 150,300.00
940.104	Production Casing	5 1/2"	12,710	ft @ 23.26 \$/ft	\$ 295,600.00
Total Tangible Drilling Cost					\$ 1,411,100
Total Rig Release Cost					\$ 4,764,400

INTANGIBLE COMPLETION COSTS					Original AFE
950.201	Remedial Cement & Service				\$ -
950.202	Plug & Perforating Operations				\$ 272,600.00
950.203	Frac Tank Rental				\$ 20,000.00
950.204	Fuel				\$ 20,000.00
950.205	Equipment Hauling				\$ 15,000.00
950.206	Completion: Special Services				\$ 30,000.00
950.207	Stimulation				\$ 4,400,000.00
950.208	Completion Rig		days	\$/day	\$ 30,000.00
950.209	Drillouts				\$ 300,000.00
950.210	Water Disposal				\$ 65,000.00
950.211	Downhole Rentals				\$ 58,500.00
950.212	Surface Rentals				\$ 30,000.00
950.213	Fresh Water				\$ 552,000.00
950.214	Recycled Water				\$ -
950.215	Water Transfer				\$ 150,000.00
950.217	Well Control				\$ 15,000.00
950.218	Completions Supervision				\$ 78,750.00
950.219	Cased Hole Logging				\$ -
950.220	Completions Fishing				\$ -
950.221	Mud/Gel				\$ 15,000.00
950.222	Frac Pond				\$ 50,000.00
950.216	Special Reservoir Testing				\$ 5,000.00
950.250	Production Testing				\$ 225,000.00
950.260	Drilling Overhead				\$ -
950.270	Pumping Phase Cost (N2)				\$ -
950.900	Non-op IDC				\$ -
950.999	Cutback				\$ -
950.996	Completions Contingency			3%	\$ 190,000.00
Total Intangible Completion Cost					\$ 6,521,850
TANGIBLE COMPLETION COSTS					Original AFE
960.010	Company Labor				\$ 2,500.00
960.030	Road & Site Construction				\$ 20,000.00
960.080	Permits, Surveys, & Engineering				\$ 1,500.00
960.070	Installation				\$ 34,000.00
960.110	Equipment				\$ 65,000.00
960.130	Materials & Parts				\$ 36,000.00
940.102	Artificial Lift				\$ 22,500.00
940.105	Rods				\$ -
940.107	Tubing				\$ 151,200.00
940.201	Wellhead				\$ 35,000.00
940.202	Compressor/Dehydration Unit				\$ -
940.203	Meters/meter runs				\$ -
940.204	Other Surface Equipment				\$ -
940.205	Pumping Unit				\$ -
940.206	Separator & Treater				\$ -
940.270	Pumping Phase Costs				\$ -
960.995	Wellhead/Facilities Contingency			3%	\$ 11,000.00
Total Tangible Completion Cost					\$ 378,700
Sub-total Completion Cost					\$ 6,900,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated: 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

July 18th, 2018

Attn: Katie Dean
Devon Energy
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

Re: Well Proposal – Brahman State Com 15-10 453H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW 4, Sec 15-T24S-R35E
BHL: NW 4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation ("EGN") hereby proposes the drilling of the Brahman State Com 15-10 453H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980' and a TD of approximately 22,360' to test the 3rd Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100-300% Non-consenting penalty
- \$7,000-\$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN's management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

- _____ Elect to participate in the Brahman State Com 15-10 453H well.
- _____ Elect not to participate in the Brahman State Com 15-10 453H well.

Devon Energy Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

AFE Number		Proposed TD	22,360
Well Name	Brahman State Com 15-10 453H	Formation	3rd Bone Spring
Lateral Length	9,550'	Well Type	Development
API Number	00-000-00000	County, State	Lea, NM
Operator	Energen Resources	Energen WI	0.0000%
Legal		Energen NRI	0.0000%
		Rev. WI	0.000000%
		Rev. NRI	0.000000%

Objective D&C 22360' 3rd Bone Spring Horizontal well. Based on 38 day cycle time with lateral length of 9550' Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft Date

INTANGIBLE DRILLING COST						Original AFE
950.010	Company Labor					\$ -
950.020	Company Supervision					\$ -
950.030	Road & Site Construction					\$ 185,600.00
950.040	Field Office					\$ -
950.050	Vehicles					\$ -
950.060	ROW & Damages					\$ -
950.070	Insurance and Bonds					\$ 57,500.00
950.080	Permits, Surveys, & Engineering					\$ 10,000.00
950.101	Drill Bits					\$ 30,000.00
950.102	Cement & Cementing Services					\$ 80,200.00
950.103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day	35.0	days	\$ 235,000.00
950.104	Mud, Fluid, and Chemicals					\$ 770,000.00
950.105	Drilling Equipment Rental					\$ 410,400.00
950.106	Fuel					\$ 91,300.00
950.107	Equipment Hauling					\$ 163,400.00
950.108	Drilling Fluid Disposal					\$ 25,000.00
950.109	Directional Drilling Services					\$ 38,400.00
950.110	Gas/Air Units					\$ 337,400.00
950.111	Mobilization/Demobilization					\$ -
950.112	Fishing Rentals/Labor			3	days	\$ 177,800.00
950.113	Downhole Rental Tools					\$ -
950.114	Surface Rentals					\$ 65,100.00
950.115	Closed Loop Rental					\$ 84,100.00
950.116	Drill Pipe Rental & Damages					\$ 135,800.00
950.117	Drilling Special Services					\$ 54,500.00
950.118	Drilling Supervision					\$ 134,500.00
950.150	Logging					\$ 159,600.00
950.160	Core and Core Analysis					\$ 10,000.00
950.995	Contingency			3.0%		\$ -
Total Intangible Drilling Cost						\$ 97,700.00
TANGIBLE DRILLING COST						\$ 3,353,300
940.101	Conductor Casing		150	ft @	50.00	\$/ft
940.103	Misc/Other casing equipment					\$ 7,500.00
940.106	Surface Casing	13 3/8"	1,950	ft @	40.00	\$/ft
940.109	Intermediate Casing	10 3/4"	5,800	ft @	45.50	\$/ft
940.109	Intermediate Casing	7 5/8"	12,810	ft @	25.82	\$/ft
940.104	Production Liner	4 1/2"	9,650	ft @	15.58	\$/ft
940.104	Production Casing	5 1/2"	12,710	ft @	23.26	\$/ft
Total Tangible Drilling Cost						\$ 295,600.00
Total Rig Release Cost						\$ 1,411,100
						\$ 4,764,400

