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# Delirium State Com 25S27E1313 #234H & #244H

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Case No. 20242

February 7, 2019

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District I  
1625 N. French Dr., Hobbs, NM 88240  
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District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>DELIRIUM 25S27E1313</b>	<sup>6</sup> Well Number <b>234H</b>
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name <b>TAP ROCK OPERATING, LLC.</b>	<sup>9</sup> Elevation <b>3088'</b>

<sup>10</sup>Surface Location

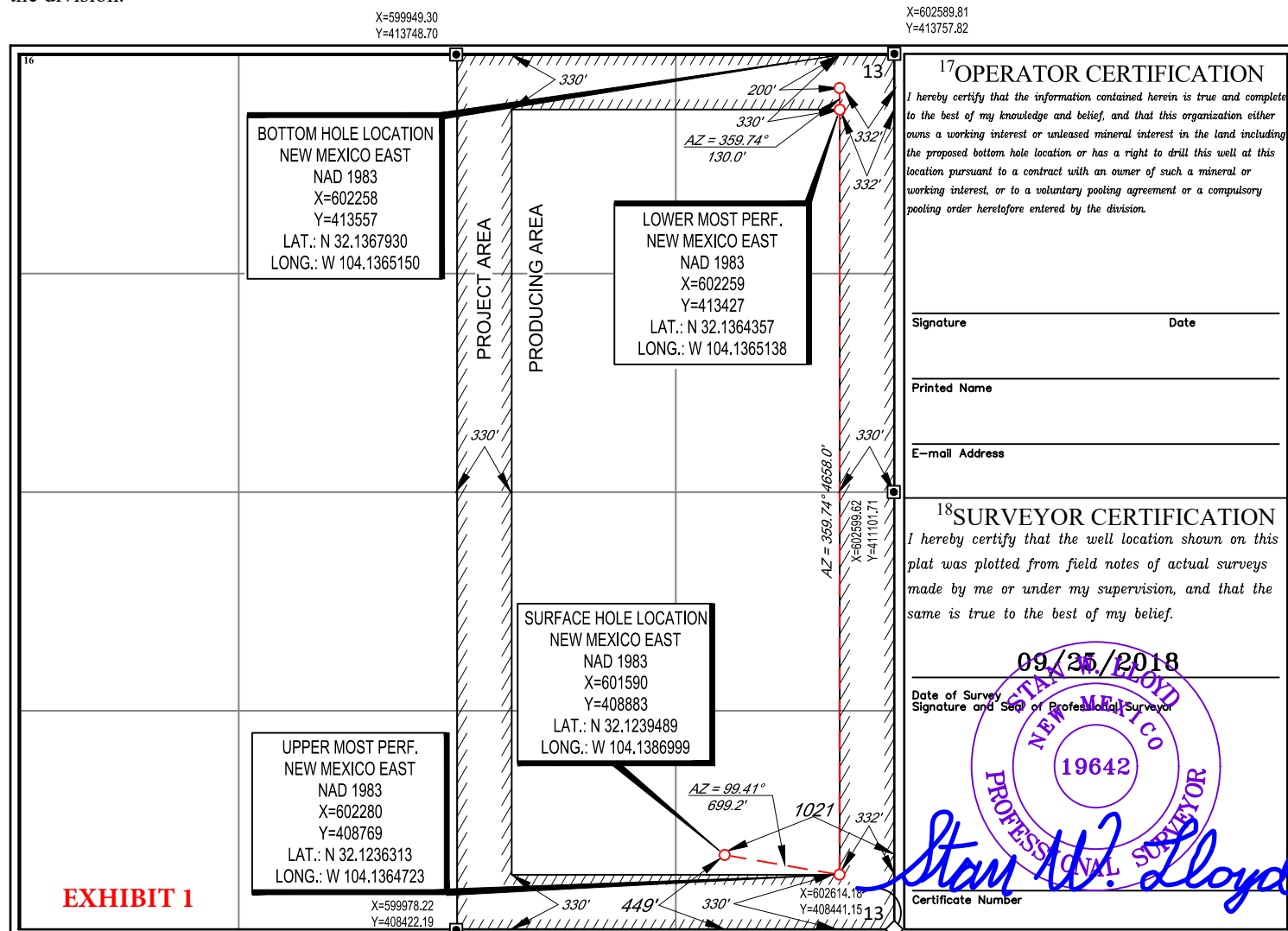
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>13</b>	<b>25-S</b>	<b>27-E</b>	<b>-</b>	<b>449'</b>	<b>SOUTH</b>	<b>1021'</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup>Bottom Hole Location If Different From Surface

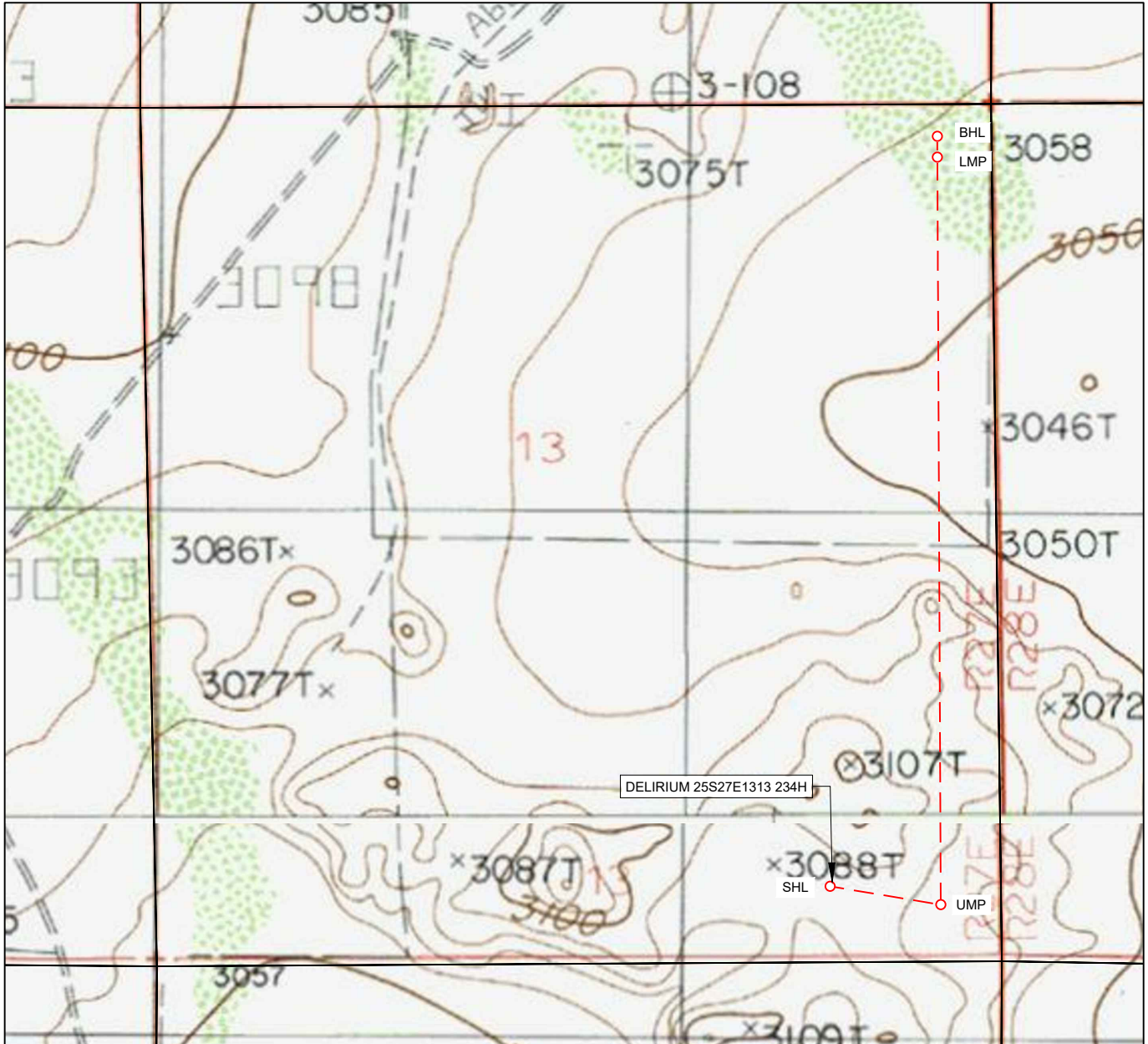
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<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: DELIRIUM 25S27E1313 234H

SECTION 13 TWP 25-S RGE 27-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 3088'  
 DESCRIPTION 449' FSL & 1021' FEL

LATITUDE N 32.1239489 LONGITUDE W 104.1386999



SCALE: 1" = 1000'  
 0' 500' 1000'

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

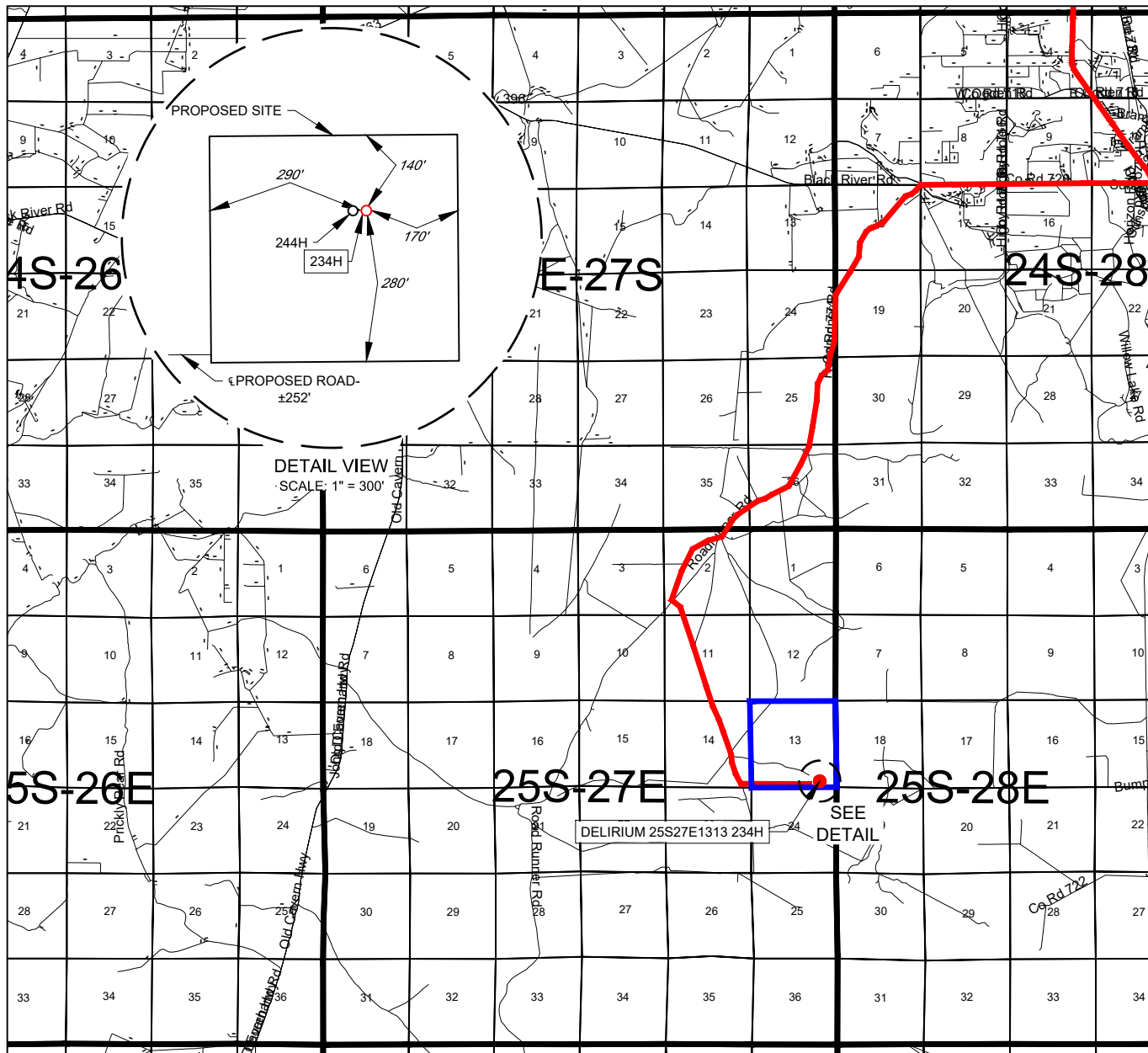
ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.



**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
 WWW.TOPOGRAPHIC.COM

# EXHIBIT 2 VICINITY MAP



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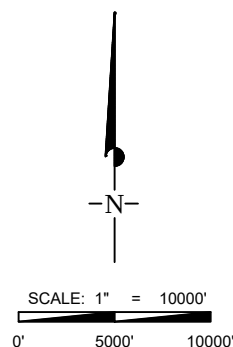
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## DISTANCE & DIRECTION

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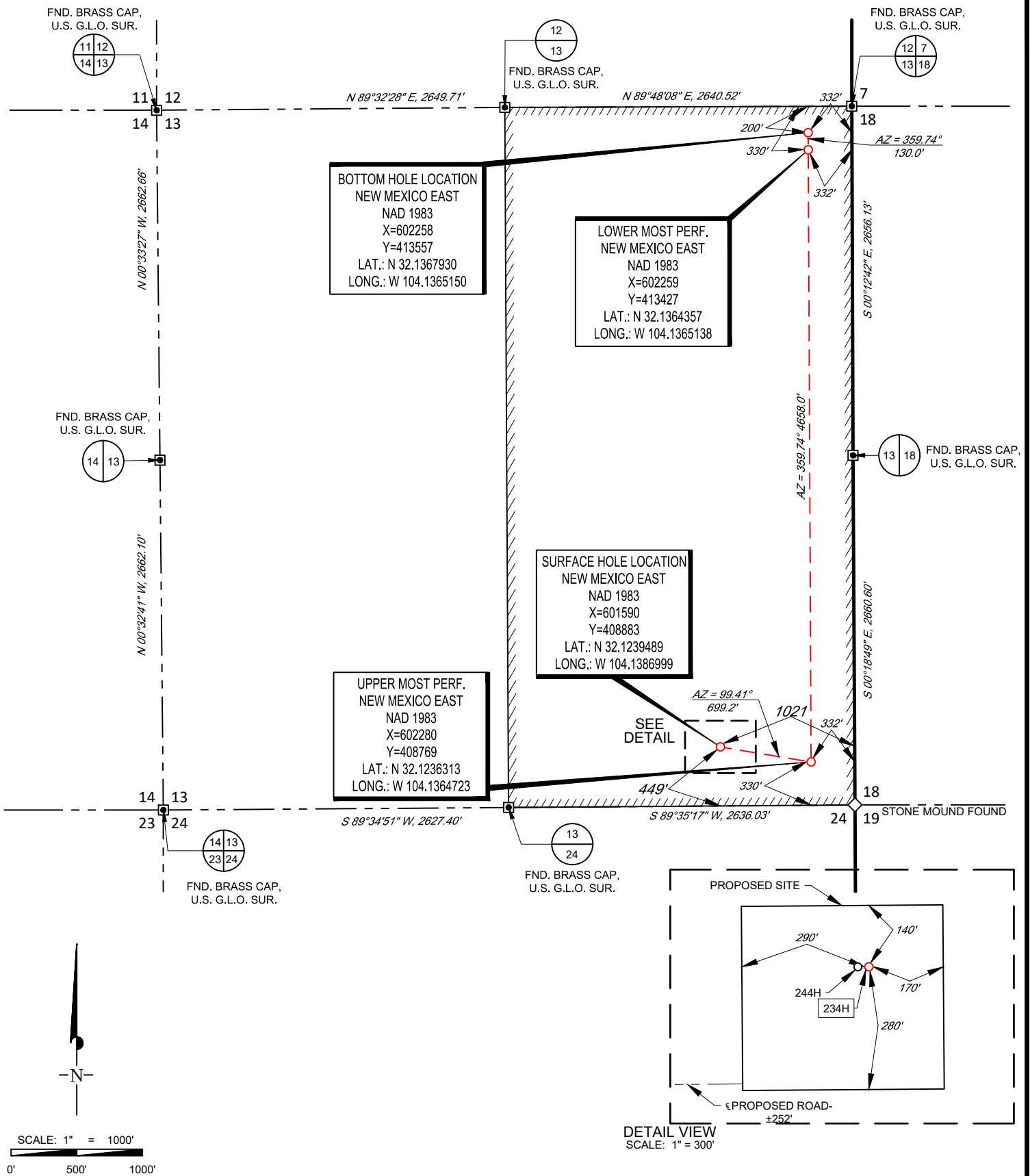
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TAP  
ROCK  
EXHIBIT 2A

SECTION 13, TOWNSHIP 25-S, RANGE 27-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO



