

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 08, 2019**

CASE No. 20691 & 20692

GOONCH 131H WELL

GOONCH 132H WELL

GOONCH 133H WELL

GOONCH 134H WELL

GOONCH 135H WELL

GOONCH 136H WELL

EDDY COUNTY, NEW MEXICO



NOVO

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

**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 20691 & 20692

**AFFIDAVIT OF BRANDON PATRICK
IN SUPPORT OF CASE NOS. 20691 AND 20692**

Brandon Patrick, of lawful age and being first duly sworn, declares as follows:

1. My name is Brandon Patrick. I work for Novo Oil & Gas Northern Delaware, LLC (“Novo”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

CASE NO. 20691

3. I am familiar with the application filed by Novo in this case, and I am familiar with the status of the lands in the subject area.
4. None of the uncommitted parties has indicated opposition to this pooling application, and therefore I do not expect any opposition at the hearing.
5. Novo is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.
6. Novo seeks to dedicate the above horizontal spacing unit to the following proposed wells:

- The **Goonch Fed Com 04 #131H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 4 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 4.
- The **Goonch Fed Com 04 #132H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 4 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 4.
- The **Goonch Fed Com 04 #135H Well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 4.

7. Novo has prepared draft Form C-102s to file with the Division for these proposed wells that are attached hereto as **Novo Exhibit A-1**, **Novo Exhibit A-2**, and **Novo Exhibit A-3**. It is Novo's understanding that the Division's district office has placed these wells in the Culebra Bluff; Bone Spring, South Pool (Pool Code 15011).

8. The completed interval for the proposed **Goonch Fed Com 04 #132H Well** will remain within 330 feet of the E/2 W/2 of Section 4 to allow inclusion of these proximity tracts in a standard 320-acre horizontal well spacing comprised of the W/2 of Section 4. Incorporating the proximity tracts, the completed intervals for these proposed wells will comply with the Division's setback requirements.

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

10. **Novo Exhibit A-4** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal and fee lands. This exhibit shows the interest owners that Novo

seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit.

11. Novo is seeking to pool both working interest owners and overriding royalty interest owners identified on Exhibit A-4.

12. A copy of the well proposal letter for the wells, along with the corresponding AFEs, is attached as **Novo Exhibit A-5**. The costs reflected in the AFEs are consistent with what Novo and other operators have incurred for drilling similar horizontal wells in the area.

CASE NO. 20692

13. I am familiar with the application filed by Novo in this case, and I am familiar with the status of the lands in the subject area.

14. None of the uncommitted parties has indicated opposition to this pooling application, and therefore I do not expect any opposition at the hearing.

15. Novo is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 4 and 9, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

16. Novo seeks to dedicate the above horizontal spacing unit to the following proposed wells:

- The **Goonch Fed Com 0409 #133H Well** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33, T22S, R28E, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9.
- The **Goonch Fed Com 0409 #134H Well** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33, T22S, R28E, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9.

- The **Goonch Fed Com 0409 #136H Well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9.

17. Novo has prepared draft Form C-102s to file with the Division for these proposed wells that are attached hereto as **Novo Exhibit A-6**, **Novo Exhibit A-7**, and **Novo Exhibit A-8**. It is Novo's understanding that the Division's district office has placed these wells in the Culebra Bluff; Bone Spring, South Pool (Pool Code 15011).

18. The completed interval for the proposed **Goonch Fed Com 0409 #133H Well** will remain within 330 feet of the E/2 E/2 of Sections 4 and 9 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of the E/2 of Sections 4 and 9. Incorporating the proximity tracts, the completed intervals for these proposed wells will comply with the Division's setback requirements.

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

20. **Novo Exhibit A-9** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal and fee lands. This exhibit shows the interest owners that Novo seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit.

21. Novo is seeking to pool both working interest owners and overriding royalty interest owners identified on Exhibit A-9.

22. A copy of the well proposal letter for the wells, along with the corresponding AFEs, is attached as **Novo Exhibit A-10**. The costs reflected in the AFEs are consistent with what Novo and other operators have incurred for drilling similar horizontal wells in the area.

23. Novo has been able to locate contact information for all of the parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners in **Case Nos. 20691 and 20692**.

