

Case No. 20471

Neptune 8 WXY Fee 1H, Neptune 8 WA Fee 3H, Neptune 8 WXY Fee 5H, Neptune 8 WA Fee 7H, Neptune 8 WD Fee 2H, Neptune 8 WD Fee 4H, Neptune 8 WD Fee 8H



Exhibit A

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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 2047/

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

In support of this application, Marathon states as follows:

- 1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the W/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, spacing unit.
- 3. Marathon plans to drill the Neptune 8 WXY Fee 1H; Neptune 8 WA Fee 3H; Neptune 8 WXY Fee 5H; Neptune 8 WA Fee 7H; Neptune 8 WD Fee 2H; Neptune 8 WD Fee 4H; Neptune 8 WD Fee 8H wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled.
- 4. These wells will be located within the Purple Sage Wolfcamp Gas Pool, pool code 98220.



- 5. These wells do not comply with the Division's setback requirements for this pool.

 Marathon will apply for administrative approval of the non-standard well locations separately.
- 6. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 8. Marathon further requests that it be allowed one (1) year between the time the wells are drilled and completion of the first well under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division May 2, 2019, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;
- B. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

F. Allowing a time period of one (1) year between when the wells are drilled

and when the first well is completed under the order.

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Deana M. Bennett

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

Attorneys for Applicant

CASE NO. 2097 Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Neptune 8 WXY Fee 1H; Neptune 8 WA Fee 3H; Neptune 8 WXY Fee 5H; Neptune 8 WA Fee 7H; Neptune 8 WD Fee 8H wells, to be horizontally drilled. The producing area for these wells will be unorthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 3.5 miles North/Northwest of Loving, New Mexico.

District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District III
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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

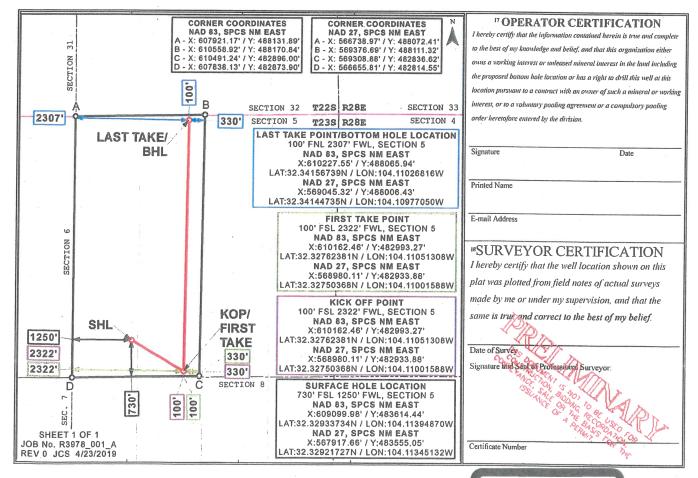
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	er		² Pool Code			3 Pool Na	ame			
				98220		PUPLE	SAGE; WO	LFCAN	IP (GA	(S)	
4 Property	Code			⁵ Property Name						⁶ Well Number	
				N	1H						
⁷ OGRID	No.				9 Elevation						
372098		MARATHON OIL PERMIAN LLC						3030'			
	¹⁰ Surface Location										
UL or lot no.	Section	n Township Rauge Lot Idn Feet fr				e North/South line	Feet from the	Eas	/West line	County	
M	5	23S	28E		730	SOUTH	1250	WE	ST	EDDY	
			" Bot	ttom Hol	e Location	If Different From	n Surface				

Bottom Hole Location if Different From Surface UL or lot no. Section Township Range Feet from the North/South line Feet from the East/West line County C 5 28E **23S** 100 NORTH 2307 WEST **EDDY** 12 Dedicated Acres 3 Joint or Infill 14 Consolidation Code 15 Order No. 319.49



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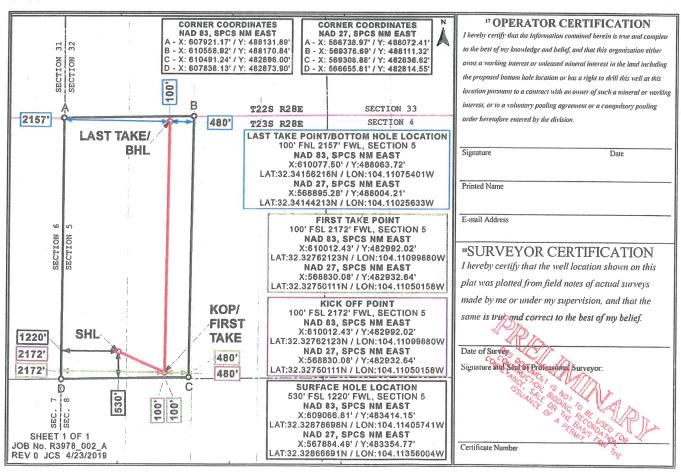
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				T											
1 '/	API Numbe	er			² Pool	Code				3 Pool Na	ıme				
					982	220		PUPL	E SA	GE; WO	LFCAN	IP (GA	(S)		
⁴ Property (Code				⁵ Property Name							6	⁶ Well Number		
					NEPTUNE 8 WD FEE							2H			
OGRID !	No.					8 (Operator l	Name				⁹ Elevation			
37209	8				MA	RATHON	OIL	PERMIAN I	LLC			3031'			
				10 Su	rface I	Location									
UL or lot no.	Section	Townshi	р	Range	Lo	t Idn Feet	from the	North/South li	ne	Feet from the	East	/West line	County		
M	5	235	3	28E		53	0	SOUTH		1220	WE	ST	EDDY		
		. 11		" Bottom		"Bottom Hole Location If Different From Sur		rface							
UL or lot no.	Section	Township Range		Range Lot Idn		from the	North/South li	ne	Feet from the	East	/West line	County			
C	5	238	3 :	28E		10	0	NORTH		2157	WE	ST	EDDY		
12 Dedicated Acres	13 Joint of	r Infill	14 Cons	olidation	Code	15 Order No.				L					
319.49															



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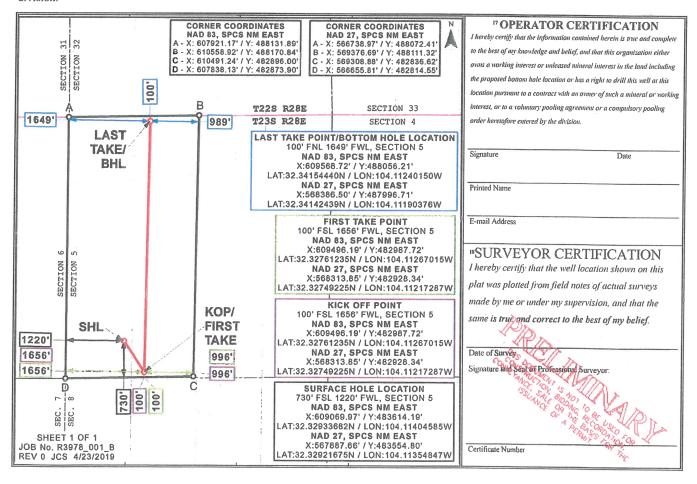
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1	API Numbe	r	T	² Pool Cod	e		³ Pool Na	me		
				98220		PUPLE	SAGE; WO	LFCAM	IP (GA	S)
4 Property	Code	2 0			⁵ Property	Name			⁶ Well Number	
]	NEPTUNE 8	WA FEE			3H	
7 OGRID	- 1				⁹ Elevation					
37209	8			MARATHON OIL PERMIAN LLC						3030'
2 2					[™] Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County
M	5	23S	28E		730	SOUTH	1220	WES	ST	EDDY
				ttom Ho	le Location If	Different Fron	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	West line	County
C	5	23S	28E		100	NORTH	1649	WES	ST	EDDY
12 Dedicated Acres	13 Joint of	Infill 14	Consolidation	Code 15 Or	der No.	·				
319.49										100



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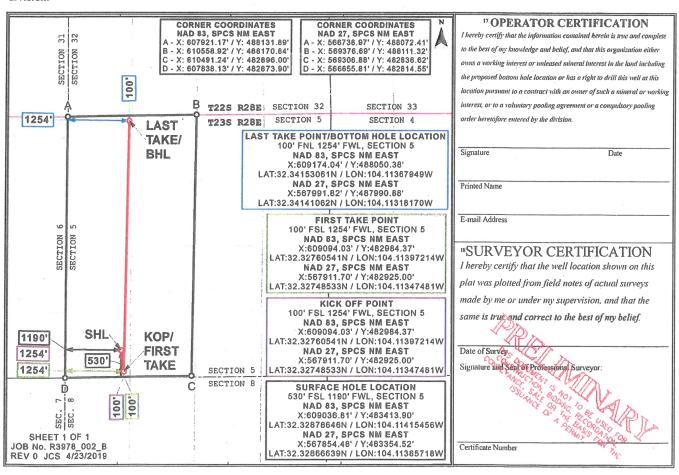
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1.	API Numbe	er			² Poo	l Code			3 Pool Na	ıme	4		
					98	220		PUPLE	SAGE; WO	LFCAN	IP (GA	LS)	
4 Property	Code			⁵ Property Name						61	Well Number		
				NEPTUNE 8 WD FEE							4H		
OGRID 7	No.						⁸ Operator	N _a me			9 Elevation		
37209	8				MARATHON OIL PERMIAN LLC						3031'		
							¹⁰ Surface	Location					
UL or lot no.	Section	Township		Range	Lo	t Idn	Feet from the	North/South line	Feet from the	East/West line		County	
M	5	238	5 2	28E			530	SOUTH	1190	WE	ST	EDDY	
				" Во	ttom	Hole	e Location I	f Different Froi	n Surface				
UL or lot no.	Section	Townshi	р	Range	Lo	t Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
D	5	235	5 2	28E			100	NORTH	1254	WE	ST	EDDY	
12 Dedicated Acres	¹³ Joint o	r Infill	14 Consol	lidation	Code	15 Ord	ler No.	-					
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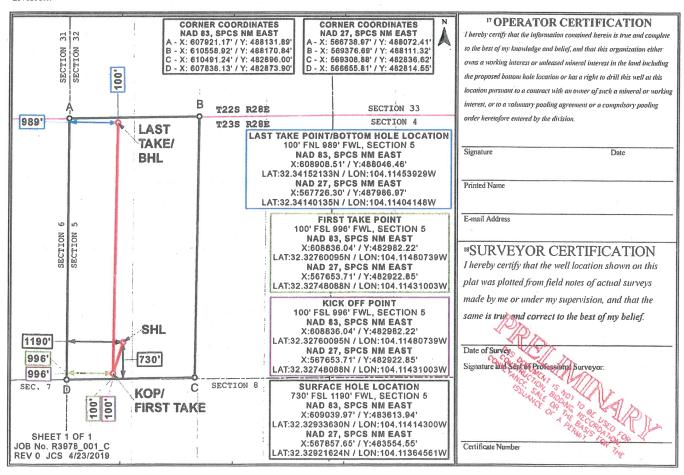
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1	API Numbe	r		² Pool Cod	e	³ Pool Name					
				98220		PUPLE	SAGE; WO	LFCAN	IP (GAS)		
4 Property (Code				⁵ Property	Name			⁶ Well Number		
	^			N	IEPTUNE 8	WXY FEE			5H		
7 OGRID	No.			8 Operator Name						⁹ Elevation	
37209	8			MARATHON OIL PERMIAN LLC						3030'	
		8			¹⁰ Surface l	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
M	5	23S	28E		730	SOUTH	1190	WE	ST	EDDY	
			" Bo	ttom Ho	le Location If	Different Fron	n Surface			-	
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East	/West line	County	
D	5	23S	28E		100	NORTH	989	WE	ST	EDDY	
12 Dedicated Acres	13 Joint of	r Infill 14 (Consolidation	Code 15 Or	der No.						
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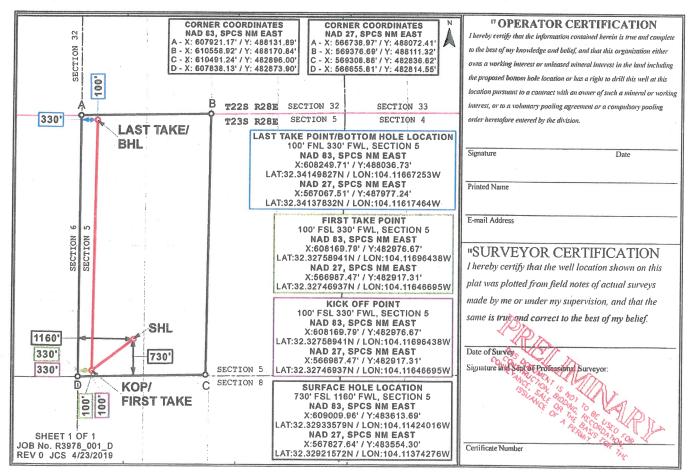
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1	API Numbe	r		² Pool Cod	le		3 Pool Na	me			
_				98220	5 Property		SAGE; WO	LFCAM	IP (GA	LS)	
4 Property (Code				6 1	⁶ Well Number					
]	NEPTUNE 8	3 WA FEE				7H	
OGRID!	1				⁹ Elevation						
37209	8		8 ,	MARATHON OIL PERMIAN LLC						3030'	
					[™] Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
M .	5	23S	28E		730	SOUTH	1160	WES	ST	EDDY	
				ttom Ho	le Location I	f Different Fron	n Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
D	5	23S	28E		100	NORTH	330	WES	ST	EDDY	
12 Dedicated Acres	13 Joint or	Infill 14	⁴ Consolidation	Code 15 Or	rder No.						
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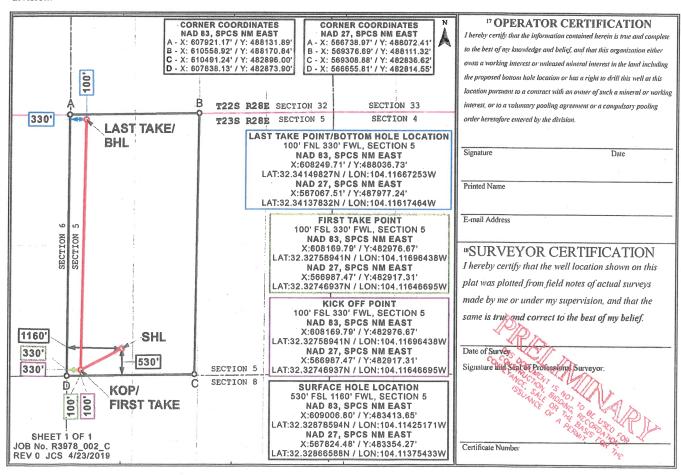
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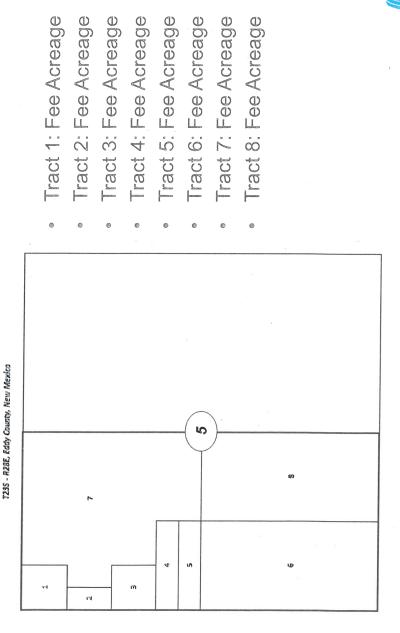
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1,	API Numbe	r			² Pool	Code			3 Pool Na	ame				
					982	220		PUPLE	SAGE; WO	LFCAN	IP (GA	LS)		
⁴ Property (Code			⁵ Property Name							6 1	Well Number		
				NEPTUNE 8 WD FEE							8H			
OGRID !	vo.						8 Operator	Name	· · · · · · · · · · · · · · · · · · ·		⁹ Elevation			
37209	8				MA	RATHO	RATHON OIL PERMIAN LLC					3031'		
		,		10 S	urface l	Location								
UL or lot no.	Section	Township		Range	Lo	t Idn Fe	et from the	North/South line	Feet from the	East	/West line	County		
M	5	238	3 2	28E		5	30	SOUTH	1160	WE	ST	EDDY		
				" Во	ttom	Hole Loc	ation If	Different From	n Surface					
UL or lot no.	Section	Township	Township R		Lo	t Idn Fe	et from the	North/South line	Feet from the	East	/West line	County		
D	5	238	3 2	28E		1	00	NORTH	330	WE:	ST	EDDY		
12 Dedicated Acres	13 Joint or	r Infill	14 Conso	olidation	Code	15 Order No.	***************************************							
319.49					-									



