

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT, DOWNHOLE COMMINGLING
AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

CASE NO. 20152

Devon Energy Production Company, L.P.
EXHIBITS

Table of Contents

Case No. 20152

Tab 1: Amended Application

Tab 2: Affidavit of Andy D. Bennett

Tab 3: Affidavit of John Green

Tab 4: Affidavit of Notice

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

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COMPANY LP FOR A STANDARD HORIZONTAL SPACING
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AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 20152

AMENDED APPLICATION¹

Devon Energy Production Company LP (“Devon”), through its undersigned attorneys, hereby files this amended application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the E/2 of irregular Section 18 and the E/2 of irregular Section 19, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (TRIPLE X;BONE SPRING, WEST [96674]; WC-025 G-06 S253201M; UPPER BONE SPR [97784]) underlying the unit. In support of its application, Devon states:

1. Devon is a working interest owner in the standard horizontal spacing and proration unit (“HSU”) and has the right to drill thereon.
2. Devon proposes to dedicate the HSU to its proposed **Bell Lake 19-18 State Com 7H** well, to be horizontally drilled from an approximate surface hole location 481’ FSL and 1,122’ FEL of irregular Section 19 to an approximate bottom hole location 20’ FNL and 1,284’ FEL of irregular Section 18. This well defines the HSU.

¹ The original application was filed on December 6, 2018. The purpose of this amendment is to reflect the irregular section designations.

3. Also to be drilled are the following infill wells: (1) the **Bell Lake 19-18 State Com 9H** well, to be horizontally drilled from an approximate surface hole location 481' FSL and 1,092' FEL of irregular Section 19 to an approximate bottom hole location 20' FNL and 380' FEL of irregular Section 18, and; (2) the **Bell Lake 19-18 State Com 10H** well, to be horizontally drilled from an approximate surface hole location 481' FSL and 1,152' FEL of irregular Section 19 to an approximate bottom hole location 20' FNL and 2,188' FEL of irregular Section 18.

4. The completed intervals and first and last take points for all wells proposed in the unit meet the setback requirements set forth in the statewide rules for horizontal oil wells.

5. Devon has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

6. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

7. In order to permit Devon to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Devon should be designated the operator of the HSU.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 10, 2018, and, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the E/2 of irregular Section 18 and the E/2 of irregular Section 19, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation (TRIPLE X;BONE SPRING, WEST [96674]; WC-025 G-06 S253201M; UPPER BONE SPR [97784]) underlying the HSU;

C. Designating the Bell Lake 19-18 State Com 7H well as the defining well for said HSU;

D. Allowing the drilling of the Bell Lake 19-18 State Com 9H well and the Bell Lake 19-18 State Com 10H well as infill wells;

E. Designating Devon as operator of the HSU and the wells to be drilled thereon;

F. Approving downhole commingling;

G. Authorizing Devon to recover its costs of drilling, equipping and completing the wells;

H. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and;

I. Imposing a 200% penalty for the risk assumed by Devon in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,
MONTGOMERY & ANDREWS, P.A.

/s/ Seth C. McMillan

Seth C. McMillan

Kaitlyn A. Luck

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

smcmillan@montand.com

kluck@montand.com

*Attorneys for Devon Energy Production Company
LP*

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT, DOWNHOLE COMMINGLING
AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 20152

AFFIDAVIT OF ANDY D. BENNETT

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am employed as a Senior Staff Landman with Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the lands involved.
3. I seek to be qualified by the Oil Conservation Division ("Division") as an expert petroleum landman.
 - a. I graduated from the University of Oklahoma with a Bachelor's degree in Business (Energy Management) in 2008.
 - b. I have worked at Devon for 10 years as a Landman, and I have been working in New Mexico for 1 year.
4. This affidavit is submitted in connection with the filing by Devon of the above-referenced compulsory pooling and downhole commingling application pursuant to 19.15.4.12.A(1), (6) NMAC.

EXHIBIT 2
Devon/Bell Lake Wells
Case No. 20152
January 10, 2019 Hearing

5. The purpose of this application is to force pool working interest owners into the horizontal spacing unit described below, and in the wells to be drilled in the unit by Devon.

6. Devon seeks an order pooling all mineral interests in the Bone Spring horizontal spacing and proration unit underlying the E/2 of irregular Section 18 and the E/2 of irregular Section 19, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. The proposed spacing unit will be dedicated to the Bell Lake 19-18 State Com 7H well, as the defining well, and the Bell Lake 19-18 State Com 9H well and the Bell Lake 19-18 State Com 10H well, as the infill wells, to be horizontally drilled.

7. A plat outlining the unit being pooled is attached hereto as **Exhibit A**, which shows the location of the proposed wells within the unit.

8. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit B** attached hereto. **Exhibit B** includes information regarding working interest owners and overriding royalty interest owners.

9. There are no depth severances in the Bone Spring formation in this acreage.

10. The locations and proposed depths of the wells to be drilled on the pooled units are as follows:

| Well Name | SHL (~19-T24S-R33E) | BHL (~18-T24S-R33E) | TVD |
|-------------------------------|----------------------------|----------------------------|------------|
| Bell Lake 19-18 State Com 7H | 481' FSL and 1,122' FEL | 20' FNL and 1,284' FEL | 9,550' |
| Bell Lake 19-18 State Com 9H | 481' FSL and 1,092' FEL | 20' FNL and 380' FEL | 9,420' |
| Bell Lake 19-18 State Com 10H | 481' FSL and 1,152' FEL | 20' FNL and 2,188' FEL | 9,400' |

11. I have conducted a diligent search of the public records in Lea County, New Mexico, where the wells are located, and conducted phone directory and computer searches to locate contact

information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure (“AFE”).

12. Devon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

13. The interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells. However, no opposition from any interest owner is expected at hearing.

14. Proposed C-102’s for the wells are attached as Exhibit C. The wells will develop the Bone Spring formation (TRIPLE X;BONE SPRING, WEST [96674]; WC-025 G-06 S253201M; UPPER BONE SPR [97784]), which is an oil and gas pool.

15. Given that the subject wells will draw from the two pools named above, Devon requests approval of downhole commingling.

16. **Exhibit D** is a sample proposal letter and the AFE for the proposed wells. The estimated cost of the wells set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

17. Devon requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing wells. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

18. Devon requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

19. Devon requests that it be designated operator of the wells.

20. The Exhibits to this Affidavit were prepared by me, or compiled from Devon's company business records.

21. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

22. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT



Andy D. Bennett

Subscribed to and sworn before me this 7th day of January, 2019.



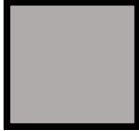


Notary Public

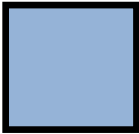
PLAT

E/2 of Sections 19 & 18, T-24-S, R-33-E, Lea County, New Mexico, Bonespring Formation

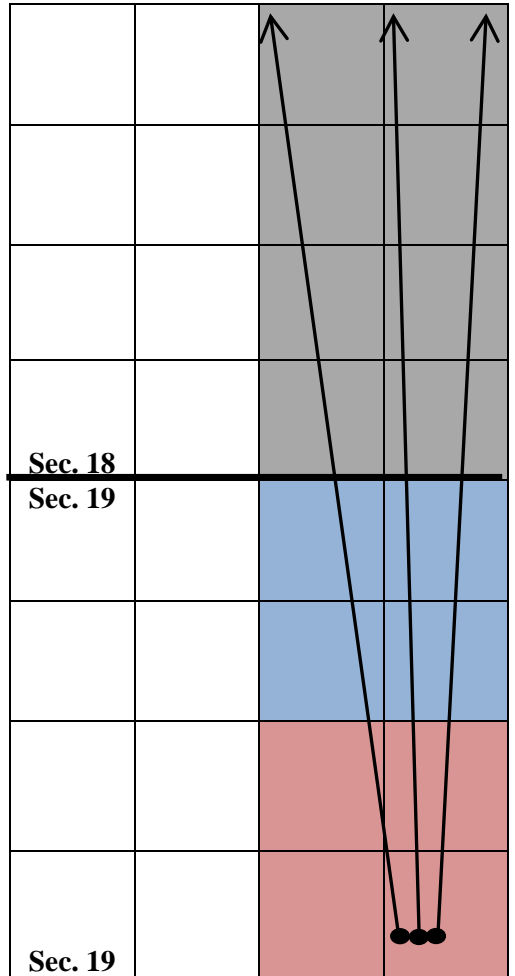
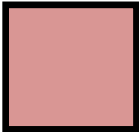
Tract 1:
St of NM VO-5647
(320 acres)



Tract 2:
St of NM VO-4457
(160 acres)



Tract 3:
St of NM VO-4457
(160 acres)



10H, 7H, 9H

Bell Lake 19-18 State Com 7H
SHL: 481' FSL & 1,122' FEL
BHL: 20' FNL & 1,284' FEL

Bell Lake 19-18 State Com 9H
SHL: 481' FSL & 1,092' FEL
BHL: 20' FNL & 380' FEL

Bell Lake 19-18 State Com 10H
SHL: 481' FSL & 1,152' FEL
BHL: 20' FNL & 2,188' FEL

EXHIBIT A

OWNERSHIP BREAKDOWN

E/2 of Sections 19 and 18, Township 24 South, Range 33 East of Lea County, NM

Bell Lake 19-18 State Com 7H, 9H, and 10H

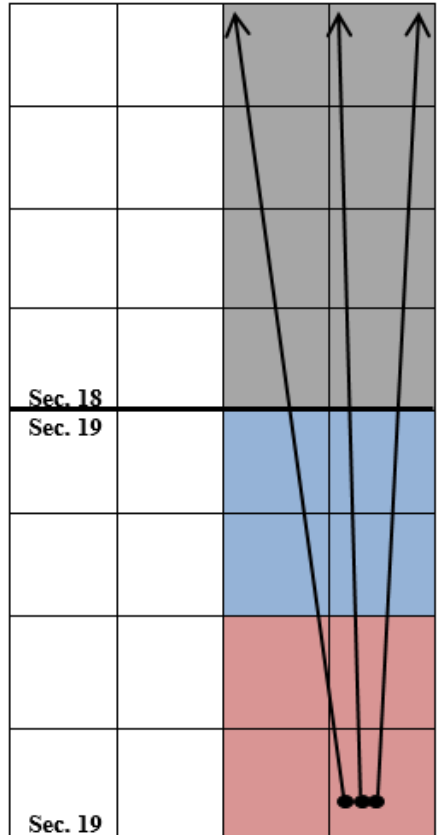
Tract 1:
St of NM VO-5647
(320 acres)



Tract 2:
St of NM VO-4457
(160 acres)



Tract 3:
St of NM VO-4457
(160 acres)



10H, 7H, 9H

TRACT 1 OWNERSHIP (E/2 of Section 18-T24S-R33E, being 320 acres):

| Owner | Net Acres | Unit WI | Status |
|---------------------------------------|-----------|---------|-----------|
| Devon Energy Production Company, L.P. | 129.12 | 0.20175 | Committed |
| 333 W. Sheridan Avenue | | | |
| Oklahoma City, OK 73102 | | | |

| | | | |
|--|--------|-------|-------------|
| Chevron Midcontinent, L.P. 1400 Smith Street Houston, TX 77002 | 150.40 | 0.235 | Uncommitted |
|--|--------|-------|-------------|

| | | | |
|--|-------|--------|-------------|
| The Allar Company 735 Elm Street Houston, TX 77002 | 36.80 | 0.0575 | Uncommitted |
|--|-------|--------|-------------|

| | | | |
|---|------|----------|-------------|
| Shepherd Royalty, LLC 5949 Sherry Lane, Suite 1175 Dallas, TX 75225 | 1.84 | 0.002875 | Uncommitted |
|---|------|----------|-------------|

| | | | |
|---|------|---------|-------------|
| Highland Texas Energy Company, Inc. 7557 Rambler Road, Suite 918 Dallas, TX 75231 | 1.84 | .002875 | Uncommitted |
|---|------|---------|-------------|

| | | | |
|---------------|--------|------|--|
| TRACT 1 TOTAL | 320.00 | 0.50 | |
|---------------|--------|------|--|

TRACT 2 OWNERSHIP (NE/4 of Section 19-T24S-R33E being 160.00 acres)

| Owner | Net Acres | Unit WI | Status |
|---|-----------|---------|-------------|
| Devon Energy Production Company, L.P. | 113.60 | 0.1775 | Committed |
| Monarch Resources, Inc. 306 W. 7 th Street, Suite 701 Fort Worth, TX 76102 | 3.2 | 0.005 | Uncommitted |

| | | | |
|--|-----|------|-------------|
| Prince Petroleum Company, Ltd. 306 W. 7 th Street, Suite 701 Fort Worth, TX 76102 | 3.2 | .005 | Uncommitted |
|--|-----|------|-------------|

| | | | |
|--|----|------|-------------|
| Durango Production Corporation P.O. Box 4848 Wichita Falls, TX 76308 | 40 | 0.25 | Uncommitted |
|--|----|------|-------------|

| | | | |
|---------------|--------|------|--|
| TRACT 2 TOTAL | 160.00 | 0.25 | |
|---------------|--------|------|--|

TRACT 3 OWNERSHIP (SE/4 of Section 19-T24S-R33E being 160.00 acres)

| Owner | Net Acres | Unit WI | Status |
|---------------------------------------|---------------|-------------|-----------|
| Devon Energy Production Company, L.P. | 160.00 | 1.00 | Committed |
| TRACT 3 TOTAL | 160.00 | 0.25 | |
| <hr/> | | | |
| UNIT TOTALS | 640.00 | 1.00 | |