INTANGIBLE COMPLETION COSTS						Original AFE
950.201	Remedial Cement & Service					\$ -
950.202	Plug & Perforating Operations					\$ 272,600.00
950.203	Frac Tank Rental					\$ 20,000.00
950.204	Fuel					\$ 20,000.00
950.205	Equipment Hauling					\$ 15,000.00
950.206	Completion Special Services					\$ 30,000.00
950.207	Stimulation					\$ 4,400,000.00
950.208	Completion Rig					\$ 30,000.00
950.209	Drillouts					\$ 300,000.00
950.210	Water Disposal					\$ 65,000.00
950.211	Downhole Rentals					\$ 58,500.00
950.212	Surface Rentals					\$ 30,000.00
950.213	Fresh Water					\$ 552,000.00
950.214	Recycled Water					\$ -
950.215	Water Transfer					\$ 150,000.00
950.217	Well Control					\$ 15,000.00
950.218	Completions Supervision					\$ 78,750.00
950.219	Cased Hole Logging					\$ -
950.220	Completions Fishing					\$ -
950.221	Mud/Gel					\$ 15,000.00
950.222	Frac Pond					\$ 50,000.00
950.216	Special Reservoir Testing					\$ 5,000.00
950.250	Production Testing					\$ 225,000.00
950.260	Drilling Overhead					\$ -
950.270	Pumping Phase Cost (N2)					\$ -
950.900	Non-op IDC					\$ -
950.999	Cutback					\$ -
950.995	Completions Contingency			3%		\$ 190,000.00
Total Intangible Completion Cost						\$ 6,521,850
TANGIBLE COMPLETION COSTS						Original AFE
960.010	Company Labor					\$ 2,500.00
960.030	Road & Site Construction					\$ 20,000.00
960.080	Permits, Surveys, & Engineering					\$ 1,500.00
960.070	Installation					\$ 34,000.00
960.110	Equipment					\$ 65,000.00
960.130	Materials & Parts					\$ 36,000.00
940.102	Artificial Lift					\$ 22,500.00
940.105	Rods					\$ -
940.107	Tubing					\$ 151,200.00
940.201	Wellhead					\$ 35,000.00
940.202	Compressor/Dehydration Unit					\$ -
940.203	Meters/meter runs					\$ -
940.204	Other Surface Equipment					\$ -
940.205	Pumping Unit					\$ -
940.206	Separator & Treater					\$ -
940.270	Pumping Phase Costs					\$ -
960.995	Wellhead/Facilities Contingency			3%		\$ 11,000.00
Total Tangible Completion Cost						\$ 378,700
Sub-total Completion Cost						\$ 6,900,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

July 19th, 2018

XTO Energy, Inc.
22777 Springwoods Village Pkwy.
Spring, Texas 77389

Re: Well Proposal -- Brahman State Com 15-10 453H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW 4, Sec 15-T24S-R35E
BHL: NW 4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation ("EGN") hereby proposes the drilling of the Brahman State Com 15-10 453H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980' and a TD of approximately 22,360' to test the 3rd Bone Spring formation ("Operation"). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100.000% Non-consenting penalty
- \$7,000 \$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN's management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

_____ Elect to participate in the Brahman State Com 15-10 453H well.
_____ Elect not to participate in the Brahman State Com 15-10 453H well.

XTO Energy, Inc. Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

A/E Number		Proposed TD	22,360
Well Name	Brahman State Com 15-10 453H	Formation	3rd Bone Spring
Lateral Length	9,550	Well Type	Development
API Number	00-000-00000	County, State	Lea, NM
Operator	Energien Resources	Energien WI	0.00000%
Legal		Energien NRI	0.00000%
		Rev. WI	0.000000%
		Rev. NRI	0.000000%

Objective D&C 22'360" 3rd Bone Spring Horizontal well. Based on 38 day cycle time with lateral length of 9550' Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft. Date

INTANGIBLE DRILLING COST						Original A/E
950 010	Company Labor					\$ -
950 020	Company Supervision					\$ -
950 030	Road & Site Construction					\$ 185,600.00
950 040	Field Office					\$ -
950 050	Vehicles					\$ -
950 060	ROW & Damages					\$ 57,500.00
950 070	Insurance and Bonds					\$ 10,000.00
950 080	Permits, Surveys, & Engineering					\$ 30,000.00
950 101	Drill Bits					\$ 80,200.00
950 102	Cement & Cementing Services					\$ 235,000.00
950 103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day	35.0	days	\$ 770,000.00
950 104	Mud, Fluid, and Chemicals					\$ 410,400.00
950 105	Drilling Equipment Rental					\$ 91,300.00
950 106	Fuel					\$ 163,400.00
950 107	Equipment Hauling					\$ 25,000.00
950 108	Drilling Fluid Disposal					\$ 38,400.00
950 109	Directional Drilling Services					\$ 337,400.00
950 110	Gas/Air Units					\$ -
950 111	Mobilization/Demobilization			3	days	\$ 177,800.00
950 112	Fishing Rentals/Labor					\$ -
950 113	Downhole Rental Tools					\$ 65,100.00
950 114	Surface Rentals					\$ 84,100.00
950 115	Closed Loop Rental					\$ 135,800.00
950 116	Drill Pipe Rental & Damages					\$ 54,500.00
950 117	Drilling Special Services					\$ 134,500.00
950 118	Drilling Supervision					\$ 159,600.00
950 150	Logging					\$ 10,000.00
950 160	Coring and Core Analysis					\$ -
950 995	Contingency			3.0%		\$ 97,700.00
Total Intangible Drilling Cost						\$ 3,353,300
TANGIBLE DRILLING COST						Original A/E
940 101	Conductor Casing	150	ft @	50.00	\$/ft	\$ 7,500.00
940 103	Misc/Other casing equipment					\$ 285,000.00
940 106	Surface Casing	13 3/8"	1,950	ft @	40.00 \$/ft	\$ 78,000.00
940 109	Intermediate Casing	10 3/4"	5,800	ft @	45.50 \$/ft	\$ 263,900.00
940 109	Intermediate Casing	7 5/8"	12,810	ft @	25.82 \$/ft	\$ 330,800.00
940 104	Production Liner	4 1/2"	9,650	ft @	15.58 \$/ft	\$ 150,300.00
940 104	Production Casing	5 1/2"	12,710	ft @	23.26 \$/ft	\$ 295,600.00
Total Tangible Drilling Cost						\$ 1,411,100
Total Rig Release Cost						\$ 4,764,400