24. In **Case Nos. 20691 and 20692**, Novo seeks approval of overhead and administrative costs at \$8,000/month while drilling and \$800/month while producing. These costs are consistent with what Novo and other operators are charging in this area for these types of wells. Novo respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

25. For both **Case Nos. 20691 and 20692**, I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners. In compiling these addresses, Novo conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

26. Novo Exhibit A-1 through A-10 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



BRANDON PATRICK

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 5th day of August 2019 by
Brandon Patrick.



NOTARY PUBLIC

My Commission Expires:

11/15/20



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Rond, 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 Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GOONCH FED COM 04	⁶ Well Number 131H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3014.0

¹⁰ Surface Location

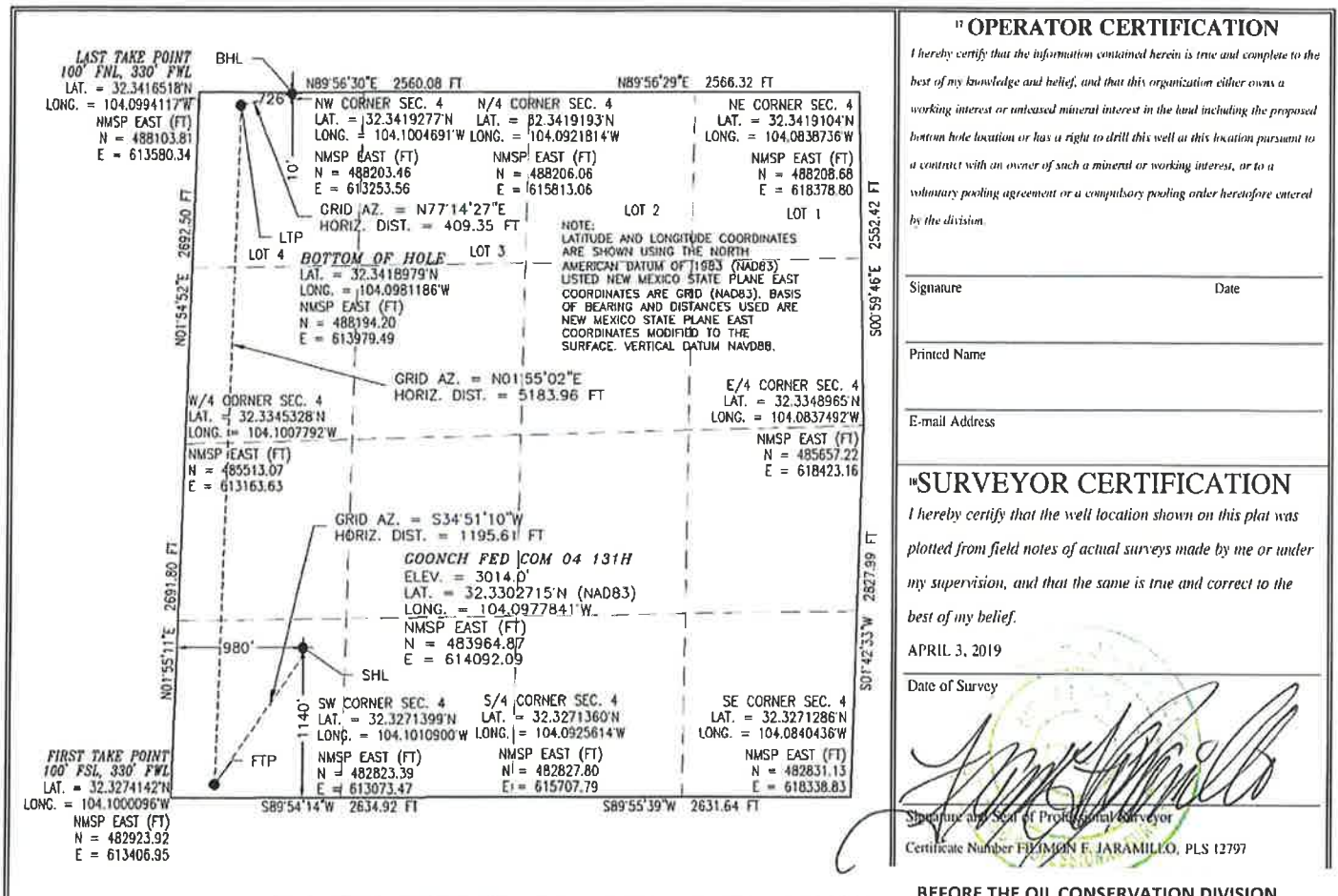
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23 S	28 E		1140	SOUTH	980	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	4	23 S	28 E		10	NORTH	726	WEST	EDDY