Neptune 8 WXY Fee 1H, Neptune 8 WA Fee 3H, Neptune 8 WXY Fee 5H, Neptune 8 WA Fee 7H

W/2 of Section 5, T23S-R28E- 320 acres - Above 10,000'







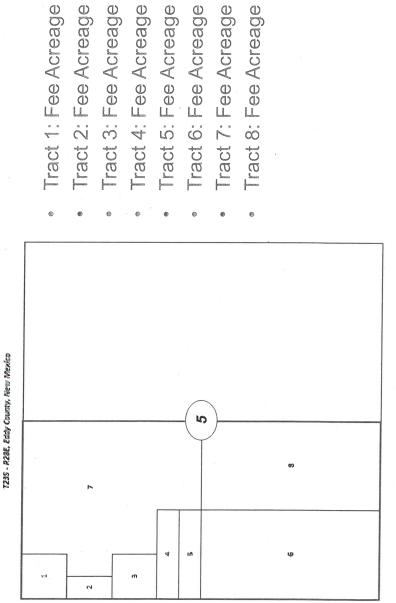


Neptune 8 WXY Fee 1H, Neptune 8 WA Fee 3H, Neptune 8 WXY Fee 5H, Neptune 8 WA Fee 7H Neptune 8 WA Fee 7H Neptune 8 WA Fee 7H V/2 of Section 5, T23S-R28E-320 acres - Above 10,000'

51.800036% 51.800036%	45.872495% 25.032866% 12.516428% 3.7542988% 1.251643% 0.585747%	2.327469% 2.327469%
Committed Working Interest: Marathon Oil Permian LLC	Uncommitted Working Interest: OXY USA WTP Limited Partnership Blakernore Family Limited DSD Energy Resources, LLC Sisbro Oil & Gas, LLC Norman L. Stevens Jr. Irrevocable Trust Mizel Resources, A Trust Norma J. Chanley	<u>Unleased Mineral Interest:</u> Spear Brothers Sheep & Cattle Company, LLC

Neptune 8 WD Fee 2H, Neptune 8 WD Fee 4H, Neptune 8 WD Fee 8H Lease Tract Map

W/2 of Section 5, T23S-R28E- 320 acres - Below 10,000'







Summary of Interests Neptune 8 WD Fee 2H, Neptune 8 WD Fee 8H W/2 of Section 5, T23S-R28E- 320 acres - Below 10,000'

Committed Working Interest: Marathon Oil Permian LLC Uncommitted Working Interest:
OXY USA WTP Limited Partnership
Blakemore Family Limited
Sisbro Oil & Gas, LLC
Norman L. Stevens Jr. Irrevocable Trust
Mizel Resources, A Trust
Norma J. Chanley

Unleased Mineral Interest: Spear Brothers Sheep & Cattle Company, LLC

55.301946%
55.301946%
42.370585%
25.032856%
12.51643%
2.545397%
1.251643%
0.636350%
0.387911%
2.327469%
2.327469%

Jeffrey Broussard Landman



Marathon Oil Permian LLC 5555 San Felipe Street Houston, Texas 77056 Telephone: 713-296-3159 jbroussard1@marathonoil.com

February 25, 2019

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED 7017 2680 0000 3163 1160

OXY USA WTP, LTD 5 Greenway Plaza, Suite 110 Houston, Texas 77046

Re:

Neptune 1H, 2H, 3H, 4H, 5H, 7H, 8H Well Proposals W/2 of Section 5, Township 23 South, Range 28 East Eddy County, New Mexico

Dear OXY USA WTP, LTD:

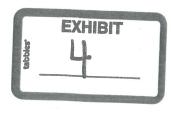
Marathon Oil Permian LLC ("Marathon") proposes the drilling of the following wells located in Section 5, 23S-28E, Eddy, New Mexico, all to be drilled from two surface pad locations.

Pad	Well Name	0.11		_	Target	
rau	well lagille	SHL	BHL	Proration Unit	TVD	Est. MD
1	Neptune 8 WXY Fee 1H	1250' FWL & 730' FSL	2310' FWL & 100' FNL	W/2 of Sec. 5	9,407'	14,826'
1	Neptune 8 WA Fee 3H	1220' FWL & 730' FSL	1640' FWL & 100' FNL	W/2 of Sec. 5	9,524'	, 14,890'
1	Neptune 8 WXY Fee 5H	1190' FWL & 730' FSL	990' FWL & 100' FNL	W/2 of Sec. 5	9,400'	14,755'
1	Neptune 8 WA Fee 7H	1160' FWL & 730' FSL	330' FWL & 100' FNL	W/2 of Sec. 5	9,514'	14,900'
2	Neptune 8 WD Fee 2H	1250' FWL & 530' FSL	2178' FWL & 100' FNL	W/2 of Sec. 5	10,206'	15,594'
, 2	Neptune 8 WD Fee 4H	1220' FWL & 530' FSL	1254' FWL & 100' FNL	W/2 of Sec. 5	9,988'	15,330'
2	Neptune 8 WD Fee 8H	1190' FWL & 530' FSL	330' FWL & 100' FNL	W/2 of Sec. 5	10,206'	15,580'

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The AFEs represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred.

Marathon proposes drilling the wells under the terms of the 1989 AAPL JOA. Enclosed is a draft of the JOA covering the contract area. The JOA has the following general provisions:

- 100%/300%/300% non-consent penalty
- \$7,000/\$700 drilling and producing rates
- Contract area of W/2 of Section 5, 23S-28E, covering the depths from the top of the Wolfcamp formation to the base the Wolfcamp formation



If your election is to participate in the drilling and completion of the wells, please sign and return a copy of this letter along with the enclosed AFE within thirty (30) days of receipt of this proposal.

If you do not wish to participate, Marathon proposes to acquire your interest via term assignment at the following terms:

•

.

This term assignment offer terminates on March 25, 2019 and is subject to due diligence and title verification satisfactory to Marathon.

Should you have any questions regarding this or other matters, please do not hesitate to contact me at the above listed phone number or email.

Sincerely,

Jeffrey Broussard

Marathon Oil Permian LLC

OXY USA WTP, LTD elects to participate in the drilling, completing, and equipping of the Neptune 8 WXY Fee 1H.

OXY USA WTP, LTD elects NOT to participate in the drilling, completing, and equipping of the Neptune 8 WXY Fee 1H.

OXY USA WTP, LTD elects to participate in the drilling, completing, and equipping of the Neptune 8 WD Fee 2H.

OXY USA WTP, LTD elects NOT to participate in the drilling, completing, and equipping of the Neptune 8 WD Fee 2H.

____OXY USA WTP, LTD elects to participate in the drilling, completing, and equipping of the Neptune 8 WA Fee 3H.

OXY USA WTP, LTD elects NOT to participate in the drilling, completing, and equipping of the Neptune 8 WA Fee 3H.

OXY USA WTP, LTD elects to participate in the drilling, completing, and equipping of the Neptune 8 WD Fee 4H.

OXY USA WTP, LTD elects NOT to participate in the drilling, completing, and equipping of the Neptune 8 WD Fee 4H

OXY USA WTP, LTD elects to participate in the drilling, completing, and equipping of the Neptune 8 WXY Fee 5H.

OXY USA WTP, LTD elects NOT to participate in the drilling, completing, and equipping of the Neptune 8 WXY Fee 5H.

8 WA Fee 7H.	e in the drilling, c	ompleting, and	equipping of th	ie Neptune
OXY USA WTP, LTD elects NOT to Neptune 8 WA Fee 7H	participate in the	drilling, comp	oleting, and eq	uipping of
OXY USA WTP, LTD elects to participat 8 WD Fee 8H. OXY USA WTP, LTD elects NOT to pa Neptune 8 WD Fee 8H.		. ,		•
OXY USA WTP, LTD				
By:				
Print Name:				
Title:				
Date:				

DATE 12/12/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY

BILLY MOORE/MATT HI

Asset Team	PERMIAN	
Field	PURPLE SAGE; WOL FORMATION: WOLFCAMP XY WILDCAT	EXPLORATION
Lease/Facility	Neptune 8 WXY Fee 1H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth	14,826 Est Drilling Days Est Completion Days	5.5
LOCATION COST	- INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
	TOTAL LOCATION COST - INTANGIBLE	71,250
DRILLING COST -	TANGIBLE	
		0.0000000
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	72,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
	TOTAL DRILLING - TANGIBLE	536,000
DRILLING COST -	INTANGIBLE	
7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	455,650
7019040	Directional Drilling Services	149,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	55,000
7019140	Mud Fluids & Services	61,400
7012310	Solids Control equipment	. 31,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	54,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	3,000
7019150	Mud Logging+geosteering	13,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	18,763
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	70,100
7018150	Rig Equipment and Misc.	8,763
7001110	Telecommunications Services	5,000
7001120	Consulting Services	82,368
7001400	Safety and Environmental	28,040
7018120	Rental Buildings (trailers)	14,020
7019310	Coring (sidewalls & analysis)	
7011010	7% Contingency & Taxes	147,742
		247)142
	TOTAL DRILLING - INTANGIBLE	\$1,722,345
		741143
A Company of the Comp		
	TOTAL DRILLING COST	\$2,258,345
	<u> </u>	
COMPLETION - TA	NGIBLE	
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	
	TOTAL COMPLETION - TANGIBLE	\$15,000
		