INTANGIBLE COMPLETION COSTS						Original A/E
950 201	Remedial Cement & Service					\$ -
950 202	Plug & Perforating Operations					\$ 272,600.00
950 203	Frac Tank Rental					\$ 20,000.00
950 204	Fuel					\$ 20,000.00
950 205	Equipment Hauling					\$ 15,000.00
950 206	Completion Special Services					\$ 30,000.00
950 207	Stimulation					\$ 4,400,000.00
950 208	Completion Rig		days		\$/day	\$ 30,000.00
950 209	Drillouts					\$ 300,000.00
950 210	Water Disposal					\$ 65,000.00
950 211	Downhole Rentals					\$ 58,500.00
950 212	Surface Rentals					\$ 30,000.00
950 213	Fresh Water					\$ 552,000.00
950 214	Recycled Water					\$ -
950 215	Water Transfer					\$ 150,000.00
950 217	Well Control					\$ 15,000.00
950 218	Completions Supervision					\$ 78,750.00
950 219	Cased Hole Logging					\$ -
950 220	Completions Fishing					\$ -
950 221	Mud/Gel					\$ 15,000.00
950 222	Frac Pond					\$ 50,000.00
950 216	Special Reservoir Testing					\$ 5,000.00
950 250	Production Testing					\$ 225,000.00
950 260	Drilling Overhead					\$ -
950 270	Pumping Phase Cost (N2)					\$ -
950 900	Non-op IDC					\$ -
950 999	Cutback					\$ -
950 996	Completions Contingency			3%		\$ 190,000.00
Total Intangible Completion Cost						\$ 6,521,850
TANGIBLE COMPLETION COSTS						Original A/E
960 010	Company Labor					\$ 2,500.00
960 030	Road & Site Construction					\$ 20,000.00
960 080	Permits, Surveys, & Engineering					\$ 1,500.00
960 070	Installation					\$ 34,000.00
960 110	Equipment					\$ 65,000.00
960 130	Materials & Parts					\$ 36,000.00
940 102	Artificial Lift					\$ 22,500.00
940 105	Rods					\$ -
940 107	Tubing					\$ 151,200.00
940 201	Wellhead					\$ 35,000.00
940 202	Compressor/Dehydration Unit					\$ -
940 203	Meters/meter runs					\$ -
940 204	Other Surface Equipment					\$ -
940 205	Pumping Unit					\$ -
940 206	Separator & Treater					\$ -
940 270	Pumping Phase Costs					\$ -
960 995	Wellhead/Facilities Contingency			3%		\$ 11,000.00
Total Tangible Completion Cost						\$ 378,700
Sub-total Completion Cost						\$ 6,900,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

September 4, 2018

James Jackson
3100 River Bend Dr
Hurst, TX 76054

Re: Well Proposal – Brahman State Com 15-10 453H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW/4, Sec 15-T24S-R35E
BHL: NW/4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energien Resources Corporation (“EGN”) hereby proposes the drilling of the Brahman State Com 10-15 453H well as a horizontal well at the above-captioned location to a TVD of approximately 11,980’ and a TD of approximately 22,360’ to test the 3rd Bone Spring formation (“Operation”). The total cost of the Operation is estimated to be \$11,664,950.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure (“AFE”).

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W/2 of Section 15-T24S-R35E and the W/2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100/300% Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Energien Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN’s management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

_____ Elect to participate in the Brahman State Com 15-10 453H well
Elect not to participate in the Brahman State Com 15-10 453H well.

James Jackson Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

A/E Number
Well Name
Lateral Length
API Number
Operator
Legal

Brahman State Com 15-10 602H
9,550'
00-000-00000
Energen Resources

Proposed TD
Formation
Well Type
County, State
Energen WI
Energen NRI

22,610
Wolfcamp "A"
Development
Lee, NM
0.0000% Rev. WI 0.000000%
0.0000% Rev. NRI 0.000000%

Objective
O&C 22610 Wolfcamp "A" Horizontal well. Based on 38.5 day cycle time with lateral length of 9550'. Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft. Date:

INTANGIBLE DRILLING COSTS				Original A/E
950.010	Company Labor			\$
950.020	Company Supervision			\$
950.030	Road & Site Construction			\$ 185,600.00
950.040	Field Office			\$
950.050	Vehicles			\$
950.060	ROW & Damages			\$ 57,500.00
950.070	Insurance and Bonds			\$ 10,000.00
950.080	Permits, Surveys, & Engineering			\$ 30,000.00
950.101	Drill Bits			\$ 80,200.00
950.102	Cement & Cementing Services			\$ 235,000.00
950.103	Contract Drilling (Daywork-Spud to RH)	\$ 22,000	\$/day 35.5 days	\$ 781,000.00
950.104	Mud, Fluid, and Chemicals			\$ 410,800.00
950.105	Drilling Equipment Rental			\$ 92,300.00
950.106	Fuel			\$ 165,600.00
950.107	Equipment Hauling			\$ 25,000.00
950.108	Drilling Fluid Disposal			\$ 38,400.00
950.109	Directional Drilling Services			\$ 341,300.00
950.110	Gas/Air Units			\$
950.111	Mobilization/Demobilization		3 days	\$ 177,600.00
950.112	Fishing Rentals/Labor			\$
950.113	Downhole Rental Tools			\$ 65,200.00
950.114	Surface Rentals			\$ 85,100.00
950.115	Closed Loop Rental			\$ 137,600.00
950.116	Drill Pipe Rental & Damages			\$ 55,700.00
950.117	Drilling Special Services			\$ 134,500.00
950.118	Drilling Supervision			\$ 161,700.00
950.150	Logging			\$ 10,000.00
950.160	Coring and Core Analysis			\$
950.955	Contingency		3.0%	\$ 98,400.00
Total Intangible Drilling Cost				\$ 3,378,700
TANGIBLE DRILLING COSTS				Original A/E
940.101	Conductor Casing	10 1/2"	15.40 \$/ft	\$ 7,500.00
940.103	Misc/Other casing equipment			\$ 290,000.00
940.106	Surface Casing	10 1/2"	40.00 \$/ft	\$ 78,000.00
940.109	Intermediate Casing	10 1/2"	45.50 \$/ft	\$ 263,000.00
940.109	Intermediate Casing	7 5/8"	25.62 \$/ft	\$ 237,200.00
940.104	Production Liner	4 1/2"	15.58 \$/ft	\$ 150,300.00
940.104	Production Casing	5 1/2"	23.26 \$/ft	\$ 301,400.00
Total Tangible Drilling Cost				\$ 1,428,300
Total Rig Release Cost				\$ 4,807,000