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



Intent ☐ As Drilled ☐

API #		
Operator Name: NOVO OIL & GAS NORTHERN DELAWARE, LLC	Property Name: GOONCH FED COM 04	Well Number 131H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
M	4	23S	28E		1140	SOUTH	980	WEST	EDDY
Latitude 32.3302715					Longitude 104.0977841			NAD 83	

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
M	4	23S	28E		100	SOUTH	330	WEST	EDDY
Latitude 32.3274142					Longitude 104.1000096			NAD 83	

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	4	23S	28E	4	100	NORTH	330	WEST	EDDY
Latitude 32.3416518					Longitude 104.0994117			NAD 83	

Is this well the defining well for the Horizontal Spacing Unit? ☐

Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

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1625 N. French Dr., Hobbs, NM 88240
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District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
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State of New Mexico
Energy, Minerals & Natural Resources Department
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name GOONCH FED COM 04			⁶ Well Number 132H
⁷ OGRID No. 372920		⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC			⁹ Elevation 3014.5
¹⁰ Surface Location					
UL or lot no. M	Section 4	Township 23 S	Range 28 E	Lot Idn	Feet from the 1140
				North/South line SOUTH	Feet from the 1180
				East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. 3	Section 4	Township 23 S	Range 28 E	Lot Idn	Feet from the 10
				North/South line NORTH	Feet from the 1122
				East/West line WEST	County EDDY
¹² Dedicated Acres		¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.

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

LAST TAKE POINT 100' FSL, 1122' FWL LAT. = 32.3416493N LONG. = 104.0968462W NMSP EAST (FT) N = 488104.62 E = 614372.63		GOONCH FED COM 04 132H ELEV. = 3014.5' LAT. = 32.3302712N (NAD83) LONG. = 104.0971364W NMSP EAST (FT) N = 483965.20 E = 614292.14		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
FIRST TAKE POINT 100' FSL, 1122' FWL LAT. = 32.3274131N LONG. = 104.0974445W NMSP EAST (FT) N = 482925.25 E = 614199.27		GOONCH FED COM 04 132H ELEV. = 3014.5' LAT. = 32.3302712N (NAD83) LONG. = 104.0971364W NMSP EAST (FT) N = 483965.20 E = 614292.14		Signature _____ Date _____ Printed Name _____ E-mail Address _____	
SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.		GOONCH FED COM 04 132H ELEV. = 3014.5' LAT. = 32.3302712N (NAD83) LONG. = 104.0971364W NMSP EAST (FT) N = 483965.20 E = 614292.14		MAY 10, 2019 Date of Survey	
GOONCH FED COM 04 132H ELEV. = 3014.5' LAT. = 32.3302712N (NAD83) LONG. = 104.0971364W NMSP EAST (FT) N = 483965.20 E = 614292.14		GOONCH FED COM 04 132H ELEV. = 3014.5' LAT. = 32.3302712N (NAD83) LONG. = 104.0971364W NMSP EAST (FT) N = 483965.20 E = 614292.14		Signature and Seal of Professional Surveyor _____ Certificate Number F11JONP, JARAMILLO, PLS 12797 SURVEY NO. 7131A	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A2

Submitted by: Novo Oil & Gas Northern Delaware
Hearing Date: August 8, 2019
Case # 20691 & 20692

Intent ☐ As Drilled ☐

API #

Operator Name:	Property Name:	Well Number
NOVO OIL & GAS NORTHERN DELAWARE, LLC	GOONCH FED COM 04	132H

Kick Off Point (KOP)

UL M	Section 4	Township 23S	Range 28E	Lot	Feet 1140	From N/S SOUTH	Feet 1180	From E/W WEST	County EDDY
Latitude 32.3302712					Longitude 104.0971364			NAD 83	

First Take Point (FTP)

UL M	Section 4	Township 23S	Range 28E	Lot	Feet 100	From N/S SOUTH	Feet 1122	From E/W WEST	County EDDY
Latitude 32.3274131					Longitude 104.0974445			NAD 83	

Last Take Point (LTP)

UL	Section 4	Township 23S	Range 28E	Lot 4	Feet 100	From N/S NORTH	Feet 1122	From E/W WEST	County EDDY
Latitude 32.3416493					Longitude 104.0968462			NAD 83	