EXHIBIT 5

AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS

PERMIAN

Asset Team PURPLE SAGE;WOL FORMATION: WOLFCAMP XY Lease/Facility Neptune 8 WXY Fee 1H COMPLETION - INTANGIBLE GL CODE DESCRIPTION **ESTIMATED COST** 7001270 Location and Access (dress location after rig move, set anchors) 10,000 7019220 **Drilling Rig During Completion** 7019140 Mud Fluids & Services 7019030 Colled Tubing Services (3 runs) 210,000 7019240 Snubbing Services 7019270 Pulling/Swab Units 7016350 Fuel (from drlg) 7019010 **Casing Crew and Services** 7019020 Cement and Cementing Services 7019080 Well Testing Services (flow hand & equip) 315,000 7019320 Fracturing Services 7019330 Perforating 175,000 7019360 Wireline Services 15,000 7001460 Water Hauling & Disposal (frac fluids) 147,000 7016180 Freight - Truck (haul pipe; drig & compl) 15,000 7018150 BOP Rental & Testing Rental Tools and Equipment (Incl drig; lightplant,hydra-walk) 7018150 7018150 CT Downhole Rental Equipment (ie. Bit, BHA) 7000030 Contract Labor - general 35.000 7001110 Telecommunications Services 90,000 7001400 Safety and Environmental 7001120 Consulting Services
Zipper Manifold 60,000 7018150 150,000 7019300 Frack Stack Rentals 45,000 7016190 Freight (Transportation Services) 7018150 Equipment Rental (w/o operator, frac tanks, lightplants) 135,000 7018120 Rental Buildings (trailers) 15,000 7000030 Contract Labor - Pumping (pump-down pumps) 30,000 234,800 7011010 8% Contingency & Taxes TOTAL COMPLETION - INTANGIBLE \$3,641,800 TOTAL COMPLETION COST \$3,656,800 SURFACE EQUIPMENT - TANGIBLE 7012350 Misc. Piping, Fittings & Valve 85,795 7006640 Company Labor & Burden 7000030 Contract Labor - General 74,150 7001110 Telecommunication equip (Telemetry) 7012410 Line Pipe & Accessories 27,950 7012270 Miscellaneous Materials (containment system) 43,230 7016180 Freight - truck 7001190 Contract Engineering 29,115 7012290 Metering and Instrumentation 237,080 7012290 I&E Materials 7012200 **Gas Treating** 7012200 Dehydration 7012010 Compressor 7012350 Vapor Recovery Unit 7012440 Separator & other pressure vessels 67,350 7012500 193,450 7012100 **Heater Treater** 17,560 7012640 Flare & Accessories 11,645 7000010 **Electrical Labor** 29,115 7000010 Mechanical Labor 7012480 Rod Pumping unit & Pad 7012180 **Pumping Unit Engine** 7012350 Electrical Power (electrical cooperative construction costs) 23,290 TOTAL SURFACE EQUIPMENT - TANGIBLE \$839,730 TOTAL SURFACE EQUIPMENT COST \$ 839,730 ARTIFICIAL LIFT 7012580 Tubing 50.000 7012040 7012550 Tubing Accessories (nipple, wireline entry) 5,000 Wellhead Equip 5,000 7012560 Packers - Completion Equipment 5,000 70066 Company Labor 6,000 7012180 Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump 23,000 Elect Sub Pumps (ESP)
Well Services-Well/Wellhead Services 7012140 7019350 42,500 7012270 Materials & Supplies-Tangible 25,000 7012550 Surface Wellhead Equipment 3,000 7012390 Pig Launchers/Receivers & Rel Equip 7011010 Contingency & Taxes 5,000 TOTAL ARTIFICIAL LIFT 169,500 TOTAL ARTIFICIAL LIFT COST Ś 169,500 SUMMARY OF ESTIMATED DRILLING WELL COSTS **TOTAL COST** TOTAL LOCATION COST 71.250 TOTAL DRILLING COST 2,258,345 TOTAL COMPLETIONS COST 3,656,800 TOTAL SURFACE EQUIPMENT COST 839,730 **TOTAL ARTIFICIAL LIFT COST** 169,500

GRAND TOTAL COST

\$6,995,625

DATE 12/12/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY BILLY MOORE/MATT H

Asset Team	PERMIAN	
Field	PURPLE SAGE; WOL FORMATION: WOLFCAMP D WILDCAT	EXPLORATION
Lease/Facility	Neptune 8 WD Fee 2H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	_ WORKOVER
riospect	IVIALAGA	
Est Total Depth	15,594 Est Drilling Days Est Completion Day	rs 5.5
LOCATION COST	- INTANGRIE	
LOCATION COST	- INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,000
7001250	Land Broker Fees and Services	45,000
		43,000
	TOTAL LOCATION COST - INTANGIBLE	95,000
DRULING COST	TANCIDIE	
DRILLING COST -	IANGIBLE	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	72,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	
		55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
7022270	Miscendicous Wild Miscensis	
	TOTAL DRILLING - TANGIBLE	536,000
A SHAREST SANGER AND SHAREST		
DRILLING COST -	INTANGIBLE	
7040700	Bullion Block (Bound	
7019200	Drilling Rig Mob/Demob	43,333
7019220	Drilling Rig - day work/footage	489,667
7019040	Directional Drilling Services	160,000
7019020	Cement and Cementing Service Surface	
		15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	
		45,000
7019140	Mud Fluids & Services	62,500
7012310	Solids Control equipment	33,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	58,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	
7019150	Mud Logging+geosteering	15,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	
		30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	19,417
7019350		
	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	75,333
7018150	Rig Equipment and Misc.	9,417
7001110	Telecommunications Services	
		5,000
7001120	Consulting Services	88,517
7001400	Safety and Environmental	30,133
7018120	Rental Buildings (trailers)	15,067
7019310		13,007
	Coring (sidewalls & analysis)	
7011010		152,697
	7% Contingency & Taxes	232,037
	7% Contingency & Taxes	132,037
	·	
	7% Contingency & Taxes TOTAL DRILLING - INTANGIBLE	\$1,798,080
	·	
	·	
	TOTAL DRILLING - INTANGIBLE	\$1,798,080
	·	
	TOTAL DRILLING - INTANGIBLE	\$1,798,080
COMPLETION - TA	TOTAL DRILLING COST	\$1,798,080
COMPLETION - TA	TOTAL DRILLING COST	\$1,798,080
COMPLETION - TA	TOTAL DRILLING COST NGIBLE	\$1,798,080
7012580	TOTAL DRILLING COST NGIBLE Tubing	\$1,798,080
7012580 7012040	TOTAL DRILLING - INTANGIBLE TOTAL DRILLING COST NGIBLE Tubing Tubing Accessories (nipple, wireline entry)	\$1,798,080
7012580	TOTAL DRILLING COST NGIBLE Tubing	\$1,798,080
7012580 7012040 7012550	TOTAL DRILLING COST NGIBLE Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip	\$1,798,080
7012580 7012040	TOTAL DRILLING - INTANGIBLE TOTAL DRILLING COST NGIBLE Tubing Tubing Accessories (nipple, wireline entry)	\$1,798,080
7012580 7012040 7012550	TOTAL DRILLING COST NGIBLE Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip	\$1,798,080

25,000 3,000

5,000

169,500

MARATHON OIL PERMIAN LLC DATE 12/12/2018 AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS Asset Team PERMIAN PURPLE SAGE;WOL FORMATION: WOLFCAMP D Lease/Facility Neptune 8 WD Fee 2H COMPLETION - INTANGIBLE GL CODE DESCRIPTION **ESTIMATED COST** 7001270 Location and Access (dress location after rig move, set anchors) 10,000 7019220 **Drilling Rig During Completion** 7019140 7019030 Coiled Tubing Services (3 runs) 210,000 7019240 Snubbing Services 7019270 Pulling/Swab Units Fuel (from drlg) 7019010 **Casing Crew and Services** 7019020 Cement and Cementing Services 7019080 Well Testing Services (flow hand & equip) 315,000 7019320 7019330 Fracturing Services Perforating 175,000 7019360 Wireline Services 15,000 Water Hauling & Disposal (frac fluids) 7001460 155,000 7016180 Freight - Truck (haul pipe; drig & compl) 15,000 7018150 BOP Rental & Testing Rental Tools and Equipment (incl drig; lightplant,hydra-walk) 7018150 7018150 CT Downhole Rental Equipment (ie. Bit, BHA) 7000030 Contract Labor - general 35,000 7001110 90,000 7001400 Safety and Environmental 7001120 7018150 60,000 Zipper Manifold 150,000 7019300 Frack Stack Rentals 45,000 Freight (Transportation Services) 7016190 7018150 Equipment Rental (w/o operator, frac tanks, lightplants) 135,000 7018120 Rental Buildings (trailers) 15,000 7000030 Contract Labor - Pumping (pump-down pumps) 30,000 7011010 8% Contingency & Taxes 260,000 TOTAL COMPLETION - INTANGIBLE \$3,990,000 TOTAL COMPLETION COST \$4,005,000 SURFACE EQUIPMENT - TANGIBLE 7012350 Misc. Piping, Fittings & Valves 85,795 7006640 Company Labor & Burden Contract Labor - General 74,150 7001110 Telecommunication equip (Telemetry) 27,950 7012270 Miscellaneous Materials (containment system) 43,230 SCADA 7016180 Freight - truck 7001190 Contract Engineering 29,115 Metering and Instrumentation 7012290 237,080 7012290 I&E Materials 7012200 **Gas Treating** 7012200 7012010 Dehydration Compressor 7012350 Vapor Recovery Unit 7012440 Separator & other pressure vessels 67,350 7012500 Tanks 193,450 7012100 **Heater Treater** 17,560 Flare & Accessories 11,645 7000010 Electrical Labor 29,115 7000010 Mechanical Labor Rod Pumping unit & Pad 7012480 7012180 **Pumping Unit Engine** Electrical Power (electrical cooperative construction costs) 7012350 23,290 **TOTAL SURFACE EQUIPMENT - TANGIBLE** \$839,730 **TOTAL SURFACE EQUIPMENT COST** \$ 839,730 ARTIFICIAL LIFT 7012580 Tubing 50,000 Tubing Accessories (nipple, wireline entry) 5,000 7012550 Wellhead Equip 5,000 7012560 Packers - Completion Equipment 7006640 Company Labor 6,000 7012180 Gas Lift Equipment 23,000 Rod Pumping, Sucker Rods & Rod Pump 7012480 Elect Sub Pumps (ESP)
Well Services-Well/Wellhead Services 7012140 42,500 7019350

TOTAL ARTIFICIAL LIFT COST		\$169,500
	SUMMARY OF ESTIMATED DRILLING WELL COSTS	TOTAL COST
	TOTAL LOCATION COST	\$ 95,000
	TOTAL DRILLING COST	\$ 2,334,080
	TOTAL COMPLETIONS COST	\$ 4,005,000
	TOTAL SURFACE EQUIPMENT COST	\$ 839,730
	TOTAL ARTIFICIAL LIFT COST	\$ 169,500
	GRAND TOTAL COST	\$7,443,310

7012270

7012390 7011010 Materials & Supplies-Tangible

Contingency & Taxes

TOTAL ARTIFICIAL LIFT

Pig Launchers/Receivers & Rel Equip

DATE 12/12/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY BILLY MOORE/MATT H

Asset Team	PERMIAN	
Field	PURPLE SAGE; WOL FORMATION: WOLFCAMP A WILDCAT	EXPLORATION
Lease/Facility	Neptune 8 WA Fee 3H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth	14,890 Est Drilling Days Est Completion D	ays 5.5
est rotar ocptii	z-your Externing pays	uys
100101101100		
LOCATION COST	- INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
	TOTAL LOCATION COST - INTANGIBLE	74 250
	TOTAL LOCATION COST - INTANGIBLE	71,250
DRILLING COST -	TANGIBLE	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050		
	Intermediate Casing 2	231,000
7012050	Production Casing	72,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	
7012270	WISCERGIEOUS WIND WIGHTIGES	5,000
	TOTAL DRILLING - TANGIBLE	536,000
DRILLING COCT	ATTANCINE	
DRILLING COST -	NIANGIBLE	
7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	455,650
7019040	Directional Drilling Services	149,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	55,000
7019140	Mud Fluids & Services	61,400
7012310	Solids Control equipment	31,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	54,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	
		25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	
7019150	Mud Logging+geosteering	13,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	
		3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	18,763
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	70,100
7018150	Rig Equipment and Misc.	8,763
7001110	Telecommunications Services	
		5,000
7001120	Consulting Services	82,368
7001400	Safety and Environmental	28,040
7018120	Rental Buildings (trailers)	14,020
7019310	Coring (sidewails & analysis)	-
7011010	7% Contingency & Taxes	147,742
7022020	770 GOTTERING TO TO TO	247,742
	TOTAL DRILLING - INTANGIBLE	\$1,722,345
	TOTAL DRILLING COST	\$2,258,345
		,,- 10
COMPLETION - TA	NGIBLE	
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	-
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	
	TOTAL COMPLETION - TANGIBLE	\$15,000