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STAN W. LLOYD  
NEW MEXICO  
19642  
PROFESSIONAL SURVEYOR

Stan W. Lloyd

Stan W. Lloyd, P.S. No. 19642  
SEPTEMBER 25, 2018



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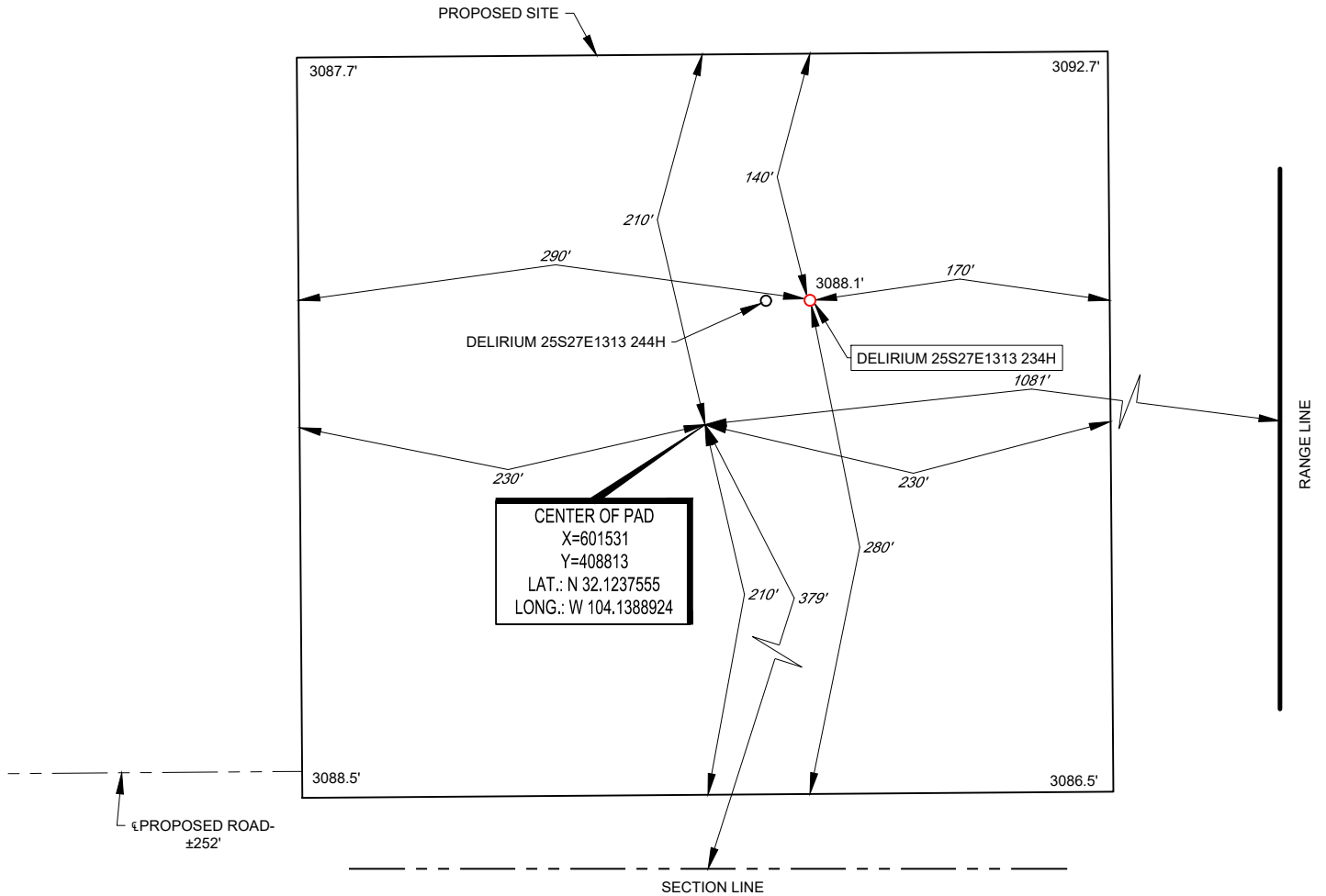


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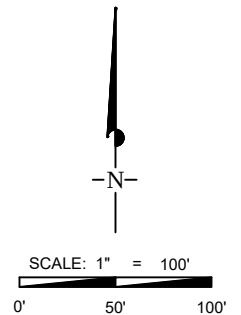
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DETAIL VIEW  
SCALE: 1" = 100'



LEASE NAME & WELL NO.: DELIRIUM 25S27E1313 234H  
234H LATITUDE N 32.1239489 234H LONGITUDE W 104.1386999

CENTER OF PAD IS 379' FSL & 1081' FEL



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Revised August 1, 2011

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
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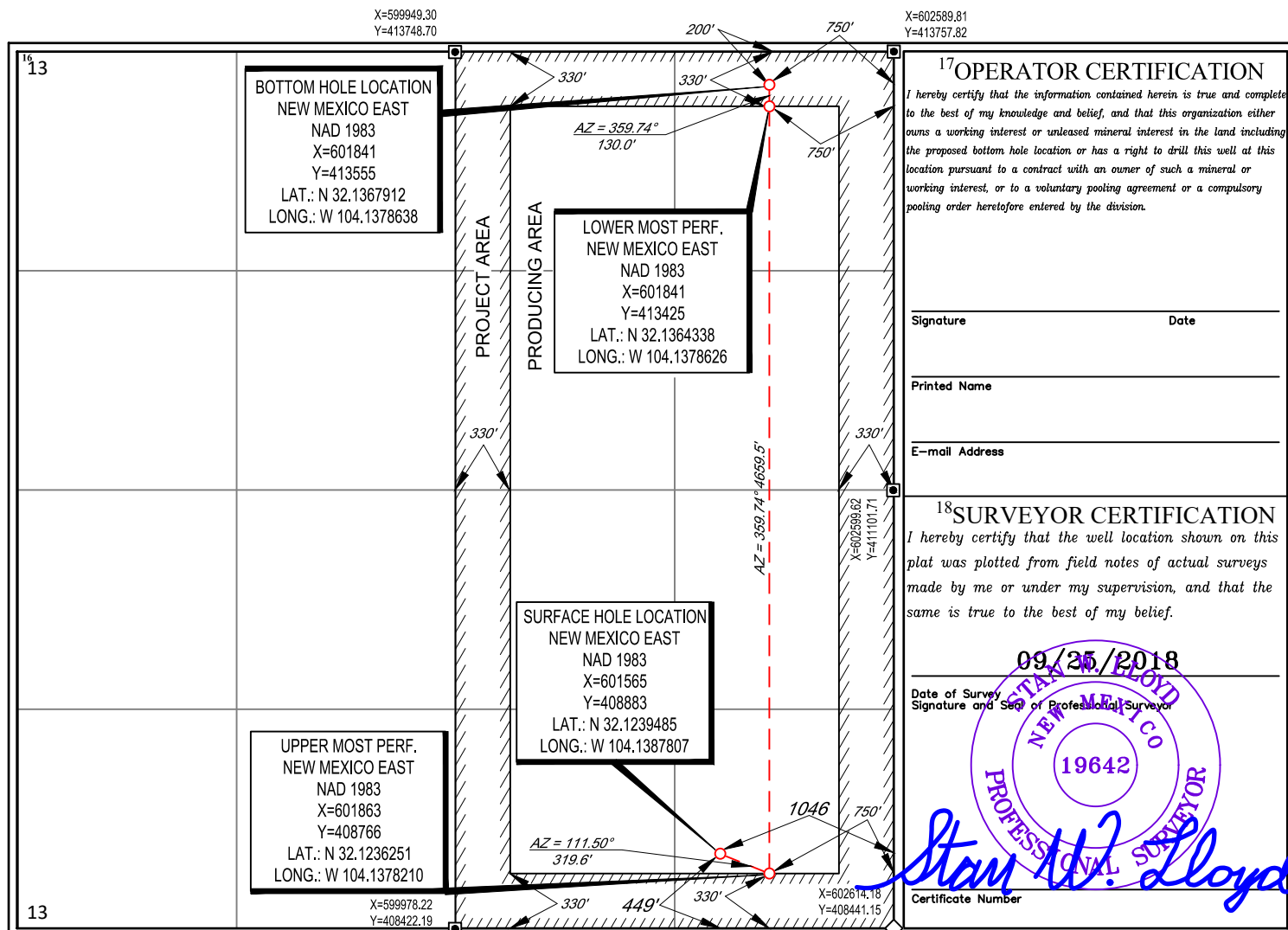
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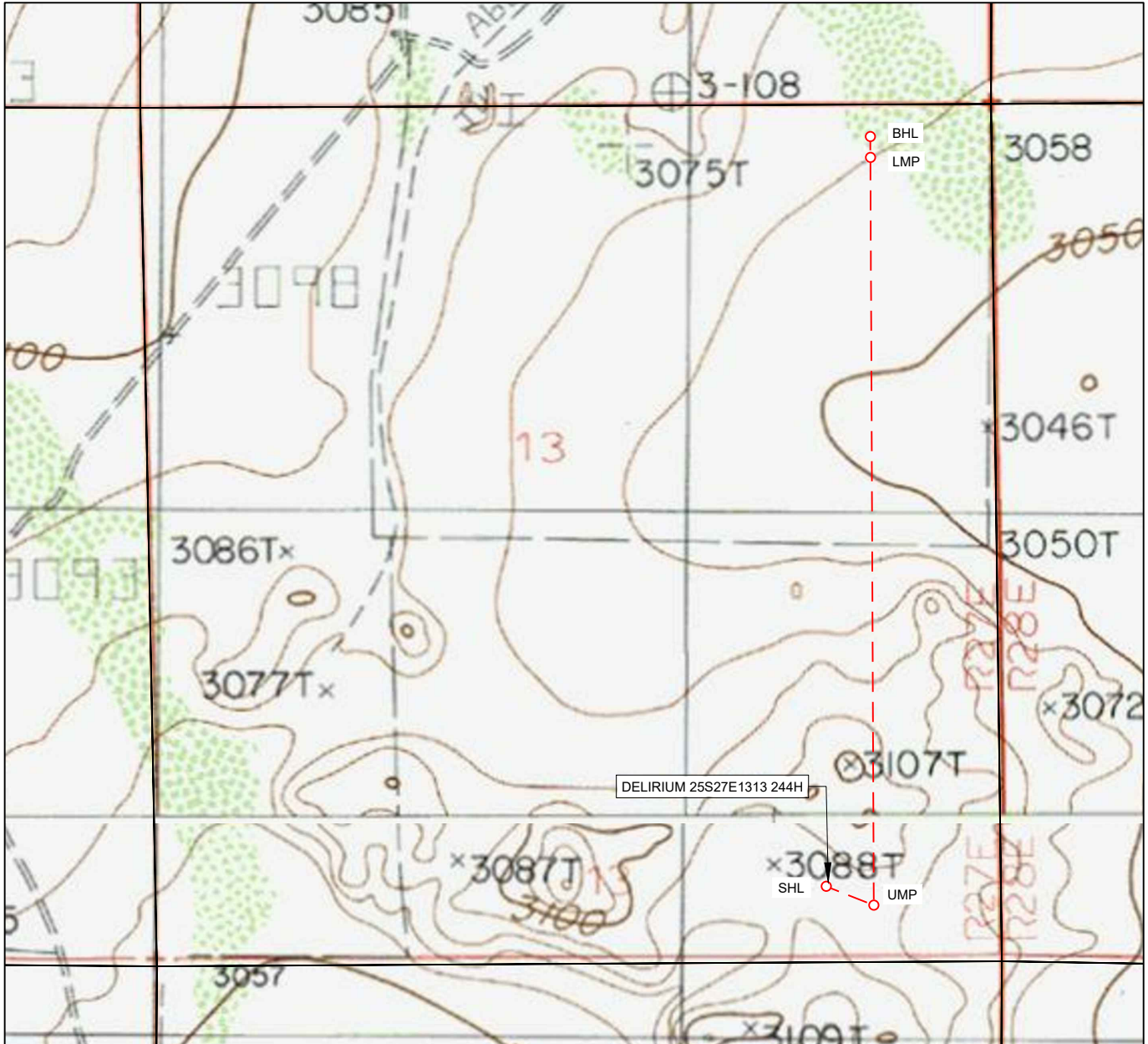
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# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: DELIRIUM 25S27E1313 244H

SECTION 13 TWP 25-S RGE 27-E SURVEY N.M.P.M.  
 COUNTY EDDY STATE NM ELEVATION 3088'  
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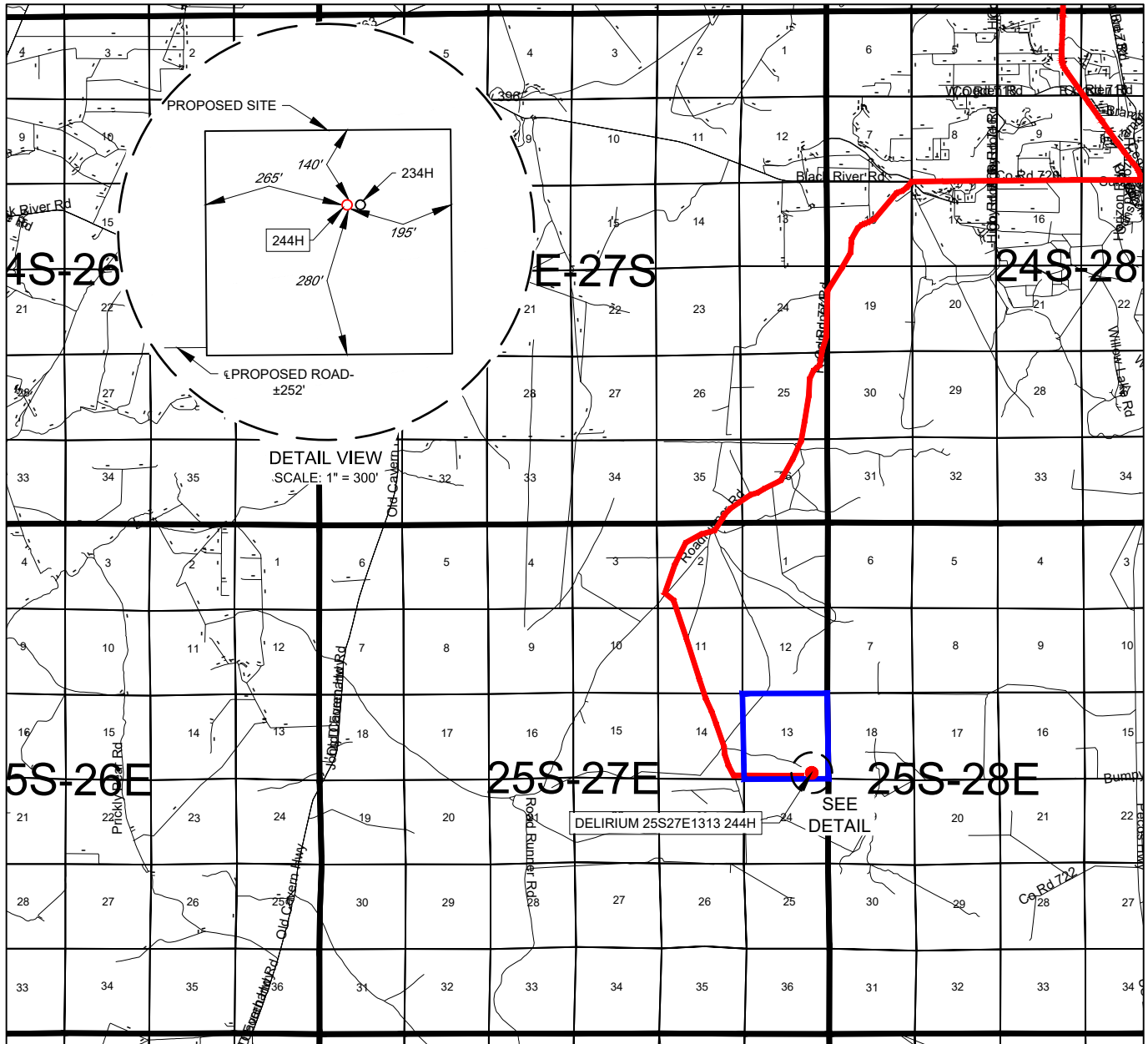
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 LOYALTY INNOVATION LEGACY