Is this well the defining well for the Horizontal Spacing Unit? ☐

Is this well an infill well? ☐

If Infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

District I
1625 N. French Dr., Hobbs, NM 88240
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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GOONCH FED COM 04	
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁶ Well Number 135H
		⁹ Elevation 3035.5

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	4	23 S	28 E		592	NORTH	1494	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	23 S	28 E		10	SOUTH	1914	WEST	EDDY

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

GOONCH FED COM 04 135H ELEV. = 3035.5' LAT. = 32.3402886°N (NAD83) LONG. = 104.0886817°W NMSP EAST (FT) N = 487615.30 E = 616895.25 FIRST TAKE POINT 100' FWL, 1914' FWL LAT. = 32.3416467°N LONG. = 104.0942809°W NMSP EAST (FT) N = 488105.43 E = 615164.91 LAST TAKE POINT 100' FWL, 1914' FWL LAT. = 32.3274119°N LONG. = 104.0948795°W NMSP EAST (FT) N = 482926.58 E = 614991.57 BOTTOM OF HOLE LAT. = 32.3271845°N LONG. = 104.0948899°W NMSP EAST (FT) N = 482836.60 E = 614988.56 SW CORNER SEC. 4 LAT. = 32.3271399°N LONG. = 104.1010900°W NMSP EAST (FT) N = 482823.39 E = 613073.47 SE CORNER SEC. 4 LAT. = 32.3271286°N LONG. = 104.0840438°W NMSP EAST (FT) N = 482831.13 E = 618338.83 W/4 CORNER SEC. 4 LAT. = 32.3345328°N LONG. = 104.1007792°W NMSP EAST (FT) N = 485513.07 E = 613163.63 E/4 CORNER SEC. 4 LAT. = 32.3348965°N LONG. = 104.0837492°W NMSP EAST (FT) N = 485657.22 E = 618423.16 N/4 CORNER SEC. 4 LAT. = 32.3419104°N LONG. = 104.0838736°W NMSP EAST (FT) N = 488208.66 E = 618378.80 GRID AZ. = S01°55'02"W HORIZ. DIST. = 5272.97 FT GRID AZ. = N74°11'06"W HORIZ. DIST. = 1798.80 FT NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE, VERTICAL DATUM NAVD83.	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____ ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MAY 31, 2019 Date of Survey Signature and Seal of Professional Surveyor FILMON F. JARAMILLO, PLS 12797 Certificate Number SURVEY NO. 7269A
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A3
Submitted by: Novo Oil & Gas Northern Delaware
Hearing Date: August 8, 2019
Case # 20691 & 20692

Intent ☐ As Drilled ☐

API #

Operator Name:

NOVO OIL & GAS NORTHERN DELAWARE, LLC

Property Name:

GOONCH FED COM 04

Well Number

135H

Kick Off Point (KOP)

UL	Section 4	Township 23S	Range 28E	Lot 2	Feet 592	From N/S NORTH	Feet 1494	From E/W EAST	County EDDY
Latitude 32.3402886					Longitude 104.0886817			NAD 83	

First Take Point (FTP)

UL	Section 4	Township 23S	Range 28E	Lot 3	Feet 100	From N/S NORTH	Feet 1914	From E/W WEST	County EDDY
Latitude 32.3416467					Longitude 104.0942809			NAD 83	

Last Take Point (LTP)

UL N	Section 4	Township 23S	Range 28E	Lot	Feet 100	From N/S SOUTH	Feet 1914	From E/W WEST	County EDDY
Latitude 32.3274119					Longitude 104.0948795			NAD 83	

Is this well the defining well for the Horizontal Spacing Unit? ☐

Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:

Property Name:

Well Number

KZ 06/29/2018

Goonch Fed Com 04 131H, 132H, 135H



Pooled Parties

OXY U.S.A. Inc.	50.0640%
Yosemite Creek Oil & Gas, LLC	5.5940%
Bad Water, LLC	0.6242%
Roy G. Barton, Jr., et al	0.6242%
Russell T. Rudy Energy, LLC	0.3902%
Ruth D. Roberts	0.1561%