DATE 12/12/2018

Asset Team

Field Lease/Facility		
	PURPLE SAGE; WOL FORMATION: WOLFCAMP A Neptune 8 WA Fee 3H	
COMPLETION - I	NTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED CO
7001270	Location and Access (dress location after rig move, set anchors)	10,
7019220 7019140	Drilling Rig During Completion Mud Fluids & Services	
7019140	Coiled Tubing Services (3 runs)	210,
7019240	Snubbing Services	
7019270	Pulling/Swab Units	
7016350	Fuel (from drig)	
7019010	Casing Crew and Services	
7019020	Cement and Cementing Services	
7019080	Well Testing Services (flow hand & equip)	315,
7019320	Fracturing Services	1,960,
7019330 7019360	Perforating Wireline Services	175,
7019360	Water Hauling & Disposal (frac fluids)	15,
7016180	Freight - Truck (haul pipe; drig & compl)	147;
7018150	BOP Rental & Testing	
7018150	Rental Tools and Equipment (incl drig; lightplant,hydra-walk)	
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	
7000030	Contract Labor - general	. 35,
7001110	Telecommunications Services	· 90,
7001400	Safety and Environmental	
7001120	Consulting Services	60,
7018150	Zipper Manifold	150,0
7019300 7016190	Frack Stack Rentals Freight (Transportation Services)	45,
7016190	Equipment Rental (w/o operator, frac tanks, lightplants)	135,0
7018130	Rental Buildings (trailers)	135,
7000030	Contract Labor - Pumping (pump-down pumps)	30,0
7011010	8% Contingency & Taxes	234,1
	TOTAL COMPLETION - INTANGIBLE	\$3,641,
	TOTAL COMPLETION COST	\$3,656,8
RFACE EQUIPN	IENT - TANGIBLE	
7012350	Misc. Piping, Fittings & Valves	85,7
7006640	Company Labor & Burden	
7000030	Contract Labor - General	74,1
7001110	Telecommunication equip (Telemetry)	-
7012410 7012270	Line Pipe & Accessories	27,9
7012270	Miscellaneous Materials (containment system) SCADA	43,2
7016180	Freight - truck	
7001190	Contract Engineering	29,1
7012290	Metering and Instrumentation	237,0
7012290	I&E Materials	
7012200	Gas Treating	
7012200	Dehydration	
7012010	Compressor	
7012350	Power	
7012610	Vapor Recovery Unit	
	Separator & other pressure vessels	
7012440	Tanks	67,3
7012500		193,4
7012500 7012100	Heater Treater	193,4 17,5
7012500 7012100 7012640	Flare & Accessories	193,4 17,5 11,6
7012500 7012100 7012640 7000010	Flare & Accessories Electrical Labor	193,4 17,5 11,6
7012500 7012100 7012640 7000010 7000010	Flare & Accessories Electrical Labor Mechanical Labor	193,4 17,5 11,6
7012500 7012100 7012640 7000010 7000010 7012480	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad	193,4 17,5 11,6
7012500 7012100 7012640 7000010 7000010 7012480 7012180	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine	193,4 17,5 11,6 29,1
7012500 7012100 7012640 7000010 7000010 7012480	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad	193,4 17,5 11,6 29,1
7012500 7012100 7012640 7000010 7000010 7012480 7012180	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine	193,4 17,5 11,6 29,1
7012500 7012100 7012640 7000010 7000010 7012480 7012180	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)	193,4 17,5 11,6 25,1 23,2 \$839,7
7012500 7012100 7012640 7000010 7000010 7012480 7012180 7012350	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Righne Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE	193,4 17,5 11,6 25,1 23,2 \$839,7
7012500 7012100 7012640 7010010 7000010 7000010 7012480 7012180 7012350	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Righne Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE	193,4 17,5 11,6 29,1 23,2 \$839,73
7012500 7012100 7012100 7012640 7010010 7000010 7012480 7012180 7012350	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST	193,4 17,5 11,6 29,1 23,2 \$839,73 \$ 839,73
7012500 7012100 7012640 7000010 7000010 7000010 7012480 7012180 7012350	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST	193,4 17,5 11,6 29,1 23,2 \$839,73 \$ 839,73
7012500 7012100 7012640 7010640 7000010 7010480 7012180 7012350 TIFICIAL LIFT 7012580 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment	193,4 17,5 11,6 29,1 23,2 \$839,73 \$ 50,0 5,0
7012500 7012100 7012640 7010010 7010010 7010010 7010010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7012560	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping Unit & Pad Pumping Unit Righne Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Company Labor	193,4 17,5 11,6 29,1 23,2 \$839,73 \$ 839,73
7012500 7012100 7012640 7000010 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7002180	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment	193,4 17,5 11,6 29,1 23,2 \$839,73 \$ 839,73
7012500 7012100 7012640 7010010 7010010 7000010 70102480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012250 7012560 7006640 7012180 7012180	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Weilhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump	\$ 839,73 \$ 50,0 5,0 5,0 5,0 5,0 5,0
7012500 7012100 7012640 7010010 7010010 7010010 7012480 7012180 7012350 FIFICIAL LIFT FO12580 701250 7012560 7012560 7012180 7012180 701240 7012180 701240 7012180 701240	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP)	\$ 839,73 \$ 50,0 5,0 5,0 5,0 5,0 6,0 23,0
7012500 7012100 7012540 7010540 7000010 7012480 7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012580 7012180 7012180 7012180 7012180 7012180 7012140 70121350	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services	\$ 839,73 \$ 50,0 5,0 6,0 23,0
7012500 7012100 7012640 7000010 7000010 7000010 7012480 7012350 FIFICIAL LIFT 7012580 7012040 7012550 70126640 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012140 7019350 7012140 7019350 7012140 7019350 7012140	Flare & Accessories Electrical Labor Mechanical Labor Red Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Red Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible	\$ 839,73 \$ 50,0 \$ 5,0 \$
7012500 7012100 7012640 7000010 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012480 7012180 7012480 7012180 7012480 7012180 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment	\$ 839,73 \$ 50,0 \$ 5,0 \$ 6,0 \$ 23,0 \$ 42,5 \$ 25,0
7012500 7012100 7012540 7010540 7000010 7012640 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012140 7012140 70121200 7012550 7012550 701250 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellnead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip	\$ 839,73 \$ 50,0 5,0 6,0 23,0 42,5 3,0 6 3,0 6 3,0 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
7012500 7012100 7012640 7000010 7000010 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012250 7012560 7012180 7012480 7012180 7012480 7012180 7012480 7012180 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes	\$ 839,73 \$ 839,73 \$ 42,50 6,00 23,00 5,00 6,00 23,00 5,00 5,00 5,00 5,00 5,00 5,00 5,00
7012500 7012100 7012100 7012640 7000010 7012640 7000010 7012480 7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012640 7012180 7012140 7012140 7012180 7012140 7012180 7012140 7012190 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes	\$ 839,73 \$ \$ 839,73 \$ \$ 25,0 \$ 5,0 \$
7012500 7012100 7012100 7012640 7000010 7012640 7000010 7012480 7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012640 7012180 7012140 7012140 7012180 7012140 7012180 7012140 7012190 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Services Materials & Supplies-Tangible Surface Well-Medilhead Services TOTAL ARTIFICIAL LIFT TOTAL ARTIFICIAL LIFT TOTAL ARTIFICIAL LIFT COST	\$ 839,73 \$ 839,73 \$ 23,2 \$ 839,73 \$ 23,0 \$ 5,0 \$
7012500 7012100 7012540 7010540 7000010 7012480 7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012350 7012550 7012560 7012480 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140 7012140	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes	\$ 839,73 \$ \$ 839,73 \$ \$ 23,2 \$ \$ 839,73
7012500 7012100 7012540 7010540 7000010 7012640 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012140 7012140 70121200 7012550 7012550 701250 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Services Materials & Supplies-Tangible Surface Well-Medilhead Services TOTAL ARTIFICIAL LIFT TOTAL ARTIFICIAL LIFT TOTAL ARTIFICIAL LIFT COST	\$ 839,73 \$ \$ 839,73 \$ \$ 23,2 \$ \$839,73 \$ 50,0 5,0 5,0 6,0 23,0 6,0 169,5 \$ 169,50 TOTAL COST
7012500 7012100 7012540 7010540 7000010 7012640 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012140 7012140 70121200 7012550 7012550 701250 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Competion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes TOTAL ARTIFICIAL LIFT TOTAL ARTIFICIAL LIFT COST	\$ 839,73 \$ 839,73 \$ 839,73 \$ 10,10 \$ 5,0 \$ 5,0 \$ 5,0 \$ 5,0 \$ 5,0 \$ 169,50 \$ 169,50 TOTAL COST \$ 71,25
7012500 7012100 7012540 7010540 7000010 7012640 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012140 7012140 70121200 7012550 7012550 701250 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Recebevre & Rel Equip Contingency & Taxes TOTAL ARTIFICIAL LIFT TOTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL DRILLING COST	\$ 839,73 \$ 839,73 \$ 839,73 \$ 10,60 \$ 5,00 \$ 5,00 \$ 6,00 \$ 23,00 \$ 169,50 TOTAL COST \$ 71,25 \$ 2,258,34
7012500 7012100 7012540 7010540 7000010 7012640 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012140 7012140 70121200 7012550 7012550 701250 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes TOTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$ 839,73 \$ 839,73 \$ 839,73 \$ 10,60 \$ 5,00 \$
7012500 7012100 7012540 7010540 7000010 7012640 7000010 7012480 7012180 7012350 FIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012140 7012140 70121200 7012550 7012550 701250 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550 7012550	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Suppites-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes TOTAL ARTIFICIAL LIFT TOTAL ARTIFICIAL LIFT TOTAL COMPLETIONS COST	\$ 169,500 TOTAL COST \$ 1,256,800 \$ 3,656,800 \$ 839,73
7012500 7012100 7012640 7010640 7000010 7012480 7012180 7012350 TIFICIAL LIFT 7012580 7012260 7012550 7012560 7012480 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012270 7012250 7012250 7012250	Flare & Accessories Electrical Labor Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes TOTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$ 0,000 5,000 5,000 5,000 6,000 23,000 25,000 3,000 169,500 TOTAL COST \$ 71,250 \$ 2,258,344 \$ 3,656,800

DATE 12/12/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY BILLY MOORE/MATT HI

Asset Team	PERMIAN	
Field	PURPLE SAGE; WOL FORMATION: WOLFCAMP D WILDCAT	EXPLORATION
Lease/Facility	Neptune 8 WD Fee 4H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth	15,330 Est Drilling Days Est Completion	Days 5.5
LOCATION COST	INTERNATION	
LOCATION COST	- INTANGIBLE	
GL CODE	DESCRIPTION	ECTIMATED COST
7001270		ESTIMATED COST
	Location and Access	50,000
7001250	Land Broker Fees and Services	45,000
	TOTAL LOCATION COST. INTANCING	
	TOTAL LOCATION COST - INTANGIBLE	95,000
DOM: 1110 0000		
DRILLING COST -	ANGIBLE	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	72,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
	Wildeliance a wine Machina	3,000
	TOTAL DRILLING - TANGIBLE	E36 000
	TOTAL STREETING - PARTIBLE	536,000
DRILLING COST - I	NTANGIBLE	
7019200	Drilling Rig Mob/Demob	43,333
7019220	Drilling Rig - day work/footage	489,667
7019040	Directional Drilling Services	160,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	45,000
7019140	Mud Fluids & Services	62,500
7012310	Solids Control equipment	33,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	58,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Weil Logging Services	-
7019150	Mud Logging+geosteering	15,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	19,417
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	75,333
7018150	Rig Equipment and Misc.	9,417
7001110	Telecommunications Services	5,000
7001120	Consulting Services	88,517
7001400	Safety and Environmental	30,133
7018120	Rental Buildings (trailers)	15,067
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	152,697
	TOTAL DRILLING - INTANGIBLE	\$1,798,080
		71,750,000
	TOTAL DRILLING COST	\$2,334,080
COMPLETION - TAI	IGIRI F	
	TO THE STATE OF TH	
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	
		<u>_</u>
	TOTAL COMPLETION - TANGIBLE	\$15,000