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# EXHIBIT 2 VICINITY MAP



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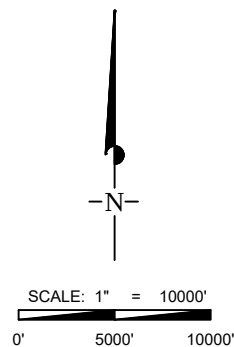
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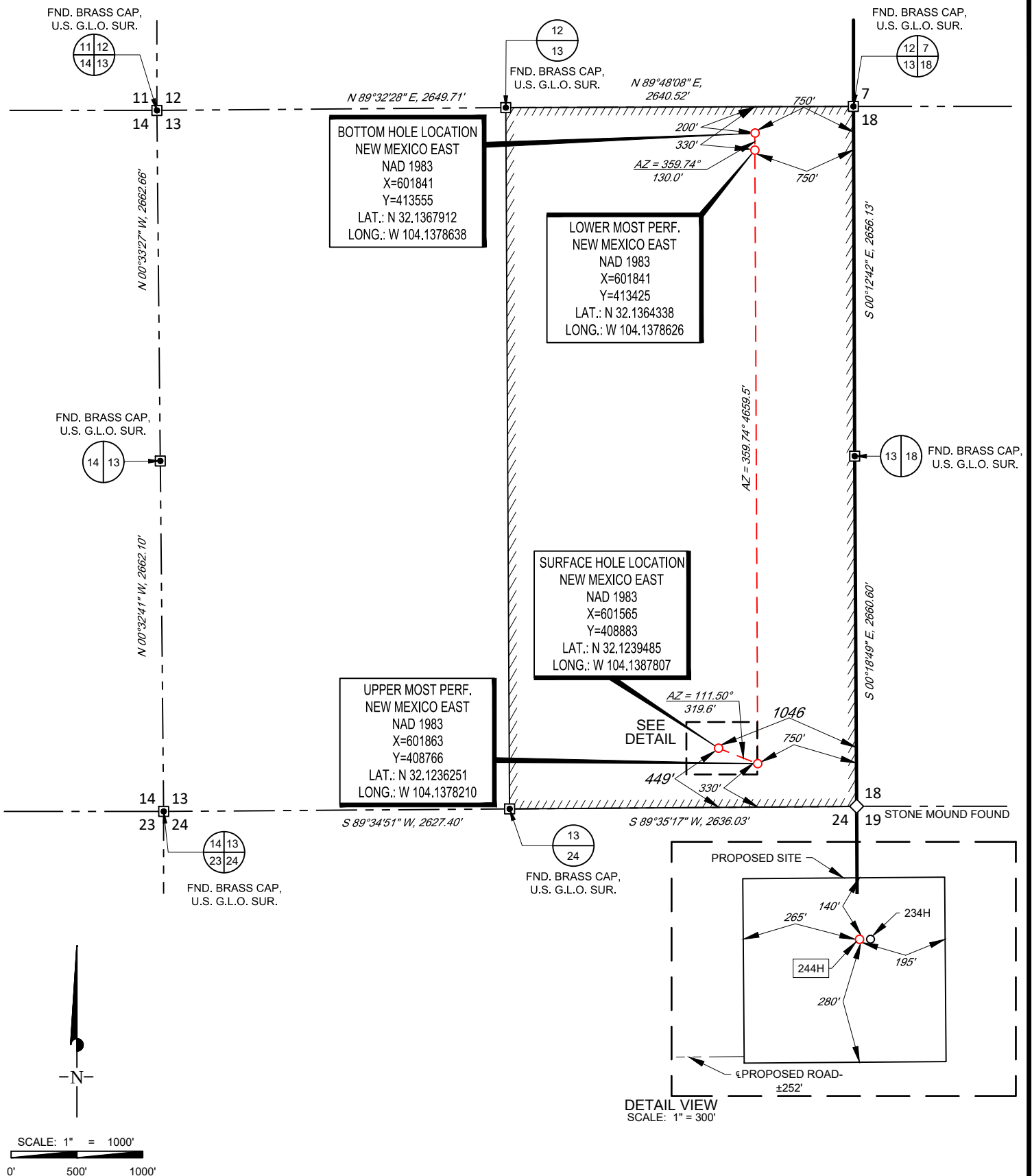


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TAP  
ROCK  
EXHIBIT 2A

SECTION 13, TOWNSHIP 25-S, RANGE 27-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO



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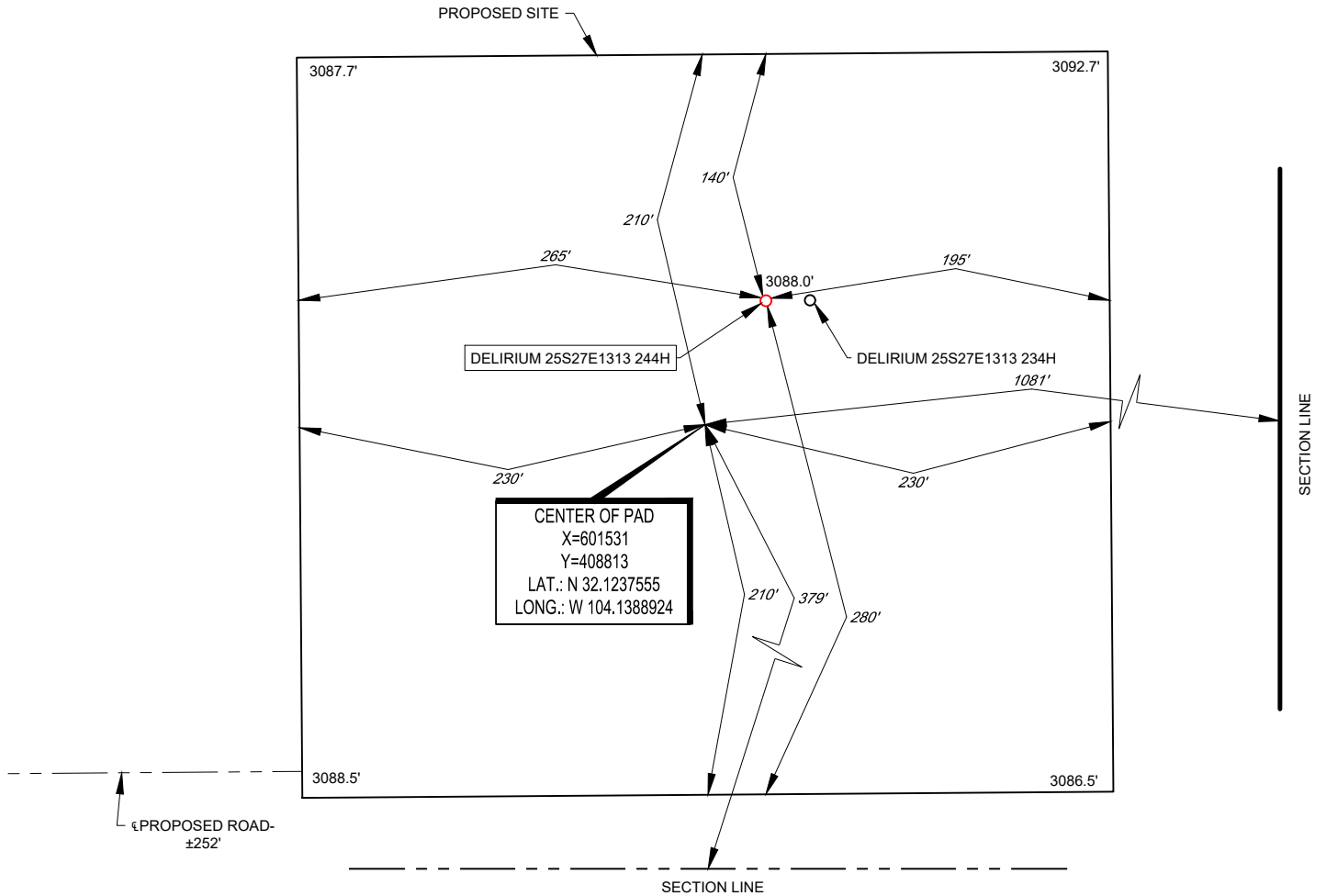
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# EXHIBIT 2B



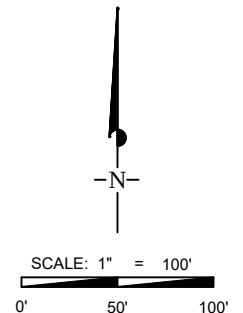
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DETAIL VIEW  
SCALE: 1" = 100'



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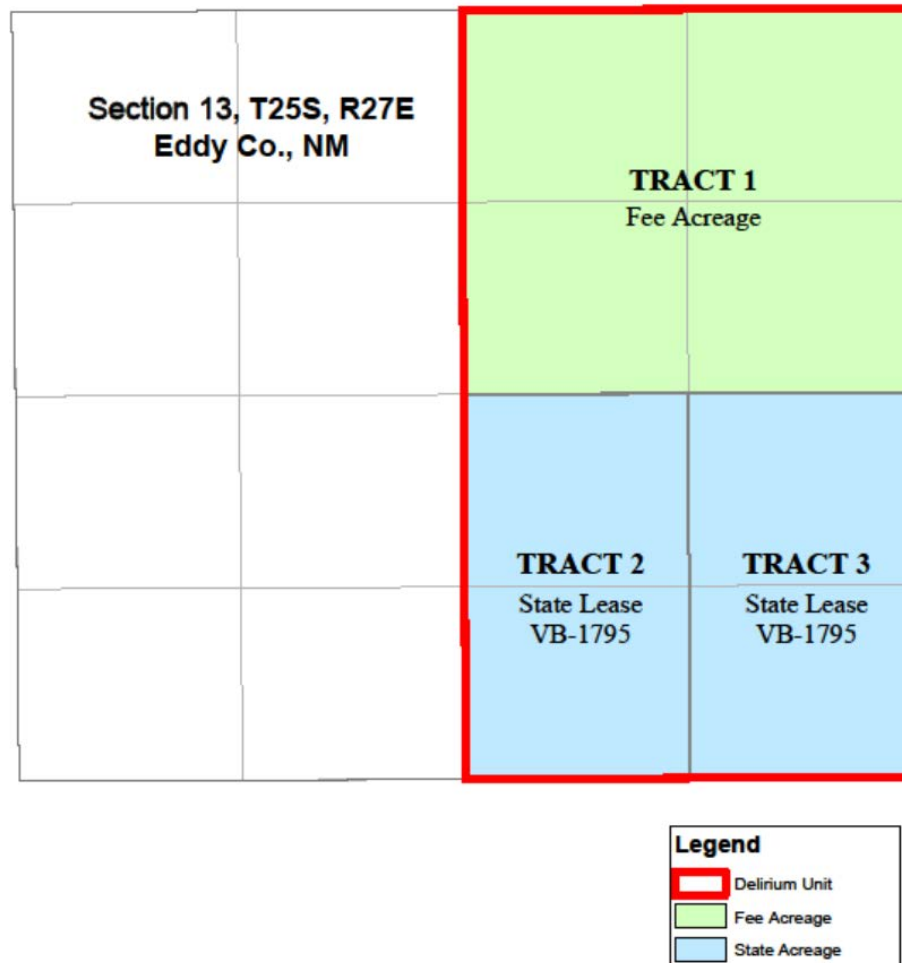


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# Tract Map



# Wolfcamp Unit Interest\*

Entity	Interest Type	Approximate Percentage
Tap Rock Resources, LLC	Working Interest	42.50%
Devon Energy Production Company	Uncommitted Mineral Interest	50.00%
Occidental Permian Limited Partnership	Uncommitted Working Interest	6.32875%
COG Operating, LLC	Uncommitted Working Interest	1.17125%

Entity	Interest Type
Tap Rock Minerals, LP	Overriding Royalty Interest

\*final interest subject to division order title verification





September 21, 2018

Occidental Permian Limited Partnership  
Attn: Land Department  
5 Greenway Plaza, Suite 110  
Houston, TX 77046

**RE: Delirium 25S27E1313 #234H & 244H Well Proposals  
E/2 Section 13, Township 25 South, Range 27 East  
Eddy County, New Mexico (the "Wells")**

Via Certified Mail

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed are AFEs dated September 12, 2018 for the following wells:

- Delirium 25S27E1313 #234H to be drilled from a surface hole location (SHL) of 449' FSL and 1,021' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 333' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,145' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,170'.
- Delirium 25S27E1313 #244H to be drilled from a surface hole location (SHL) of 449' FSL and 1,046' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 750' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,435' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,430'.

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers the Wolfcamp Formation for the E/2 of Section 13, Township 25 South, Range 27 East, Eddy County, New Mexico.

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



- 3 year primary term, Term Assignment
- Royalty equal to the difference between existing burdens and 20%
- \$1,500 per net acre bonus consideration

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

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells if uncommitted at such time to allow TRO to move forward with planning and drilling the subject wells.

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

Sincerely,

**TAP ROCK OPERATING, LLC**

*Erica Hixson*

**Erica Hixson**

Landman

Office: 720-460-3316

[ehixson@taprk.com](mailto:ehixson@taprk.com)

Occidental Permian Limited Partnership hereby elects to:

\_\_\_\_\_ participate in the drilling of the Delirium 25S27E1313 #234H

\_\_\_\_\_ non-consent the drilling of the Delirium 25S27E1313 #234H

\_\_\_\_\_ participate in the drilling of the Delirium 25S27E1313 #244H

\_\_\_\_\_ non-consent the drilling of the Delirium 25S27E1313 #244H

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

TAP ROCK OPERATING, LLC

602 Park Point Dr, Golden, Colorado 80401

Authorization For Expenditure

Name:

Delirium 25S27E1313 #234H

AFE #:

0

County:

Eddy

State:

New Mexico

Date: September 12, 2018

MD/TVD: 15170 / 10135

Lateral Length: 4500

Geologic Target: Wolfcamp B2

Well Description:

Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS					
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
1	1	Land - Legal	10,000	2	1	Land - Legal		3	1	Land - Legal	
1	2	Land - Regulatory	7,500	2	2	Land - Regulatory		3	2	Land - Regulatory	
1	3	Land - Surface Damages	20,000	2	3	Land - Surface Damages		3	3	Land - Surface Damages	
1	4	Land - Survey	5,000	2	4	Land - Survey		3	4	Land - Survey	
1	5	Location/Pit Construction	125,000	2	5	Location/Pit Construction		3	5	Location/Pit Construction	5,000
1	6	Remedial Dirtwork	0	2	6	Remedial Dirtwork		3	6	Remedial Dirtwork	
1	7	Reserve/Frac Pit Closing	0	2	7	Reserve/Frac Pit Closing		3	7	Reserve/Frac Pit Closing	
1	8	Drilling - Contractor	479,513	2	8	Drilling - Contractor		3	8	Drilling - Contractor	
1	9	Mob/Rig Up - Contractor/Trucking	73,950	2	9	Mob/Rig Up - Contractor/Trucking		3	9	Mob/Rig Up - Contractor/Trucking	
1	10	Cementing Services	185,000	2	10	Cementing Services		3	10	Cementing Services	
1	11	Cementing Equipment	35,000	2	11	Cementing Equipment		3	11	Cementing Equipment	
1	12	Bits/Drill Out Assemblies	65,875	2	12	Bits/Drill Out Assemblies	31,292	3	12	Bits/Drill Out Assemblies	
1	13	Fluid Circulation Equipment/Services	82,775	2	13	Fluid Circulation Equipment/Services		3	13	Fluid Circulation Equipment/Services	
1	14	Fluids/Chemicals	99,250	2	14	Fluids/Chemicals	24,844	3	14	Fluids/Chemicals	
1	15	WBM Cuttings/Wastewater Disposal	90,000	2	15	WBM Cuttings/Wastewater Disposal		3	15	WBM Cuttings/Wastewater Disposal	
1	16	OBM Cuttings/Chemical Disposal	90,000	2	16	OBM Cuttings/Chemical Disposal		3	16	OBM Cuttings/Chemical Disposal	
1	17	Fuel/Power	111,250	2	17	Fuel/Power	287,500	3	17	Fuel/Power	
1	18	Water	22,500	2	18	Water	438,340	3	18	Water	
1	19	Directional Drilling	240,625	2	19	Directional Drilling		3	19	Directional Drilling	
1	20	Mud Logging	18,525	2	20	Mud Logging		3	20	Mud Logging	
1	21	Open/Cased/Production Hole Logs	0	2	21	Open/Cased/Production Hole Logs	10,550	3	21	Open/Cased/Production Hole Logs	
1	22	Coring	0	2	22	Coring		3	22	Coring	
1	23	Geologic Supervision	0	2	23	Geologic Supervision		3	23	Geologic Supervision	
1	24	Engineering Supervision	0	2	24	Engineering Supervision		3	24	Engineering Supervision	
1	25	Consultant Supervision	100,125	2	25	Consultant Supervision	63,745	3	25	Consultant Supervision	3,600
1	26	Freight/Transportation	30,000	2	26	Freight/Transportation	4,110	3	26	Freight/Transportation	10,000
1	27	Labor	0	2	27	Labor	17,190	3	27	Labor	25,000
1	28	Supplies - Surface	0	2	28	Supplies - Surface	4,110	3	28	Supplies - Surface	
1	29	Supplies - Living Quarters	0	2	29	Supplies - Living Quarters	4,110	3	29	Supplies - Living Quarters	
1	30	Rentals - Surface	67,375	2	30	Rentals - Surface	32,560	3	30	Rentals - Surface	
1	31	Rentals - Living Quarters	25,588	2	31	Rentals - Living Quarters	22,500	3	31	Rentals - Living Quarters	
1	32	Rentals - Downhole	3,500	2	32	Rentals - Downhole	0	3	32	Rentals - Downhole	
1	33	Rentals - Pipe & Handling Tools	30,000	2	33	Rentals - Pipe & Handling Tools	0	3	33	Rentals - Pipe & Handling Tools	
1	34	Rentals - Frac Stack		2	34	Rentals - Frac Stack	41,200	3	34	Rentals - Frac Stack	
1	35	Rentals - Frac Tanks		2	35	Rentals - Frac Tanks	9,930	3	35	Rentals - Frac Tanks	
1	36	Coil Tubing Unit/Workover Rig		2	36	Coil Tubing Unit/Workover Rig	78,070	3	36	Coil Tubing Unit/Workover Rig	17,127
1	37	Wireline/Slickline/Perforating		2	37	Wireline/Slickline/Perforating	199,550	3	37	Wireline/Slickline/Perforating	
1	38	Temporary Packers/Plugs		2	38	Temporary Packers/Plugs	33,000	3	38	Temporary Packers/Plugs	
1	39	High Pressure Pump Truck		2	39	High Pressure Pump Truck	110,760	3	39	High Pressure Pump Truck	
1	40	Stimulation		2	40	Stimulation	1,479,793	3	40	Stimulation	
1	41	Rentals - Pressure Control		2	41	Rentals - Pressure Control	24,165	3	41	Rentals - Pressure Control	
1	42	Flowback Services		2	42	Flowback Services	101,750	3	42	Flowback Services	
1	43	Water Transfer Services		2	43	Water Transfer Services	91,100	3	43	Water Transfer Services	
1	44	Flowback Water Trucking & Disposal		2	44	Flowback Water Trucking & Disposal	12,660	3	44	Flowback Water Trucking & Disposal	
1	45	Permanent Equipment Installation		2	45	Permanent Equipment Installation		3	45	Permanent Equipment Installation	
1	46	Pipeline Tapping Services		2	46	Pipeline Tapping Services		3	46	Pipeline Tapping Services	
1	47	Plugging & Abandonment	0	2	47	Plugging & Abandonment		3	47	Plugging & Abandonment	
1	53	Overhead	0	2	53	Overhead	23,880	3	53	Overhead	5,000
1	54	Insurance	0	2	54	Insurance		3	54	Insurance	
1	55	Contingency	100,918	2	55	Contingency	240,682	3	55	Contingency	6,573
TOTAL INTANGIBLE DRILLING COSTS: \$2,119,268			TOTAL INTANGIBLE COMPLETION COSTS: \$3,387,390			TOTAL INTANGIBLE PRODUCTION COSTS: \$72,300					