INTANGIBLE COMPLETION COSTS				Original A/E
950.201	Remedial Cement & Service			\$
950.202	Plug & Perforating Operations			\$ 272,600.00
950.203	Frac Tank Rental			\$ 20,000.00
950.204	Fuel			\$ 20,000.00
950.205	Equipment Hauling			\$ 15,000.00
950.206	Completion Special Services			\$ 30,000.00
950.207	Stimulation			\$ 4,400,000.00
950.208	Completion Rig		\$/day	\$ 30,000.00
950.209	Dilutants			\$ 300,000.00
950.210	Water Disposal			\$ 65,000.00
950.211	Downhole Rentals			\$ 58,500.00
950.212	Surface Rentals			\$ 30,000.00
950.213	Fresh Water			\$ 552,000.00
950.214	Recycled Water			\$
950.215	Water Transfer			\$ 150,000.00
950.217	Well Control			\$ 15,000.00
950.218	Completions Supervision			\$ 78,750.00
950.219	Cased Hole Logging			\$
950.220	Completions Fishing			\$
950.221	Mud/Gel			\$ 15,000.00
950.227	Frac Pond			\$ 50,000.00
950.216	Special Reservoir Testing			\$ 5,000.00
950.250	Production Testing			\$ 225,000.00
950.260	Drilling Overhead			\$
950.270	Pumping Phase Cost - N2			\$
950.900	Non-op IDC			\$
950.995	Cutback			\$
950.996	Completions Contingency		3%	\$ 150,000.00
Total Intangible Completion Cost				\$ 6,521,850
TANGIBLE COMPLETION COSTS				Original A/E
960.010	Company Labor			\$ 1,500.00
960.030	Road & Site Construction			\$ 25,000.00
960.060	Permits, Surveys, & Engineering			\$ 1,000.00
960.070	Installation			\$ 34,000.00
960.110	Equipment			\$ 65,000.00
960.130	Materials & Parts			\$ 36,000.00
940.102	Artificial Lift			\$ 22,500.00
940.105	Rods			\$
940.107	Tubing			\$ 151,200.00
940.201	Wellhead			\$ 35,000.00
940.202	Compressor/Dehydration Unit			\$
940.203	Meters/meter runs			\$
940.204	Other Surface Equipment			\$
940.205	Pumping Unit			\$
940.206	Separator & Treater			\$
940.270	Pumping Phase Costs			\$
960.995	Wellhead/Facilities Contingency			\$ 11,000.00
Total Tangible Completion Cost				\$ 378,700
Sub-total Completion Cost				\$ 6,900,550

Rig Release Cost \$ 4,807,000
Total Well Cost \$ 11,707,550
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

June 5th, 2018

Attn: Matt Solomon
Concho Resources, Inc.
600 W. Illinois Ave.
Midland, Texas 79701

Re: Well Proposal – Brahman State Com 15-10 602H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW/4, Sec 15-T24S-R35E
BHL: NW/4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energien Resources Corporation (“EGN”) hereby proposes the drilling of the Brahman State Com 10-15 602H well as a horizontal well at the above-captioned location to a TVD of approximately 12,200’ and a TD of approximately 22,610’ to test the Wolfcamp formation (“Operation”). The total cost of the Operation is estimated to be \$11,707,550.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure (“AFE”).

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W/2 of Section 15-T24S-R35E and the W/2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100/300% Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Energien Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN’s management and verification of title.


EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION


Conner Stewart
Landman



_____ Elect to participate in the Brahman State Com 15-10 602H well.
_____ Elect not to participate in the Brahman State Com 15-10 602H well.

Concho Resources, Inc. Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

A/E Number	
Well Name	Brahman State Com 15-10 602H
Lateral Length	9,550'
API Number	00-000-00000
Operator	Energen Resources
Legal	

Proposed TD	22,610		
Formation	Wolfcamp "A"		
Well Type	Development		
County, State	Lea, NM		
Energen WI	0.0000%	Rev. WI	0.000000%
Energen NRI	0.0000%	Rev. NRI	0.000000%

Objective D&C 22610' Wolfcamp "A" Horizontal well. Based on 38.5 day cycle time with lateral length of 9550'. Completions: Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft. Date

INTANGIBLE DRILLING COST					Original A/E
950.010	Company Labor				\$ -
950.020	Company Supervision				\$ -
950.030	Road & Site Construction				\$ 185,600.00
950.040	Field Office				\$ -
950.050	Vehicles				\$ -
950.060	ROW & Damages				\$ 57,500.00
950.070	Insurance and Bonds				\$ 10,000.00
950.080	Permits, Surveys, & Engineering				\$ 30,000.00
950.101	Drill Bits				\$ 80,200.00
950.102	Cement & Cementing Services				\$ 235,000.00
950.103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day	35.5 days	\$ 781,000.00
950.104	Mud, Fluid, and Chemicals				\$ 410,800.00
950.105	Drilling Equipment Rental				\$ 92,300.00
950.106	Fuel				\$ 165,600.00
950.107	Equipment Hauling				\$ 25,000.00
950.108	Drilling Fluid Disposal				\$ 38,400.00
950.109	Directional Drilling Services				\$ 341,300.00
950.110	Gas/Air Units				\$ -
950.111	Mobilization/Demobilization			3 days	\$ 177,800.00
950.112	Fishing Rentals/Labor				\$ -
950.113	Downhole Rental Tools				\$ 65,200.00
950.114	Surface Rentals				\$ 85,100.00
950.115	Closed Loop Rental				\$ 137,600.00
950.116	Drill Pipe Rental & Damages				\$ 55,700.00
950.117	Drilling Special Services				\$ 134,500.00
950.118	Drilling Supervision				\$ 161,700.00
950.150	Logging				\$ 10,000.00
950.160	Coning and Core Analysis				\$ -
950.995	Contingency			3.0%	\$ 98,400.00
Total Intangible Drilling Cost					\$ 3,378,700
TANGIBLE DRILLING COST					Original A/E
940.101	Conductor Casing		150	ft @ 50.00 \$/ft	\$ 7,500.00
940.103	Misc/Other casing equipment				\$ 290,000.00
940.106	Surface Casing	13 3/8"	1,950	ft @ 40.00 \$/ft	\$ 78,000.00
940.109	Intermediate Casing	10 3/4"	5,800	ft @ 45.50 \$/ft	\$ 263,900.00
940.109	Intermediate Casing	7 5/8"	13,060	ft @ 25.82 \$/ft	\$ 337,200.00
940.104	Production Liner	4 1/2"	9,650	ft @ 15.58 \$/ft	\$ 150,300.00
940.104	Production Casing	5 1/2"	12,960	ft @ 23.26 \$/ft	\$ 301,400.00
Total Tangible Drilling Cost					\$ 1,428,300
Total Rig Release Cost					\$ 4,807,000