12/12/2018

Asset Team

PERMIAN
PURPLE SAGE; WOL
Neptune 8 WD Fee 4

FORMATION: WOLFCAMP D

OMPLETION - INT GL CODE 7001270		
GL CODE 7001270	ANGIRIF	
7001270		FCT1144TFD 60
	DESCRIPTION	ESTIMATED CO
	Location and Access (dress location after rig move, set anchors)	10,0
7019220	Drilling Rig During Completion	
7019140	Mud Fluids & Services	
7019030	Colled Tubing Services (3 runs)	210,0
7019240	Snubbing Services	
7019270	Pulling/Swab Units	
7016350	Fuel (from drig)	-
7019010		
	Casing Crew and Services	-
7019020	Cement and Cementing Services	
7019080	Well Testing Services (flow hand & equip)	315,0
7019320	Fracturing Services	2,275,0
7019330	Perforating	175,0
7019360	Wireline Services	15,0
7001460	Water Hauling & Disposal (frac fluids)	155,0
7016180	Freight - Truck (haul pipe; drig & compl)	
		15,0
7018150	BOP Rental & Testing	
7018150	Rental Tools and Equipment (incl drig; lightplant,hydra-walk)	_
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	
7000030	Contract Labor - general	35,0
7001110	Telecommunications Services	90,0
7001400	Safety and Environmental	
7001120	Consulting Services	60,0
7018150	Zipper Manifold	150,0
7019300	Frack Stack Rentals	45,0
7016190	Freight (Transportation Services)	
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	135,0
7018120	Rental Buildings (trailers)	15,0
7000030	Contract Labor - Pumping (pump-down pumps)	
		30,0
7011010	8% Contingency & Taxes	260,0
	TOTAL COMPLETION - INTANGIBLE	\$3,990,0
	TOTAL COMPLETION COST	\$4,005,00
IRFACE EQUIPMEI	IT - TANGIBLE	
7012350	Misc. Piping, Fittings & Valves	85,79
7006640	Company Labor & Burden	
7000030	Contract Labor - General	74,15
7001110	Telecommunication equip (Telemetry)	
7012410	Line Pipe & Accessories	27,95
7012270	Miscellaneous Materials (containment system)	43,23
7008060	SCADA	
7016180	Freight - truck	
7001190	Contract Engineering	29,11
7012290	Metering and Instrumentation	237,08
7012290	I&E Materials	237,08
7012200	Gas Treating	
7012200	Dehydration	
7012010	Compressor	
7012350	Power	
7012610	Vapor Recovery Unit	
7012440	Separator & other pressure vessels	67,35
7012500	Tanks	
7012100	Heater Treater	193,45
		17,56
7012640	Flare & Accessories	11,64
7000010	Electrical Labor	29,11
7000010	Mechanical Labor	
7012480	Rod Pumping unit & Pad	
	Pumping Unit Engine	
7012180	Electrical Power (electrical cooperative construction costs)	
		23,29
7012180 7012350	OTAL SURFACE EQUIPMENT - TANGIBLE	
7012180 7012350		\$839,73
7012180 7012350 T	OTAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST	\$839,73
7012180 7012350 TIFICIAL LIFT	OTAL SURFACE EQUIPMENT COST	\$839,730
7012180 7012350 TIFICIAL LIFT 7012580	OTAL SURFACE EQUIPMENT COST Tubing	\$839,730 \$ 839,730 50,00
7012180 7012350 T TIFICIAL LIFT 7012580 7012040	OTAL SURFACE EQUIPMENT COST Tubing Tubing Accessories (nipple, wireline entry)	\$839,73 \$ 839,730 50,000 5,000
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012550	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip	\$839,730 \$ 839,730 50,000 5,000 5,000
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012550 7012560	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment	\$839,730 \$ 839,730 50,00 5,00 5,00 5,00
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012550 70012560 70016640	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor	\$839,730 \$ 839,730 50,000 5,000 5,000 5,000 6,000 6,000
7012180 7012350 T TIFICIAL LIFT 7012580 7012580 7012550 7012560 7012550 7016640 7012180	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas LIR Equipment	\$839,730 \$ 839,730 50,00 5,00 5,00 5,00
7012180 7012350 7 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012180	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump	\$839,730 \$ 839,730 50,000 5,000 5,000 5,000 6,000 6,000
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas LIR Equipment	\$839,730 \$ 839,730 50,000 5,000 5,000 5,000 6,000 6,000
7012180 7012350 7 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7006640 7012180 7012180	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump	\$839,73(\$0,000 5,000 5,000 5,000 5,000 23,000
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012050 7012064 7012080 7012080 7012080 7012180 7012180 7012180 7012180	Tubing Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services	\$839,73 \$ 839,73(50,00 5,000 5,000 5,000 6,000 23,00
7012180 7012350 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Red Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplear-Tangible	\$839,73 \$ 839,730 50,00 5,00 5,00 6,00 23,00 42,50
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment	\$839,73 \$ 839,730 50,00 5,00 5,00 6,00 23,00 42,50
7012180 7012350 T TIFICIAL LIFT 7012580 7012550 7012550 7012560 7012640 7012480 7012480 7012490 7012490 7012490 7012350 7012350 7012390	Tubing Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface WellMend Equipment Pig Launchers/Receivers & Rel Equip	\$839,73 \$ 839,730 50,00 5,00 5,00 6,00 23,00 42,50
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment	\$839,73 \$ 839,730 50,00 5,000 5,000 23,00 42,500 25,000 3,000
7012180 7012350 T TIFICIAL LIFT 7012580 7012040 7012550 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012180 7012190 7012190 7012390 7011010	Tubing Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface WellMend Equipment Pig Launchers/Receivers & Rel Equip	\$839,73 \$ 839,730 50,00 5,000 5,000 6,00 23,00 42,50 25,00 3,00
7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012140 7012140 701250 7012140 701250 7012140 701250 701210 701250 701210	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes	\$839,73 \$ 839,73(50,000 5,000 5,000 5,000 23,000 42,500 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000
7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012140 7012140 701250 7012140 701250 7012140 701250 701210 701250 701210	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes DTAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST	\$839,73 \$ 839,731 50,00 5,000 5,000 6,000 23,00 42,50 25,00 3,000 169,500 \$ \$ 169,500
7012180 7012350 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Red Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes	\$839,73 \$ 839,73(50,000 5,000 5,000 5,000 23,000 42,500 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000
7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012140 7012140 701250 7012140 701250 7012140 701250 701210 701250 701210	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes DTAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST	\$839,73 \$ 839,73 \$ 50,00 5,000 5,000 6,000 23,00 42,500 3,000 5,000 169,500 \$ 169,500
7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012140 7012140 701250 7012140 701250 7012140 701250 701210 701250 701210	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes DTAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST	\$839,730 50,000 5,000 5,000 6,000 23,000 42,500 25,000 3,000 5,000 169,500 TOTAL COST \$ 95,000
7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012140 7012140 701250 7012140 701250 7012140 701250 701210 701250 701210	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes DTAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST	\$839,73 \$ 839,73 \$ 50,00 5,000 5,000 5,000 6,000 23,000 42,500 25,000 3,000 \$ 169,500 TOTAL COST \$ 95,0000
7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012140 7012140 701250 7012140 701250 7012140 701250 701210 701250 701210	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes DTAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST	\$839,730 \$ 839,730 \$ 50,000 \$ 5,000 \$ 5,000 \$ 23,000 42,500 25,000 3,000 \$ 169,500 TOTAL COST \$ 95,000 \$ 2,334,080
7012180 7012350 TIFICIAL LIFT 7012580 7012040 7012550 7012560 7012180 7012140 7012140 701250 7012140 701250 7012140 701250 701210 701250 701210	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Red Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$839,730 50,000 5,000 5,000 6,000 23,000 42,500 3,000 5,000 169,500 TOTAL COST \$ 95,000 \$ 2,334,080 \$ 4,005,000
7012180 7012350 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Tubing Tubing Tubing Accessories (nipple, wireline entry) Wellhend Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes DTAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$839,730 \$ 839,730 50,000 5,000 5,000 6,000 23,000 42,500 3,000 5,000 169,500 TOTAL COST \$ 95,000 \$ 2,334,080 \$ 4,005,000 \$ 4,005,000 \$ 839,730
7012180 7012350 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Tubing Tubing Accessories (nipple, wireline entry) Wellhead Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Red Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$839,730 \$ 839,730 \$ 50,000 \$ 5,000 \$ 5,000 \$ 23,000 42,500 25,000 3,000 \$ 169,500 TOTAL COST \$ 95,000 \$ 2,334,080
7012180 7012350 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Tubing Tubing Tubing Accessories (nipple, wireline entry) Wellhend Equip Packers - Completion Equipment Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Well-Wellhead Equipment Pig Launchers/Receivers & Rel Equip Contingency & Taxes DTAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$839,730 \$ 839,730 50,000 5,000 5,000 6,000 23,000 42,500 3,000 5,000 169,500 TOTAL COST \$ 95,000 \$ 2,334,080 \$ 4,005,000 \$ 4,005,000 \$ 839,730

DATE 12/12/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY BILLY MOORE/MATT HI

Asset Team	PERMIAN	
Field	PURPLE SAGE; WOL FORMATION: WOLFCAMP XY WILDCAT	EXPLORATION
Lease/Facility	Neptune 8 WXY Fee 5H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth	Est Completion	Days 5.5
TOO HOTAL	INTANCIBLE	
LOCATION COST -	INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
	TOTAL LOCATION COST - INTANGIBLE	71,250
DRILLING COST - 1	ANGIBLE	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	72,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Weilhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
	TOTAL DRILLING - TANGIBLE	536,000
DRILLING COST - II	VTANGIRI F	
7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	455,650
7019040	Directional Drilling Services	149,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	55,000
7019140	Mud Fluids & Services	61,400
7012310	Solids Control equipment	31,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	54,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	13,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200 7019300	Contract Services - Facilities Well Services - Well Control Services	10,000
		18,763
7019350	Well Services - Well/Wellhead Services Rental Tools and Equipment (surface rentals)	10,000 70,100
7018150 7018150	Rental Tools and Equipment (surface rentals) Rig Equipment and Misc.	
7018150	Telecommunications Services	8,763
7001110	Consulting Services	5,000 82,368
7001400	Safety and Environmental	28,040
7018120	Rental Buildings (trailers)	14,020
7019310	Coring (sidewalls & analysis)	19,020
7011010	7% Contingency & Taxes	147,742
7011010	770 CONTINUENTLY OF TONES	
	TOTAL DRILLING - INTANGIBLE	\$1,722,345
		4-1,-2-1,040
		A STATE OF THE PARTY OF THE PAR
	TOTAL DRILLING COST	\$2,258,345
COMPLETION - TAN	IGIBLE	· · · · · · · · · · · · · · · · · · ·
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	

	TOTAL COMPLETION - TANGIBLE	\$15,000

Asset Team

PERMIAN

Asset Team	PERMIAN	
Fleid	PURPLE SAGE; WOL FORMATION: WOLFCAMP XY	
Lease/Facility	Neptune 8 WXY Fee 5H	
COMPLETION - IN	TANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270		
7019220	Location and Access (dress location after rig move, set anchors)	10,000
	Drilling Rig During Completion	
7019140	Mud Fluids & Services	
7019030	Coiled Tubing Services (3 runs)	210,000
7019240	Snubbing Services	
7019270	Pulling/Swab Units	-
7016350	Fuel (from drig)	-
7019010	Casing Crew and Services	
7019020	Cement and Cementing Services	
7019080	Well Testing Services (flow hand & equip)	315,000
7019320	Fracturing Services	
7019330		1,960,000
	Perforating	175,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	147,000
7016180	Freight - Truck (haul pipe; drlg & compl)	15,000
7018150	BOP Rental & Testing	_
7018150	Rental Tools and Equipment (Incl drig; lightplant,hydra-walk)	
7018150	CT Downhole Rental Equipment (le. Bit, BHA)	-
7000030	Contract Labor - general	35,000
7001110	Telecommunications Services	90,000
7001400		30,000
	Safety and Environmental	
7001120	Consulting Services	60,000
7018150	Zipper Manifold	150,000
7019300	Frack Stack Rentals	45,000
7016190	Freight (Transportation Services)	
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	135,000
7018120	Rental Buildings (trailers)	15,000
7000030	Contract Labor - Pumping (pump-down pumps)	30,000
7011010	8% Contingency & Taxes	234,800
		234,000
	TOTAL COMPLETION - INTANGIBLE	\$3,641,800
	TOTAL COMPLETION COST	62 656 000
	TOTAL CONFEL HON COST	\$3,656,800
SURFACE EQUIPMI	ENT - TANGIBLE	
7012350	Adia Blaira Flatina & Makas	
The second secon	Misc. Piping, Fittings & Valves	85,795
7006640	Company Labor & Burden	
7000030	Contract Labor - General	74,150
7001110	Telecommunication equip (Telemetry)	
7012410	Line Pipe & Accessories	27,950
7012270	Miscellaneous Materials (containment system)	43,230
7008060	SCADA	-
7016180	Freight - truck	
7001190	Contract Engineering	29,115
7012290	Metering and instrumentation	237,080
7012290	I&E Materials	-
7012200	Gas Treating	
7012200	Dehydration	
7012010	Compressor	
7012350	Power	
7012610	Vapor Recovery Unit	
7012440	Separator & other pressure vessels	67,350
7012500	Tanks	193,450
7012100	Heater Treater	17,560
7012640	Flare & Accessories	11,645
7000010	Electrical Labor	29,115
		25,113
7000010	Mechanical Labor	<u>·</u>
7012480	Rod Pumping unit & Pad	
7012180	Pumping Unit Engine	
7012350	Electrical Power (electrical cooperative construction costs)	23,290
	TOTAL SURFACE EQUIPMENT - TANGIBLE	\$839,730
· · · · · · · · · · · · · · · · · · ·	TOTAL SURFACE EQUIPMENT COST	\$ 839,730
	TOTAL SORFACE EQUIFICATION COST	3835,730
RTIFICIAL LIFT		
7012580	Tubing	50,000
7012040	Tubing Accessories (nipple, wireline entry)	5,000
7012550	Wellhead Equip	5,000
7012560	Packers - Completion Equipment	
	Company Labor	5,000
7006640		6,000
7012180	Gas Lift Equipment	23,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	
7012140	Elect Sub Pumps (ESP)	<u> </u>
7019350	Well Services-Well/Wellhead Services	42,500
7012270	Materials & Supplies-Tangible	25,000
7012550	Surface Wellhead Equipment	3,000
7012390	Pig Launchers/Receivers & Rel Equip	
7011010	Contingency & Taxes	5,000
	TOTAL ARTIFICIAL LIFT	169,500
	TOTAL ARTIFICIAL LIFT COST	\$ 169,500
	SUMMARY OF ESTIMATED DRILLING WELL COSTS	TOTAL COST
		. 3
	TOTAL LOCATION COST	\$ 71,250
	TOTAL DRILLING COST	\$ 2,258,345
	TOTAL COMPLETIONS COST	\$ 3,656,800
	TOTAL SURFACE EQUIPMENT COST	\$ 839,730
		\$ 169,500
	TOTAL ARTIFICIAL LIFT COST	7 103,300
	TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST	\$6,995,625

DATE

12/12/2018

DRILLING & LOCATION PREPARED BY MATTHEW BUGAARD.