TANGIBLE DRILLING COSTS				TANGIBLE COMPLETION COSTS				TANGIBLE PRODUCTION COSTS			
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
4	60	Conductor Casing	0	5	60	Conductor Casing		6	60	Conductor Casing	
4	61	Surface Casing	15,585	5	61	Surface Casing		6	61	Surface Casing	
4	62	1st Intermediate Casing	106,750	5	62	1st Intermediate Casing		6	62	1st Intermediate Casing	
4	63	2nd Intermediate Casing	314,475	5	63	2nd Intermediate Casing		6	63	2nd Intermediate Casing	
4	64	Production Casing	280,937	5	64	Production Casing		6	64	Production Casing	
4	65	Tubing		5	65	Tubing		6	65	Tubing	50,000
4	66	Wellhead	75,000	5	66	Wellhead		6	66	Wellhead	27,000
4	67	Permanent Packers/Hangers/Plugs		5	67	Permanent Packers/Hangers/Plugs		6	67	Permanent Packers/Hangers/Plugs	4,500
4	68	Tanks		5	68	Tanks		6	68	Tanks	
4	69	Production Vessels		5	69	Production Vessels		6	69	Production Vessels	81,200
4	70	Compressors		5	70	Compressors		6	70	Compressors	
4	71	Surface Flowlines		5	71	Surface Flowlines		6	71	Surface Flowlines	25,000
4	72	Gathering Lines		5	72	Gathering Lines		6	72	Gathering Lines	5,000
4	73	Valves & Controllers		5	73	Valves & Controllers		6	73	Valves & Controllers	
4	74	Artificial Lift Equipment		5	74	Artificial Lift Equipment		6	74	Artificial Lift Equipment	235,000
4	75	Instrumentation & Measurement		5	75	Instrumentation & Measurement		6	75	Instrumentation & Measurement	
4	76	Electrical Grounding/Safety Equipment		5	76	Electrical Grounding/Safety Equipment		6	76	Electrical Grounding/Safety Equipment	
4	77	Permanent Equipment Installation		5	77	Permanent Equipment Installation		6	77	Permanent Equipment Installation	
4	80	Other - Surface		5	80	Other - Surface		6	80	Other - Surface	
4	81	Other - Downhole		5	81	Other - Downhole		6	81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:			\$792,747	TOTAL TANGIBLE COMPLETION COSTS:			\$0	TOTAL TANGIBLE PRODUCTION COSTS:			\$427,700
TOTAL DRILLING COSTS:			\$2,912,014	TOTAL COMPLETION COSTS:			\$3,387,390	TOTAL PRODUCTION COSTS:			\$500,000
TOTAL WELL COST: \$6,799,404											

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO \_\_\_\_\_ VP - EXPLORATION \_\_\_\_\_

CFO \_\_\_\_\_ VP - OPERATIONS *AMB*

VP - LAND & LEGAL \_\_\_\_\_ SENIOR GEOLOGIST \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: \_\_\_\_\_

SIGNED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

WORKING INTEREST (%): \_\_\_\_\_ DATE: \_\_\_\_\_

TAX ID: \_\_\_\_\_ APPROVAL: \_\_\_\_\_





September 21, 2018

COG Operating, LLC  
Attn: Outside Operated Properties  
600 W. Illinois Ave.  
Midland, TX 79701

**RE: Delirium 25S27E1313 #234H & 244H Well Proposals  
E/2 Section 13, Township 25 South, Range 27 East  
Eddy County, New Mexico (the "Wells")**

Via Certified Mail

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed are AFEs dated September 12, 2018 for the following wells:

- Delirium 25S27E1313 #234H to be drilled from a surface hole location (SHL) of 449' FSL and 1,021' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 333' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,145' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,170'.
- Delirium 25S27E1313 #244H to be drilled from a surface hole location (SHL) of 449' FSL and 1,046' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 750' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,435' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,430'.

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers the Wolfcamp Formation for the E/2 of Section 13, Township 25 South, Range 27 East, Eddy County, New Mexico.

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



- 3 year primary term, Term Assignment
- Royalty equal to the difference between existing burdens and 20%
- \$1,500 per net acre bonus consideration

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

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells if uncommitted at such time to allow TRO to move forward with planning and drilling the subject wells.

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

Sincerely,

**TAP ROCK OPERATING, LLC**

*Erica Hixson*

**Erica Hixson**

Landman

Office: 720-460-3316

[ehixson@taprk.com](mailto:ehixson@taprk.com)

COG Operating, LLC hereby elects to:

\_\_\_\_\_ participate in the drilling of the Delirium 25S27E1313 #234H

\_\_\_\_\_ non-consent the drilling of the Delirium 25S27E1313 #234H

\_\_\_\_\_ participate in the drilling of the Delirium 25S27E1313 #244H

\_\_\_\_\_ non-consent the drilling of the Delirium 25S27E1313 #244H

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**TAP ROCK OPERATING, LLC**  
602 Park Point Dr, Golden, Colorado 80401  
Authorization For Expenditure

**Name:** Delirium 25S27E1313 #234H  
**AFE #:** 0  
**County:** Eddy  
**State:** New Mexico

Date: September 12, 2018  
MD/TVD: 15170 / 10135  
Lateral Length: 4500  
Geologic Target: Wolfcamp B2

**Well Description:** Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS			
COST CODES		DESCRIPTION	AMOUNT
1	1	Land - Legal	10,000
1	2	Land - Regulatory	7,500
1	3	Land - Surface Damages	20,000
1	4	Land - Survey	5,000
1	5	Location/Pit Construction	125,000
1	6	Remedial Dirtwork	0
1	7	Reserve/Frac Pit Closing	0
1	8	Drilling - Contractor	479,513
1	9	Mob/Rig Up - Contractor/Trucking	73,950
1	10	Cementing Services	185,000
1	11	Cementing Equipment	35,000
1	12	Bits/Drill Out Assemblies	65,875
1	13	Fluid Circulation Equipment/Services	82,775
1	14	Fluids/Chemicals	99,250
1	15	WBM Cuttings/Wastewater Disposal	90,000
1	16	OBM Cuttings/Chemical Disposal	90,000
1	17	Fuel/Power	111,250
1	18	Water	22,500
1	19	Directional Drilling	240,625
1	20	Mud Logging	18,525
1	21	Open/Cased/Production Hole Logs	0
1	22	Coring	0
1	23	Geologic Supervision	0
1	24	Engineering Supervision	0
1	25	Consultant Supervision	100,125
1	26	Freight/Transportation	30,000
1	27	Labor	0
1	28	Supplies - Surface	0
1	29	Supplies - Living Quarters	0
1	30	Rentals - Surface	67,375
1	31	Rentals - Living Quarters	25,588
1	32	Rentals - Downhole	3,500
1	33	Rentals - Pipe & Handling Tools	30,000
1	34	Rentals - Frac Stack	
1	35	Rentals - Frac Tanks	
1	36	Coil Tubing Unit/Workover Rig	
1	37	Wireline/Slickline/Perforating	
1	38	Temporary Packers/Plugs	
1	39	High Pressure Pump Truck	
1	40	Stimulation	
1	41	Rentals - Pressure Control	
1	42	Flowback Services	
1	43	Water Transfer Services	
1	44	Flowback Water Trucking & Disposal	
1	45	Permanent Equipment Installation	
1	46	Pipeline Tapping Services	
1	47	Plugging & Abandonment	0
1	53	Overhead	0
1	54	Insurance	0
1	55	Contingency	100,918

**TOTAL INTANGIBLE DRILLING COSTS: \$2,119,268**

INTANGIBLE COMPLETION COSTS			
COST CODES		DESCRIPTION	AMOUNT
2	1	Land - Legal	
2	2	Land - Regulatory	
2	3	Land - Surface Damages	
2	4	Land - Survey	
2	5	Location/Pit Construction	
2	6	Remedial Dirtwork	
2	7	Reserve/Frac Pit Closing	
2	8	Drilling - Contractor	
2	9	Mob/Rig Up - Contractor/Trucking	
2	10	Cementing Services	
2	11	Cementing Equipment	
2	12	Bits/Drill Out Assemblies	31,292
2	13	Fluid Circulation Equipment/Services	
2	14	Fluids/Chemicals	24,844
2	15	WBM Cuttings/Wastewater Disposal	
2	16	OBM Cuttings/Chemical Disposal	
2	17	Fuel/Power	287,500
2	18	Water	438,340
2	19	Directional Drilling	
2	20	Mud Logging	
2	21	Open/Cased/Production Hole Logs	10,550
2	22	Coring	
2	23	Geologic Supervision	
2	24	Engineering Supervision	
2	25	Consultant Supervision	63,745
2	26	Freight/Transportation	4,110
2	27	Labor	17,190
2	28	Supplies - Surface	4,110
2	29	Supplies - Living Quarters	4,110
2	30	Rentals - Surface	32,560
2	31	Rentals - Living Quarters	22,500
2	32	Rentals - Downhole	0
2	33	Rentals - Pipe & Handling Tools	0
2	34	Rentals - Frac Stack	41,200
2	35	Rentals - Frac Tanks	9,930
2	36	Coil Tubing Unit/Workover Rig	78,070
2	37	Wireline/Slickline/Perforating	199,550
2	38	Temporary Packers/Plugs	33,000
2	39	High Pressure Pump Truck	110,760
2	40	Stimulation	1,479,793
2	41	Rentals - Pressure Control	24,165
2	42	Flowback Services	101,750
2	43	Water Transfer Services	91,100
2	44	Flowback Water Trucking & Disposal	12,660
2	45	Permanent Equipment Installation	
2	46	Pipeline Tapping Services	
2	47	Plugging & Abandonment	
2	53	Overhead	23,880
2	54	Insurance	
2	55	Contingency	240,682

**TOTAL INTANGIBLE COMPLETION COSTS: \$3,387,390**

INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
3 1	Land - Legal	
3 2	Land - Regulatory	
3 3	Land - Surface Damages	
3 4	Land - Survey	
3 5	Location/Pit Construction	5,000
3 6	Remedial Dirtwork	
3 7	Reserve/Frac Pit Closing	
3 8	Drilling - Contractor	
3 9	Mob/Rig Up - Contractor/Trucking	
3 10	Cementing Services	
3 11	Cementing Equipment	
3 12	Bits/Drill Out Assemblies	
3 13	Fluid Circulation Equipment/Services	
3 14	Fluids/Chemicals	
3 15	WBM Cuttings/Wastewater Disposal	
3 16	OBM Cuttings/Chemical Disposal	
3 17	Fuel/Power	
3 18	Water	
3 19	Directional Drilling	
3 20	Mud Logging	
3 21	Open/Cased/Production Hole Logs	
3 22	Coring	
3 23	Geologic Supervision	
3 24	Engineering Supervision	
3 25	Consultant Supervision	3,600
3 26	Freight/Transportation	10,000
3 27	Labor	25,000
3 28	Supplies - Surface	
3 29	Supplies - Living Quarters	
3 30	Rentals - Surface	
3 31	Rentals - Living Quarters	
3 32	Rentals - Downhole	
3 33	Rentals - Pipe & Handling Tools	
3 34	Rentals - Frac Stack	
3 35	Rentals - Frac Tanks	
3 36	Coil Tubing Unit/Workover Rig	17,127
3 37	Wireline/Slickline/Perforating	
3 38	Temporary Packers/Plugs	
3 39	High Pressure Pump Truck	
3 40	Stimulation	
3 41	Rentals - Pressure Control	
3 42	Flowback Services	
3 43	Water Transfer Services	
3 44	Flowback Water Trucking & Disposal	
3 45	Permanent Equipment Installation	
3 46	Pipeline Tapping Services	
3 47	Plugging & Abandonment	
3 53	Overhead	5,000
3 54	Insurance	
3 55	Contingency	6,573

**TOTAL INTANGIBLE PRODUCTION COSTS: \$72,300**

TANGIBLE DRILLING COSTS			
COST CODES		DESCRIPTION	AMOUNT
4	60	Conductor Casing	0
4	61	Surface Casing	15,585
4	62	1st Intermediate Casing	106,750
4	63	2nd Intermediate Casing	314,475
4	64	Production Casing	280,937
4	65	Tubing	
4	66	Wellhead	75,000
4	67	Permanent Packers/Hangers/Plugs	
4	68	Tanks	
4	69	Production Vessels	
4	70	Compressors	
4	71	Surface Flowlines	
4	72	Gathering Lines	
4	73	Valves & Controllers	
4	74	Artificial Lift Equipment	
4	75	Instrumentation & Measurement	
4	76	Electrical Grounding/Safety Equipment	
4	77	Permanent Equipment Installation	
4	80	Other - Surface	
4	81	Other - Downhole	

**TOTAL TANGIBLE DRILLING COSTS: \$792,747**

TANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
5 60	Conductor Casing	
5 61	Surface Casing	
5 62	1st Intermediate Casing	
5 63	2nd Intermediate Casing	
5 64	Production Casing	
5 65	Tubing	
5 66	Wellhead	
5 67	Permanent Packers/Hangers/Plugs	
5 68	Tanks	
5 69	Production Vessels	
5 70	Compressors	
5 71	Surface Flowlines	
5 72	Gathering Lines	
5 73	Valves & Controllers	
5 74	Artificial Lift Equipment	
5 75	Instrumentation & Measurement	
5 76	Electrical Grounding/Safety Equipment	
5 77	Permanent Equipment Installation	
5 80	Other - Surface	
5 81	Other - Downhole	

**TOTAL TANGIBLE COMPLETION COSTS:** \$0

TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
6 60	Conductor Casing	
6 61	Surface Casing	
6 62	1st Intermediate Casing	
6 63	2nd Intermediate Casing	
6 64	Production Casing	
6 65	Tubing	50,000
6 66	Wellhead	27,000
6 67	Permanent Packers/Hangers/Plugs	4,500
6 68	Tanks	
6 69	Production Vessels	81,200
6 70	Compressors	
6 71	Surface Flowlines	25,000
6 72	Gathering Lines	5,000
6 73	Valves & Controllers	
6 74	Artificial Lift Equipment	235,000
6 75	Instrumentation & Measurement	
6 76	Electrical Grounding/Safety Equipment	
6 77	Permanent Equipment Installation	
6 80	Other - Surface	
6 81	Other - Downhole	