INTANGIBLE COMPLETION COSTS					Original A/E
950.201	Remedial Cement & Service				\$ -
950.202	Plug & Perforating Operations				\$ 272,600.00
950.203	Frac Tank Rental				\$ 20,000.00
950.204	Fuel				\$ 20,000.00
950.205	Equipment Hauling				\$ 15,000.00
950.206	Completion Special Services				\$ 30,000.00
950.207	Stimulation				\$ 4,400,000.00
950.208	Completion Rig		days	\$/day	\$ 30,000.00
950.209	Drillouts				\$ 300,000.00
950.210	Water Disposal				\$ 65,000.00
950.211	Downhole Rentals				\$ 58,500.00
950.212	Surface Rentals				\$ 30,000.00
950.213	Fresh Water				\$ 552,000.00
950.214	Recycled Water				\$ -
950.215	Water Transfer				\$ 150,000.00
950.217	Well Control				\$ 15,000.00
950.218	Completions Supervision				\$ 78,750.00
950.219	Cased Hole Logging				\$ -
950.220	Completions Fishing				\$ -
950.221	Mud/Gel				\$ 15,000.00
950.222	Frac Pond				\$ 50,000.00
950.216	Special Reservoir Testing				\$ 5,000.00
950.250	Production Testing				\$ 225,000.00
950.260	Drilling Overhead				\$ -
950.270	Pumping Phase Cost (N2)				\$ -
950.900	Non-op IDC				\$ -
950.999	Cutback				\$ -
950.996	Completions Contingency			3%	\$ 190,000.00
Total Intangible Completion Cost					\$ 6,521,850
TANGIBLE COMPLETION COSTS					Original A/E
960.010	Company Labor				\$ 2,500.00
960.030	Road & Site Construction				\$ 20,000.00
960.080	Permits, Surveys, & Engineering				\$ 1,500.00
960.070	Installation				\$ 34,000.00
960.110	Equipment				\$ 65,000.00
960.130	Materials & Parts				\$ 36,000.00
940.102	Artificial Lift				\$ 22,500.00
940.105	Rods				\$ -
940.107	Tubing				\$ 151,200.00
940.201	Wellhead				\$ 35,000.00
940.202	Compressor/Dehydration Unit				\$ -
940.203	Meters/meter runs				\$ -
940.204	Other Surface Equipment				\$ -
940.205	Pumping Unit				\$ -
940.206	Separator & Treater				\$ -
940.270	Pumping Phase Costs				\$ -
960.995	Wellhead/Facilities Contingency			3%	\$ 11,000.00
Total Tangible Completion Cost					\$ 378,700
Sub-total Completion Cost					\$ 6,900,550

Rig Release Cost \$ 4,807,000
Total Well Cost \$ 11,707,550
Partner Approval Signature _____ Date _____ Date Generated 4/3/18

**ENERGEN CORPORATION**

605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

July 18th, 2018

Attn: Katie Dean
Devon Energy
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

Re: Well Proposal Brahman State Com 15-10 602H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW 4, Sec 15-T24S-R35E
BHL: NW 4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation ("EGN") hereby proposes the drilling of the Brahman State Com 15-10 602H well as a horizontal well at the above-captioned location to a TVD of approximately 12,200' and a TD of approximately 22,610' to test the Wolfcamp formation ("Operation"). The total cost of the Operation is estimated to be \$11,707,550.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure ("AFE").

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100-300% Non-consenting penalty
- \$7,000 \$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN's management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

_____ Elect to participate in the Brahman State Com 15-10 602H well.
_____ Elect not to participate in the Brahman State Com 15-10 602H well.

Devon Energy Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

A/E Number		Proposed TD	22,610
Well Name	Brahman State Corn 15-10 602H	Formation	Wolfcamp "A"
Lateral Length	9,550'	Well Type	Development
API Number	00-000-00000	County, State	Lea, NM
Operator	Energien Resources	Energien WI	0.0000%
Legal		Rev. WI	0.000000%
		Energien NRI	0.0000%
		Rev. NRI	0.000000%

Objective D&C 22610' Wolfcamp "A" Horizontal well. Based on 38.5 day cycle time with lateral length of 9550' Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft. Date

INTANGIBLE DRILLING COST										Original A/E
950.010	Company Labor									\$ -
950.020	Company Supervision									\$ -
950.030	Road & Site Construction									\$ 185,600.00
950.040	Field Office									\$ -
950.050	Vehicles									\$ -
950.060	ROW & Damages									\$ 57,500.00
950.070	Insurance and Bonds									\$ 10,000.00
950.080	Permits, Surveys, & Engineering									\$ 30,000.00
950.101	Drill Bits									\$ 80,200.00
950.102	Cement & Cementing Services									\$ 235,000.00
950.103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day		35.5	days				\$ 781,000.00
950.104	Mud, Fluid, and Chemicals									\$ 410,800.00
950.105	Drilling Equipment Rental									\$ 92,300.00
950.106	Fuel									\$ 165,600.00
950.107	Equipment Hauling									\$ 25,000.00
950.108	Drilling Fluid Disposal									\$ 38,400.00
950.109	Directional Drilling Services									\$ 341,300.00
950.110	Gas/Air Units									\$ -
950.111	Mobilization/Demobilization				3	days				\$ 177,800.00
950.112	Fishing Rentals/Labor									\$ -
950.113	Downhole Rental Tools									\$ 65,200.00
950.114	Surface Rentals									\$ 85,100.00
950.115	Closed Loop Rental									\$ 137,600.00
950.116	Drill Pipe Rental & Damages									\$ 55,700.00
950.117	Drilling Special Services									\$ 134,500.00
950.118	Drilling Supervision									\$ 161,700.00
950.150	Logging									\$ 10,000.00
950.160	Coring and Core Analysis									\$ -
950.995	Contingency				3.0%					\$ 98,400.00
Total Intangible Drilling Cost										\$ 3,378,700
TANGIBLE DRILLING COST										Original A/E
940.101	Conductor Casing		150	ft @		50.00	\$/ft			\$ 7,500.00
940.103	Misc/Other casing equipment									\$ 290,000.00
940.106	Surface Casing	13 3/8"	1,950	ft @		40.00	\$/ft			\$ 78,000.00
940.109	Intermediate Casing	10 3/4"	5,800	ft @		45.50	\$/ft			\$ 263,900.00
940.109	Intermediate Casing	7 5/8"	13,060	ft @		25.82	\$/ft			\$ 337,200.00
940.104	Production Liner	4 1/2"	9,650	ft @		15.58	\$/ft			\$ 150,300.00
940.104	Production Casing	5 1/2"	12,960	ft @		23.26	\$/ft			\$ 301,400.00
Total Tangible Drilling Cost										\$ 1,428,300
Total Rig Release Cost										\$ 4,807,000
INTANGIBLE COMPLETION COSTS										Original A/E
950.201	Remedial Cement & Service									\$ -
950.202	Plug & Perforating Operations									\$ 272,600.00
950.203	Frac Tank Rental									\$ 20,000.00
950.204	Fuel									\$ 20,000.00
950.205	Equipment Hauling									\$ 15,000.00
950.206	Completion Special Services									\$ 30,000.00
950.207	Stimulation									\$ 4,400,000.00
950.208	Completion Rig			days			\$/day			\$ 30,000.00
950.209	Drillouts									\$ 300,000.00
950.210	Water Disposal									\$ 65,000.00
950.211	Downhole Rentals									\$ 58,500.00
950.212	Surface Rentals									\$ 30,000.00
950.213	Fresh Water									\$ 552,000.00
950.214	Recycled Water									\$ -
950.215	Water Transfer									\$ 150,000.00
950.217	Well Control									\$ 15,000.00
950.218	Completions Supervision									\$ 78,750.00
950.219	Cased Hole Logging									\$ -
950.220	Completions Fishing									\$ -
950.221	Mud/Gel									\$ 15,000.00
950.222	Frac Pond									\$ 50,000.00
950.216	Special Reservoir Testing									\$ 5,000.00
950.250	Production Testing									\$ 225,000.00
950.260	Drilling Overhead									\$ -
950.270	Pumping Phase Cost (N2)									\$ -
950.900	Non-op IDC									\$ -
950.999	Cutback									\$ -
950.996	Completions Contingency					3%				\$ 190,000.00
Total Intangible Completion Cost										\$ 6,521,850
TANGIBLE COMPLETION COSTS										Original A/E
960.010	Company Labor									\$ 2,500.00
960.030	Road & Site Construction									\$ 20,000.00
960.060	Permits, Surveys, & Engineering									\$ 1,500.00
960.070	Installation									\$ 34,000.00
960.110	Equipment									\$ 65,000.00
960.130	Materials & Parts									\$ 35,000.00
940.102	Artificial Lift									\$ 22,500.00
940.105	Rods									\$ -
940.107	Tubing									\$ 151,200.00
940.201	Wellhead									\$ 35,000.00
940.202	Compressor/Dehydration Unit									\$ -
940.203	Meters/meter runs									\$ -
940.204	Other Surface Equipment									\$ -
940.205	Pumping Unit									\$ -
940.206	Separator & Treater									\$ -
940.270	Pumping Phase Costs									\$ -
960.995	Wellhead/Facilities Contingency					3%				\$ 11,000.00
Total Tangible Completion Cost										\$ 378,700
Sub-total Completion Cost										\$ 6,900,550
Rig Release Cost										\$ 4,807,000
Total Well Cost										\$ 11,707,550
Partner Approval Signature _____ Date _____										Date Generated