*Goonch Fed Com 04 132H Non-Standard Location

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. A4

Submitted by: Novo Oil & Gas Northern Delaware

Hearing Date: August 8, 2019

Case # 20691 & 20692

Summary of Interest

Goonch Fed Com 04 131H, 132H, 135H

W/2 of Section 4, Township 23 South, Range 28 East

Third Bone Spring

320.41-acre spacing

Committed Working Interest:

	44.1864%
• Novo Oil & Gas Northern Delaware, LLC	41.1044%
• Novo Minerals, LP	1.4435%
• Bad Water, LLC	0.6242%
• Roy G. Barton Jr., & Claudia R. Barton	0.6242%
• Russell T. Rudy Energy, LLC	0.1561%

Uncommitted Working Interest:

	55.8140%
• OXY U.S.A. Inc.	50.0640%
• Yosemite Creek Oil & Gas, LLC	5.5940%
• Ruth D. Roberts	0.1561%

Unleased Mineral Interest:

- None



Name	Street1	Street2	City	State	Zip
ORRI Section 4 - NW4 NW4					
McMullen Minerals LLC	2821 W 7th Street, Suite 515		Fort Worth	Texas	76107
Pegasus Resources LLC	PO Box 470698		Fort Worth	Texas	76147
Charles W Hicks	6200 Osuna Road NE		Albuquerque	New Mexico	87109
ORRI Section 4 - SW4NW4					
Farris C Joseph Jr	369 SW 28th Road		Miami	Florida	33129
ORRI Section 4 - SW4					
Zunis Energy, LLC	15 East 5th Street, Suite 3300		Tulsa	Oklahoma	74103
Desert Partners VI, LP	PO Box 3579		Midland	Texas	79702
Novo Minerals, LP	1001 W. Wilshire Blvd, Suite 206		Oklahoma City	Oklahoma	73116
STR Corp	1614 Ventura		Midland	Texas	79705
JSA Investments	15 East 5th Street, Suite 3300		Tulsa	Oklahoma	74103
Enerstar Resources O&G LLC	PO Box 606		Carlsbad	New Mexico	88221
Discovery Exploration	410 N Main		Midland	Texas	79701
J Cleo Thompson & James Cleo Thompson Jr., LP	325 North Saint Paul Street, Suite 4300		Dallas	Texas	75201
Marathon Oil Permian LLC	5555 San Felipe St		Houston	Texas	77056
James Adelson & Family Trust	15 East 5th Street, Suite 3300		Tulsa	Oklahoma	74103
Teresa H Jolliffe	408 Kenniston		Austin	Texas	78752
Sam H Jolliffe IV (Reminderman - Trinidad Jolliffe, Samuel H Jolliffe, Teresa J King	PO Box 1275		Elfers	Florida	34680
Post Oak Crown IV-B LLC	5200 San Felipe		Houston	Texas	77056
Crown Oil Partners, LP	PO Box 50820		Midland	Texas	79710
Crown Oil Partners IV MGMT LP	PO Box 50820		Midland	Texas	79710
Wells Fargo Central Pacific Holdings Inc	1000 Louisiana Street, 9th Floor		Houston	Texas	77002
Post Oak Crown IV LLC	5200 San Felipe		Houston	Texas	77056
Collins & Jones Investments LLC	508 W Wall Street, Suite 1200		Midland	Texas	79701
Mavros Minerals II LLC	PO Box 50820		Midland	Texas	79710
Gerard G Vavrek	1521 2nd Ave #1604		Seattle	Washington	98101
LMC Energy	550 W Texas Ave, Suite 945		Midland	Texas	79701
Jesse A Faught JR	PO Box 52603		Midland	Texas	79710
H Jason Wacker	5601 Hillcrest		Midland	Texas	79707
David W Cromwell	2008 Country Club Dr		Midland	Texas	79701
Oak Valley Mineral & Land LP	PO Box 50820		Midland	Texas	79710
Kaleb Smith	PO Box 50820		Midland	Texas	79710
Deane Durham	PO Box 50820		Midland	Texas	79710
Mike Moylett	PO Box 50820		Midland	Texas	79710



Justin Carter
Landman
Novo Oil & Gas Northern Delaware, LLC
1001 West Wilshire Blvd, Suite 208
Oklahoma City, Oklahoma 73116
Office: 405.286.3375
jcarter@novooil.com