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY BILLY MOORE/MATT HI

Asset Team	PERMIAN	
Fleid	PURPLE SAGE; WOL FORMATION: WOLFCAMP A WILDCAT	EXPLORATION
Lease/Facility	Neptune 8 WA Fee 7H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Donah	14,000	
Est Total Depth	14,900 Est Drilling Days Est Completion	Days 5.5
LOCATION COST -	INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	
7001230	Land blokel Fees and Selvices	33,750
	TOTAL LOCATION COST - INTANGIBLE	71,250
DRILLING COST - TA	ANGIBLE	
	•	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	
		72,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
	TOTAL PRIMARY TANCING	
	TOTAL DRILLING - TANGIBLE	536,000
DRILLING COST - IN	TANGIBLE	
7019200	Drilling Rig Mob/Demob	22 522
		32,500
7019220	Drilling Rig - day work/footage	455,650
7019040	Directional Drilling Services	149,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	
		55,000
7019140	Mud Fluids & Services	61,400
7012310	Solids Control equipment	31,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	54,000
7019140	Fuel (Mud)	
		18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	
7019150	Mud Logging+geosteering	13,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	
		10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	
		18,763
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	70,100
7018150	Rig Equipment and Misc.	8,763
7001110	Telecommunications Services	5,000
7001120	Consulting Services	82,368
7001400	Safety and Environmental	
7018120	Rental Buildings (trailers)	28,040
		14,020
7019310	Coring (sidewalls & analysis)	
7011010	7% Contingency & Taxes	147,742
	TOTAL DRILLING - INTANGIBLE	\$1,722,345
		72/122/045
	TOTAL DRILLING COST	É2 250 245
	TOTAL DRILLING COST	\$2,258,345
TANKS.		
COMPLETION - TAN	GIBLE	
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	
7012040	Wellhead Equip	
		15,000
7012560	Packers - Completion Equipment	-
	TOTAL COMPLETION - TANGIRLE	\$15,000

Asset Team PERMIAN Fleld PURPLE SAGE:WOL FORMATION: WOLFCAMP A Lease/Facility Neptune 8 WA Fee 7H COMPLETION - INTANGIBLE GL CODE DESCRIPTION ESTIMATED COST 7001270 Location and Access (dress location after rig move, set anchors) Drilling Rig During Completion Mud Fluids & Services 7019220 7019140 7019030 Coiled Tubing Services (3 runs) 210,000 7019240 Snubbing Services 7019270 Pulling/Swab Units 7016350 Fuel (from drlg) 7019010 Casing Crew and Services
Cement and Cementing Services Well Testing Services (flow hand & equip)
Fracturing Services 7019080 315,000 7019320 1,960,000 7019330 Perforating 175,000 7019360 15,000 7001460 Water Hauling & Disposal (frac fluids) 147,000 7016180 Freight - Truck (haul pipe; drig & compl) 15,000 7018150 **BOP Rental & Testing** 7018150 Rental Tools and Equipment (incl drig; lightplant, hydra-walk) 7018150 CT Downhole Rental Equipment (le. Bit, BHA) 7000030 Contract Labor - general Telecommunications Services 35,000 7001110 90,000 7001400 Safety and Environmental 7001120 Consulting Services 60,000 7018150 Zipper Manifold 7019300 Frack Stack Rentals 45,000 7016190 Freight (Transportation Services) 7018150 Equipment Rental (w/o operator, frac tanks, lightplants) 135,000 7018120 Rental Buildings (trailers) 15,000 Contract Labor - Pumping (pump-down pumps) 7000030 30,000 7011010 8% Contingency & Taxes 234,800 TOTAL COMPLETION - INTANGIBLE \$3,641,800 TOTAL COMPLETION COST \$3,656,800 SURFACE EQUIPMENT - TANGIBLE 7012350 Misc. Piping, Fittings & Valves 85,795 Company Labor & Burden 7000030 Contract Labor - General 74,150 7001110 Telecommunication equip (Telemetry) 7012410 Line Pipe & Accessories 27.950 7012270 Miscellaneous Materials (containment system) 43,230 SCADA 7008060 7016180 Freight - truck Contract Engineering 29,115 7012290 Metering and Instrumentation 237,080 7012290 7012200 **Gas Treating** Dehydration 7012200 7012010 Compressor 7012610 Vapor Recovery Unit 7012440 Separator & other pressure vessels 67,350 7012500 Tanks 193,450 7012100 Heater Treater 17,560 7012640 Flare & Accessories 11.645 Electrical Labor Mechanical Labor 7000010 29,115 7012480 Rod Pumping unit & Pad Pumping Unit Engine 7012350 Electrical Power (electrical cooperative construction costs) 23,290 TOTAL SURFACE EQUIPMENT - TANGIBLE \$839,730 TOTAL SURFACE EQUIPMENT COST 839,730 \$ ARTIFICIAL LIFT 50,000 7012040 Tubing Accessories (nipple, wireline entry) 5,000 Wellhead Equip
Packers - Completion Equipment 7012550 7012560 5,000 7006640 Company Labor 7012180 Gas Lift Equipment 23,000 7012480 Rod Pumping, Sucker Rods & Rod Pump 7012140 Elect Sub Pumps (ESP) 7019350 Well Services-Well/Wellhead Services 42,500 7012270 Materials & Supplies-Tangible 25,000 7012550 Surface Wellhead Equipment 3,000 7012390 Pig Launchers/Receivers & Rel Equip 7011010 Contingency & Taxes 5,000 TOTAL ARTIFICIAL LIFT 169,500 TOTAL ARTIFICIAL LIFT COST \$ 169,500 SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COST TOTAL LOCATION COST 71,250 TOTAL DRILLING COST 2,258,345 TOTAL COMPLETIONS COST 3,656,800 TOTAL SURFACE EQUIPMENT COST 839,730 TOTAL ARTIFICIAL LIFT COST 169,500

GRAND TOTAL COST

\$6,995,625

DATE 12/12/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY BILLY MOORE/MATT HI

Asset Team	PERMIAN	¥
Field	PURPLE SAGE; WOL FORMATION: WOLFCAMP D WILDCAT	EXPLORATION
Lease/Facility	Neptune 8 WD Fee 8H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth	Est Drilling Days Est Completion	Days 5.5
LOCATION COST	INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,000
7001250	Land Broker Fees and Services	45,000
	TOTAL LOCATION COST INTANCENT	
	TOTAL LOCATION COST - INTANGIBLE	95,000
DRILLING COST -	TANGIBLE	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	72,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
	TOTAL DRILLING - TANGIBLE	F36 000
	TOTAL STREET, PARTIES.	536,000
DRILLING COST - I	NTANGIBLE	•
7019200	Drilling Rig Mob/Demob	43,333
7019220	Drilling Rig - day work/footage	489,667
7019040	Directional Drilling Services	160,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	45,000
7019140	Mud Fluids & Services	62,500
7012310 7012020	Solids Control equipment	33,000
	Bits Control Control	70,000
7019010 7016350	Casing Crew and Services	30,000
7019140	Fuel (Rig)	58,000
7001460	Fuel (Mud) Water (non potable)	18,000
7012350	Water (non potable)	25,000
7019000	Well Logging Services	5,000
7019150	Mud Logging+geosteering	15,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	
7019110	Casing inspection/cleaning	15,000 15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	19,417
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	75,333
7018150	Rig Equipment and Misc.	9,417
7001110	Telecommunications Services	5,000
7001120	Consulting Services	88,517
7001400	Safety and Environmental	30,133
7018120	Rental Buildings (trailers)	15,067
7019310	Coring (sidewalls & analysis)	
7011010	7% Contingency & Taxes	152,697
	TOTAL DRILLING - INTANGIBLE	\$1,798,080
	TOTAL DRILLING COST	\$2,334,080
COMPLETION - TAI	IGIBLE	
7012580	Tubing	_
7012040	Tubing Accessories (nipple, wireline entry)	
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	
	TOTAL COMPLETION - TANGIBLE	\$15,000

Asset Team Field

Field	PURPLE SAGE; WOL FORMATION: WOLFCAMP D	
Lease/Facility	Neptune 8 WD Fee 8H	
COMPLETION -	NTANGIBLE	
		TCTILLATED COCT
GL CODE 7001270	DESCRIPTION Location and Access (dress location after rig move, set anchors)	ESTIMATED COST 10,000
7019220	Drilling Rig During Completion	20,000
7019140	Mud Fluids & Services	
7019030	Coiled Tubing Services (3 runs)	210,000
7019240	Snubbing Services	
7019270	Pulling/Swab Units	
7016350	Fuel (from drlg)	
7019010	Casing Crew and Services	· ·
7019020	Cement and Cementing Services	
7019080 7019320	Well Testing Services (flow hand & equip) Fracturing Services	315,000
7019320	Perforating Services	2,275,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	155,000
7016180	Freight - Truck (haul pipe; drig & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (inci drig; lightplant, hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	
7000030	Contract Labor - general	35,000
7001110	Telecommunications Services	90,000
7001400	Safety and Environmental	-
7001120	Consulting Services	60,000
7018150	Zipper Manifold	150,000
7019300	Frack Stack Rentals Fraight (Transportation Sandon)	45,000
7016190 7018150	Freight (Transportation Services) Equipment Rental (w/o operator, frac tanks, lightplants)	135,000
7018130	Rental Buildings (trailers)	135,000
7000030	Contract Labor - Pumping (pump-down pumps)	30,000
7011010	8% Contingency & Taxes	260,000
	TOTAL COMPLETION - INTANGIBLE	\$3,990,000
	TOTAL COMPLETION COST	\$4,005,000
URFACE EQUIP	MENT - TANGIBLE	
7012350		
7006640	Misc. Piping, Fittings & Valves Company Labor & Burden	85,795
7000030	Contract Labor - General	74,150
7001110	Telecommunication equip (Telemetry)	74,130
7012410	Line Pipe & Accessories	27,950
7012270	Miscellaneous Materials (containment system)	43,230
7008060	SCADA	-
7016180	Freight - truck	
7001190	Contract Engineering	29,115
7012290	Metering and Instrumentation	237,080
7012290	I&E Materials	-
7012200	Gas Treating	
7012200	Dehydration	
7012010	Compressor	
7012350	Power	
7012610	Vapor Recovery Unit	
7012440	Separator & other pressure vessels	67,350
7012500 7012100	Tanks Heater Treater	193,450
7012640	Flare & Accessories	17,560 11,645
7000010	Electrical Labor	29,115
7000010	Mechanical Labor	25/225
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,290
	TOTAL SURFACE EQUIPMENT - TANGIBLE	\$839,730
And the second		
	TOTAL SURFACE EQUIPMENT COST	\$839,730_
TIFICIAL LIFT		
7012580	Tubing	50,000
7012580	Tubing Accessories (nipple, wireline entry)	5,000
7012550	Wellhead Equip	5,000
7012560	Packers - Completion Equipment	5,000
7006640	Company Labor	6,000
7012180	Gas Lift Equipment	23,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	
7012140	Elect Sub Pumps (ESP)	
7019350	Well Services-Well/Wellhead Services	42,500
7012270	Materials & Supplies-Tangible	25,000
7012550	Surface Wellhead Equipment	3,000
7012390	Pig Launchers/Receivers & Rel Equip	
7011010	Contingency & Taxes	5,000
	TOTAL ARTIFICIAL LIFT	169,500
	TOTAL ARTIFICIAL LIFT COST	\$ 169,500
		- 103,300
	SUMMARY OF ESTIMATED DRILLING WELL COSTS	TOTAL COST
	TOTAL LOCATION COST	\$ 95,000
	TOTAL DRILLING COST	\$ 2,334,080
	TOTAL COMPLETIONS COST	\$ 4,005,000
	TOTAL SURFACE EQUIPMENT COST	\$ 839,730
	TOTAL ARTIFICIAL LIFT COST	\$ 169,500
	GRAND TOTAL COST	\$7,443,310

Exhibit 6

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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPUSLORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 20471 (NEPTUNE)

AFFID	AVIT
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STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)
Deana M Ronnatt attorna	w in fact and outhorized representative

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was sent under a notice letter and that proof of receipt is attached hereto.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 29th day of April, 2019 by Deana M. Bennett.

OFFICIAL SEAL
Karlene Schuman
NOTARY PUBLIC
STATE OF NEW MEXICO

My commission Expires:

Notary Public

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ransaction Report Details - CertifiedPro.net	10	DAG
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Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	e Ave Apt 1a					Return Receint - Flactronic Cortified Mail	0100 31 70
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	ikee Ave Apt 1a		WA 98	98422	Delivered		04-13-2019
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts			CA 91	90028	Mailed		6707-07-40
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts				79423	Vailed	Return Receipt - Electronic Continued Mail	
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	146 Carlsbad		_	38221	Vailed	Return Receipt - Electronic, Certifical Mail	
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	366 Carlsbad		NM 88	88221	Mailed	Return Receipt - Flectronic Certified Mail	
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	L313 Midland	Ϋ́		79702	Mailed	Return Receipt - Electronic, Certified Mail	
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	6780 North Eagle Road Las Cruces		NM 88	88012	Delivered		04-15-2019
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	Taylor	AZ	-	82939	Jelivered		04-17-2019
Forrest Church Miller Ed Kennedy, Jr. Adelson & Family 2015 Trusts	7401 Crystal Ridge SW Albuquerque		NM 8	87121	Delivered		04-15-2019
Ed Kennedy, Jr. Adelson & Family 2015 Trusts			NM 82	88220	Delivered		04-15-2019
Ed Kennedy, Jr. Adelson & Family 2015 Trusts	3013 Sycamore Court Moore		OK 73	73160	Jelivered		04-15-2019
Ed Kennedy, Jr. Adelson & Family 2015 Trusts	tas Las Cruces		NM 88	88007	Jndelivered		
Ed Kennedy, Jr. Adelson & Family 2015 Trusts	ay, Suite 617			78209	Forwarded	Return Receipt - Electronic, Certified Mail	
Adelson & Family 2015 Trusts	H32 Midland			79702	Delivered	Return Receipt - Electronic, Certified Mail	04-23-2019
Adelson & Family 2015 Trusts	Felipe St. Houston			77056	Jelivered		04-15-2019
15 East 5: 001 Nob 408 Kenn P. O. Box 1329 Parl 3150 Mod	LS East 5th St., Suite 330 Tulsa	OK		74103	Delivered		04-15-2019
1001 Not 400 Kenn P.O. Box 1329 Pari 3150 McI	15 East 5th St., Suite 330 Tulsa	ò		74103	Delivered	_	04-15-2019
408 kem P.O. Box : 1329 Pdi	1001 Noble Energy Way Houston			07077	Delivered		04-15-2019
P.O. Box : 1329 Parl : 3150 McI	iston Dr. Austin			78752	Mailed		
1329 Parl 3150 McI		교		34680	Mailed	Return Receipt - Electronic, Certified Mail	
3150 McI				59102	Delivered		04-18-2019
				59101	Mailed		
3150 McI	_			59101	Mailed	Return Receipt - Electronic, Certified Mail	
5507 Sing				88220	Delivered		04-16-2019
2409 Wa	et		NM 82	88220	Delivered	_	04-15-2019
1509 W. (1509 W. Green Street Carlsbad		_	88220	Delivered	_	04-17-2019
4040 Bro	, Sutie 617	힅		78209	orwarded	Return Receipt - Electronic, Certified Mail	
	50250 Midland			79710	Delivered	Return Receipt - Electronic, Certified Mail	04-17-2019
2019-04-12 8:29 AM Norman L. Stevens III, Trustee of the Norman L. Stevens, Jr. Irrevocable Trust 2224 Brei	ood Dr.			77019	Jelivered		04-22-2019
P.O. Box 229	229 Fort Worth			76101	Mailed	Return Receipt - Electronic, Certified Mail	
	te 110	_		77046	Mailed	Return Receipt - Electronic, Certified Mail	
2013-04-12 8:29 AM Roy G. Barton, Jr., I rustee of the Roy G. Barton and Opal Barton Revocable Trust 1919 N. T	er Street		NM 88	88240	Delivered	Return Receipt - Electronic, Certified Mail	04-15-2019
P.O. Box 728	728 Hobbs		NM 82	88241	Delivered		04-15-2019
7404 Lerr	7404 Lemonwood Ln. Fort Worth	orth TX		76133	Jelivered		04-15-2019
P.O. Box 100635	100635 Fort Worth			76185	Jelivered		04-18-2019
P.O. Box 1684	L684 Midland	Ϋ́		79702	Mailed	Return Receipt - Electronic, Certified Mail	
4350 S. N	4350 S. Monaco St., 5th Floor Denver		-	80237	Indelivered	Return Receipt - Electronic, Certified Mail	
4350 S. N	4350 S. Monaco St., 5th Floor Denver	-		80237	Indelivered	Return Receipt - Electronic, Certified Mail	
3838 Oak	3838 Oak Lawn Ave., Suite 1525 Dallas	Ę	,-	75219	Delivered	Return Receipt - Electronic, Certified Mail	04-15-2019
P.O. Box 4438	Houston Houston		•	77210	Delivered		04-16-2019