**TOTAL TANGIBLE PRODUCTION COSTS: \$427,700**

**TOTAL WELL COST: \$6,799,404**

**TAP ROCK RESOURCES COMPANY APPROVAL:**

CEO \_\_\_\_\_ VP - EXPLORATION \_\_\_\_\_

CFO \_\_\_\_\_ VP - OPERATIONS *AWB*

VP - LAND &amp; LEGAL SENIOR GEOLOGIST

**NON OPERATING PARTNER APPROVAL:**

SIGNED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

WORKING INTEREST (%): \_\_\_\_\_ DATE: \_\_\_\_\_

TAX ID: \_\_\_\_\_ APPROVAL: \_\_\_\_\_

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

TAP ROCK OPERATING, LLC

602 Park Point Dr, Golden, Colorado 80401

Authorization For Expenditure

Name: Delirium 25527E1313 #2344H

AFE #: 0

County: Eddy

State: New Mexico

Date: September 12, 2018

MD/TVD: 15430 / 10435

Lateral Length: 4500

Geologic Target: Wolfcamp B2

Well Description:Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS					
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
1	1	Land - Legal	10,000	2	1	Land - Legal		3	1	Land - Legal	
1	2	Land - Regulatory	7,500	2	2	Land - Regulatory		3	2	Land - Regulatory	
1	3	Land - Surface Damages	20,000	2	3	Land - Surface Damages		3	3	Land - Surface Damages	
1	4	Land - Survey	5,000	2	4	Land - Survey		3	4	Land - Survey	
1	5	Location/Pit Construction	125,000	2	5	Location/Pit Construction		3	5	Location/Pit Construction	5,000
1	6	Remedial Dirtwork	0	2	6	Remedial Dirtwork		3	6	Remedial Dirtwork	
1	7	Reserve/Frac Pit Closing	0	2	7	Reserve/Frac Pit Closing		3	7	Reserve/Frac Pit Closing	
1	8	Drilling - Contractor	479,513	2	8	Drilling - Contractor		3	8	Drilling - Contractor	
1	9	Mob/Rig Up - Contractor/Trucking	73,950	2	9	Mob/Rig Up - Contractor/Trucking		3	9	Mob/Rig Up - Contractor/Trucking	
1	10	Cementing Services	185,000	2	10	Cementing Services		3	10	Cementing Services	
1	11	Cementing Equipment	35,000	2	11	Cementing Equipment		3	11	Cementing Equipment	
1	12	Bits/Drill Out Assemblies	65,875	2	12	Bits/Drill Out Assemblies	31,292	3	12	Bits/Drill Out Assemblies	
1	13	Fluid Circulation Equipment/Services	82,775	2	13	Fluid Circulation Equipment/Services		3	13	Fluid Circulation Equipment/Services	
1	14	Fluids/Chemicals	99,250	2	14	Fluids/Chemicals	24,844	3	14	Fluids/Chemicals	
1	15	WBM Cuttings/Wastewater Disposal	90,000	2	15	WBM Cuttings/Wastewater Disposal		3	15	WBM Cuttings/Wastewater Disposal	
1	16	OBM Cuttings/Chemical Disposal	90,000	2	16	OBM Cuttings/Chemical Disposal		3	16	OBM Cuttings/Chemical Disposal	
1	17	Fuel/Power	111,250	2	17	Fuel/Power	287,500	3	17	Fuel/Power	
1	18	Water	22,500	2	18	Water	438,340	3	18	Water	
1	19	Directional Drilling	240,625	2	19	Directional Drilling		3	19	Directional Drilling	
1	20	Mud Logging	18,525	2	20	Mud Logging		3	20	Mud Logging	
1	21	Open/Cased/Production Hole Logs	0	2	21	Open/Cased/Production Hole Logs	10,550	3	21	Open/Cased/Production Hole Logs	
1	22	Coring	0	2	22	Coring		3	22	Coring	
1	23	Geologic Supervision	0	2	23	Geologic Supervision		3	23	Geologic Supervision	
1	24	Engineering Supervision	0	2	24	Engineering Supervision		3	24	Engineering Supervision	
1	25	Consultant Supervision	100,125	2	25	Consultant Supervision	63,745	3	25	Consultant Supervision	3,600
1	26	Freight/Transportation	30,000	2	26	Freight/Transportation	4,110	3	26	Freight/Transportation	10,000
1	27	Labor	0	2	27	Labor	17,190	3	27	Labor	25,000
1	28	Supplies - Surface	0	2	28	Supplies - Surface	4,110	3	28	Supplies - Surface	
1	29	Supplies - Living Quarters	0	2	29	Supplies - Living Quarters	4,110	3	29	Supplies - Living Quarters	
1	30	Rentals - Surface	67,375	2	30	Rentals - Surface	32,560	3	30	Rentals - Surface	
1	31	Rentals - Living Quarters	25,588	2	31	Rentals - Living Quarters	22,500	3	31	Rentals - Living Quarters	
1	32	Rentals - Downhole	3,500	2	32	Rentals - Downhole	0	3	32	Rentals - Downhole	
1	33	Rentals - Pipe & Handling Tools	30,000	2	33	Rentals - Pipe & Handling Tools	0	3	33	Rentals - Pipe & Handling Tools	
1	34	Rentals - Frac Stack		2	34	Rentals - Frac Stack	41,200	3	34	Rentals - Frac Stack	
1	35	Rentals - Frac Tanks		2	35	Rentals - Frac Tanks	9,930	3	35	Rentals - Frac Tanks	
1	36	Coil Tubing Unit/Workover Rig		2	36	Coil Tubing Unit/Workover Rig	78,070	3	36	Coil Tubing Unit/Workover Rig	17,127
1	37	Wireline/Slickline/Perforating		2	37	Wireline/Slickline/Perforating	199,550	3	37	Wireline/Slickline/Perforating	
1	38	Temporary Packers/Plugs		2	38	Temporary Packers/Plugs	33,000	3	38	Temporary Packers/Plugs	
1	39	High Pressure Pump Truck		2	39	High Pressure Pump Truck	110,760	3	39	High Pressure Pump Truck	
1	40	Stimulation		2	40	Stimulation	1,479,793	3	40	Stimulation	
1	41	Rentals - Pressure Control		2	41	Rentals - Pressure Control	24,165	3	41	Rentals - Pressure Control	
1	42	Flowback Services		2	42	Flowback Services	101,750	3	42	Flowback Services	
1	43	Water Transfer Services		2	43	Water Transfer Services	91,100	3	43	Water Transfer Services	
1	44	Flowback Water Trucking & Disposal		2	44	Flowback Water Trucking & Disposal	12,660	3	44	Flowback Water Trucking & Disposal	
1	45	Permanent Equipment Installation		2	45	Permanent Equipment Installation		3	45	Permanent Equipment Installation	
1	46	Pipeline Tapping Services		2	46	Pipeline Tapping Services		3	46	Pipeline Tapping Services	
1	47	Plugging & Abandonment	0	2	47	Plugging & Abandonment		3	47	Plugging & Abandonment	
1	53	Overhead	0	2	53	Overhead	23,880	3	53	Overhead	5,000
1	54	Insurance	0	2	54	Insurance		3	54	Insurance	
1	55	Contingency	100,918	2	55	Contingency	240,682	3	55	Contingency	6,573
TOTAL INTANGIBLE DRILLING COSTS:			\$2,119,268	TOTAL INTANGIBLE COMPLETION COSTS:			\$3,387,390	TOTAL INTANGIBLE PRODUCTION COSTS:			\$72,300

TANGIBLE DRILLING COSTS				TANGIBLE COMPLETION COSTS				TANGIBLE PRODUCTION COSTS			
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
4	60	Conductor Casing	0	5	60	Conductor Casing		6	60	Conductor Casing	
4	61	Surface Casing	15,585	5	61	Surface Casing		6	61	Surface Casing	
4	62	1st Intermediate Casing	106,750	5	62	1st Intermediate Casing		6	62	1st Intermediate Casing	
4	63	2nd Intermediate Casing	314,475	5	63	2nd Intermediate Casing		6	63	2nd Intermediate Casing	
4	64	Production Casing	285,734	5	64	Production Casing		6	64	Production Casing	
4	65	Tubing		5	65	Tubing		6	65	Tubing	50,000
4	66	Wellhead	75,000	5	66	Wellhead		6	66	Wellhead	27,000
4	67	Permanent Packers/Hangers/Plugs		5	67	Permanent Packers/Hangers/Plugs		6	67	Permanent Packers/Hangers/Plugs	4,500
4	68	Tanks		5	68	Tanks		6	68	Tanks	
4	69	Production Vessels		5	69	Production Vessels		6	69	Production Vessels	81,200
4	70	Compressors		5	70	Compressors		6	70	Compressors	
4	71	Surface Flowlines		5	71	Surface Flowlines		6	71	Surface Flowlines	25,000
4	72	Gathering Lines		5	72	Gathering Lines		6	72	Gathering Lines	5,000
4	73	Valves & Controllers		5	73	Valves & Controllers		6	73	Valves & Controllers	
4	74	Artificial Lift Equipment		5	74	Artificial Lift Equipment		6	74	Artificial Lift Equipment	235,000
4	75	Instrumentation & Measurement		5	75	Instrumentation & Measurement		6	75	Instrumentation & Measurement	
4	76	Electrical Grounding/Safety Equipment		5	76	Electrical Grounding/Safety Equipment		6	76	Electrical Grounding/Safety Equipment	
4	77	Permanent Equipment Installation		5	77	Permanent Equipment Installation		6	77	Permanent Equipment Installation	
4	80	Other - Surface		5	80	Other - Surface		6	80	Other - Surface	
4	81	Other - Downhole		5	81	Other - Downhole		6	81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:			\$797,544	TOTAL TANGIBLE COMPLETION COSTS:			\$0	TOTAL TANGIBLE PRODUCTION COSTS:			\$427,700
TOTAL DRILLING COSTS:			\$2,916,811	TOTAL COMPLETION COSTS:			\$3,387,390	TOTAL PRODUCTION COSTS:			\$500,000
TOTAL WELL COST: \$6,804,201											

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO \_\_\_\_\_ VP - EXPLORATION \_\_\_\_\_

CFO \_\_\_\_\_ VP - OPERATIONS *AMB*

VP - LAND & LEGAL \_\_\_\_\_ SENIOR GEOLOGIST \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: \_\_\_\_\_

SIGNED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

WORKING INTEREST (%): \_\_\_\_\_ DATE: \_\_\_\_\_

TAX ID: \_\_\_\_\_ APPROVAL: \_\_\_\_\_



September 21, 2018

Devon Energy Production Company, LP  
Attn: Land Department  
333 W. Sheridan Ave.  
Oklahoma City, OK 73102-5015

**RE: Delirium 25S27E1313 #234H & 244H Well Proposals  
E/2 Section 13, Township 25 South, Range 27 East  
Eddy County, New Mexico (the "Wells")**

Via Certified Mail

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed are AFEs dated September 12, 2018 for the following wells:

- Delirium 25S27E1313 #234H to be drilled from a surface hole location (SHL) of 449' FSL and 1,021' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 333' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,145' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,170'.
- Delirium 25S27E1313 #244H to be drilled from a surface hole location (SHL) of 449' FSL and 1,046' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 750' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,435' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,430'.

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers the Wolfcamp Formation for the E/2 of Section 13, Township 25 South, Range 27 East, Eddy County, New Mexico.

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



- 3 year primary term, Term Assignment
- Royalty equal to the difference between existing burdens and 20%
- \$1,500 per net acre bonus consideration

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

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells if uncommitted at such time to allow TRO to move forward with planning and drilling the subject wells.

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

Sincerely,

**TAP ROCK OPERATING, LLC**

*Erica Hixson*

**Erica Hixson**

Landman

Office: 720-460-3316

[ehixson@taprk.com](mailto:ehixson@taprk.com)

Devon Energy Production Company, LP hereby elects to:

\_\_\_\_\_ participate in the drilling of the Delirium 25S27E1313 #234H

\_\_\_\_\_ non-consent the drilling of the Delirium 25S27E1313 #234H

\_\_\_\_\_ participate in the drilling of the Delirium 25S27E1313 #244H

\_\_\_\_\_ non-consent the drilling of the Delirium 25S27E1313 #244H

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

TAP ROCK OPERATING, LLC

602 Park Point Dr, Golden, Colorado 80401

Authorization For Expenditure

Name:

Delirium 25S27E1313 #234H

AFE #:

0

County:

Eddy

State:

New Mexico

Date: September 12, 2018

MD/TVD: 15170 / 10135

Lateral Length: 4500

Geologic Target: Wolfcamp B2

Well Description:

Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS					
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
1	1	Land - Legal	10,000	2	1	Land - Legal		3	1	Land - Legal	
1	2	Land - Regulatory	7,500	2	2	Land - Regulatory		3	2	Land - Regulatory	
1	3	Land - Surface Damages	20,000	2	3	Land - Surface Damages		3	3	Land - Surface Damages	
1	4	Land - Survey	5,000	2	4	Land - Survey		3	4	Land - Survey	
1	5	Location/Pit Construction	125,000	2	5	Location/Pit Construction		3	5	Location/Pit Construction	5,000
1	6	Remedial Dirtwork	0	2	6	Remedial Dirtwork		3	6	Remedial Dirtwork	
1	7	Reserve/Frac Pit Closing	0	2	7	Reserve/Frac Pit Closing		3	7	Reserve/Frac Pit Closing	
1	8	Drilling - Contractor	479,513	2	8	Drilling - Contractor		3	8	Drilling - Contractor	
1	9	Mob/Rig Up - Contractor/Trucking	73,950	2	9	Mob/Rig Up - Contractor/Trucking		3	9	Mob/Rig Up - Contractor/Trucking	
1	10	Cementing Services	185,000	2	10	Cementing Services		3	10	Cementing Services	
1	11	Cementing Equipment	35,000	2	11	Cementing Equipment		3	11	Cementing Equipment	
1	12	Bits/Drill Out Assemblies	65,875	2	12	Bits/Drill Out Assemblies	31,292	3	12	Bits/Drill Out Assemblies	
1	13	Fluid Circulation Equipment/Services	82,775	2	13	Fluid Circulation Equipment/Services		3	13	Fluid Circulation Equipment/Services	
1	14	Fluids/Chemicals	99,250	2	14	Fluids/Chemicals	24,844	3	14	Fluids/Chemicals	
1	15	WBM Cuttings/Wastewater Disposal	90,000	2	15	WBM Cuttings/Wastewater Disposal		3	15	WBM Cuttings/Wastewater Disposal	
1	16	OBM Cuttings/Chemical Disposal	90,000	2	16	OBM Cuttings/Chemical Disposal		3	16	OBM Cuttings/Chemical Disposal	
1	17	Fuel/Power	111,250	2	17	Fuel/Power	287,500	3	17	Fuel/Power	
1	18	Water	22,500	2	18	Water	438,340	3	18	Water	
1	19	Directional Drilling	240,625	2	19	Directional Drilling		3	19	Directional Drilling	
1	20	Mud Logging	18,525	2	20	Mud Logging		3	20	Mud Logging	
1	21	Open/Cased/Production Hole Logs	0	2	21	Open/Cased/Production Hole Logs	10,550	3	21	Open/Cased/Production Hole Logs	
1	22	Coring	0	2	22	Coring		3	22	Coring	
1	23	Geologic Supervision	0	2	23	Geologic Supervision		3	23	Geologic Supervision	
1	24	Engineering Supervision	0	2	24	Engineering Supervision		3	24	Engineering Supervision	
1	25	Consultant Supervision	100,125	2	25	Consultant Supervision	63,745	3	25	Consultant Supervision	3,600
1	26	Freight/Transportation	30,000	2	26	Freight/Transportation	4,110	3	26	Freight/Transportation	10,000
1	27	Labor	0	2	27	Labor	17,190	3	27	Labor	25,000
1	28	Supplies - Surface	0	2	28	Supplies - Surface	4,110	3	28	Supplies - Surface	
1	29	Supplies - Living Quarters	0	2	29	Supplies - Living Quarters	4,110	3	29	Supplies - Living Quarters	
1	30	Rentals - Surface	67,375	2	30	Rentals - Surface	32,560	3	30	Rentals - Surface	
1	31	Rentals - Living Quarters	25,588	2	31	Rentals - Living Quarters	22,500	3	31	Rentals - Living Quarters	
1	32	Rentals - Downhole	3,500	2	32	Rentals - Downhole	0	3	32	Rentals - Downhole	
1	33	Rentals - Pipe & Handling Tools	30,000	2	33	Rentals - Pipe & Handling Tools	0	3	33	Rentals - Pipe & Handling Tools	
1	34	Rentals - Frac Stack		2	34	Rentals - Frac Stack	41,200	3	34	Rentals - Frac Stack	
1	35	Rentals - Frac Tanks		2	35	Rentals - Frac Tanks	9,930	3	35	Rentals - Frac Tanks	
1	36	Coil Tubing Unit/Workover Rig		2	36	Coil Tubing Unit/Workover Rig	78,070	3	36	Coil Tubing Unit/Workover Rig	17,127
1	37	Wireline/Slickline/Perforating		2	37	Wireline/Slickline/Perforating	199,550	3	37	Wireline/Slickline/Perforating	
1	38	Temporary Packers/Plugs		2	38	Temporary Packers/Plugs	33,000	3	38	Temporary Packers/Plugs	
1	39	High Pressure Pump Truck		2	39	High Pressure Pump Truck	110,760	3	39	High Pressure Pump Truck	
1	40	Stimulation		2	40	Stimulation	1,479,793	3	40	Stimulation	
1	41	Rentals - Pressure Control		2	41	Rentals - Pressure Control	24,165	3	41	Rentals - Pressure Control	
1	42	Flowback Services		2	42	Flowback Services	101,750	3	42	Flowback Services	
1	43	Water Transfer Services		2	43	Water Transfer Services	91,100	3	43	Water Transfer Services	
1	44	Flowback Water Trucking & Disposal		2	44	Flowback Water Trucking & Disposal	12,660	3	44	Flowback Water Trucking & Disposal	
1	45	Permanent Equipment Installation		2	45	Permanent Equipment Installation		3	45	Permanent Equipment Installation	
1	46	Pipeline Tapping Services		2	46	Pipeline Tapping Services		3	46	Pipeline Tapping Services	
1	47	Plugging & Abandonment	0	2	47	Plugging & Abandonment		3	47	Plugging & Abandonment	
1	53	Overhead	0	2	53	Overhead	23,880	3	53	Overhead	5,000
1	54	Insurance	0	2	54	Insurance		3	54	Insurance	
1	55	Contingency	100,918	2	55	Contingency	240,682	3	55	Contingency	6,573
TOTAL INTANGIBLE DRILLING COSTS:			\$2,119,268	TOTAL INTANGIBLE COMPLETION COSTS:			\$3,387,390	TOTAL INTANGIBLE PRODUCTION COSTS:			\$72,300