ORRI Owners

John Kyle Thoma, Trustee of the Cornerstone Family Trust
PO Box 558
Peyton, CO 80831

The Morse Family Security Trust
410 17th Street, Suite 1150
Denver CO 80202

Limpinbear Family Partnership, Ltd.
410 17th Street, Suite 1150
Denver CO 80202

The Allar Company
PO Box 1567
Graham, TX 76450

Devon Energy Production Company, L.P.
333 W. Sheridan Avenue
Oklahoma City, OK 73102

Highland Texas Energy Company
7557 Rambler Road, Suite 918
Dallas, TX 75231

States Royalty Limited Partnership
PO Box 911
Breckenridge, TX 76424

DISTRICT I
1623 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-------------------|--|--------------------|---|
| API Number | | Pool Code 97784 | Pool Name WC-025 G-06 S253201M; UPPER BONE SPR |
| Property Code | Property Name BELL LAKE 19-18 STATE COM | | Well Number 7H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | | Elevation 3540.2' |

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| P | 19 | 24-S | 33-E | | 481 | SOUTH | 1122 | EAST | LEA |

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| A | 18 | 24-S | 33-E | | 20 | NORTH | 1284 | EAST | LEA |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
| 320 | | | |

BELL LAKE 19-18 STATE COM 7H
 ELEV: 3540.2'
 LAT: 32.1972388
 LON: -103.6064877
 N: 436249.73
 E: 766169.93

FIRST TAKE POINT
 LAT: 32.1961911
 LON: -103.6070098
 N: 435867.50
 E: 766010.99

BOTTOM OF HOLE
 LAT: 32.2248858
 LON: -103.6070369
 N: 446306.35
 E: 765932.08

LAST TAKE POINT
 LAT: 32.2246659
 LON: -103.6070368
 N: 446226.36
 E: 765932.67

Section 18 and 19 Data:

| Section | Point | N | E |
|---------|--------------|-----------|-----------|
| 18 | Top Left | 446302.47 | 761985.30 |
| | Top Right | 446318.24 | 764573.59 |
| | Bottom Left | 443661.73 | 762001.45 |
| | Bottom Right | 443694.08 | 767235.04 |
| 19 | Top Left | 441021.32 | 762016.94 |
| | Top Right | 441054.35 | 767254.80 |
| | Bottom Left | 438380.24 | 762032.09 |
| | Bottom Right | 438414.63 | 767274.56 |

Section 19 Corner Data:

| Point | N | E |
|--------------|-----------|-----------|
| Top Left | 435739.66 | 762046.76 |
| Top Right | 435757.05 | 764654.91 |
| Bottom Left | 435739.66 | 762046.76 |
| Bottom Right | 435777.39 | 767295.76 |

Section 19 Dimensions:

| Side | Bearing | Distance |
|--------|------------|----------|
| Top | N 89°39' E | 2588.34' |
| Right | S 00°25' E | 2642.37' |
| Bottom | S 89°34' W | 2608.21' |
| Left | N 00°21' W | 2640.79' |

Section 19 Internal Dimensions:

| Side | Bearing | Distance |
|--------|------------|----------|
| Top | N 89°38' E | 5237.96' |
| Right | S 00°26' E | 2639.80' |
| Bottom | S 89°34' W | 2640.93' |
| Left | N 00°20' W | 2640.45' |

Section 19 Corner Data:

| Point | N | E |
|--------------|-----------|-----------|
| Top Left | 441021.32 | 762016.94 |
| Top Right | 441054.35 | 767254.80 |
| Bottom Left | 438380.24 | 762032.09 |
| Bottom Right | 438414.63 | 767274.56 |

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| Point | N | E |
|--------------|-----------|-----------|
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| Point | N | E |
|--------------|-----------|-----------|
| Top Left | 441021.32 | 762016.94 |
| Top Right | 441054.35 | 767254.80 |
| Bottom Left | 438380.24 | 762032.09 |
| Bottom Right | 438414.63 | 767274.56 |

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| Side | Bearing | Distance |
|--------|------------|----------|
| Top | N 89°38' E | 5237.96' |
| Right | S 00°26' E | 2639.80' |
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| Left | N 00°20' W | 2640.45' |

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| Point | N | E |
|--------------|-----------|-----------|
| Top Left | 441021.32 | 762016.94 |
| Top Right | 441054.35 | 767254.80 |
| Bottom Left | 438380.24 | 762032.09 |
| Bottom Right | 438414.63 | 767274.56 |

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| Side | Bearing | Distance |
|--------|------------|----------|
| Top | N 89°38' E | 5237.96' |
| Right | S 00°26' E | 2639.80' |
| Bottom | S 89°34' W | 2640.93' |
| Left | N 00°20' W | 2640.45' |

Section 19 Corner Data:

| Point | N | E |
|--------------|-----------|-----------|
| Top Left | 441021.32 | 762016.94 |
| Top Right | 441054.35 | 767254.80 |
| Bottom Left | 438380.24 | 762032.09 |
| Bottom Right | 438414.63 | 767274.56 |

Section 19 Internal Dimensions:

| Side | Bearing | Distance |
|--------|------------|----------|
| Top | N 89°38' E | 5237.96' |
| Right | S 00°26' E | 2639.80' |
| Bottom | S 89°34' W | 2640.93' |
| Left | N 00°20' W | 2640.45' |

Section 19 Corner Data:

| Point | N |
|-------|---|
|-------|---|

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Rebecca Deal 12/18/2018
Signature Date

Rebecca Deal, Regulatory Analyst
Printed Name

rebecca.deal@dvn.com
E-mail Address

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

11/2018

Date of Survey

Signature & Seal of Professional Surveyor



11/29/18

| | |
|------------------------------|-------------------|
| Certificate No. 22404 | B.L. LAMAN |
| Date of Survey: 11/14/18 | DRAWN BY: CM |

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------|--|---|
| API Number | Pool Code 96674 | Pool Name TRIPLE X;BONE SPRING, WEST |
| Property Code | Property Name BELL LAKE 19-18 STATE COM | Well Number 7H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 3540.2' |

Surface Location

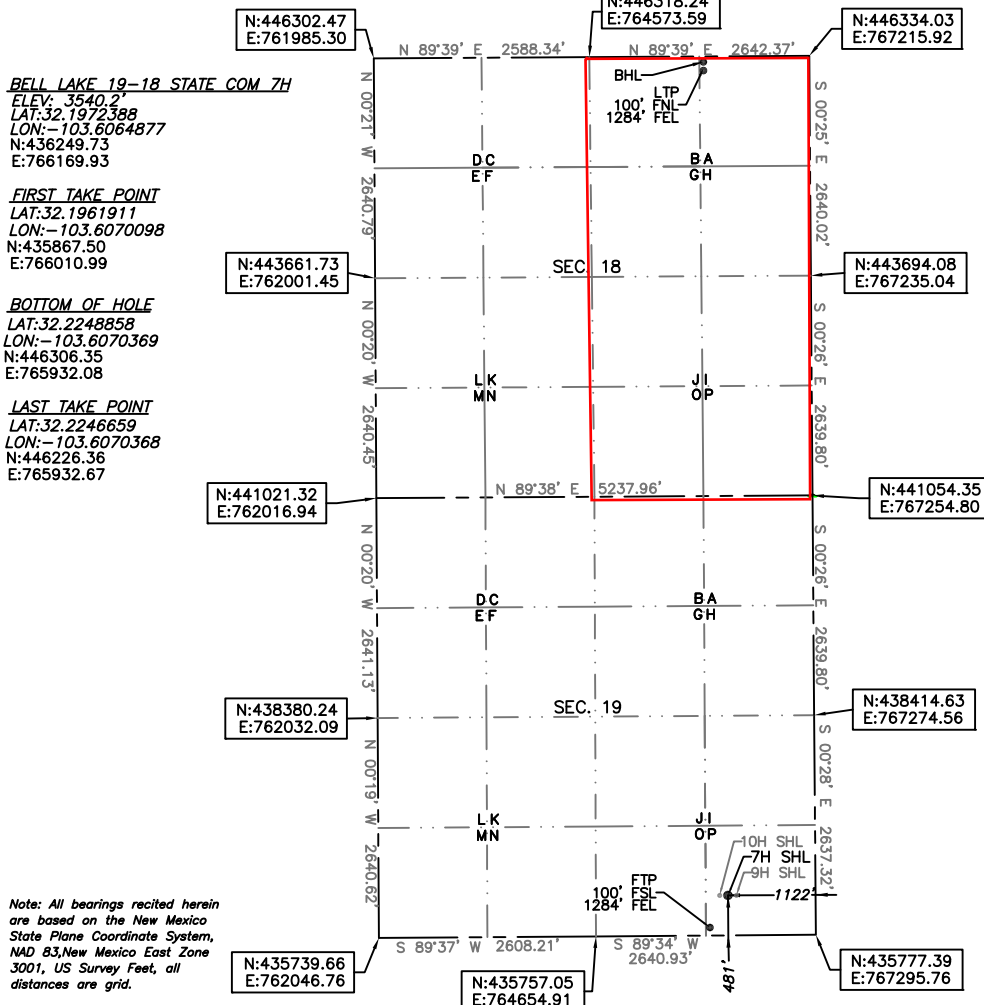
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 19 | 24-S | 33-E | | 481 | SOUTH | 1122 | EAST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 18 | 24-S | 33-E | | 20 | NORTH | 1284 | EAST | 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



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Rebecca Deal 12/18/2018
Signature Date

Rebecca Deal, Regulatory Analyst
Printed Name

rebecca.deal@dvn.com
E-mail Address

SURVEYOR CERTIFICATION

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

11/2018

Date of Survey

Signature & Seal of Professional Surveyor



11/29/18

Certificate No. 22404 B.L. LAMAN
Date of Survey: 11/14/18 DRAWN BY: CM

| | |
|------------------------------|-------------------|
| Certificate No. 22404 | B.L. LAMAN |
| Date of Survey: 11/14/18 | DRAWN BY: CM |

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------|--|---|
| API Number | Pool Code 96674 | Pool Name TRIPLE X;BONE SPRING, WEST |
| Property Code | Property Name BELL LAKE 19-18 STATE COM | Well Number 9H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 3541.1' |

Surface Location

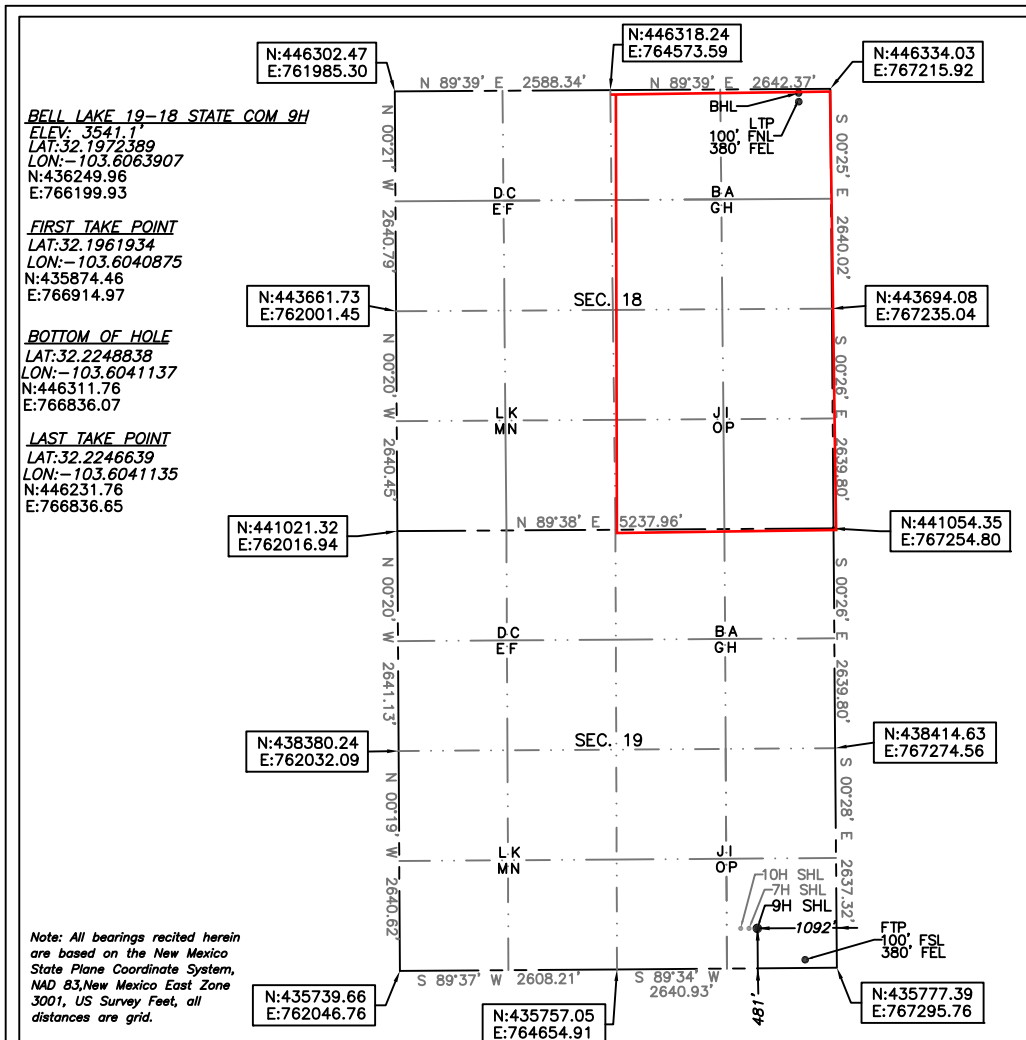
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 19 | 24-S | 33-E | | 481 | SOUTH | 1092 | EAST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 18 | 24-S | 33-E | | 20 | NORTH | 380 | EAST | 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