4/3/18

**ENERGEN CORPORATION**

605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

July 19th, 2018

XTO Energy, Inc.
22777 Springwoods Village Pkwy.
Spring, Texas 77389

Re: Well Proposal – Brahman State Com 15-10 602H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW 4, Sec 15-T24S-R35E
BHL: NW 4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energen Resources Corporation (“EGN”) hereby proposes the drilling of the Brahman State Com 15-10 602H well as a horizontal well at the above-captioned location to a TVD of approximately 12,200’ and a TD of approximately 22,610’ to test the Wolfcamp formation (“Operation”). The total cost of the Operation is estimated to be \$11,707,550.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure (“AFE”).

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100/300% Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Energen Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN’s management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

----- Elect to participate in the Brahman State Com 15-10 602H well.
----- Elect not to participate in the Brahman State Com 15-10 602H well.

XTO Energy, Inc. Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

AFE Number		Proposed TD	22,610
Well Name	Brahman State Com 15-10 602H	Formation	Wolfcamp "A"
Lateral Length	9,550'	Well Type	Development
API Number	00-000-00000	County, State	Lea, NM
Operator	Energen Resources	Energen WI	0.0000%
Legal		Energen NRI	0.0000%
		Rev. WI	0.000000%
		Rev. NRI	0.000000%

Objective O&C 22610' Wolfcamp "A" Horizontal well Based on 38.5 day cycle time with lateral length of 9550' Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 lbs per lateral ft. Date

INTANGIBLE DRILLING COST					Original AFE
950 010	Company Labor				\$ -
950 020	Company Supervision				\$ -
950 030	Road & Site Construction				\$ 185,600.00
950 040	Field Office				\$ -
950 050	Vehicles				\$ -
950 060	ROW & Damages				\$ 57,500.00
950 070	Insurance and Bonds				\$ 10,000.00
950 080	Permits, Surveys, & Engineering				\$ 30,000.00
950 101	Drill Bits				\$ 80,200.00
950 102	Cement & Cementing Services				\$ 235,000.00
950 103	Contract Drilling (Daywork-Spud to RR)	\$ 22,000	\$/day	35.5 days	\$ 781,000.00
950 104	Mud, Fluid, and Chemicals				\$ 410,800.00
950 105	Drilling Equipment Rental				\$ 92,300.00
950 106	Fuel				\$ 165,600.00
950 107	Equipment Hauling				\$ 25,000.00
950 108	Drilling Fluid Disposal				\$ 38,400.00
950 109	Directional Drilling Services				\$ 341,300.00
950 110	Gas/Air Units				\$ -
950 111	Mobilization/Demobilization			3 days	\$ 177,800.00
950 112	Fishing Rentals/Labor				\$ -
950 113	Downhole Rental Tools				\$ 65,200.00
950 114	Surface Rentals				\$ 85,100.00
950 115	Closed Loop Rental				\$ 137,600.00
950 116	Drill Pipe Rental & Damages				\$ 55,700.00
950 117	Drilling Special Services				\$ 134,500.00
950 118	Drilling Supervision				\$ 161,700.00
950 150	Logging				\$ 10,000.00
950 160	Coring and Core Analysis				\$ -
950 995	Contingency			3.0%	\$ 98,400.00
Total Intangible Drilling Cost					\$ 3,378,700
TANGIBLE DRILLING COST					Original AFE
940 101	Conductor Casing		150	ft @	\$ 7,500.00
940 103	Misc/Other casing equipment				\$ 290,000.00
940 106	Surface Casing	13 3/8"	1,950	ft @	\$ 78,000.00
940 109	Intermediate Casing	10 3/4"	5,800	ft @	\$ 263,900.00
940 109	Intermediate Casing	7 5/8"	13,060	ft @	\$ 337,200.00
940 104	Production Liner	4 1/2"	9,650	ft @	\$ 150,300.00
940 104	Production Casing	5 1/2"	12,960	ft @	\$ 301,400.00
Total Tangible Drilling Cost					\$ 1,428,300
Total Rig Release Cost					\$ 4,807,000