June 13, 2019

SEE ATTACHED LIST OF WORKING INTEREST OWNERS

Re: Amended Goonch Fed Com Third Bone Spring Well Proposals
W2 of Section 4, Township 23 South, Range 28 East
Eddy County, New Mexico

Proposed Wells

Goonch Fed Com 04 131H
Goonch Fed Com 04 132H
Goonch Fed Com 04 135H

Ladies and Gentlemen:

Novo Oil & Gas Northern Delaware, LLC ("Novo") as Operator requests to amend its February 12, 2019 Well Proposal Letter to include one (1) additional Third Bone Spring well, modifying the development plan from a two (2) well spacing to a three (3) well spacing in the W2 of Section 4, Township 23 South, Range 28 East, Eddy County, New Mexico, as set forth below.

Proposed Well – Goonch Fed Com 04 131H

SHL: SW4 of Section 4, Township 23 South, Range 28 East.
First take point: 100' FSL & 330' FWL of Section 4, Township 23 South, Range 28 East.
Last take point: 100' FNL & 330' FWL of Section 4, Township 23 South, Range 28 East.
BHL: NW4 of Section 4, Township 23 South, Range 28 East.
The W2W2 of Section 4 will be dedicated to the well as its 160.20-acre project area. The well will be drilled to an approximate true vertical depth of 9,305 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth of approximately 15,285 feet.

Proposed Well – Goonch Fed Com 04 132H

SHL: SW4 of Section 4, Township 23 South, Range 28 East.
First take point: 100' FSL & 1,122' FWL of Section 4, Township 23 South, Range 28 East.
Last take point: 100' FNL & 1,122' FWL of Section 4, Township 23 South, Range 28 East.
BHL: NW4 of Section 4, Township 23 South, Range 28 East.
The E2W2 of Section 4 will be dedicated to the well as its 160.21-acre project area. The well will be drilled to an approximate true vertical depth of 9,396 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth of approximately 15,300 feet.

Proposed Well – Goonch Fed Com 04 135H

SHL: NW4NE4 of Section 4, Township 23 South, Range 28 East.

First take point: 100' FNL & 1,914' FWL of Section 4, Township 23 South, Range 28 East.

Last take point: 100' FSL & 1,914' FWL of Section 4, Township 23 South, Range 28 East.

BHL: SE4SW4 of Section 4, Township 23 South, Range 28 East.

The E2W2 of Section 4 will be dedicated to the well as its 160.20-acre project area. The well will be drilled to an approximate true vertical depth of 9,376 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth of approximately 15,376 feet.

Regarding the above, enclosed for your handling are AFEs for each of the three (3) proposed wells. In the event you elect to participate in the proposed wells, please execute the enclosed AFEs and return to the attention of the undersigned within thirty (30) days from receipt of this letter. Novo will provide a copy of its proposed Operating Agreement upon request. Should you have any suggestions regarding the above, please call me at (405) 286-3375 or by email, jcarter@novooil.com.

Sincerely,

Novo Oil & Gas Northern Delaware, LLC

A handwritten signature in blue ink, appearing to read "Justin Carter".

Justin Carter
Landman

_____ Not to participate in the **Goonch Fed Com 04 131H**.

_____ Participate in the **Goonch Fed Com 04 131H** for its Proportionate share of costs.

_____ Not to participate in the **Goonch Fed Com 04 132H**.

_____ Participate in the **Goonch Fed Com 04 132H** for its Proportionate share of costs.

_____ Not to participate in the **Goonch Fed Com 04 135H**.

_____ Participate in the **Goonch Fed Com 04 135H** for its Proportionate share of costs.

By: _____

Printed Name: _____

Title: _____

Date: _____

Contact Number: _____

Working Interest Owners

Goonch Fed Com 04 131H

Goonch Fed Com 04 132H

Goonch Fed Com 04 135H

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

Yosemite Creek Oil & Gas LLC
4350 South Monaco Street, 5th Floor
Denver, CO 80237

Bad Water LLC
1919 North Turner Street
Hobbs, NM 88240

Roy G Barton Jr and Claudia R Barton as JTROWS
1919 North Turner Street
Hobbs, NM 88240

Russell T Rudy Energy LLC
5701 Woodway Drive, Suite 346
Houston, TX 77057

Ruth D Roberts
c/o Daniel Roberts
PO Box 6368
Austin, TX 78762

District I
 1825 N. French Dr., Hobbs, NM 88340
 Phone: (575) 393-6161 Fax: (575) 393-0720
 District II
 811 S. First St., Arredondo, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
 District III
 1000 Rio Brazos Road, Artes, 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