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Rebecca Deal 12/17/2018
Signature Date

Rebecca Deal, Regulatory Analyst
Printed Name

rebecca.deal@dvn.com
E-mail Address

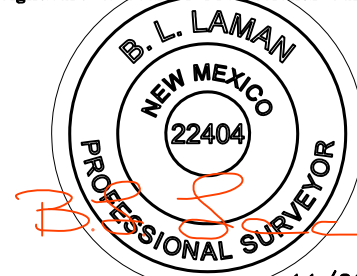
SURVEYOR CERTIFICATION

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

11/2018

Date of Survey

Signature & Seal of Professional Surveyor



11/29/18

Certificate No. 22404 B.L. LAMAN
Date of Survey: 11/14/18 DRAWN BY: CM

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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611 S. FIRST ST., ARTESIA, NM 88210
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Revised August 1, 2011
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------|--|---|
| API Number | Pool Code 97784 | Pool Name WC-025 G-06 S253201M; UPPER BONE SPR |
| Property Code | Property Name BELL LAKE 19-18 STATE COM | Well Number 10H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 3539.9' |

Surface Location

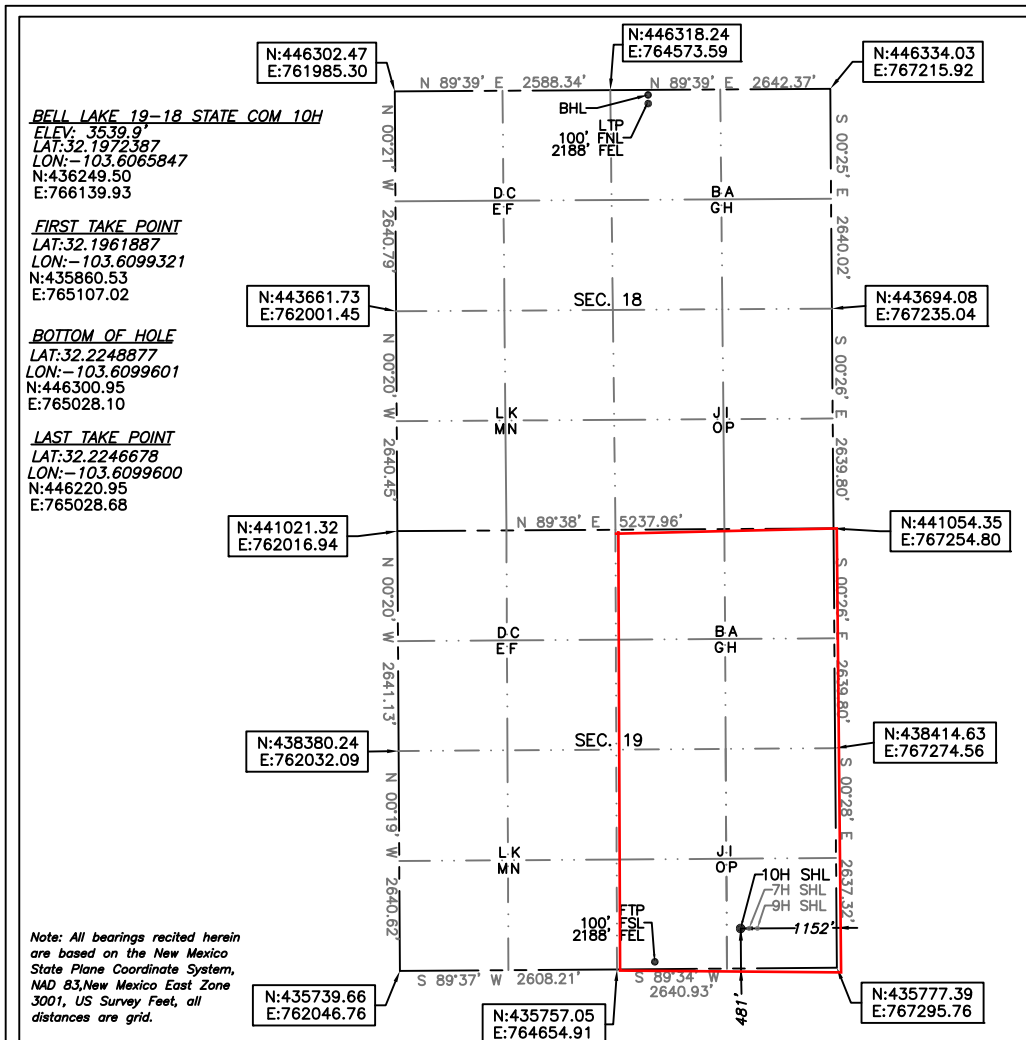
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 19 | 24-S | 33-E | | 481 | SOUTH | 1152 | EAST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 18 | 24-S | 33-E | | 20 | NORTH | 2188 | EAST | LEA |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 320 | | | |

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



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Rebecca Deal 12/17/2018
Signature Date

Rebecca Deal, Regulatory Analyst
Printed Name

rebecca.deal@dvn.com
E-mail Address

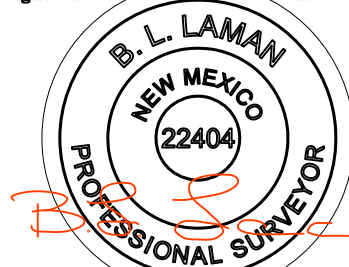
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I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

11/2018

Date of Survey

Signature & Seal of Professional Surveyor



11/29/18

Certificate No. 22404 B.L. LAMAN
Date of Survey: 11/14/18 DRAWN BY: CM

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------|--|------------------------------------|
| API Number | Pool Code 96674 | Pool Name TRIPLE X;BONE SPRING, |
| Property Code | Property Name BELL LAKE 19-18 STATE COM | Well Number 10H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 3539.9' |

Surface Location

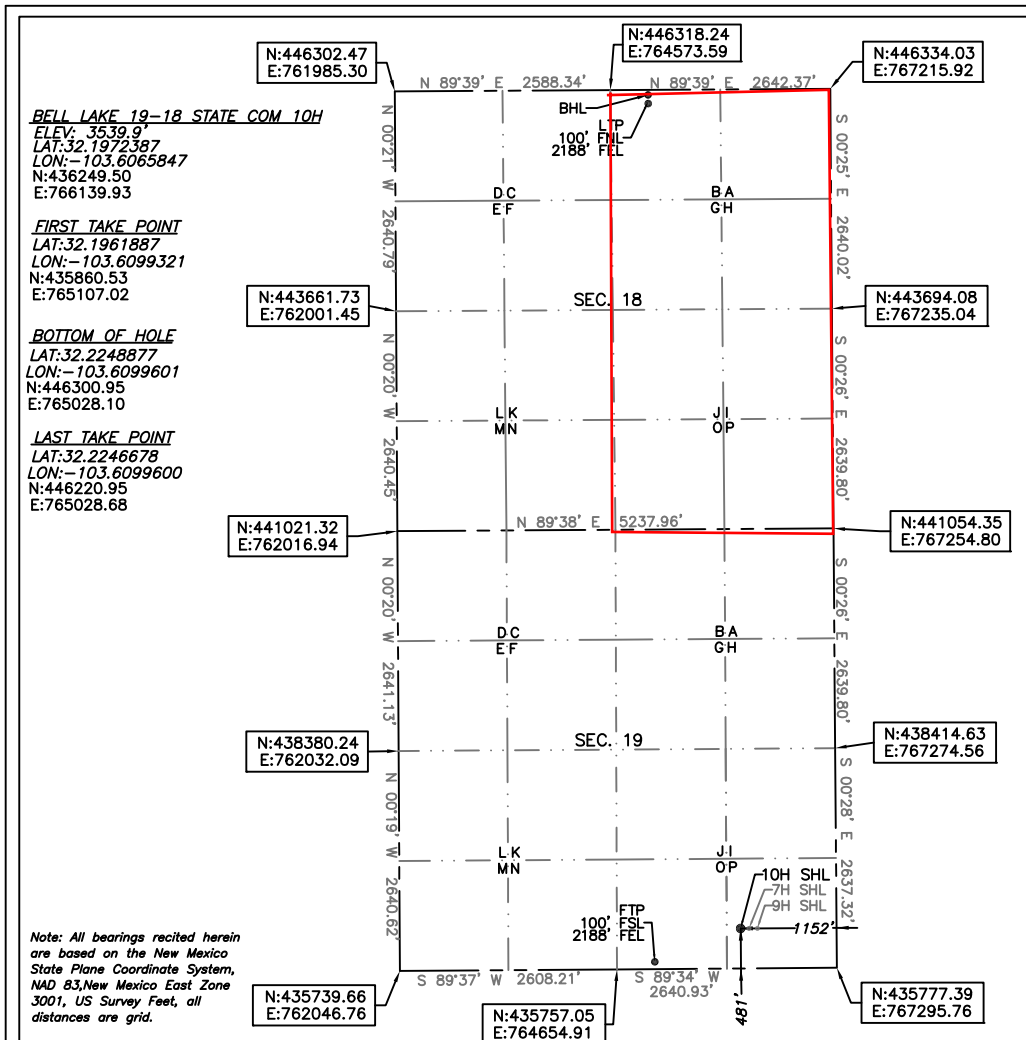
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 19 | 24-S | 33-E | | 481 | SOUTH | 1152 | EAST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 18 | 24-S | 33-E | | 20 | NORTH | 2188 | EAST | LEA |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 320 | Joint or Infill | Consolidation Code | Order No. |
|------------------------|-----------------|--------------------|-----------|

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OPERATOR CERTIFICATION

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Rebecca Deal 12/17/2018
Signature Date

Rebecca Deal, Regulatory Analyst
Printed Name

rebecca.deal@dvn.com
E-mail Address

SURVEYOR CERTIFICATION

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

11/2018

Date of Survey

Signature & Seal of Professional Surveyor



11/29/18

Certificate No. 22404 B.L. LAMAN
Date of Survey: 11/14/18 DRAWN BY: CM



Devon Energy Production Company LP 405 552 8002 Phone
333 West Sheridan Avenue www.devonenergy.com
Oklahoma City, OK 73102

November 1, 2018

The Allar Company
735 Elm Street
Houston, TX 77002

VIA FEDEX 7736 2511 6073

RE: Well Proposal – Bell Lake 19-18 State Com 7H
Bell Lake 19-18 State Com 9H
Bell Lake 19-18 State Com 10H
Bell Lake 19-18 State Com 13H
Bell Lake 19-18 State Com 17H
Lea County, New Mexico

Ladies and Gentlemen:

Devon Energy Production Company, L.P. (“Devon”), as Operator, proposes to drill and complete the following five (5) wells:

- Bell Lake 19-18 State Com 7H as a horizontal well to an approximate TVD of 9,550’ and approximate TMD of 19,550’ into the Bone Spring formation at an approximate SHL 481’ FSL and 1,122’ FEL of Section 19-T24S-R33E and an approximate BHL 20’ FNL and 1,284’ FEL of Section 18-24S-33E, Lea County, New Mexico (collectively with all five proposed wells, the “Wells”). Enclosed for your review is Devon’s AFE, indicating drilling costs of \$2,369,328.40 and total completed well costs of \$7,744,165.78 (includes CTB and flowline costs).
- Bell Lake 19-18 State Com 9H as a horizontal well to an approximate TVD of 9,420’ and approximate TMD of 19,420’ into the Bone Spring formation at an approximate SHL 481’ FSL and 1,092’ FEL of Section 19-T24S-R33E and an approximate BHL 20’ FNL and 380’ FEL of Section 18-24S-33E, Lea County, New Mexico (collectively with all five proposed wells, the “Wells”). Enclosed for your review is Devon’s AFE, indicating drilling costs of \$2,369,328.40 and total completed well costs of \$7,744,165.78 (includes CTB and flowline costs).
- Bell Lake 19-18 State Com 10H as a horizontal well to an approximate TVD of 9,400’ and approximate TMD of 19,400’ into the Bone Spring formation at an approximate SHL 481’ FSL and 1,152’ FEL of Section 19-T24S-R33E and an approximate BHL 20’ FNL and 2,188’ FEL of Section 18-24S-33E, Lea County, New Mexico (collectively with all five proposed wells, the “Wells”). Enclosed for your review is Devon’s AFE, indicating drilling costs of \$2,369,328.40 and total completed well costs of \$7,744,165.78 (includes CTB and flowline costs).
- Bell Lake 19-18 State Com 13H as a horizontal well to an approximate TVD of 9,515’ and approximate TMD of 19,515’ into the Bone Spring formation at an approximate SHL 538’ FSL and 1,952’ FWL of Section 19-T24S-R33E and an approximate BHL 20’ FNL and 2,188’ FWL of Section 18-24S-33E, Lea County, New Mexico (collectively with all five proposed wells, the “Wells”). Enclosed for your review is Devon’s AFE, indicating drilling costs of \$2,369,328.40 and total completed well costs of \$7,744,165.78 (includes CTB and flowline costs).