INTANGIBLE COMPLETION COSTS					Original AFE
950 201	Remedial Cement & Service				\$ -
950 202	Plug & Perforating Operations				\$ 272,600.00
950 203	Frac Tank Rental				\$ 20,000.00
950 204	Fuel				\$ 20,000.00
950 205	Equipment Hauling				\$ 15,000.00
950 206	Completion Special Services				\$ 30,000.00
950 207	Stimulation				\$ 4,400,000.00
950 208	Completion Rig		days	\$/day	\$ 30,000.00
950 209	Drillouts				\$ 300,000.00
950 210	Water Disposal				\$ 65,000.00
950 211	Downhole Rentals				\$ 58,500.00
950 212	Surface Rentals				\$ 30,000.00
950 213	Fresh Water				\$ 552,000.00
950 214	Recycled Water				\$ -
950 215	Water Transfer				\$ 150,000.00
950 217	Well Control				\$ 15,000.00
950 218	Completions Supervision				\$ 78,750.00
950 219	Cased Hole Logging				\$ -
950 220	Completions Fishing				\$ -
950 221	Mud/Gel				\$ 15,000.00
950 222	Frac Pond				\$ 50,000.00
950 216	Special Reservoir Testing				\$ 5,000.00
950 250	Production Testing				\$ 225,000.00
950 260	Drilling Overhead				\$ -
950 270	Pumping Phase Cost (N2)				\$ -
950 900	Non-op IDC				\$ -
950 999	Cutback				\$ -
950 996	Completions Contingency			3%	\$ 190,000.00
Total Intangible Completion Cost					\$ 6,521,850
TANGIBLE COMPLETION COSTS					Original AFE
960 010	Company Labor				\$ 2,500.00
960 030	Road & Site Construction				\$ 20,000.00
960 080	Permits, Surveys, & Engineering				\$ 1,500.00
960 070	Installation				\$ 34,000.00
960 110	Equipment				\$ 65,000.00
960 130	Materials & Parts				\$ 36,000.00
940 102	Artificial Lift				\$ 22,500.00
940 105	Rods				\$ -
940 107	Tubing				\$ 151,200.00
940 201	Wellhead				\$ 35,000.00
940 202	Compressor/Dehydration Unit				\$ -
940 203	Meters/meter runs				\$ -
940 204	Other Surface Equipment				\$ -
940 205	Pumping Unit				\$ -
940 206	Separator & Treater				\$ -
940 270	Pumping Phase Costs				\$ -
960 995	Wellhead/Facilities Contingency			3%	\$ 11,000.00
Total Tangible Completion Cost					\$ 378,700
Sub-total Completion Cost					\$ 6,900,550

Rig Release Cost \$ 4,807,000
Total Well Cost \$ 11,707,550
Partner Approval Signature _____ Date _____ Date Generated 4/3/18



ENERGEN CORPORATION
605 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-2707
Telephone (205) 326-2700

September 4, 2018

James Jackson
3100 River Bend Dr.
Hurst, TX 76054

Re: Well Proposal – Brahman State Com 15-10 602H
Section 10, T24S R35E, Lea County, NM
Section 15, T24S R35E, Lea County, NM
SHL: SW/4, Sec 15-T24S-R35E
BHL: NW/4, Sec 10-T24E-R35E
Lea County, New Mexico

To Whom it May Concern:

Energien Resources Corporation (“EGN”) hereby proposes the drilling of the Brahman State Com 10-15 602H well as a horizontal well at the above-captioned location to a TVD of approximately 12,200’ and a TD of approximately 22,610’ to test the Wolfcamp formation (“Operation”). The total cost of the Operation is estimated to be \$11,707,550.00 and a detailed description of the cost is set out in the enclosed Authority for Expenditure (“AFE”).

EGN is proposing to drill this well under the terms of an AAPL Form 610-1989 Operating Agreement. The proposed Operating Agreement will cover the W 2 of Section 15-T24S-R35E and the W 2 of Section 10-T24S-R35E, Lea County, New Mexico. It contains the following general provisions:

- 100/300% Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Energien Resources Corporation named as Operator

Please indicate your participation election in the space provided on page 2, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate in the Operation, EGN proposes to acquire your interest via farmout. The Farmout offer is subject to approval of EGN’s management and verification of title.

EGN reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. EGN will advise you of any such modifications.

If an agreement cannot be reached within 30 days of the date of this letter, EGN 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.

If you have any questions, please do not hesitate to contact the undersigned at 205-326-8486.

Respectfully,

ENERGEN RESOURCES CORPORATION

Conner Stewart
Landman

- _____ Elect to participate in the Brahman State Com 15-10 602H well.
- _____ Elect not to participate in the Brahman State Com 15-10 602H well.

James Jackson Date: _____

By: _____

Name: _____

Title: _____



AUTHORIZATION FOR EXPENDITURE
DRILLING AND COMPLETION

AFE Number	
Well Name	Bratman State Com 15-10 452H
Lateral Length	9,550'
API Number	00-000-36000
Operator	Energen Resources
Legal	

Proposed TD	22 360		
Formation	3rd Bone Spnna		
Well Type	Development		
County, State	Lea, NM		
Energen WI	0.0000%	Rev. WI	0.000000%
Energen NRI	0.0000%	Rev. NRI	0.000000%

Objective D&C 22360' 3rd Bone Spring Horizontal well Based on 38 day cycle time with lateral length of 9550' Completions Based on 48 stage slickwater job @ 200 ft spacing and 400K lbs of proppant giving us 2011 cfs per lateral ft. Date

INTANGIBLE DRILLING COST				Original AFE
950.010	Company Labor			\$
950.020	Company Supervision			\$
950.030	Road & Site Construction			\$ 185,600.00
950.040	Field Office			\$
950.050	Vehicles			\$
950.060	ROW & Damages			\$ 57,500.00
950.070	Insurance and Bonds			\$ 10,000.00
950.090	Permits, Surveys, & Engineering			\$ 30,000.00
950.101	Drill Bits			\$ 80,200.00
950.102	Cement & Cementing Services			\$ 235,000.00
950.103	Contract Drilling (Daywork-Spud to PP	\$ 22,000	1\$/day 35.0 days	\$ 770,000.00
950.104	Mud, Fluid, and Chemicals			\$ 410,400.00
950.105	Drilling Equipment Rental			\$ 97,300.00
950.106	Fee			\$ 163,400.00
950.107	Equipment Hauling			\$ 25,000.00
950.108	Drilling Fluid Disposal			\$ 38,400.00
950.109	Directional Drilling Services			\$ 327,400.00
950.110	Gas/Air units			\$
950.111	Mobilization/Demobilization		3 days	\$ 177,800.00
950.112	Fishing Rentals/Labor			\$
950.113	Downhole Rental Tools			\$ 65,100.00
950.114	Surface Rentals			\$ 84,100.00
950.115	Closed Loop Rental			\$ 135,800.00
950.116	Drill Pipe Rental & Damages			\$ 54,500.00
950.117	Drilling Special Services			\$ 134,500.00
950.118	Drilling Supervision			\$ 159,600.00
950.150	Logging			\$ 10,000.00
950.100	Coring and Core Analysis			\$
950.955	Contingency		3.0	\$ 97,700.00
Total Intangible Drilling Cost				\$ 3,353,300
TANGIBLE DRILLING COST				Original AFE
940.101	Conductor Casing	150	ft 50.00 \$/ft	\$ 7,500.00
940.103	Misc/Other casing equipment			\$ 265,000.00
940.106	Surface Casing	13 3/8"	1,950 ft 40.00 \$/ft	\$ 78,000.00
940.109	Intermediate Casing	10 3/4"	5,800 ft 45.50 \$/ft	\$ 263,900.00
940.109	Intermediate Casing	7 5/8"	12,810 ft 25.82 \$/ft	\$ 330,800.00
940.104	Production Liner	4 1/2"	5,650 ft 15.50 \$/ft	\$ 87,575.00
940.104	Production Casing	5 1/2"	12,710 ft 23.26 \$/ft	\$ 295,600.00
Total Tangible Drilling Cost				\$ 1,411,100
Total Rig Release Cost				\$ 4,764,400