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL 04/12/2019



Firm Mailing Book ID: 165086

Line	USPS Article Number	Name, Street, City, State Zin	Doctor		£	- !	Reference 81363
-	9314 8699 0430 0058 0304 97	CI & Decommend I D	I Ostage	Service Hee	KK Fee	Kest.Del.Fee	Contents
4		CLOAT NESOURCES, L.F. P.O. Box 4438 Houston TX 77210	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
2	9314 8699 0430 0058 0305 03	Ozark Exploration, Inc. 3838 Oak Lawn Ave., Suite 1525 Dallas TX 75219	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
3	9314 8699 0430 0058 0305 10	Mizel Resources, A Trust 4350 S. Monaco St., 5th Floor Denver CO 80237	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
4	9314 8699 0430 0058 0305 27	Sisbro Oil & Gas, LLC 4350 S. Monaco St., 5th Floor Denver CO 80237	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
50	9314 8699 0430 0058 0305 34	Trabajo Del Spear, LP P.O. Box 1684 Midland TX 79702	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
9	9314 8699 0430 0058 0305 41	Brett Guitar Witherspoon P.O. Box 100635 Fort Worth TX 76185	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
٢	9314 8699 0430 0058 0305 58	John Guitar Witherspoon, Jr 7404 Lemonwood Ln. Fort Worth TX 76133	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
∞	9314 8699 0430 0058 0305 65	Norma J. Chanley P.O. Box 728 Hobbs NM 88241	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
6	9314 8699 0430 0058 0305 72	Roy G. Barton, Jr., Trustee of the Roy G. Barton and Opal Barton Revocable Trust 1919 N. Tumer Street Hobbs NM 88240	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
10	9314 8699 0430 0058 0305 89	OXY USA WTP, LTD 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
11	9314 8699 0430 0058 0305 96	DSD Energy Resources, LLC P.O. Box 229 Fort Worth TX 76101	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
12	9314 8699 0430 0058 0306 02	Norman L. Stevens III, Trustee of the Norman L. Stevens, Jr. Irrevocable Trust 2224 Brentwood Dr. Houston TX 77019	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
13	9314 8699 0430 0058 0306 19	Finwing Corporation P.O. Box 50250 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
4 .	9314 8699 0430 0058 0306 26	Blakemore Family Limited 4040 Broadway, Sutie 617 San Antonio TX 78209	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
15	9314 8699 0430 0058 0306 33	Esther Hernandez 1509 W. Green Street Carlsbad NM 88220	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL 04/12/2019



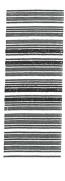
Firm Mailing Book ID: 165086

Reference	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice	81363-Neptune Notice
Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	80.00	\$0.00	\$0.00	20.00
RR Fee	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
Service Fee	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Postage	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Name, Street, City, State, Zip	Margaret Carrasco 2409 Washington Street Carlsbad NM 88220	Mary Lou Hernandez 5507 Singletree Rd. Carlsbad NM 88220	Sam H. Jolliffe, IV, Life Estate 3150 McMasters Rd. Billings MT 59101	Teresa H. Jolliffe, IV 3150 McMasters Rd. Billings MT 59101	Trinidad Jolliffe 1329 Parkhill Dr. Billings MT 59102	Samuel H. Jolliffe, V P.O. Box 1258 Elfers FL 34680	Teresa Jolliffe King 408 Kenniston Dr. Austin TX 78752	Noble Energy, Inc. 1001 Noble Energy Way Houston TX 77070	Zunis Energy, LLC 15 East 5th St., Suite 330 Tulsa OK 74103	Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts 15 East 5th St., Suite 330 Tulsa OK 74103	Marathon Oil Permian LLC 5555 San Felipe St. Houston TX 77056	Estate of Margaret Jones Kennedy, widow of Ed Kennedy, Jr. P.O. Box 432 Midland TX 79702	Blakemore Family Royalty Partnership 4040 Broadway, Suite 617 San Antonio TX 78209	Marifred Handley 5 Las Casitas Las Cruces NM 88007	
USPS Article Number	9314 8699 0430 0058 0306 40	9314 8699 0430 0058 0306 57	9314 8699 0430 0058 0306 64	9314 8699 0430 0058 0306 71	9314 8699 0430 0058 0306 88	9314 8699 0430 0058 0306 95	9314 8699 0430 0058 0307 01	9314 8699 0430 0058 0307 18	9314 8699 0430 0058 0307 25	9314 8699 0430 0058 0307 32	9314 8699 0430 0058 0307 49	9314 8699 0430 0058 0307 56	9314 8699 0430 0058 0307 63	9314 8699 0430 0058 0307 70	9314 8699 0430 0058 0307 87
Line	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL 04/12/2019



Firm Mailing Book ID: 165086

	COA O FAR GIVE IN WAIRINGS		Postage	Service Fee	RR Fee	Rest.Del.Fee	Contents
	9314 8699 0430 0038 0307 94	Western Commerce Bank, f/b/o The Estate of Forrest Church Miller 127 S. Canyon St Carlsbad NM 88220	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
32	9314 8699 0430 0058 0308 00	Jay Paul Miller 7401 Crystal Ridge SW Albuquerque NM 87121	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
	9314 8699 0430 0058 0308 17	David Scott Miller PO Box 3 Tavlor AZ 85939	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
34	9314 8699 0430 0058 0308 24	Julie J. Lara 6780 North Eagle Road Las Cruces NM 88012	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
35	9314 8699 0430 0058 0308 31	Kathleen A. Phillips PO Box 11313 Midland TX 79702	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
36	9314 8699 0430 0058 0308 48	Jeffrey B. Diamond PO Box 1866 Carlsbad NM 88221	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
37	9314 8699 0430 0058 0308 55	Dick A. Blenden PO Box 1446 Carlsbad NM 88221	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
38	9314 8699 0430 0058 0308 62	Robert & Carol Levenson 4015 88th Pl Lubbock TX 79423	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
39	9314 8699 0430 0058 0308 79	Sandra Blenden 1746 N Cherokee Ave Apt 1a Los Angeles CA 90028	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
40	9314 8699 0430 0058 0308 86	Robin Shelton 5501 24th St NE Tacoma WA 98422	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
	9314 8699 0430 0058 0308 93	Phil Blenden 902 Fountain Dr Carlsbad NM 88220	\$1.15	\$3.50	\$1.60	\$0.00	81363-Neptune Notice
			Totals: \$47.15	\$143.50 \$65.6 Grand Total:	\$65.60 Total:	\$0.00	
List Number of Pieces	ieces Total Number of Pieces	ces Postmaster: Dated:		A to the state of	л Отал.	07.00.70	

Postmaster: Name of receiving employee Total Number of Pieces Received at Post Office

CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No. 0001283426

MODRALL SPERLING PO BOX 2168

ALBUQUERQUE NM 87103

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:

04/17/19

Legal Clerk

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

State of WI County of Brown NOTARY PUBLIC

My Commission Expires

Ad#:0001283426 P O : 20471 # of Affidavits :0.00



CASE No. 20471: Notice to all affected parties, as well as the heirs and devisees of CL&F RE-SOURCES, L.P.; OZARK EXPLORATION, INC.: MIZEL RESOURCES, A TRUST; SISBRO OIL & GAS, LLC; TRABAJO DEL SPEAR, LP; BRETT GUITAR WITHERSPOON; JOHN GUITAR WITHERSPOON, JR; NORMA J. CHANLEY; RCG. BARTON, JR., TRUSTEE OF THE ROY G. B. TON AND OPAL BARTON REVOCABLE TRUS OXY USA WTP, LTD; DSD ENERGY RESOURCES, LLC; NORMAN L. STEVENS III, TRUSTEE OF THE NORMAN L. STEVENS, JR. IRREVOCABLE TRUST; FINWING CORPORATION; BLAKEMORE FAMILY LIMITED. FETUED BLAKEMORE FAMILY LIMITED; ESTHER HERNANDEZ; MARGARET CARRASCO; MAR' LOU HERNANDEZ; SAM H. JOLLIFFE, IV, LIFE ESTATE; TERESA H. JOLLIFFE, IV; TRINIDAD JOLLIFFE; SAMUEL H. JOLLIFFE, V; TERESA JOLLIFFE KING; NOBLE ENERGY, INC.; ZUNI: ENERGY, LLC; SUSANNAH D. ADELSON, TRUSTEE OF THE JAMES ADELSON & FAMIL 2015 TRUSTS: MARATHON OU DEPMINANTIC TRUSTEE OF THE JAMES ADELSON & FAMIL 2015 TRUSTS; MARATHON OIL PERMIAN LLC ESTATE OF MARGARET JONES KENNEDY, WOW OF ED KENNEDY, JR.; BLAKEMORE FAM ROYALTY PARTNERSHIP; MARIFRED HANDLEY; PHIPPS LIVING TRUST; WESTERN COMMERCE BANK, F/B/O THE ESTATE OF FORREST CHURCH MILLER; JAY PAUL MILLI DAVID SCOTT MILLER; JULIE J. LARA; KATHLEEN A. PHILLIPS; JEFFREY B. DIAMOI DICK A. BLENDEN; ROBERT & CAROL LEVENSON; SANDRA BLENDEN; ROBIN SHE TON; PHIL BLENDEN of Marathon Oil Permian LLC's application for approval of a spacing unit and compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on May 2, 2019. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Neptune 8 WXY Fee 1H; Neptune 8 WA Fee 3H; Neptune 8 WXY Fee 5H; Neptune 8 WA Fee 7H; Neptune 8 WD Fee 2H; Neptune 8 WD Fee 4H; Neptune 8 WD Fee 8H wells to be horizontally drilled. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 3.5 miles North/Northwest of Loving, New Mexico. Pub: April 17, 2019 #1283426

CASE No. 20471: Notice to all affected parties, as well as the heirs and devisees of CL&F RESOURCES, L.P.; OZARK EXPLORATION, INC.; MIZEL RESOURCES, A TRUST; SISBRO OIL & GAS, LLC; TRABAJO DEL SPEAR, L.P.; BRETT GUITAR WITHERSPOON; JOHN GUITAR WITHERSPOON, JR, NORMA J. CHANLEY; ROY G. BARTON, JR., TRUSTEE OF THE ROY G. BARTON AND OPAL BARTON REVOCABLE TRUST; OXY USA WTP, LTD; DSD ENERGY RESOURCES, LLC; NORMAN L. STEVENS III, TRUSTEE OF THE NORMAN L. STEVENS, JR. IRREVOCABLE TRUST; FINWING CORPORATION; BLAKEMORE FAMILY LIMITED; ESTHER HERNANDEZ; MARGARET CARRASCO; MARY LOU HERNANDEZ; SAM H. JOLLIFFE, IV, LIFE ESTATE; TERESA H. JOLLIFFE, IV; TRINIDAD JOLLIFFE KING; NOBLE ENERGY, INC.; ZUNIS ENERGY, LLC; SUSANNAH D. ADELSON, TRUSTEE OF THE JAMES ADELSON & FAMILY 2015 TRUSTS; MARATHON OIL PERMIAN LLC; ESTATE OF MARGARET JONES KENNEDY, WIDOW OF ED KENNEDY, JR.; BLAKEMORE FAMILY ROYALTY PARTNERSHIP; MARIFRED HANDLEY; PHIPPS LIVING TRUST; WESTERN COMMERCE BANK, F/B/O THE ESTATE OF FORREST CHURCH MILLER; JAY PAUL MILLER; DAVID SCOTT MILLER; JULIE J. LARA; KATHLEEN A. PHILLIPS; JEFFREY B. DIAMOND; DICK A. BLENDEN; ROBERT & CAROL LEVENSON; SANDRA BLENDEN; ROBIN SHELTON; PHIL BLENDEN; ROBERT & COBIN SHELTON; PHIL BLENDEN OF MARATHON OIL Permian LEVENSON; SANDRA BLENDEN; ROBIN SHEL-TON; PHIL BLENDEN of Marathon Oil Permian LLC's application for approval of a spacing unit and compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on May 2, 2019. Applicant seeks an order from the Division pooling all uncompitted mineral interests within a plicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Neptune 8 WXY Fee 1H; Neptune 8 WA Fee 3H; Neptune 8 WXY Fee 5H; Neptune 8 WA Fee 7H; Neptune 8 WD Fee 2H; Neptune 8 WD Fee 4H; Neptune 8 WD Fee 8H wells, to be horizontally drilled. Also to be considered will be the cost of drilling and completing said wells. the cost of drilling and completing said wells, the allocation of these costs as well as the ac-tual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 3.5 miles North/Northwest of Loving, New Mexico. Pub: April 17, 2019 #1283426