EXHIBIT D

- Bell Lake 19-18 State Com 17H as a horizontal well to an approximate TVD of 9,350' and approximate TMD of 19,350' into the Bone Spring formation at an approximate SHL 538' FSL and 1,922' FWL of Section 19-T24S-R33E and an approximate BHL 20' FNL and 1,388' FWL of Section 18-24S-33E, Lea County, New Mexico (collectively with all five proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$2,369,328.40 and total completed well costs of \$7,744,165.78 (includes CTB and flowline costs).

Devon reserves the right to modify the locations and drilling plans described above in order to address surface and subsurface concerns. Devon will advise of any such modifications.

Devon intends to drill each of the Wells as a horizontal well with an approximate two-mile lateral that will cross three (3) tracts, i.e., the S/2 of Section 19, the N/2 of Section 19, and Section 18. Section 18-T24S-R33E is subject to an existing January 1, 2004, Operating Agreement (the "Copperhead JOA"); the N/2 of Section 19-T24S-R33E is subject to an existing December 23, 1996, Operating Agreement (the "Cobra JOA"); and the working interest in the S/2 of Section 19-T24S-R33E is owned 100% by Devon. Devon proposes to drill the Wells under the terms of a superseding agreement (an "Agreement for Operations") that will (i) be limited in scope to the two-mile horizontal wells that cross all three tracts and the Bone Spring formation, (ii) designate Devon as the operator, (iii) incorporate the basic terms of the Copperhead JOA as to those parties owning an interest in Section 18, (iv) incorporate the basic terms of the Cobra JOA as to those parties owning an interest in the N/2 of Section 19, and (v.) include standard modifications for horizontal drilling. The Agreement for Operations will act as a superseding operating agreement for the Wells, and will set forth the interests owned by each party in the Wells based on an allocation of the percentage of ownership in each of the three tracts. Under the Agreement for Operations, each party's ownership in the Wells would be based on the following example: If a party owns 50% Working Interest in the N/2 of Section 19, that party's Working Interest in the Wells would be approximately 12.5% (will be proportionately reduced to the acres in the two sections). The Agreement for Operations will be supplied to those parties interested in participating.

Please indicate your election to participate in the drilling and completion of the Wells in the spaces provided below, within 30 days of receipt, by signing and returning one (1) copy of this letter and AFE, along with your well data requirements sheet. A Communization Agreement for said Wells will be supplied for your review and execution at a later date.

If your election is to participate, a cash call invoice will be sent following receipt of a timely election.

If an agreement cannot be reached within 30 days of receipt of this letter by all parties, Devon will apply to the New Mexico Oil Conversation Division for compulsory pooling of your interest into a spacing unit for the Wells, if uncommitted at such time.

Please do not hesitate to contact me at (405) 552-8002 or via email at Andy.Bennett@dvn.com if you have any questions concerning this proposal.

Very truly yours,

Devon Energy Production Company, L.P.



Andy Bennett
Senior Staff Landman

The Allar Company:

_____ **To Participate** in the proposal of the Bell Lake 19-18 State Com 7H Well

_____ **Not To Participate** in the proposal of the Bell Lake 19-18 State Com 7H Well

_____ **To Participate** in the proposal of the Bell Lake 19-18 State Com 9H Well

_____ **Not To Participate** in the proposal of the Bell Lake 19-18 State Com 9H Well

_____ **To Participate** in the proposal of the Bell Lake 19-18 State Com 10H Well

_____ **Not To Participate** in the proposal of the Bell Lake 19-18 State Com 10H Well

_____ **To Participate** in the proposal of the Bell Lake 19-18 State Com 13H Well

_____ **Not To Participate** in the proposal of the Bell Lake 19-18 State Com 13H Well

_____ **To Participate** in the proposal of the Bell Lake 19-18 State Com 17H Well

_____ **Not To Participate** in the proposal of the Bell Lake 19-18 State Com 17H Well

Agreed to and Accepted this _____ day of _____, 2018.

The Allar Company

By: _____

Title: _____



Authorization for Expenditure

AFE # XX-112007.01

Well Name: BELL LAKE 19-18 STATE COM 7H

Cost Center Number: 1093120801

Legal Description: Sections 19 & 18-T24S-R33E

Revision: 0

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

Explanation and Justification:

Drill and complete the Bell Lake 19-18 State Com 7H well located at SHL 481' FSL & 1122' FEL of Section 19, and BHL 20' FNL & 1284' FEL of Section 18, all in T24S-R33E, Lea County, New Mexico.

| Code | Intangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|------------------------|----------------|------------------|----------------|--------------|
| 6060100 | DYED LIQUID FUELS | 51,067.40 | 0.00 | 0.00 | 51,067.40 |
| 6060130 | GASEOUS FUELS | 21,039.20 | 0.00 | 0.00 | 21,039.20 |
| 6080100 | DISPOSAL - SOLIDS | 86,374.60 | 1,040.00 | 0.00 | 87,414.60 |
| 6080110 | DISP-SALTWATER & OTH | 0.00 | 78,000.00 | 0.00 | 78,000.00 |
| 6090100 | FLUIDS - WATER | 34,908.00 | 602,512.56 | 0.00 | 637,420.56 |
| 6100100 | PERMIT SURVEY&TITLE | 30,000.00 | 0.00 | 0.00 | 30,000.00 |
| 6100110 | RIGHT OF WAY | 25,000.00 | 0.00 | 0.00 | 25,000.00 |
| 6110130 | ROAD&SITE PREP SVC | 80,000.00 | 10,400.00 | 0.00 | 90,400.00 |
| 6110170 | DAMAGE & REMEDIATION | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| 6130170 | COMM SVCS - WAN | 4,766.20 | 0.00 | 0.00 | 4,766.20 |
| 6130360 | RTOC - ENGINEERING | 0.00 | 10,400.00 | 0.00 | 10,400.00 |
| 6140160 | ENV-SERVICES | 1,000.00 | 0.00 | 0.00 | 1,000.00 |
| 6150100 | CH LOG PERFRTG&WL SV | 0.00 | 296,004.80 | 0.00 | 296,004.80 |
| 6160100 | MATERIALS & SUPPLIES | 3,329.40 | 0.00 | 0.00 | 3,329.40 |
| 6170100 | PULLING&SWABBING SVC | 0.00 | 69,680.00 | 0.00 | 69,680.00 |
| 6190100 | TRCKG&HL-SOLID&FLUID | 39,254.00 | 0.00 | 0.00 | 39,254.00 |
| 6190110 | TRUCKING&HAUL OF EQP | 47,040.00 | 15,600.00 | 0.00 | 62,640.00 |
| 6200130 | CONSLT & PROJECT SVC | 104,402.00 | 91,936.00 | 0.00 | 196,338.00 |
| 6230120 | SAFETY SERVICES | 38,572.00 | 0.00 | 0.00 | 38,572.00 |
| 6300270 | SOLIDS CONTROL SRVCS | 38,277.20 | 0.00 | 0.00 | 38,277.20 |
| 6310120 | STIMULATION SERVICES | 0.00 | 2,735,804.35 | 0.00 | 2,735,804.35 |
| 6310200 | CASING & TUBULAR SVC | 67,900.00 | 0.00 | 0.00 | 67,900.00 |
| 6310250 | CEMENTING SERVICES | 152,400.00 | 0.00 | 0.00 | 152,400.00 |
| 6310280 | DAYWORK COSTS | 387,910.20 | 0.00 | 0.00 | 387,910.20 |
| 6310300 | DIRECTIONAL SERVICES | 142,926.00 | 0.00 | 0.00 | 142,926.00 |
| 6310310 | DRILL BITS | 66,760.00 | 0.00 | 0.00 | 66,760.00 |
| 6310330 | DRILL&COMP FLUID&SVC | 80,413.40 | 6,760.00 | 0.00 | 87,173.40 |
| 6310370 | MOB & DEMOBILIZATION | 150,000.00 | 0.00 | 0.00 | 150,000.00 |
| 6310380 | OPEN HOLE EVALUATION | 13,365.80 | 0.00 | 0.00 | 13,365.80 |
| 6310480 | TSTNG-WELL, PL & OTH | 0.00 | 69,904.10 | 0.00 | 69,904.10 |
| 6310600 | MISC PUMPING SERVICE | 0.00 | 59,045.16 | 0.00 | 59,045.16 |
| 6320100 | EQPMNT SVC-SRF RNTL | 47,401.40 | 242,188.41 | 0.00 | 289,589.81 |
| 6320110 | EQUIP SVC - DOWNHOLE | 70,596.00 | 30,992.00 | 0.00 | 101,588.00 |
| 6320160 | WELDING SERVICES | 2,200.00 | 0.00 | 0.00 | 2,200.00 |
| 6520100 | LEGAL FEES | 10,000.00 | 0.00 | 0.00 | 10,000.00 |
| 6550110 | MISCELLANEOUS SVC | 19,450.00 | 0.00 | 0.00 | 19,450.00 |
| 6630110 | CAPITAL OVERHEAD | 7,013.00 | 0.00 | 0.00 | 7,013.00 |
| 6740340 | TAXES OTHER | 148.00 | 0.00 | 0.00 | 148.00 |
| | Total Intangibles | 1,828,513.80 | 4,320,267.38 | 0.00 | 6,148,781.18 |

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|-------------|
| 6060180 | ELEC & PWRLINE EQUIP | 14,817.00 | 0.00 | 0.00 | 14,817.00 |
| 6310130 | ARTIFICIAL LIFT EQP | 0.00 | 31,200.00 | 0.00 | 31,200.00 |

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-112007.01

Well Name: BELL LAKE 19-18 STATE COM 7H

Cost Center Number: 1093120801

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|--------------|
| 6310150 | CASG-COND&DRIVE PIPE | 20,000.00 | 0.00 | 0.00 | 20,000.00 |
| 6310420 | TUBING & COMPONENTS | 0.00 | 86,970.00 | 0.00 | 86,970.00 |
| 6310460 | WELLHEAD EQUIPMENT | 25,100.00 | 36,400.00 | 0.00 | 61,500.00 |
| 6310530 | SURFACE CASING | 45,561.80 | 0.00 | 0.00 | 45,561.80 |
| 6310540 | INTERMEDIATE CASING | 137,211.00 | 0.00 | 0.00 | 137,211.00 |
| 6310550 | PRODUCTION CASING | 252,464.80 | 0.00 | 0.00 | 252,464.80 |
| 6310580 | CASING COMPONENTS | 45,660.00 | 0.00 | 0.00 | 45,660.00 |
| 6320180 | EQUIPMENT OTHER | 0.00 | 900,000.00 | 0.00 | 900,000.00 |
| | Total Tangibles | 540,814.60 | 1,054,570.00 | 0.00 | 1,595,384.60 |

| | | | | |
|----------------------|--------------|--------------|------|--------------|
| TOTAL ESTIMATED COST | 2,369,328.40 | 5,374,837.38 | 0.00 | 7,744,165.78 |
|----------------------|--------------|--------------|------|--------------|

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-113711.01

Well Name: BELL LAKE 19-18 STATE COM 9H

Cost Center Number: 1093298401

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

Explanation and Justification:

Drill and complete the Bell Lake 19-18 State Com 9H well located at SHL 481' FSL & 1092' FEL of Section 19, and BHL 20' FNL & 380' FEL of Section 18, all in T24S-R33E, Lea County, New Mexico.