INTANGIBLE COMPLETION COSTS				Original AFE
950.201	Remedial Cement & Service			\$
950.202	Plug & Perforating Operations			\$ 272,000.00
950.203	Frac Tank Rental			\$ 20,000.00
950.204	Fuel			\$ 20,000.00
950.205	Equipment Hauling			\$ 15,000.00
950.206	Completion Special Services			\$ 30,000.00
950.207	Stimulation			\$ 4,400,000.00
950.208	Completion Rig	1 days	1\$/day	\$ 30,000.00
950.209	Outfits			\$ 300,000.00
950.210	Water Disposal			\$ 65,000.00
950.211	Downhole Rentals			\$ 58,500.00
950.212	Surface Rentals			\$ 30,000.00
950.213	Fresh Water			\$ 552,000.00
950.214	Recycled Water			\$
950.215	Water Transfer			\$ 150,000.00
950.217	Well Control			\$ 15,000.00
950.218	Completions Supervision			\$ 78,750.00
950.219	Cased Hole Logging			\$
950.220	Completions Fishing			\$
950.221	Mud/Gel			\$ 15,000.00
950.222	Frac Pond			\$ 50,000.00
950.216	Special Reservoir Testing			\$ 5,000.00
950.250	Production Testing			\$ 225,000.00
950.260	Drilling Overhead			\$
950.270	Pumping Phase Cost (N2)			\$
950.990	Non-op IDC			\$
950.999	Cutback			\$
950.996	Completions Contingency			\$ 190,000.00
Total Intangible Completion Cost				\$ 6,521,850
TANGIBLE COMPLETION COSTS				Original AFE
960.010	Company Labor			\$ 2,500.00
960.030	Road & Site Construction			\$ 20,000.00
960.080	Permits, Surveys, & Engineering			\$ 1,500.00
960.070	Installation			\$ 34,000.00
960.110	Equipment			\$ 65,000.00
960.130	Materials & Parts			\$ 38,000.00
940.102	Artificial Lift			\$ 22,500.00
940.105	Rods			\$
940.107	Tubing			\$ 151,200.00
940.231	Wellhead			\$ 35,000.00
940.232	Compressor/Dehydration Unit			\$
940.203	Meters/meter runs			\$
940.204	Other Surface Equipment			\$
940.205	Pumping Unit			\$
940.256	Separator & Treater			\$
940.270	Pumping Phase Costs			\$
960.955	Wellhead/Facilities Contingency			\$ 1,000.00
Total Tangible Completion Cost				\$ 378,700
Sub-total Completion Cost				\$ 5,990,550

Rig Release Cost \$ 4,764,400
Total Well Cost \$ 11,664,950
Partner Approval Signature _____ Date _____ Date Generated 4/3/18

EXHIBIT

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)

jamesbruce@aol.com

August 14, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following compulsory pooling applications filed with the New Mexico Oil Conservation Division by Energen Resources Corporation:

1. Case No. 16383, for a Bone Spring well in the W/2W/2 of Section 15 and W/2EW2 of Section 10;
2. Case No. 16384, for a Bone Spring well in the E/2W/2 of Section 15 and E/2W/2 of Section 10; and
3. Case No. 16385, for a Wolfcamp well in the E/2W/2 of Section 15 and E/2W/2 of Section 10,

all in Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, September 6, 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 who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

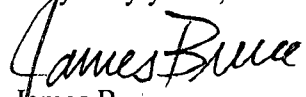
A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, August 30, 2018. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and his or her attorney; a concise 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

ATTACHMENT

A

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 Energen Resources Corporation

EXHIBIT A

Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, Oklahoma 73102

COG Operating LLC
Concho Resources, Inc.
600 West Illinois
Midland, Texas 79701

ExxonMobil Corporation
c/o XTO Energy Inc.
22777 Springwoods Village Parkway
Spring, Texas 77389

U.S. Postal ServiceTM

CERTIFIED MAIL[®] RECEIPT

Domestic Mail Only

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

OFFICIAL USE

1. Article Addressed to:

■ Complete items 1, 2, and 3.

■ 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:

Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, Oklahoma 73102

7222 8812 0000 0960 8102

9590 9402 4079 8092 0247 88

7018 0360 0000 2188 7229

2. Article Number (Transfer from service label)

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

Energy

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

Signature

Received by (Printed Name)

C. Date of Delivery

Agent

Addressee

1. Article Addressed to:

1. Article Addressed to:

1. Article Addressed to:

1. Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY

Signature

Received by (Printed Name)

C. Date of Delivery

Agent

Addressee

1. Article Addressed to:

1. Article Addressed to:

1. Article Addressed to:

1. Article Addressed to:

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

Energy

Domestic Return Receipt

U.S. Postal ServiceTM

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 P.O. Box No.

City, State, ZIP+4[®]

Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, Oklahoma 73102

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

See Reverse for Instructions

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

See Reverse for Instructions

U.S. Postal ServiceTM

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 P.O. Box No.

City, State, ZIP+4[®]

ExxonMobil Corporation
c/o XTO Energy Inc.
22777 Springwoods Village Parkway
Spring, Texas 77389

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

See Reverse for Instructions

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

See Reverse for Instructions

U.S. Postal ServiceTM

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 P.O. Box No.

City, State, ZIP+4[®]

ExxonMobil Corporation
c/o XTO Energy Inc.
22777 Springwoods Village Parkway
Spring, Texas 77389

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

See Reverse for Instructions

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

See Reverse for Instructions

U.S. Postal ServiceTM

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 P.O. Box No.

City, State, ZIP+4[®]

ExxonMobil Corporation
c/o XTO Energy Inc.
22777 Springwoods Village Parkway
Spring, Texas 77389

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

See Reverse for Instructions

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

See Reverse for Instructions

7018 0360 0000 2188 7205

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

COG Operating LLC

Street and Apt. No., Midland, Texas 79701

Concho Resources, Inc.

600 West Illinois

City, State, Zip+4[®]

Postmark Here

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

See Reverse for Instructions