TANGIBLE DRILLING COSTS				TANGIBLE COMPLETION COSTS				TANGIBLE PRODUCTION COSTS			
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
4	60	Conductor Casing	0	5	60	Conductor Casing		6	60	Conductor Casing	
4	61	Surface Casing	15,585	5	61	Surface Casing		6	61	Surface Casing	
4	62	1st Intermediate Casing	106,750	5	62	1st Intermediate Casing		6	62	1st Intermediate Casing	
4	63	2nd Intermediate Casing	314,475	5	63	2nd Intermediate Casing		6	63	2nd Intermediate Casing	
4	64	Production Casing	280,937	5	64	Production Casing		6	64	Production Casing	
4	65	Tubing		5	65	Tubing		6	65	Tubing	50,000
4	66	Wellhead	75,000	5	66	Wellhead		6	66	Wellhead	27,000
4	67	Permanent Packers/Hangers/Plugs		5	67	Permanent Packers/Hangers/Plugs		6	67	Permanent Packers/Hangers/Plugs	4,500
4	68	Tanks		5	68	Tanks		6	68	Tanks	
4	69	Production Vessels		5	69	Production Vessels		6	69	Production Vessels	81,200
4	70	Compressors		5	70	Compressors		6	70	Compressors	
4	71	Surface Flowlines		5	71	Surface Flowlines		6	71	Surface Flowlines	25,000
4	72	Gathering Lines		5	72	Gathering Lines		6	72	Gathering Lines	5,000
4	73	Valves & Controllers		5	73	Valves & Controllers		6	73	Valves & Controllers	
4	74	Artificial Lift Equipment		5	74	Artificial Lift Equipment		6	74	Artificial Lift Equipment	235,000
4	75	Instrumentation & Measurement		5	75	Instrumentation & Measurement		6	75	Instrumentation & Measurement	
4	76	Electrical Grounding/Safety Equipment		5	76	Electrical Grounding/Safety Equipment		6	76	Electrical Grounding/Safety Equipment	
4	77	Permanent Equipment Installation		5	77	Permanent Equipment Installation		6	77	Permanent Equipment Installation	
4	80	Other - Surface		5	80	Other - Surface		6	80	Other - Surface	
4	81	Other - Downhole		5	81	Other - Downhole		6	81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:			\$792,747	TOTAL TANGIBLE COMPLETION COSTS:			\$0	TOTAL TANGIBLE PRODUCTION COSTS:			\$427,700
TOTAL DRILLING COSTS:			\$2,912,014	TOTAL COMPLETION COSTS:			\$3,387,390	TOTAL PRODUCTION COSTS:			\$500,000
TOTAL WELL COST: \$6,799,404											

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO \_\_\_\_\_ VP - EXPLORATION \_\_\_\_\_

CFO \_\_\_\_\_ VP - OPERATIONS *AMB*

VP - LAND & LEGAL \_\_\_\_\_ SENIOR GEOLOGIST \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: \_\_\_\_\_

SIGNED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

WORKING INTEREST (%): \_\_\_\_\_ DATE: \_\_\_\_\_

TAX ID: \_\_\_\_\_ APPROVAL: \_\_\_\_\_

TAP ROCK OPERATING, LLC

602 Park Point Dr, Golden, Colorado 80401

Authorization For Expenditure

Name:

Delirium 25527E1313 #2344H

AFE #:

0

County:

Eddy

State:

New Mexico

Date: September 12, 2018

MD/TVD: 15430 / 10435

Lateral Length: 4500

Geologic Target: Wolfcamp B2

Well Description:

Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS			INTANGIBLE COMPLETION COSTS			INTANGIBLE PRODUCTION COSTS					
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
1	1	Land - Legal	10,000	2	1	Land - Legal		3	1	Land - Legal	
1	2	Land - Regulatory	7,500	2	2	Land - Regulatory		3	2	Land - Regulatory	
1	3	Land - Surface Damages	20,000	2	3	Land - Surface Damages		3	3	Land - Surface Damages	
1	4	Land - Survey	5,000	2	4	Land - Survey		3	4	Land - Survey	
1	5	Location/Pit Construction	125,000	2	5	Location/Pit Construction		3	5	Location/Pit Construction	5,000
1	6	Remedial Dirtwork	0	2	6	Remedial Dirtwork		3	6	Remedial Dirtwork	
1	7	Reserve/Frac Pit Closing	0	2	7	Reserve/Frac Pit Closing		3	7	Reserve/Frac Pit Closing	
1	8	Drilling - Contractor	479,513	2	8	Drilling - Contractor		3	8	Drilling - Contractor	
1	9	Mob/Rig Up - Contractor/Trucking	73,950	2	9	Mob/Rig Up - Contractor/Trucking		3	9	Mob/Rig Up - Contractor/Trucking	
1	10	Cementing Services	185,000	2	10	Cementing Services		3	10	Cementing Services	
1	11	Cementing Equipment	35,000	2	11	Cementing Equipment		3	11	Cementing Equipment	
1	12	Bits/Drill Out Assemblies	65,875	2	12	Bits/Drill Out Assemblies	31,292	3	12	Bits/Drill Out Assemblies	
1	13	Fluid Circulation Equipment/Services	82,775	2	13	Fluid Circulation Equipment/Services		3	13	Fluid Circulation Equipment/Services	
1	14	Fluids/Chemicals	99,250	2	14	Fluids/Chemicals	24,844	3	14	Fluids/Chemicals	
1	15	WBM Cuttings/Wastewater Disposal	90,000	2	15	WBM Cuttings/Wastewater Disposal		3	15	WBM Cuttings/Wastewater Disposal	
1	16	OBM Cuttings/Chemical Disposal	90,000	2	16	OBM Cuttings/Chemical Disposal		3	16	OBM Cuttings/Chemical Disposal	
1	17	Fuel/Power	111,250	2	17	Fuel/Power	287,500	3	17	Fuel/Power	
1	18	Water	22,500	2	18	Water	438,340	3	18	Water	
1	19	Directional Drilling	240,625	2	19	Directional Drilling		3	19	Directional Drilling	
1	20	Mud Logging	18,525	2	20	Mud Logging		3	20	Mud Logging	
1	21	Open/Cased/Production Hole Logs	0	2	21	Open/Cased/Production Hole Logs	10,550	3	21	Open/Cased/Production Hole Logs	
1	22	Coring	0	2	22	Coring		3	22	Coring	
1	23	Geologic Supervision	0	2	23	Geologic Supervision		3	23	Geologic Supervision	
1	24	Engineering Supervision	0	2	24	Engineering Supervision		3	24	Engineering Supervision	
1	25	Consultant Supervision	100,125	2	25	Consultant Supervision	63,745	3	25	Consultant Supervision	3,600
1	26	Freight/Transportation	30,000	2	26	Freight/Transportation	4,110	3	26	Freight/Transportation	10,000
1	27	Labor	0	2	27	Labor	17,190	3	27	Labor	25,000
1	28	Supplies - Surface	0	2	28	Supplies - Surface	4,110	3	28	Supplies - Surface	
1	29	Supplies - Living Quarters	0	2	29	Supplies - Living Quarters	4,110	3	29	Supplies - Living Quarters	
1	30	Rentals - Surface	67,375	2	30	Rentals - Surface	32,560	3	30	Rentals - Surface	
1	31	Rentals - Living Quarters	25,588	2	31	Rentals - Living Quarters	22,500	3	31	Rentals - Living Quarters	
1	32	Rentals - Downhole	3,500	2	32	Rentals - Downhole	0	3	32	Rentals - Downhole	
1	33	Rentals - Pipe & Handling Tools	30,000	2	33	Rentals - Pipe & Handling Tools	0	3	33	Rentals - Pipe & Handling Tools	
1	34	Rentals - Frac Stack		2	34	Rentals - Frac Stack	41,200	3	34	Rentals - Frac Stack	
1	35	Rentals - Frac Tanks		2	35	Rentals - Frac Tanks	9,930	3	35	Rentals - Frac Tanks	
1	36	Coil Tubing Unit/Workover Rig		2	36	Coil Tubing Unit/Workover Rig	78,070	3	36	Coil Tubing Unit/Workover Rig	17,127
1	37	Wireline/Slickline/Perforating		2	37	Wireline/Slickline/Perforating	199,550	3	37	Wireline/Slickline/Perforating	
1	38	Temporary Packers/Plugs		2	38	Temporary Packers/Plugs	33,000	3	38	Temporary Packers/Plugs	
1	39	High Pressure Pump Truck		2	39	High Pressure Pump Truck	110,760	3	39	High Pressure Pump Truck	
1	40	Stimulation		2	40	Stimulation	1,479,793	3	40	Stimulation	
1	41	Rentals - Pressure Control		2	41	Rentals - Pressure Control	24,165	3	41	Rentals - Pressure Control	
1	42	Flowback Services		2	42	Flowback Services	101,750	3	42	Flowback Services	
1	43	Water Transfer Services		2	43	Water Transfer Services	91,100	3	43	Water Transfer Services	
1	44	Flowback Water Trucking & Disposal		2	44	Flowback Water Trucking & Disposal	12,660	3	44	Flowback Water Trucking & Disposal	
1	45	Permanent Equipment Installation		2	45	Permanent Equipment Installation		3	45	Permanent Equipment Installation	
1	46	Pipeline Tapping Services		2	46	Pipeline Tapping Services		3	46	Pipeline Tapping Services	
1	47	Plugging & Abandonment	0	2	47	Plugging & Abandonment		3	47	Plugging & Abandonment	
1	53	Overhead	0	2	53	Overhead	23,880	3	53	Overhead	5,000
1	54	Insurance	0	2	54	Insurance		3	54	Insurance	
1	55	Contingency	100,918	2	55	Contingency	240,682	3	55	Contingency	6,573
TOTAL INTANGIBLE DRILLING COSTS:			\$2,119,268	TOTAL INTANGIBLE COMPLETION COSTS:			\$3,387,390	TOTAL INTANGIBLE PRODUCTION COSTS:			\$72,300

TANGIBLE DRILLING COSTS				TANGIBLE COMPLETION COSTS				TANGIBLE PRODUCTION COSTS			
COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT	COST CODES		DESCRIPTION	AMOUNT
4	60	Conductor Casing	0	5	60	Conductor Casing		6	60	Conductor Casing	
4	61	Surface Casing	15,585	5	61	Surface Casing		6	61	Surface Casing	
4	62	1st Intermediate Casing	106,750	5	62	1st Intermediate Casing		6	62	1st Intermediate Casing	
4	63	2nd Intermediate Casing	314,475	5	63	2nd Intermediate Casing		6	63	2nd Intermediate Casing	
4	64	Production Casing	285,734	5	64	Production Casing		6	64	Production Casing	
4	65	Tubing		5	65	Tubing		6	65	Tubing	50,000
4	66	Wellhead	75,000	5	66	Wellhead		6	66	Wellhead	27,000
4	67	Permanent Packers/Hangers/Plugs		5	67	Permanent Packers/Hangers/Plugs		6	67	Permanent Packers/Hangers/Plugs	4,500
4	68	Tanks		5	68	Tanks		6	68	Tanks	
4	69	Production Vessels		5	69	Production Vessels		6	69	Production Vessels	81,200
4	70	Compressors		5	70	Compressors		6	70	Compressors	
4	71	Surface Flowlines		5	71	Surface Flowlines		6	71	Surface Flowlines	25,000
4	72	Gathering Lines		5	72	Gathering Lines		6	72	Gathering Lines	5,000
4	73	Valves & Controllers		5	73	Valves & Controllers		6	73	Valves & Controllers	
4	74	Artificial Lift Equipment		5	74	Artificial Lift Equipment		6	74	Artificial Lift Equipment	235,000
4	75	Instrumentation & Measurement		5	75	Instrumentation & Measurement		6	75	Instrumentation & Measurement	
4	76	Electrical Grounding/Safety Equipment		5	76	Electrical Grounding/Safety Equipment		6	76	Electrical Grounding/Safety Equipment	
4	77	Permanent Equipment Installation		5	77	Permanent Equipment Installation		6	77	Permanent Equipment Installation	
4	80	Other - Surface		5	80	Other - Surface		6	80	Other - Surface	
4	81	Other - Downhole		5	81	Other - Downhole		6	81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:			\$797,544	TOTAL TANGIBLE COMPLETION COSTS:			\$0	TOTAL TANGIBLE PRODUCTION COSTS:			\$427,700
TOTAL DRILLING COSTS:			\$2,916,811	TOTAL COMPLETION COSTS:			\$3,387,390	TOTAL PRODUCTION COSTS:			\$500,000
TOTAL WELL COST: \$6,804,201											

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO \_\_\_\_\_ VP - EXPLORATION \_\_\_\_\_

CFO \_\_\_\_\_ VP - OPERATIONS *AMB*

VP - LAND & LEGAL \_\_\_\_\_ SENIOR GEOLOGIST \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: \_\_\_\_\_

SIGNED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

WORKING INTEREST (%): \_\_\_\_\_ DATE: \_\_\_\_\_

TAX ID: \_\_\_\_\_ APPROVAL: \_\_\_\_\_



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

**APPLICATION OF TAP ROCK OPERATING, LLC  
FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 20242**

**AFFIDAVIT OF NOTICE**

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

I, Seth C. McMillan, attorney in fact and authorized representative of Tap Rock Operating, LLC, the Applicant in the above-captioned matters, being first duly sworn, upon oath state that I sent copies of the Application in this matter to the parties as specified on the attached **Exhibit A**. Proof of receipt is attached hereto. I also had published a Notice in the Carlsbad Current-Argus. An Affidavit of Publication is attached as **Exhibit B**. Tap Rock has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.

  
\_\_\_\_\_  
SETH C. McMILLAN

SUBSCRIBED AND SWORN to before me this 6<sup>th</sup> day of February, 2019.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

6/13/2022

## **EXHIBIT A**

### **WORKING INTEREST OWNERS**

Devon Energy Production Company, LP  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5015

Occidental Permian L.P.  
5 Greenway Plaza Suite 110  
Houston, Texas 77046

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

### **ORRIs/NPRIIs**

Devon Energy Production Company, LP  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5015

Occidental Permian L.P.  
5 Greenway Plaza Suite 110  
Houston, Texas 77046

7015 1730 0000 9793 8387

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
OFFICIAL USE	
Certified Mail Fee \$ <u>3.45</u>	<b>SANTA FE NM</b> Postmark Here <b>JAN 10 2019</b> <b>USPO 87504</b>
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>1.21</u>	
Total Postage and Fees \$ <u>7.41</u>	
Sent To Street and City, State,	Devon Energy Production Company, LP 333 West Sheridan Avenue Oklahoma City, OK 73102-5015
PS Form 3811	Postmark Here

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <u>X David Carrillo</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: <div style="text-align: center;">  </div>
1. Article Addressed to: Devon Energy Production Company, LP 333 West Sheridan Avenue Oklahoma City, OK 73102-5015   9590 9403 0913 5223 4544 72	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"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) <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
2. Article Number (Transfer from service label) 7015 1730 0000 9793 8387	

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

Domestic Return Receipt

7015 1730 0000 9793 8400

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
OFFICIAL USE	
Certified Mail Fee \$ 3.45	Postmark Here  SANTA FE NM JAN 10 2019 USPO 87504
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 \$ 1.21	
Total Postage and Fees \$ 7.41	
Sent To COG Operating, LLC	
Street an 600 West Illinois Avenue	
City, Stat Midland, Texas 79701	
PS Form	ctions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> <i>Janet Watkins</i> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  <i>Janet Watkins</i></p> <p>C. Date of Delivery  <i>1-14-19</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>																
<p>1. Article Addressed to:  COG Operating, LLC  600 West Illinois Avenue  Midland, Texas 79701</p> <p>9590 9403 0913 5223 4544 41</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<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	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<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																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>2. Article Number (Transfer from service label)  7015 1730 0000 9793 8400</p>																	

7015 1730 0000 9793 8394

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## Certified Mail Fee

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

☒ Return Receipt (hardcopy) \$ 2.75  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

## Postage

\$ 1.21

## Total Postage and Fees

\$ 7.41

## Sent To

Street and

City, State,

PS Form 3

Occidental Permian L.P.  
5 Greenway Plaza Suite 110  
Houston, Texas 77046

Postmark  
JAN 10 2019  
USPO 87504

## 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:

Occidental Permian L.P.  
5 Greenway Plaza Suite 110  
Houston, Texas 77046



9590 9403 0913 5223 4544 58

## 2. Article Number (Transfer from service label)

7015 1730 0000 9793 8394

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

1/15/19

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

James E. Beard  
JAMES BEARD

## 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 (over \$500)

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

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

Domestic Return Receipt



CARLSBAD  
**CURRENT-ARGUS**

**AFFIDAVIT OF PUBLICATION**

Ad No.  
0001274394

MONTGOMERY & ANDREWS P.A.  
PO BOX 2307

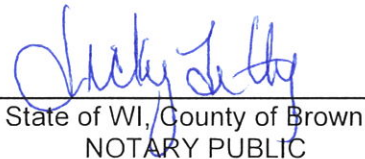
SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

01/17/19

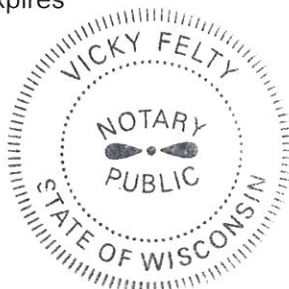
  
Legal Clerk

Subscribed and sworn before me this  
17th of January 2019.