| Code | Intangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|------------------------|----------------|------------------|----------------|--------------|
| 6060100 | DYED LIQUID FUELS | 51,067.40 | 0.00 | 0.00 | 51,067.40 |
| 6060130 | GASEOUS FUELS | 21,039.20 | 0.00 | 0.00 | 21,039.20 |
| 6080100 | DISPOSAL - SOLIDS | 86,374.60 | 1,040.00 | 0.00 | 87,414.60 |
| 6080110 | DISP-SALTWATER & OTH | 0.00 | 78,000.00 | 0.00 | 78,000.00 |
| 6090100 | FLUIDS - WATER | 34,908.00 | 602,512.56 | 0.00 | 637,420.56 |
| 6100100 | PERMIT SURVEY&TITLE | 30,000.00 | 0.00 | 0.00 | 30,000.00 |
| 6100110 | RIGHT OF WAY | 25,000.00 | 0.00 | 0.00 | 25,000.00 |
| 6110130 | ROAD&SITE PREP SVC | 80,000.00 | 10,400.00 | 0.00 | 90,400.00 |
| 6110170 | DAMAGE & REMEDIATION | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| 6130170 | COMM SVCS - WAN | 4,766.20 | 0.00 | 0.00 | 4,766.20 |
| 6130360 | RTOC - ENGINEERING | 0.00 | 10,400.00 | 0.00 | 10,400.00 |
| 6140160 | ENV-SERVICES | 1,000.00 | 0.00 | 0.00 | 1,000.00 |
| 6150100 | CH LOG PERFRTG&WL SV | 0.00 | 296,004.80 | 0.00 | 296,004.80 |
| 6160100 | MATERIALS & SUPPLIES | 3,329.40 | 0.00 | 0.00 | 3,329.40 |
| 6170100 | PULLING&SWABBING SVC | 0.00 | 69,680.00 | 0.00 | 69,680.00 |
| 6190100 | TRCKG&HL-SOLID&FLUID | 39,254.00 | 0.00 | 0.00 | 39,254.00 |
| 6190110 | TRUCKING&HAUL OF EQP | 47,040.00 | 15,600.00 | 0.00 | 62,640.00 |
| 6200130 | CONSLT & PROJECT SVC | 104,402.00 | 91,936.00 | 0.00 | 196,338.00 |
| 6230120 | SAFETY SERVICES | 38,572.00 | 0.00 | 0.00 | 38,572.00 |
| 6300270 | SOLIDS CONTROL SRVCS | 38,277.20 | 0.00 | 0.00 | 38,277.20 |
| 6310120 | STIMULATION SERVICES | 0.00 | 2,735,804.35 | 0.00 | 2,735,804.35 |
| 6310200 | CASING & TUBULAR SVC | 67,900.00 | 0.00 | 0.00 | 67,900.00 |
| 6310250 | CEMENTING SERVICES | 152,400.00 | 0.00 | 0.00 | 152,400.00 |
| 6310280 | DAYWORK COSTS | 387,910.20 | 0.00 | 0.00 | 387,910.20 |
| 6310300 | DIRECTIONAL SERVICES | 142,926.00 | 0.00 | 0.00 | 142,926.00 |
| 6310310 | DRILL BITS | 66,760.00 | 0.00 | 0.00 | 66,760.00 |
| 6310330 | DRILL&COMP FLUID&SVC | 80,413.40 | 6,760.00 | 0.00 | 87,173.40 |
| 6310370 | MOB & DEMOBILIZATION | 150,000.00 | 0.00 | 0.00 | 150,000.00 |
| 6310380 | OPEN HOLE EVALUATION | 13,365.80 | 0.00 | 0.00 | 13,365.80 |
| 6310480 | TSTNG-WELL, PL & OTH | 0.00 | 69,904.10 | 0.00 | 69,904.10 |
| 6310600 | MISC PUMPING SERVICE | 0.00 | 59,045.16 | 0.00 | 59,045.16 |
| 6320100 | EQPMNT SVC-SRF RNTL | 47,401.40 | 242,188.41 | 0.00 | 289,589.81 |
| 6320110 | EQUIP SVC - DOWNHOLE | 70,596.00 | 30,992.00 | 0.00 | 101,588.00 |
| 6320160 | WELDING SERVICES | 2,200.00 | 0.00 | 0.00 | 2,200.00 |
| 6520100 | LEGAL FEES | 10,000.00 | 0.00 | 0.00 | 10,000.00 |
| 6550110 | MISCELLANEOUS SVC | 19,450.00 | 0.00 | 0.00 | 19,450.00 |
| 6630110 | CAPITAL OVERHEAD | 7,013.00 | 0.00 | 0.00 | 7,013.00 |
| 6740340 | TAXES OTHER | 148.00 | 0.00 | 0.00 | 148.00 |
| | Total Intangibles | 1,828,513.80 | 4,320,267.38 | 0.00 | 6,148,781.18 |

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|-------------|
| 6060180 | ELEC & PWRLINE EQUIP | 14,817.00 | 0.00 | 0.00 | 14,817.00 |
| 6310130 | ARTIFICIAL LIFT EQP | 0.00 | 31,200.00 | 0.00 | 31,200.00 |

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-113711.01

Well Name: BELL LAKE 19-18 STATE COM 9H

Cost Center Number: 1093298401

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|--------------|
| 6310150 | CASG-COND&DRIVE PIPE | 20,000.00 | 0.00 | 0.00 | 20,000.00 |
| 6310420 | TUBING & COMPONENTS | 0.00 | 86,970.00 | 0.00 | 86,970.00 |
| 6310460 | WELLHEAD EQUIPMENT | 25,100.00 | 36,400.00 | 0.00 | 61,500.00 |
| 6310530 | SURFACE CASING | 45,561.80 | 0.00 | 0.00 | 45,561.80 |
| 6310540 | INTERMEDIATE CASING | 137,211.00 | 0.00 | 0.00 | 137,211.00 |
| 6310550 | PRODUCTION CASING | 252,464.80 | 0.00 | 0.00 | 252,464.80 |
| 6310580 | CASING COMPONENTS | 45,660.00 | 0.00 | 0.00 | 45,660.00 |
| 6320180 | EQUIPMENT OTHER | 0.00 | 900,000.00 | 0.00 | 900,000.00 |
| | Total Tangibles | 540,814.60 | 1,054,570.00 | 0.00 | 1,595,384.60 |

| | | | | |
|----------------------|--------------|--------------|------|--------------|
| TOTAL ESTIMATED COST | 2,369,328.40 | 5,374,837.38 | 0.00 | 7,744,165.78 |
|----------------------|--------------|--------------|------|--------------|

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-114148.01

Well Name: BELL LAKE 19-18 STATE COM 10H

Cost Center Number: 1093308401

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

Explanation and Justification:

Drill and complete the Bell Lake 19-18 State Com 10H well located at SHL 481' FSL & 1152' FEL of Section 19, and BHL 20' FNL & 2188' FEL of Section 18 all in T24S-R33E, Lea County, New Mexico.

| Code | Intangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|------------------------|----------------|------------------|----------------|--------------|
| 6060100 | DYED LIQUID FUELS | 51,067.40 | 0.00 | 0.00 | 51,067.40 |
| 6060130 | GASEOUS FUELS | 21,039.20 | 0.00 | 0.00 | 21,039.20 |
| 6080100 | DISPOSAL - SOLIDS | 86,374.60 | 1,040.00 | 0.00 | 87,414.60 |
| 6080110 | DISP-SALTWATER & OTH | 0.00 | 78,000.00 | 0.00 | 78,000.00 |
| 6090100 | FLUIDS - WATER | 34,908.00 | 602,512.56 | 0.00 | 637,420.56 |
| 6100100 | PERMIT SURVEY&TITLE | 30,000.00 | 0.00 | 0.00 | 30,000.00 |
| 6100110 | RIGHT OF WAY | 25,000.00 | 0.00 | 0.00 | 25,000.00 |
| 6110130 | ROAD&SITE PREP SVC | 80,000.00 | 10,400.00 | 0.00 | 90,400.00 |
| 6110170 | DAMAGE & REMEDIATION | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| 6130170 | COMM SVCS - WAN | 4,766.20 | 0.00 | 0.00 | 4,766.20 |
| 6130360 | RTOC - ENGINEERING | 0.00 | 10,400.00 | 0.00 | 10,400.00 |
| 6140160 | ENV-SERVICES | 1,000.00 | 0.00 | 0.00 | 1,000.00 |
| 6150100 | CH LOG PERFRGT&WL SV | 0.00 | 296,004.80 | 0.00 | 296,004.80 |
| 6160100 | MATERIALS & SUPPLIES | 3,329.40 | 0.00 | 0.00 | 3,329.40 |
| 6170100 | PULLING&SWABBING SVC | 0.00 | 69,680.00 | 0.00 | 69,680.00 |
| 6190100 | TRCKG&HL-SOLID&FLUID | 39,254.00 | 0.00 | 0.00 | 39,254.00 |
| 6190110 | TRUCKING&HAUL OF EQP | 47,040.00 | 15,600.00 | 0.00 | 62,640.00 |
| 6200130 | CONSLT & PROJECT SVC | 104,402.00 | 91,936.00 | 0.00 | 196,338.00 |
| 6230120 | SAFETY SERVICES | 38,572.00 | 0.00 | 0.00 | 38,572.00 |
| 6300270 | SOLIDS CONTROL SRVCS | 38,277.20 | 0.00 | 0.00 | 38,277.20 |
| 6310120 | STIMULATION SERVICES | 0.00 | 2,735,804.35 | 0.00 | 2,735,804.35 |
| 6310200 | CASING & TUBULAR SVC | 67,900.00 | 0.00 | 0.00 | 67,900.00 |
| 6310250 | CEMENTING SERVICES | 152,400.00 | 0.00 | 0.00 | 152,400.00 |
| 6310280 | DAYWORK COSTS | 387,910.20 | 0.00 | 0.00 | 387,910.20 |
| 6310300 | DIRECTIONAL SERVICES | 142,926.00 | 0.00 | 0.00 | 142,926.00 |
| 6310310 | DRILL BITS | 66,760.00 | 0.00 | 0.00 | 66,760.00 |
| 6310330 | DRILL&COMP FLUID&SVC | 80,413.40 | 6,760.00 | 0.00 | 87,173.40 |
| 6310370 | MOB & DEMOBILIZATION | 150,000.00 | 0.00 | 0.00 | 150,000.00 |
| 6310380 | OPEN HOLE EVALUATION | 13,365.80 | 0.00 | 0.00 | 13,365.80 |
| 6310480 | TSTNG-WELL, PL & OTH | 0.00 | 69,904.10 | 0.00 | 69,904.10 |
| 6310600 | MISC PUMPING SERVICE | 0.00 | 59,045.16 | 0.00 | 59,045.16 |
| 6320100 | EQPMNT SVC-SRF RNTL | 47,401.40 | 242,188.41 | 0.00 | 289,589.81 |
| 6320110 | EQUIP SVC - DOWNHOLE | 70,596.00 | 30,992.00 | 0.00 | 101,588.00 |
| 6320160 | WELDING SERVICES | 2,200.00 | 0.00 | 0.00 | 2,200.00 |
| 6520100 | LEGAL FEES | 10,000.00 | 0.00 | 0.00 | 10,000.00 |
| 6550110 | MISCELLANEOUS SVC | 19,450.00 | 0.00 | 0.00 | 19,450.00 |
| 6630110 | CAPITAL OVERHEAD | 7,013.00 | 0.00 | 0.00 | 7,013.00 |
| 6740340 | TAXES OTHER | 148.00 | 0.00 | 0.00 | 148.00 |
| | Total Intangibles | 1,828,513.80 | 4,320,267.38 | 0.00 | 6,148,781.18 |

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|-------------|
| 6060180 | ELEC & PWRLINE EQUIP | 14,817.00 | 0.00 | 0.00 | 14,817.00 |
| 6310130 | ARTIFICIAL LIFT EQP | 0.00 | 31,200.00 | 0.00 | 31,200.00 |

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-114148.01

Well Name: BELL LAKE 19-18 STATE COM 10H

Cost Center Number: 1093308401

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|--------------|
| 6310150 | CASG-COND&DRIVE PIPE | 20,000.00 | 0.00 | 0.00 | 20,000.00 |
| 6310420 | TUBING & COMPONENTS | 0.00 | 86,970.00 | 0.00 | 86,970.00 |
| 6310460 | WELLHEAD EQUIPMENT | 25,100.00 | 36,400.00 | 0.00 | 61,500.00 |
| 6310530 | SURFACE CASING | 45,561.80 | 0.00 | 0.00 | 45,561.80 |
| 6310540 | INTERMEDIATE CASING | 137,211.00 | 0.00 | 0.00 | 137,211.00 |
| 6310550 | PRODUCTION CASING | 252,464.80 | 0.00 | 0.00 | 252,464.80 |
| 6310580 | CASING COMPONENTS | 45,660.00 | 0.00 | 0.00 | 45,660.00 |
| 6320180 | EQUIPMENT OTHER | 0.00 | 900,000.00 | 0.00 | 900,000.00 |
| | Total Tangibles | 540,814.60 | 1,054,570.00 | 0.00 | 1,595,384.60 |

| | | | | |
|----------------------|--------------|--------------|------|--------------|
| TOTAL ESTIMATED COST | 2,369,328.40 | 5,374,837.38 | 0.00 | 7,744,165.78 |
|----------------------|--------------|--------------|------|--------------|

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-115866.01

Well Name: BELL LAKE 19-18 STATE COM 13H

Cost Center Number: 1093387701

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

Explanation and Justification:

Drill and complete the Bell Lake 19-18 State Com 13H well located at SHL 538' FSL & 1952' FWL of Section 19, and BHL 20' FNL & 2188' FWL of Section 18 all in T24S-R33E, Lea County, New Mexico.