Exhibit B

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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPUSLORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 20471 (NEPTUNE)

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

Matt Baker, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC, and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist.
- 2. **Exhibit 7** is a structure map of the top of the Wolfcamp. The proposed project area is identified by a black-dashed box. The proposed horizontal locations are identified by colored lines, and the proposed wells are numbered 1-7.
 - 3. Exhibit 7 shows that the structure dips to the East.
- 4. I have prepared separate exhibits for the proposed Upper Wolfcamp wells and Lower Wolfcamp wells.
- 5. **Exhibit 8** identifies five wells in the vicinity of the proposed Upper Wolfcamp wells, which are the WA and WXY wells, and has a line of cross-section running from A to A'.
- 6. **Exhibit 9** is a stratigraphic cross section hung on the top of the Wolfcamp, also for the Upper Wolfcamp wells. The well logs on the cross-section give a representative sample of the

Wolfcamp formation in the area. The target zones for the wells is the Wolfcamp Y Sand and the Wolfcamp A, identified by the words "Producing Zone" and the shaded area across the cross section, along with a red arrow. The Wolfcamp Y Sand thickness varies slightly from North to South. The Wolfcamp A thickness is relatively consistent from North to South.

- 7. **Exhibit 10** is a Gross Interval Isochore of the Wolfcamp to Wolfcamp B. The formation is relatively uniform across the proposed well unit.
- 8. Exhibit 11 identifies five wells in the vicinity of the proposed Lower Wolfcamp wells, which are the WD wells, and has a line of cross-section running from A to A'.
- 9. **Exhibit 12** is a stratigraphic cross section showing the Wolfcamp D2 datum, also for the Lower Wolfcamp wells. The well logs on the cross-section give a representative sample of the Wolfcamp formation in the area. The target zones for the wells are identified by the words "Producing Zone" and the shaded area across the cross section, along with a red arrow. The Wolfcamp C2 interval thickens from North to South. The Wolfcamp D2 thickness is relatively consistent from across the unit.
- 10. **Exhibit 13** is a Gross Interval Isochore of the Wolfcamp C2 to D3. The formation is relatively uniform across the proposed well unit.
 - 11. I conclude from the maps that:
 - a. The horizontal spacing 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.

- 12. The preferred well orientation in this area is either North/South or East/West. This is because SH_{max} is ~45° from North within this unit.
- 13. Exhibits 7-13 were prepared by me or under my supervision or compiled from company business records.
- 14. The granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

SUBSCRIBED AND SWORN to before me this / day of / day of / 2019 by Matt Baker, on behalf of Marathon Oil Permian LLC.

Notary Public

My commission expires: 1/23/2023

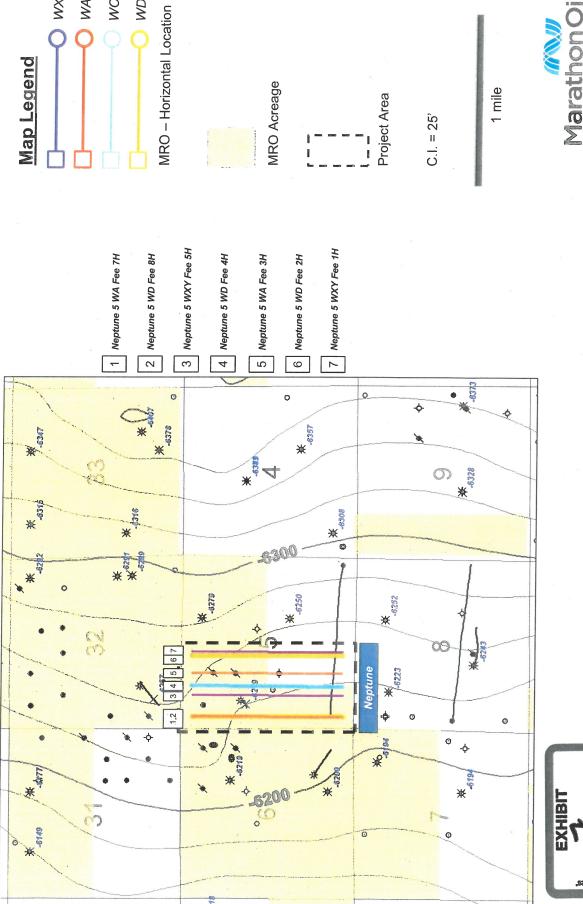
JESSICA GORMAN
Notary Public, State of Texas
Commission Expires 01-23-2023
Notary ID 13008780-4

Structure Map - Top of Wolfcamp (SSTVD)

 \bigvee

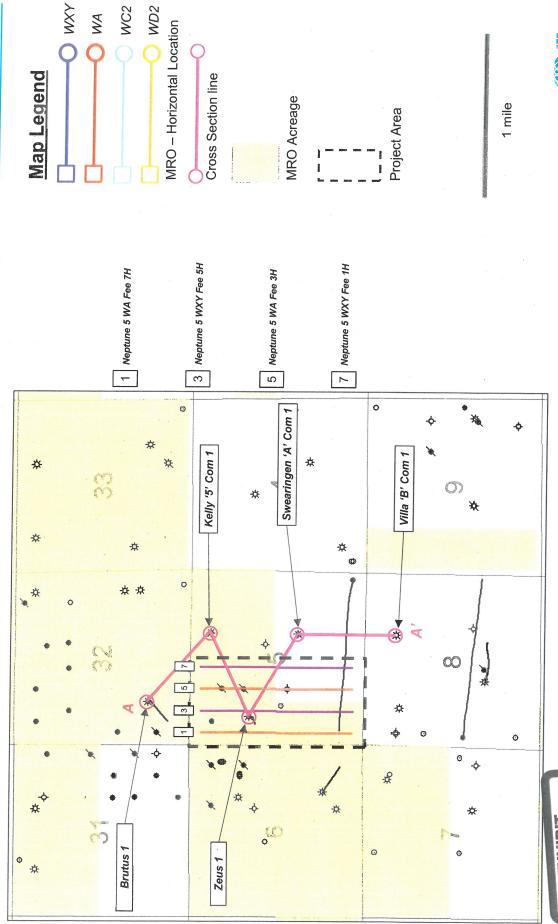
WC2 WD2

WA





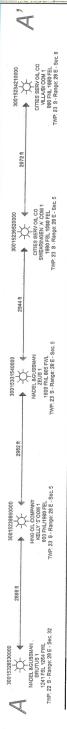
Reference Map for Cross Section - Upper Wolfcamp Wells

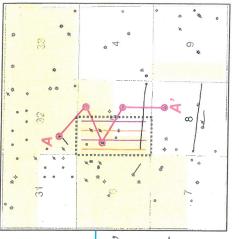






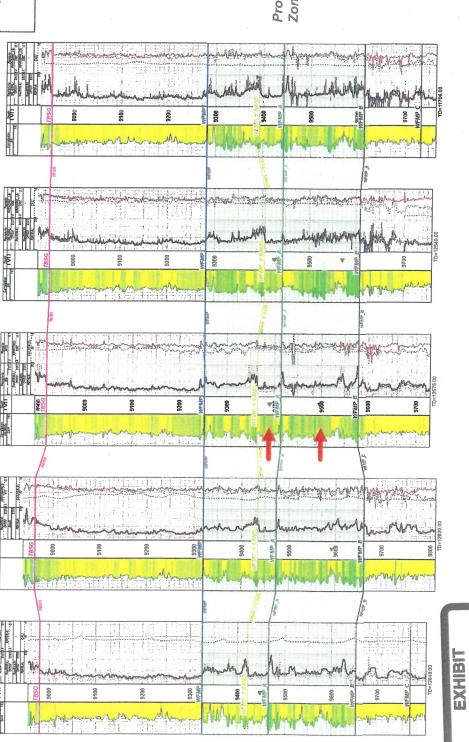
Stratigraphic Cross Section (Top Wolfcamp Datum)





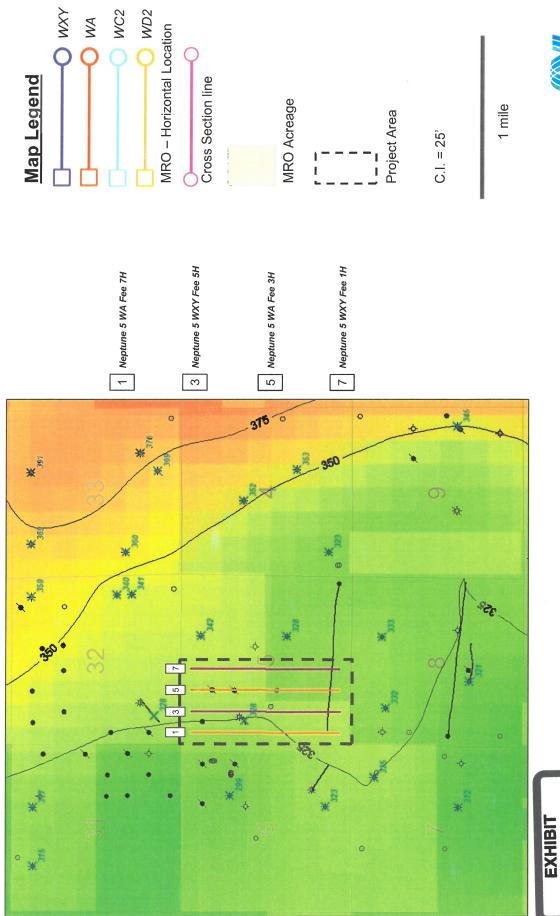
Wolfcamp Y-Sand thickness varies slightly from North to South Wolfcamp A thickness relatively consistent from North to South







Gross Interval Isochore - Wolfcamp to Wolfcamp B







Reference Map for Cross Section - Lower Wolfcamp Wells

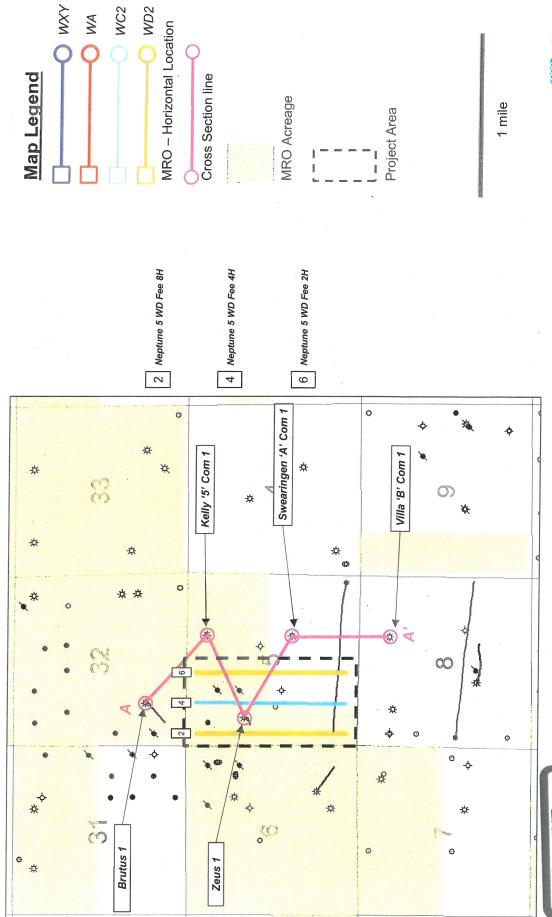


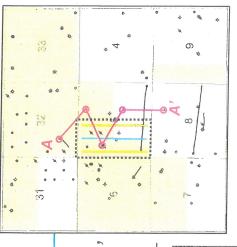




Exhibit 12

Stratigraphic Cross Section (Wolfcamp D2 Datum)

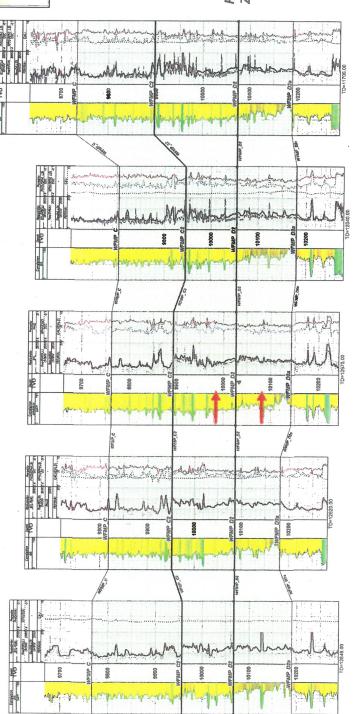




Wolfcamp C2 interval thickens from North to South

Relatively consistent D2 thickness across the unit

Producing Zone







Gross Interval Isochore—Wolfcamp C2 to Wolfcamp D3