  
State of WI, County of Brown  
NOTARY PUBLIC

9-19-21  
My Commission Expires

Ad#:0001274394  
P O : Tap Rock-Delirium II  
# of Affidavits :0.00



**NOTICE**

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns: **Devon Energy Production Company, LP; COG Operating, LLC Occidental Permian L.P.**

Tap Rock Operating, LLC has filed an application with the New Mexico Oil Conservation Division as follows. Please note that the Division has not yet assigned a case number:

**Application of Tap Rock Operating, LLC for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 of Section 13, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp; Pool code 98220) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed initial **Delirium State Com #244H well**, to be horizontally drilled from an approximate surface location 449' FSL and 1046' FEL of Section 13 to a bottom hole location 200' FNL and 750' FEL of Section 13. This is the "defining well" for this unit. Also to be drilled is the following infill well: **Delirium State Com #234H well**, to be horizontally drilled from an approximate surface location 449' FSL and 1021' FEL of Section 13 to a bottom hole location 200' FNL and 332' FEL of Section 13. The completed intervals and first and last take points for these wells are within the setbacks required by the Purple Sage-Wolfcamp pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 7 miles Southwest of Malaga, New Mexico.

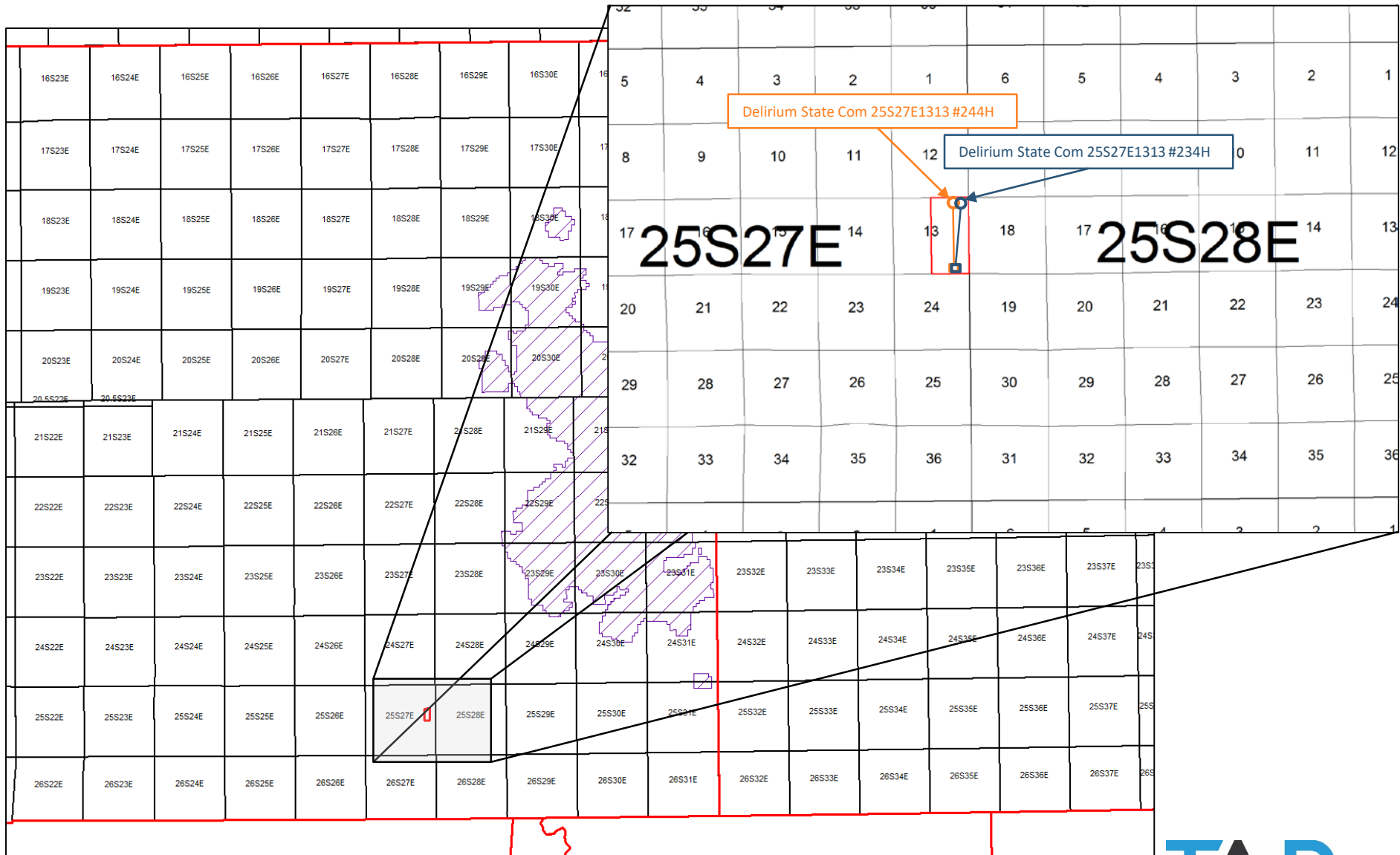
Hearing on this application is scheduled at 8:15 a.m. on Thursday, February 7, 2019 at the Oil Conservation Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. For further information, contact the applicant's attorney, Seth C. McMillan, Montgomery and Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 982-3873.

January 17, 2019

**EXHIBIT B**



# Project Locator Map



# Subsea Structure Map (Top Wolfcamp B)

## Map Legend

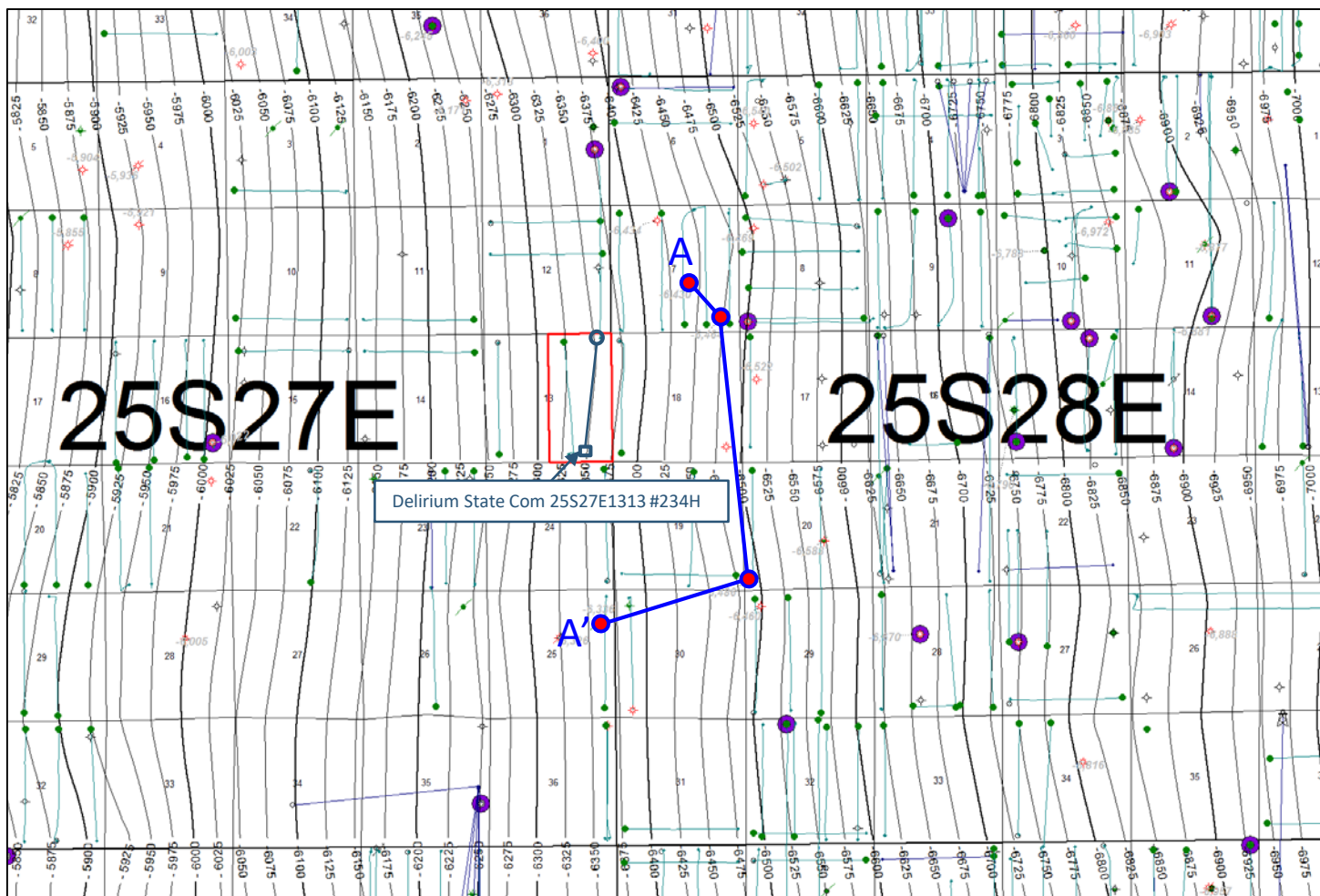
SHL □ Tap Rock –  
Horizontal Locator

BHL ○

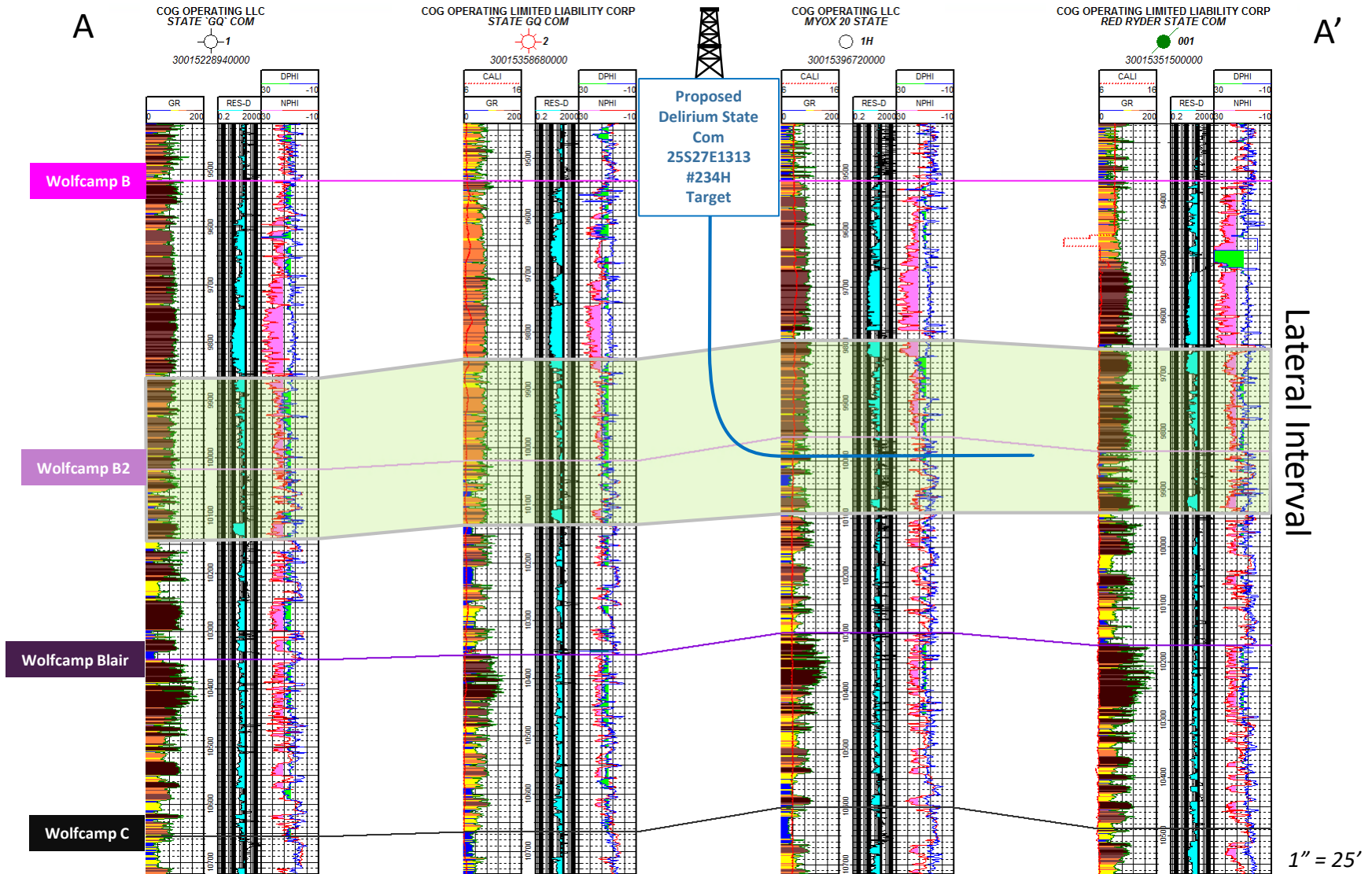
Spacing Unit

C.I. = 25'