| Code | Intangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|------------------------|----------------|------------------|----------------|--------------|
| 6060100 | DYED LIQUID FUELS | 51,067.40 | 0.00 | 0.00 | 51,067.40 |
| 6060130 | GASEOUS FUELS | 21,039.20 | 0.00 | 0.00 | 21,039.20 |
| 6080100 | DISPOSAL - SOLIDS | 86,374.60 | 1,040.00 | 0.00 | 87,414.60 |
| 6080110 | DISP-SALTWATER & OTH | 0.00 | 78,000.00 | 0.00 | 78,000.00 |
| 6090100 | FLUIDS - WATER | 34,908.00 | 602,512.56 | 0.00 | 637,420.56 |
| 6100100 | PERMIT SURVEY&TITLE | 30,000.00 | 0.00 | 0.00 | 30,000.00 |
| 6100110 | RIGHT OF WAY | 25,000.00 | 0.00 | 0.00 | 25,000.00 |
| 6110130 | ROAD&SITE PREP SVC | 80,000.00 | 10,400.00 | 0.00 | 90,400.00 |
| 6110170 | DAMAGE & REMEDIATION | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| 6130170 | COMM SVCS - WAN | 4,766.20 | 0.00 | 0.00 | 4,766.20 |
| 6130360 | RTOC - ENGINEERING | 0.00 | 10,400.00 | 0.00 | 10,400.00 |
| 6140160 | ENV-SERVICES | 1,000.00 | 0.00 | 0.00 | 1,000.00 |
| 6150100 | CH LOG PERFRTG&WL SV | 0.00 | 296,004.80 | 0.00 | 296,004.80 |
| 6160100 | MATERIALS & SUPPLIES | 3,329.40 | 0.00 | 0.00 | 3,329.40 |
| 6170100 | PULLING&SWABBING SVC | 0.00 | 69,680.00 | 0.00 | 69,680.00 |
| 6190100 | TRCKG&HL-SOLID&FLUID | 39,254.00 | 0.00 | 0.00 | 39,254.00 |
| 6190110 | TRUCKING&HAUL OF EQP | 47,040.00 | 15,600.00 | 0.00 | 62,640.00 |
| 6200130 | CONSLT & PROJECT SVC | 104,402.00 | 91,936.00 | 0.00 | 196,338.00 |
| 6230120 | SAFETY SERVICES | 38,572.00 | 0.00 | 0.00 | 38,572.00 |
| 6300270 | SOLIDS CONTROL SRVCS | 38,277.20 | 0.00 | 0.00 | 38,277.20 |
| 6310120 | STIMULATION SERVICES | 0.00 | 2,735,804.35 | 0.00 | 2,735,804.35 |
| 6310200 | CASING & TUBULAR SVC | 67,900.00 | 0.00 | 0.00 | 67,900.00 |
| 6310250 | CEMENTING SERVICES | 152,400.00 | 0.00 | 0.00 | 152,400.00 |
| 6310280 | DAYWORK COSTS | 387,910.20 | 0.00 | 0.00 | 387,910.20 |
| 6310300 | DIRECTIONAL SERVICES | 142,926.00 | 0.00 | 0.00 | 142,926.00 |
| 6310310 | DRILL BITS | 66,760.00 | 0.00 | 0.00 | 66,760.00 |
| 6310330 | DRILL&COMP FLUID&SVC | 80,413.40 | 6,760.00 | 0.00 | 87,173.40 |
| 6310370 | MOB & DEMOBILIZATION | 150,000.00 | 0.00 | 0.00 | 150,000.00 |
| 6310380 | OPEN HOLE EVALUATION | 13,365.80 | 0.00 | 0.00 | 13,365.80 |
| 6310480 | TSTNG-WELL, PL & OTH | 0.00 | 69,904.10 | 0.00 | 69,904.10 |
| 6310600 | MISC PUMPING SERVICE | 0.00 | 59,045.16 | 0.00 | 59,045.16 |
| 6320100 | EQPMNT SVC-SRF RNTL | 47,401.40 | 242,188.41 | 0.00 | 289,589.81 |
| 6320110 | EQUIP SVC - DOWNHOLE | 70,596.00 | 30,992.00 | 0.00 | 101,588.00 |
| 6320160 | WELDING SERVICES | 2,200.00 | 0.00 | 0.00 | 2,200.00 |
| 6520100 | LEGAL FEES | 10,000.00 | 0.00 | 0.00 | 10,000.00 |
| 6550110 | MISCELLANEOUS SVC | 19,450.00 | 0.00 | 0.00 | 19,450.00 |
| 6630110 | CAPITAL OVERHEAD | 7,013.00 | 0.00 | 0.00 | 7,013.00 |
| 6740340 | TAXES OTHER | 148.00 | 0.00 | 0.00 | 148.00 |
| | Total Intangibles | 1,828,513.80 | 4,320,267.38 | 0.00 | 6,148,781.18 |

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|-------------|
| 6060180 | ELEC & PWRLINE EQUIP | 14,817.00 | 0.00 | 0.00 | 14,817.00 |
| 6310130 | ARTIFICIAL LIFT EQP | 0.00 | 31,200.00 | 0.00 | 31,200.00 |

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-115866.01

Well Name: BELL LAKE 19-18 STATE COM 13H

Cost Center Number: 1093387701

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|--------------|
| 6310150 | CASG-COND&DRIVE PIPE | 20,000.00 | 0.00 | 0.00 | 20,000.00 |
| 6310420 | TUBING & COMPONENTS | 0.00 | 86,970.00 | 0.00 | 86,970.00 |
| 6310460 | WELLHEAD EQUIPMENT | 25,100.00 | 36,400.00 | 0.00 | 61,500.00 |
| 6310530 | SURFACE CASING | 45,561.80 | 0.00 | 0.00 | 45,561.80 |
| 6310540 | INTERMEDIATE CASING | 137,211.00 | 0.00 | 0.00 | 137,211.00 |
| 6310550 | PRODUCTION CASING | 252,464.80 | 0.00 | 0.00 | 252,464.80 |
| 6310580 | CASING COMPONENTS | 45,660.00 | 0.00 | 0.00 | 45,660.00 |
| 6320180 | EQUIPMENT OTHER | 0.00 | 900,000.00 | 0.00 | 900,000.00 |
| | Total Tangibles | 540,814.60 | 1,054,570.00 | 0.00 | 1,595,384.60 |

| | | | | |
|----------------------|--------------|--------------|------|--------------|
| TOTAL ESTIMATED COST | 2,369,328.40 | 5,374,837.38 | 0.00 | 7,744,165.78 |
|----------------------|--------------|--------------|------|--------------|

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-130143.01

Well Name: BELL LAKE 19-18 STATE COM 17H

AFE Date: November 1, 2018

Cost Center Number: 1093579801

State: NM

Legal Description: Sections 19 & 18-T24S-R33E

County/Parish: LEA

Revision: ☐

Explanation and Justification:

Drill and complete the Bell Lake 19-18 State Com 17H well located at SHL 538' FSL & 1922' FWL of Section 19, and BHL 20' FNL & 1388' FWL of Section 18, all in T24S-R33E, Lea County, New Mexico.

| Code | Intangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|--------------------------|---------------------|---------------------|----------------|---------------------|
| 6060100 | OYED LIQUID FUELS | 51,067.40 | 0.00 | 0.00 | 51,067.40 |
| 6060130 | GASEOUS FUELS | 21,039.20 | 0.00 | 0.00 | 21,039.20 |
| 6080100 | DISPOSAL - SOLIDS | 86,374.60 | 1,040.00 | 0.00 | 87,414.60 |
| 6080110 | DISP-SALTWATER & OTH | 0.00 | 78,000.00 | 0.00 | 78,000.00 |
| 6090100 | FLUIDS - WATER | 34,908.00 | 602,512.56 | 0.00 | 637,420.56 |
| 6100100 | PERMIT SURVEY&TITLE | 30,000.00 | 0.00 | 0.00 | 30,000.00 |
| 6100110 | RIGHT OF WAY | 25,000.00 | 0.00 | 0.00 | 25,000.00 |
| 6110130 | ROAD&SITE PREP SVC | 80,000.00 | 10,400.00 | 0.00 | 90,400.00 |
| 6110170 | DAMAGE & REMEDIATION | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| 6130170 | COMM SVCS - WAN | 4,766.20 | 0.00 | 0.00 | 4,766.20 |
| 6130360 | RTOC - ENGINEERING | 0.00 | 10,400.00 | 0.00 | 10,400.00 |
| 6140160 | ENV-SERVICES | 1,000.00 | 0.00 | 0.00 | 1,000.00 |
| 6150100 | CH LOG PERFRTG&WL SV | 0.00 | 296,004.80 | 0.00 | 296,004.80 |
| 6160100 | MATERIALS & SUPPLIES | 3,329.40 | 0.00 | 0.00 | 3,329.40 |
| 6170100 | PULLING&SWABBING SVC | 0.00 | 69,680.00 | 0.00 | 69,680.00 |
| 6190100 | TRCKG&HL-SOLID&FLUID | 39,254.00 | 0.00 | 0.00 | 39,254.00 |
| 6190110 | TRUCKING&HAUL OF EQP | 47,040.00 | 15,600.00 | 0.00 | 62,640.00 |
| 6200130 | CONSLT & PROJECT SVC | 104,402.00 | 91,936.00 | 0.00 | 196,338.00 |
| 6230120 | SAFETY SERVICES | 38,572.00 | 0.00 | 0.00 | 38,572.00 |
| 6300270 | SOLIDS CONTROL SRVCS | 38,277.20 | 0.00 | 0.00 | 38,277.20 |
| 6310120 | STIMULATION SERVICES | 0.00 | 2,735,804.35 | 0.00 | 2,735,804.35 |
| 6310200 | CASING & TUBULAR SVC | 67,900.00 | 0.00 | 0.00 | 67,900.00 |
| 6310250 | CEMENTING SERVICES | 152,400.00 | 0.00 | 0.00 | 152,400.00 |
| 6310280 | DAYWORK COSTS | 387,910.20 | 0.00 | 0.00 | 387,910.20 |
| 6310300 | DIRECTIONAL SERVICES | 142,926.00 | 0.00 | 0.00 | 142,926.00 |
| 6310310 | DRILL BITS | 66,760.00 | 0.00 | 0.00 | 66,760.00 |
| 6310330 | DRILL&COMP FLUID&SVC | 80,413.40 | 6,760.00 | 0.00 | 87,173.40 |
| 6310370 | MOB & DEMOBILIZATION | 150,000.00 | 0.00 | 0.00 | 150,000.00 |
| 6310380 | OPEN HOLE EVALUATION | 13,365.80 | 0.00 | 0.00 | 13,365.80 |
| 6310480 | TSTNG-WELL, PL & OTH | 0.00 | 69,904.10 | 0.00 | 69,904.10 |
| 6310600 | MISC PUMPING SERVICE | 0.00 | 59,045.16 | 0.00 | 59,045.16 |
| 6320100 | EQPMNT SVC-SRF RNTL | 47,401.40 | 242,188.41 | 0.00 | 289,589.81 |
| 6320110 | EQUIP SVC - DOWNHOLE | 70,596.00 | 30,992.00 | 0.00 | 101,588.00 |
| 6320160 | WELDING SERVICES | 2,200.00 | 0.00 | 0.00 | 2,200.00 |
| 6520100 | LEGAL FEES | 10,000.00 | 0.00 | 0.00 | 10,000.00 |
| 6550110 | MISCELLANEOUS SVC | 19,450.00 | 0.00 | 0.00 | 19,450.00 |
| 6630110 | CAPITAL OVERHEAD | 7,013.00 | 0.00 | 0.00 | 7,013.00 |
| 6740340 | TAXES OTHER | 148.00 | 0.00 | 0.00 | 148.00 |
| | Total Intangibles | 1,828,513.80 | 4,320,267.38 | 0.00 | 6,148,781.18 |

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|-------------|
| 6060180 | ELEC & PWRLINE EQUIP | 14,817.00 | 0.00 | 0.00 | 14,817.00 |
| 6310130 | ARTIFICIAL LIFT EQP | 0.00 | 31,200.00 | 0.00 | 31,200.00 |

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-130143.01

Well Name: BELL LAKE 19-18 STATE COM 17H

Cost Center Number: 1093579801

Legal Description: Sections 19 & 18-T24S-R33E

Revision: ☐

AFE Date: November 1, 2018

State: NM

County/Parish: LEA

| Code | Tangible Description | Drilling Costs | Completion Costs | Dry Hole Costs | Total Costs |
|---------|----------------------|----------------|------------------|----------------|--------------|
| 6310150 | CASG-COND&DRIVE PIPE | 20,000.00 | 0.00 | 0.00 | 20,000.00 |
| 6310420 | TUBING & COMPONENTS | 0.00 | 86,970.00 | 0.00 | 86,970.00 |
| 6310460 | WELLHEAD EQUIPMENT | 25,100.00 | 36,400.00 | 0.00 | 61,500.00 |
| 6310530 | SURFACE CASING | 45,561.80 | 0.00 | 0.00 | 45,561.80 |
| 6310540 | INTERMEDIATE CASING | 137,211.00 | 0.00 | 0.00 | 137,211.00 |
| 6310550 | PRODUCTION CASING | 252,464.80 | 0.00 | 0.00 | 252,464.80 |
| 6310580 | CASING COMPONENTS | 45,660.00 | 0.00 | 0.00 | 45,660.00 |
| 6320180 | EQUIPMENT OTHER | 0.00 | 900,000.00 | 0.00 | 900,000.00 |
| | Total Tangibles | 540,814.60 | 1,054,570.00 | 0.00 | 1,595,384.60 |

| | | | | |
|----------------------|--------------|--------------|------|--------------|
| TOTAL ESTIMATED COST | 2,369,328.40 | 5,374,837.38 | 0.00 | 7,744,165.78 |
|----------------------|--------------|--------------|------|--------------|

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

| Line | Mail Class | Tracking No | To Name | Delivery Address | City | State | Zip | Mail Date | Signature Date |
|------|-----------------|-----------------------------|-------------------------------------|-----------------------------------|---------------|-------|-------|-----------|---------------------|
| 1 | Federal Express | 7736 5732 4360 | Shepherd Royalty, LLC | 5949 Sherry Lane, Suite 1175 | Dallas | TX | 75225 | 11/6/2018 | Delivered 11/7/2018 |
| 2 | Federal Express | 7736 2555 3436 | Shepherd Royalty, LLC | 8214 Westchester Drive, Suite 740 | Dallas | TX | 75225 | 11/1/2018 | Delivered 11/5/2018 |
| 3 | Federal Express | 7736 2517 5234 | Chevron Midcontinent, LP | 1400 Smith Street | Houston | TX | 77002 | 11/1/2018 | Delivered 11/2/2018 |
| 4 | Federal Express | 7736 2511 6073 | The Allar Company | 735 Elm Street | Houston | TX | 77002 | 11/1/2018 | Delivered 11/2/2018 |
| 5 | USPS Certified | 9414 8149 0152 7181 6272 15 | Durango Production Corporation | P. O. Box 4848 | Wichita Falls | TX | 76308 | 11/1/2018 | Delivered 11/6/2018 |
| 7 | Federal Express | 7736 2548 0492 | Prince Petroleum Company, Ltd. | 306 West 7th Street, Suite 701 | Fort Worth | TX | 76102 | 11/1/2018 | Delivered 11/2/2018 |
| 8 | Federal Express | 7736 2500 8337 | OXY USA, Inc. | 5 Greenway Plaza, Suite 110 | Houston | TX | 77046 | 11/1/2018 | Delivered 11/2/2018 |
| 9 | Federal Express | 7736 2543 3166 | Monarch Resources, Inc. | 306 West 7th Street, Suite 701 | Fort Worth | TX | 76102 | 11/1/2018 | Delivered 11/2/2018 |
| 10 | Federal Express | 7736 2530 1190 | Highland Texas Energy Company, Inc. | 7557 Rambler Road, Suite 918 | Dallas | TX | 75231 | 11/1/2018 | Delivered 11/2/2018 |

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT, DOWNHOLE COMMINGLING
AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 20152

AFFIDAVIT OF JOHN GREEN

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. (“Devon”), and I am familiar with the subject application and the geology involved.
3. This affidavit is submitted in connection with the filing by Devon of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1), (6) NMAC.
4. I seek to be qualified by the Oil Conservation Division (“Division”) as an expert petroleum geologist. I have not previously made my credentials a matter of record and been qualified as an expert by the Division.
 - a. I hold a Bachelor’s degree in Geology obtained from Oklahoma State University, and a Master’s degree in Geology from Oklahoma State University. I completed my education in 2011.
 - b. I have been employed as a petroleum geologist with Devon since April, 2011.
5. **Exhibit A** is a Bone Spring structure map. The unit being pooled is outlined by red rectangle. Strata dip approximately 100’ eastward across the Bell Lake sections. The apparent

structural dip along the proposed Bell Lake wellbores is around 0.25°. No major structural hazards exist at this location.

6. **Exhibit A** identifies wells in the vicinity of the proposed well, with a cross-section line running from A to A'.

7. **Exhibit A** shows that the structure dips down to the east.

8. **Exhibit B** is a Bone Spring stratigraphic cross-section hung on the First Bone Spring Limestone. The cross-section shows consistent target thickness in wells near the Bell Lake sections. The well logs on the cross-section give a representative sample of the Bone Spring formation in the area and demonstrate reasonable well control. The target zone for the wells is the Leonard Formation as indicated by the blue line in **Exhibit B**. The target zone is continuous across the well unit.

9. **Exhibit C** is a gross isochore of the Bone Spring formation. The map shows thickness for the “target interval” indicated in **Exhibit B**. The Bone Spring is uniform across the proposed well unit.

10. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

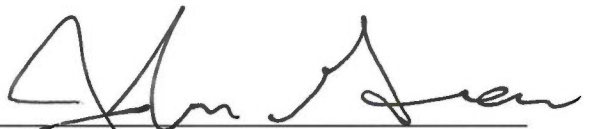
11. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly E-W.

12. The Exhibits to this Affidavit were prepared by me, or compiled from Devon's company business records.

13. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

14. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT


John Green

Subscribed to and sworn before me this 8th day of January, 2019.




Notary Public

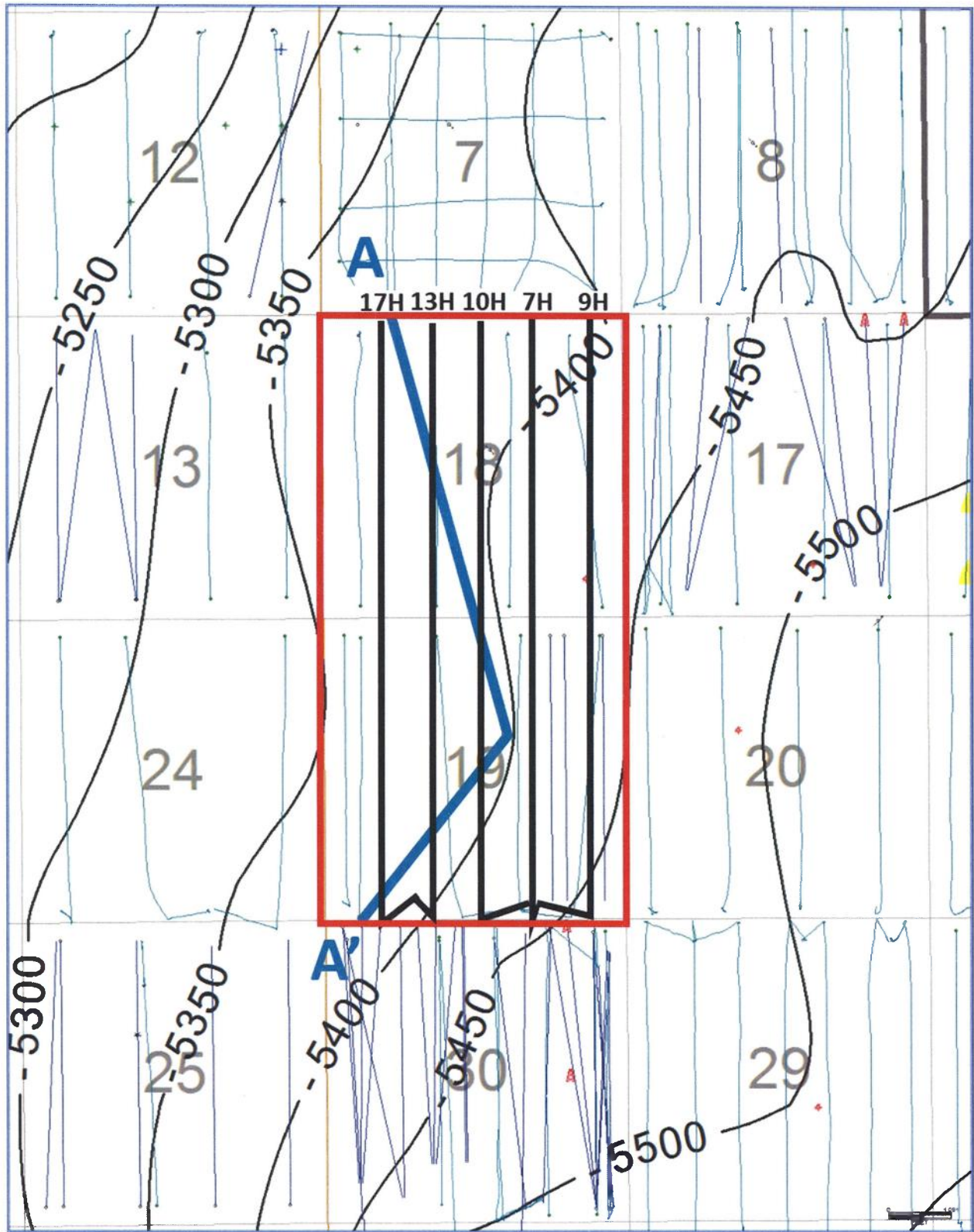


Exhibit A: Bone Spring structure map. Contour interval = 50'. Cross-section indicated by blue line labeled A to A'. The red rectangle indicates the unit being pooled.

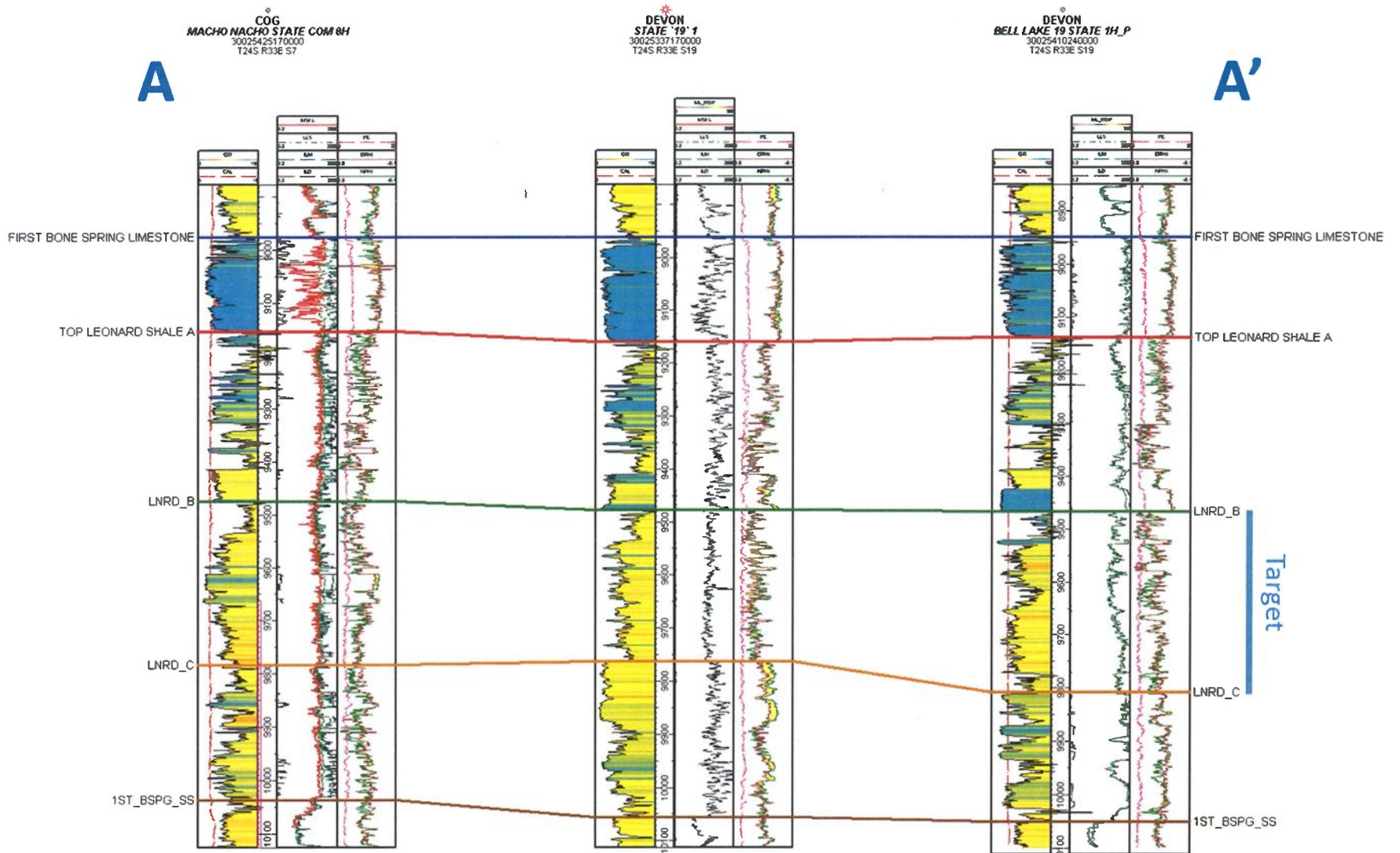


Exhibit B: Cross-section A to A'. Stratigraphic cross-section hung on First Bone Spring Limestone top. Target interval indicated by blue arrows.