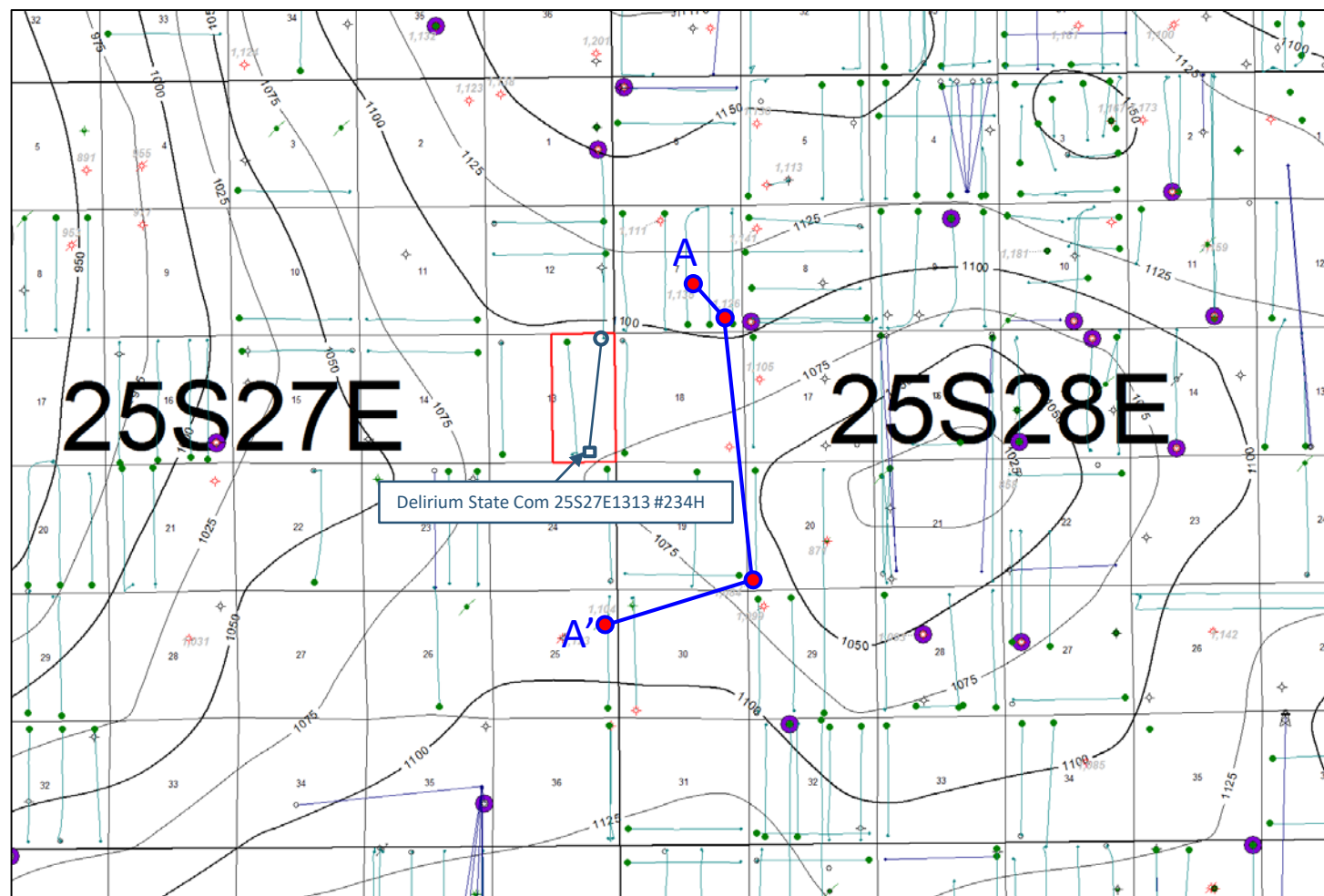
● Wolfcamp B Target



# Stratigraphic Cross-Section - A-A'



# Isopach Map (Wolfcamp B to Wolfcamp C)



## Map Legend

SHL □ Tap Rock –  
Horizontal Locator

BHL ○

Spacing Unit

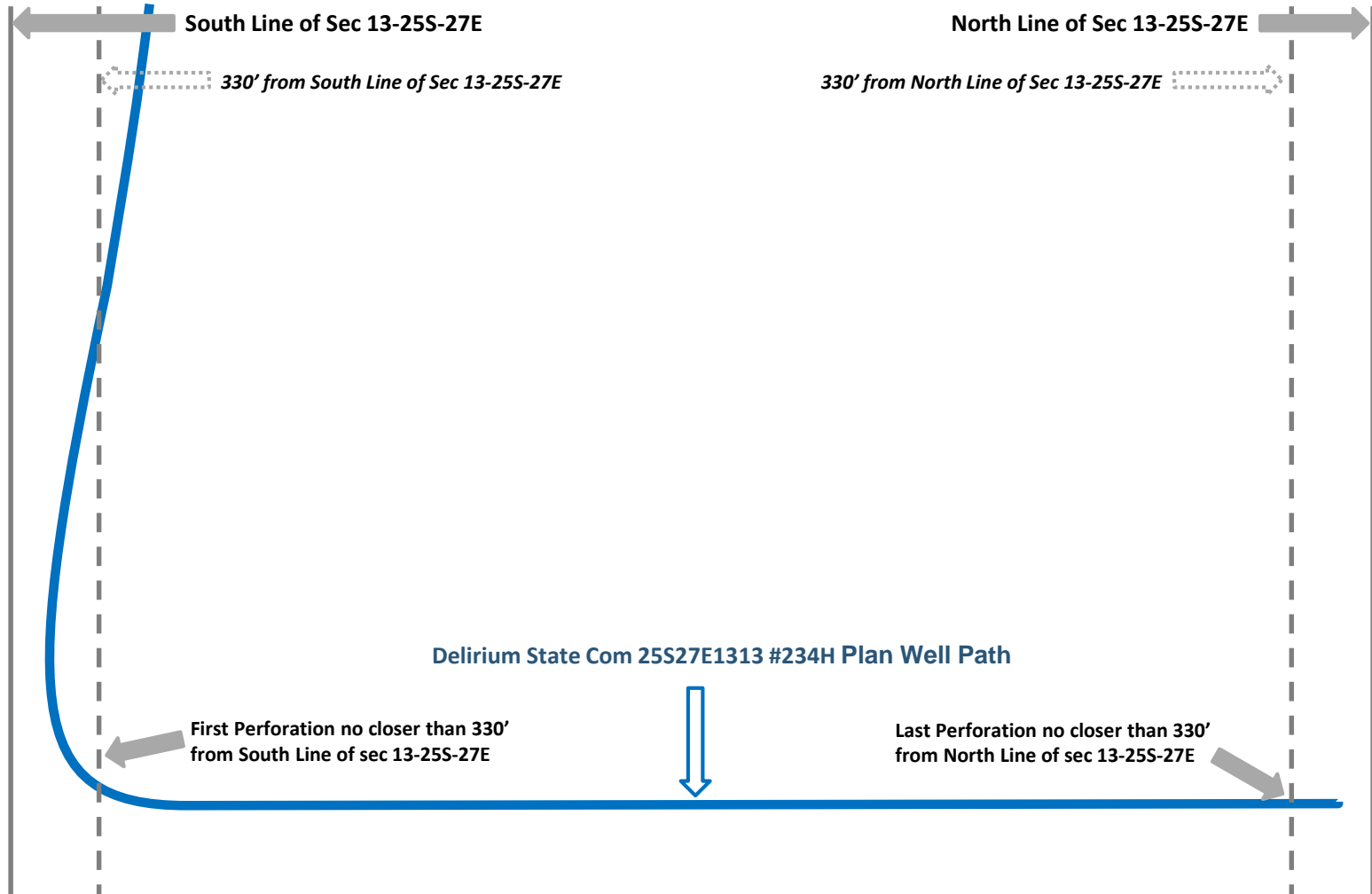
C.I. = 25'

● Wolfcamp B Target

# Delirium State Com 25S27E1313 #234H (1 mile S-N Lateral)


Delirium State Com 25S27E1313 #234H  
Surface Hole: 449' FSL & 1021' FEL of sec 13-25S-27E  
Bottom Hole: 200' FNL & 332' FEL of sec 13-25S-27E

*\*Diagram not to scale*



# Subsea Structure Map (Top Wolfcamp B)


## Map Legend

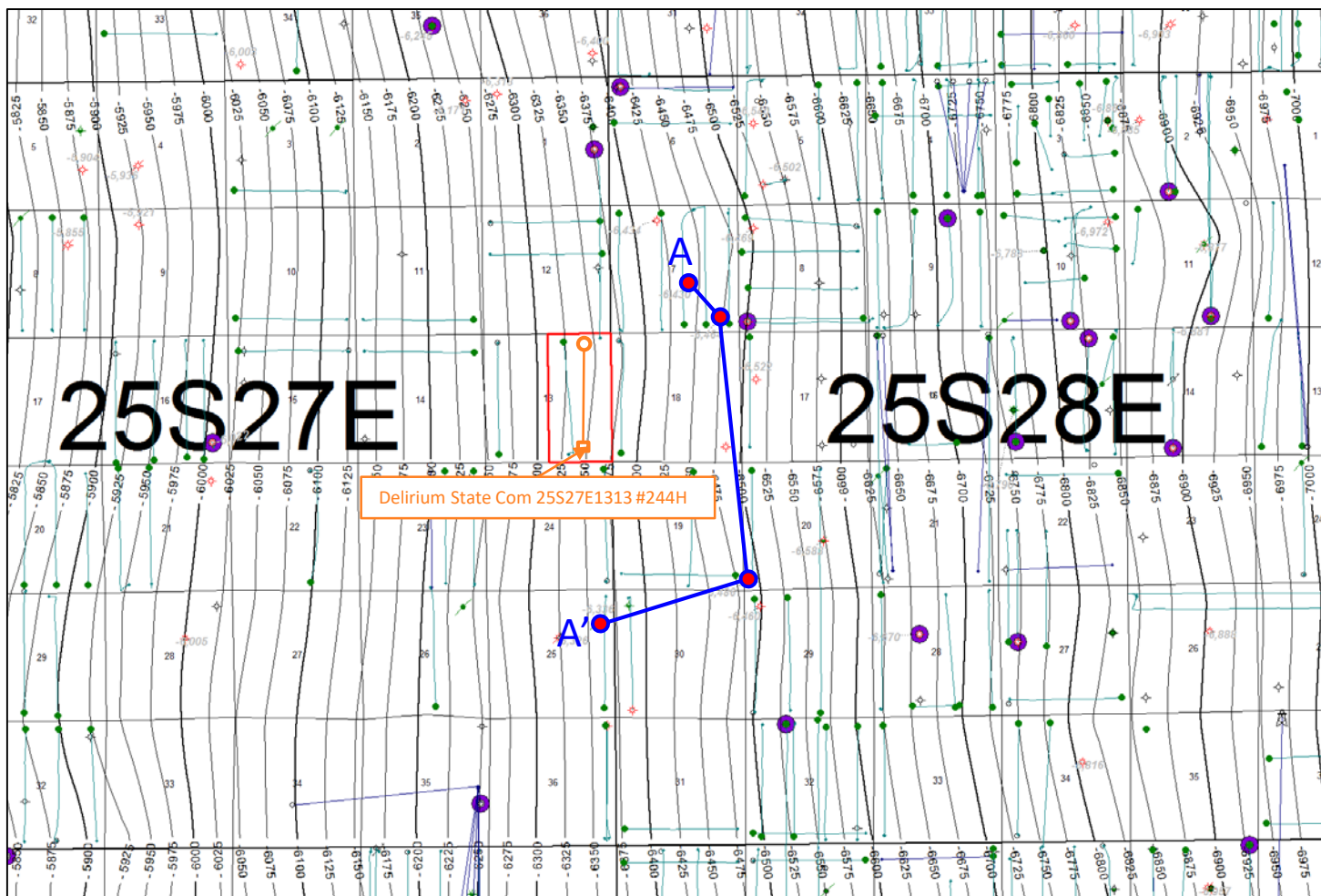
SHL  Tap Rock –  
Horizontal Locator

BHL 

 Spacing Unit

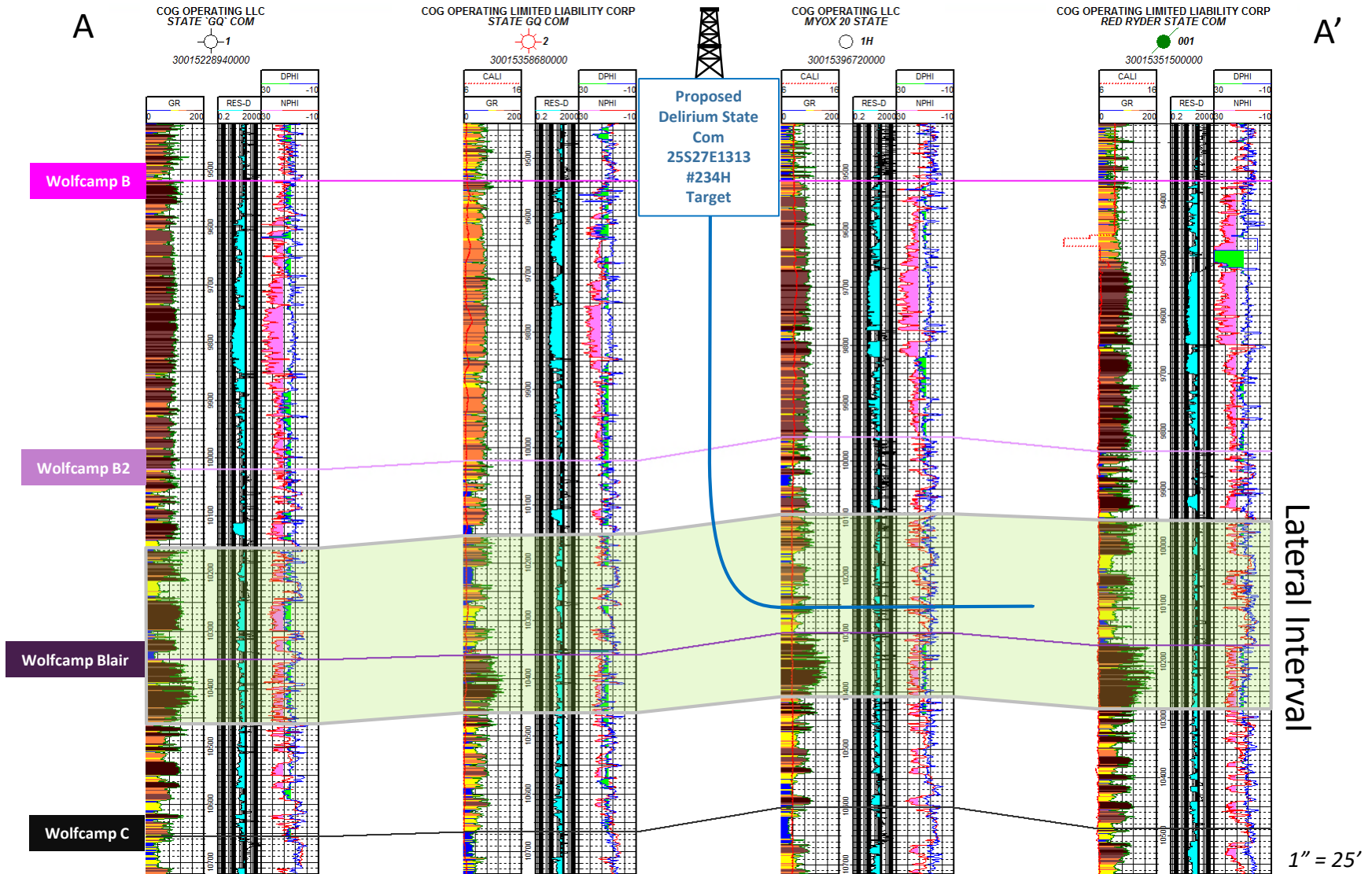
C.I. = 25'

 Wolfcamp B Target





# Stratigraphic Cross-Section - A-A'



# Isopach Map (Wolfcamp B to Wolfcamp C)

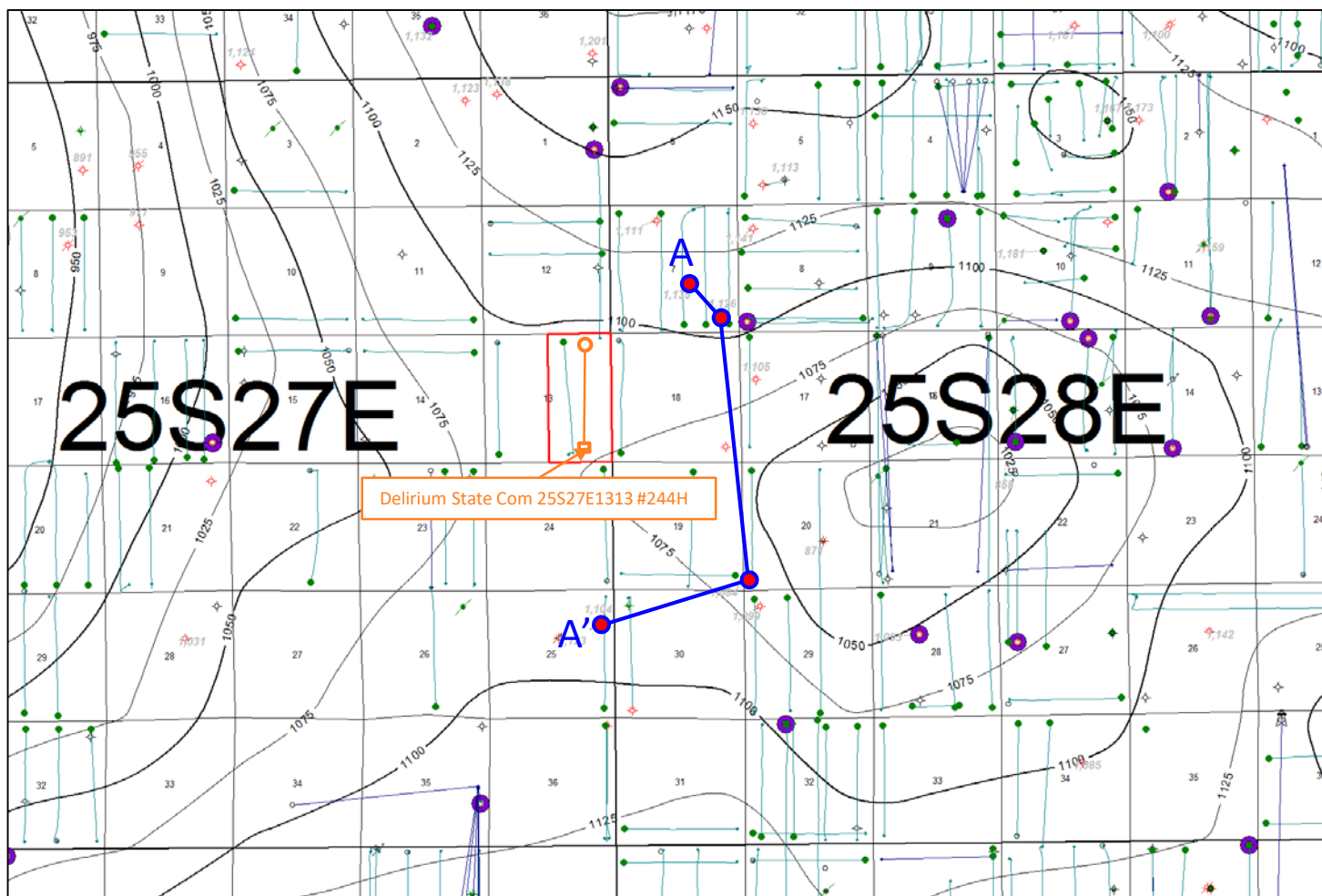
## Map Legend

SHL □ Tap Rock –  
Horizontal Locator

BHL ○  
Spacing Unit

C.I. = 25'

● Wolfcamp B Target





# Delirium State Com 25S27E1313 #244H (1 mile S-N Lateral)

Delirium State Com 25S27E1313 #244H  
Surface Hole: 449' FSL & 1046' FEL of sec 13-25S-27E  
Bottom Hole: 200' FNL & 750' FEL of sec 13-25S-27E

*\*Diagram not to scale*