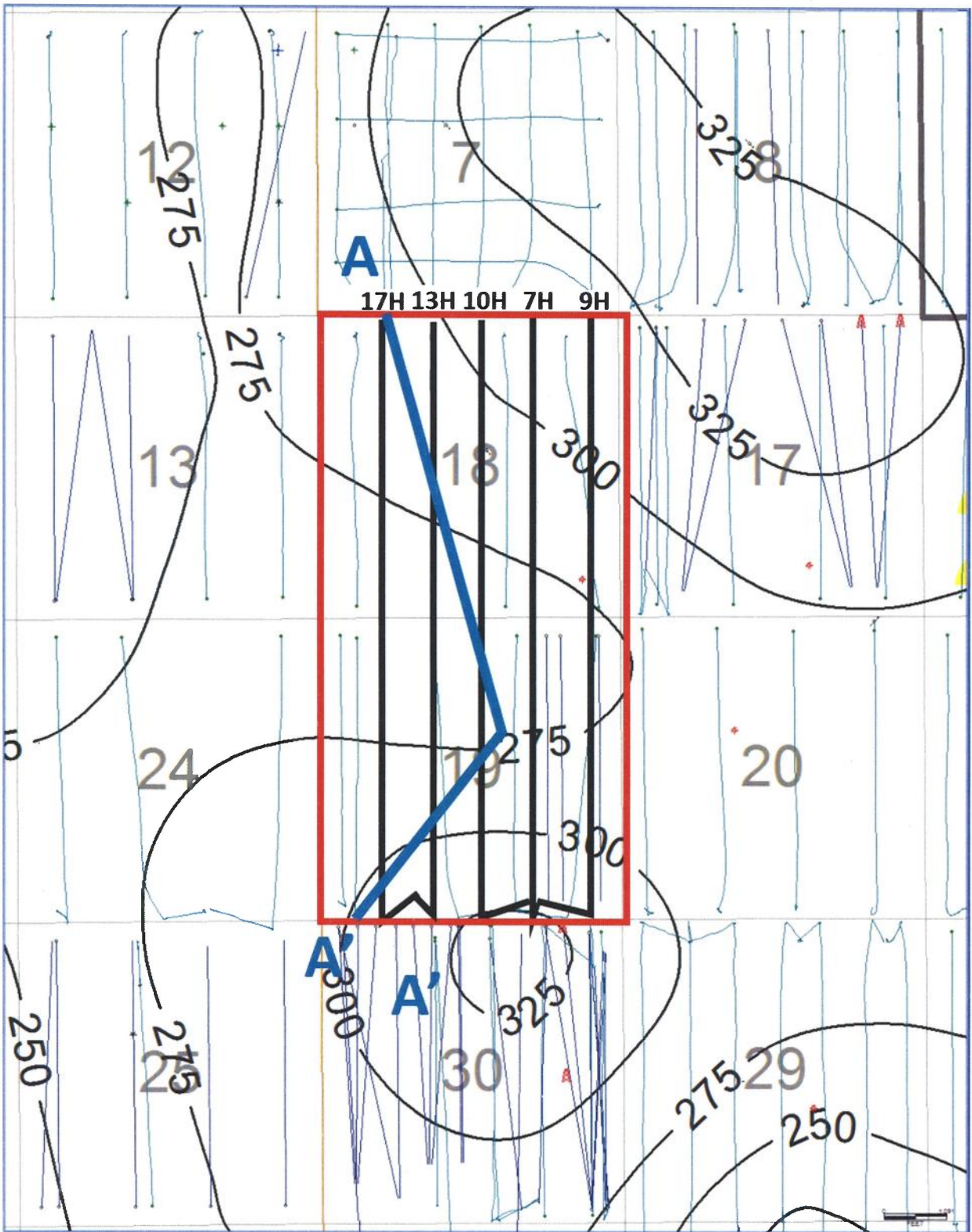


Exhibit C: Isochore thickness of target interval indicated on cross-section (Exhibit B). Cross-section indicated by blue line labeled A to A'. The red rectangle indicates the unit being pool.

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

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT, DOWNHOLE COMMINGLING
AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 20152

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT, DOWNHOLE COMMINGLING
AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 20153

AFFIDAVIT OF NOTICE

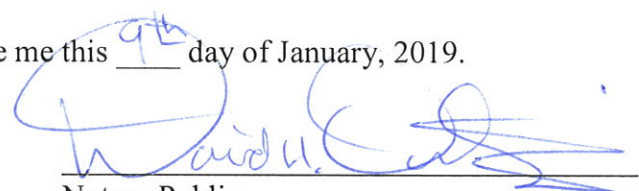
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Seth C. McMillan, attorney in fact and authorized representative of Devon Energy Production Company, L.P., the Applicant in the above-captioned matters, being first duly sworn, upon oath state that I sent copies of the Applications in these matters to the parties as specified on the attached **Exhibit A**. Proof of receipt is attached hereto. I also had published a Notice in the Hobbs News-Sun. An Affidavit of Publication is attached as **Exhibit B**. Devon has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Applications filed herein.



SETH C. McMILLAN

SUBSCRIBED AND SWORN to before me this 9th day of January, 2019.



Notary Public

My Commission Expires:

6/13/2022

EXHIBIT 4

Devon/Bell Lake Wells

Case No. 20152

January 10, 2019 Hearing

EXHIBIT A

WORKING INTEREST OWNERS

Chevron Midcontinent, L.P.
1400 Smith Street
Houston, TX 77002

The Allar Company
735 Elm Street
Houston, TX 77002

Shepherd Royalty, LLC
5949 Sherry Lane, Suite 1175
Dallas, TX 75225

Highland Texas Energy Company, Inc.
7557 Rambler Road, Suite 918
Dallas, TX 75231

Monarch Resources, Inc.
306 W. 7th Street, Suite 701
Fort Worth, TX 76102

Prince Petroleum Company, Ltd.
306 W. 7th Street, Suite 701
Fort Worth, TX 76102

Durango Production Corporation
P.O. Box 4848
Wichita Falls, TX 76308

ORRIs/NPRI's – SECTION 18

John Kyle Thoma,
trustee of the Cornerstone Family Trust
P.O. Box 558
Peyton, CO 80831

The Morse Family Security Trust
410 17th Street, Suite 1150
Denver, CO 80202

Limpinbear Family Partnership, Ltd
410 17th Street, Suite 1150
Denver, CO 80202

The Allar Company
P.O. Box 1567
Graham, TX 76450

Highland Texas Energy Company
7557 Rambler Road, Suite 918
Dallas, TX 75231

ORRIs/NPRI's – SECTION 19

States Royalty Limited Partnership
P.O. Box 911
Breckenridge, TX 76424

OTHER

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

7017 3040 0000 6684 6293

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\$ 3.45

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

| | |
|---|----------------|
| <input checked="" type="checkbox"/> Return Receipt (hardcopy) | \$ <u>2.75</u> |
| <input type="checkbox"/> Return Receipt (electronic) | \$ _____ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ _____ |
| <input type="checkbox"/> Adult Signature Required | \$ _____ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ _____ |

Postage

\$ 1.42 / 17.62

Tr Chevron Midcontinent, L.P.
1400 Smith Street
Houston, TX 77002

SANTA FE NM
Postmark
Here
DEC 19 2018
USPO 87504

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

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 The Allar Company
 P.O. Box 1567
 Graham, TX 76450

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

The Allar Company
 P.O. Box 1567
 Graham, TX 76450



9590 9402 1275 5246 2282 53

2. Article Number (Transfer from service label)

7015 1730 0000 9813 2807

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *M Barrett*☒ Agent☐ Addressee

B. Received By (Printed Name)

M Barrett

C. Date of Delivery

12-26-18

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

3. Service Type

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

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

Postage

142/7.62
 Shepherd Royalty, LLC
 5949 Sherry Lane, Suite 1175
 Dallas, TX 75225

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

1. Article Addressed to:

Shepherd Royalty, LLC
 5949 Sherry Lane, Suite 1175
 Dallas, TX 75225



9590 9402 1275 5246 2283 07

2. Article Number (Transfer from service label)

7017 3040 0000 8684 6309

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

[Signature]

☐ Agent

☒ Addressee

B. Received by (Printed Name)

Cathy Lawrence

C. Date of Delivery

12/26/16

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☒ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail Restricted Delivery

- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

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| Certified Mail Fee \$ <u>3.45</u> | Postmark Here SANTA FE NM DEC 19 2018 USPO 87504 |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ <u>2.75</u> | |
| <input type="checkbox"/> Return Receipt (electronic) \$ _____ | |
| <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ | |
| <input type="checkbox"/> Adult Signature Required \$ _____ | |
| <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ | |
| Postage \$ <u>1.42</u> / <u>7.62</u> | |
| Total \$ _____ | |
| Highland Texas Energy Company 7557 Rambler Road, Suite 918 Dallas, TX 75231 | |
| City, _____ | |
| State, _____ | |
| Zip, _____ | |
| PS Form 3811, July 2015 PSN 7530-02-000-9053 | |

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|---|---|
| <ul style="list-style-type: none">■ 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. | A. Signature <input type="checkbox"/> Agent <u>Quint Matthews</u> <input type="checkbox"/> Addressee |
| 1. Article Addressed to: Highland Texas Energy Company 7557 Rambler Road, Suite 918 Dallas, TX 75231 | B. Received by (Printed Name) C. Date of Delivery <u>12-26-18</u> |
| 2. Article Number (Transfer from service label) 9590 9402 1275 5246 2282 84 | D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No |
| 3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| Domestic Return Receipt | |

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| <input checked="" type="checkbox"/> Return Receipt (hardcopy) | \$ 2.75 |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

Postage 1.42 / 7.62

\$ To Monarch Resources, Inc.
\$ 306 W. 7th Street, Suite 701
\$ Se Fort Worth, TX 76102
\$ St
\$ Ch

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DEC 19 2018
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7017 3040 0000 8684 6323

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| <input checked="" type="checkbox"/> Return Receipt (hardcopy) | \$ 2.75 |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

| | |
|--|-------------|
| Postage | 1.42 / 7.62 |
| Prince Petroleum Company, Ltd. 306 W. 7 th Street, Suite 701 Fort Worth, TX 76102 | |

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Prince Petroleum Company, Ltd.
 306 W. 7th Street, Suite 701
 Fort Worth, TX 76102



9590 9402 1275 5246 2282 22

2. Article Number (Transfer from service label)

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ *Tom J. Ellan*

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Tom J. Ellan

C. Date of Delivery

12-26-18

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

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
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☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

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Durango Production Corporation
P.O. Box 4848
Wichita Falls, TX 76308

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1. Article Addressed to:

Durango Production Corporation
P.O. Box 4848
Wichita Falls, TX 76308



9590 9402 1275 5246 2282 15

2. Article Number (Transfer from service label)

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COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
S. Beasly ☐ Addressee

B. Received by (Printed Name) S. Beasly C. Date of Delivery 12-26-18

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

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☒ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail
 - ☐ Insured Mail Restricted Delivery (500)
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☒ Return Receipt for Merchandise
 - ☐ Signature Confirmation™
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|---|-------------|
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| <input checked="" type="checkbox"/> Return Receipt (hardcopy) | \$ 2.75 |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage | |
| | 1.42 / 7.62 |

John Kyle Thoma,
trustee of the Cornerstone Family Trust
P.O. Box 558
Peyton, CO 80831

SANTA FE NM

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2018

US 87504

SANTA FE NM

DEC 19 2018

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| \$ | 3.45 |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input checked="" type="checkbox"/> Return Receipt (hardcopy) | \$ 2.75 |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

Postage 1.42 / 7.62
 \$
 The Morse Family Security Trust
 410 17th Street, Suite 1150
 Denver, CO 80202

SANTA FE NM
 1.9.2018
 USPO 87504

PS Form 3800, April 2015 Edition or Instructions

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 The Morse Family Security Trust
 410 17th Street, Suite 1150
 Denver, CO 80202



9590 9402 3493 7275 4787 68

2. Article Number (Transfer from service label)

7015 1730 0000 9813 2784

COMPLETE THIS SECTION ON DELIVERY

| | |
|---|---------------------------------|
| A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee | |
| B. Received by (Printed Name) [Signature] | C. Date of Delivery 12-21-18 |
| D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | |

| | |
|---|---|
| 3. Service Type | |
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Registered Mail | |
| <input type="checkbox"/> Registered Mail Restricted Delivery (over \$500) | |

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

Domestic Return Receipt

7015 1730 0000 9813 2791

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 | |
| \$ | 3.45 |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input checked="" type="checkbox"/> Return Receipt (hardcopy) | \$ 2.75 |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage | |
| | 1.42 / 7.62 |

Limpinbear Family Partnership, Ltd
 410 17th Street, Suite 1150
 Denver, CO 80202

Postmark
 Here

SANTA FE NM
 JUN 19 2018
 USPO 87504

PS Form 3800, April 2014 Edition For Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Limpinbear Family Partnership, Ltd
 410 17th Street, Suite 1150
 Denver, CO 80202



9590 9402 1275 5246 2282 46

2. Article Number (Transfer from service label)

7622 6786 0000 0621 5702

COMPLETE THIS SECTION ON DELIVERY

| | | |
|---|---------------------------------------|---|
| A. Signature <input checked="" type="checkbox"/> <i>M. Naylor</i> | | <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| B. Received by (Printed Name) <i>M. Naylor</i> | C. Date of Delivery <i>6/21/18</i> | |
| D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | | |

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

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

Domestic Return Receipt

7017 3040 0000 8684 6286

**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 | |
| \$ | 3.45 |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input checked="" type="checkbox"/> Return Receipt (hardcopy) | \$ 2.75 |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage 1.42 / 7.62 | |

SANTA FE NM

Postmark 9 2018
Here

USPO 87504

States Royalty Limited Partnership
P.O. Box 911
Breckenridge, TX 76424

PS Form 3800, April 2015 PSN 7530-02-000-9053 For instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

States Royalty Limited Partnership
P.O. Box 911
Breckenridge, TX 76424



9590 9402 1275 5246 2282 77

2 Article Number (Transfer from service label)

7017 3040 0000 8684 6286

COMPLETE THIS SECTION ON DELIVERY

| | | |
|---|---------------------------------|--|
| A. Signature x Paula Grissom | | <input type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| B. Received by (Printed Name) Paula Grissom | C. Date of Delivery 12-26-18 | |
| D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No | | |

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

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

Domestic Return Receipt

EXHIBIT B