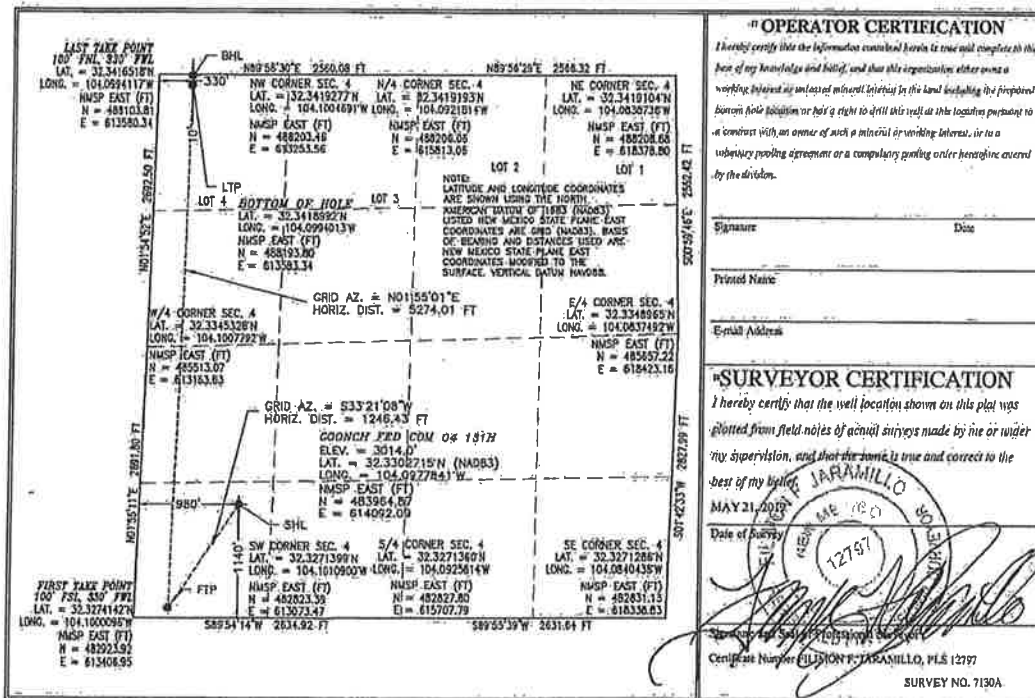
State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name		Well Number	
		GOONCH FED COM 04		131H	
GRID No.		Operator Name		Elevation	
372920		NOVO OIL & GAS NORTHERN DELAWARE, LLC		3014.0	
Surface Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
M	4	23 S	28E		1140
					North/South line
					SOUTH
					Feet from the
					980
					East/West line
					WEST
					County
					EDDY
Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
4	4	23 S	28E		10
					North/South line
					NORTH
					Feet from the
					330
					East/West line
					WEST
					County
					EDDY
Dedicated Acres		Joint or Infill		Consolidation Code	
				Order No.	

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



District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1263 Fax: (505) 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 Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name GOONCH FED COM 04			6 Well Number 132H
7 GRID No. 372920		8 Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC			9 Elevation 3014.5
10 Surface Location					
UL or lot no. M	Section 4	Township 23 S	Range 28 E	Lot Idn	Feet from the 1140
				North/South line SOUTH	Feet from the 1180
				East/West line WEST	County EDDY
11 Bottom Hole Location If Different From Surface					
UL or lot no. 3	Section 4	Township 23 S	Range 28 E	Lot Idn	Feet from the 10
				North/South line NORTH	Feet from the 1122
				East/West line WEST	County EDDY
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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

LAST TAKE POINT 100' FNL, 1122' FTL LAT. = 32.3416493N LONG. = 104.0958162W NUSP EAST (FT) N = 488104.62 E = 614327.63		1122' NW CORNER SEC. 4 LAT. = 32.3419277N LONG. = 104.1004691W NUSP EAST (FT) N = 488203.46 E = 613253.54		1180' SW CORNER SEC. 4 LAT. = 32.3271399N LONG. = 104.1010900W NUSP EAST (FT) N = 482832.39 E = 613073.47	
1180' W/4 CORNER SEC. 4 LAT. = 32.3345328N LONG. = 104.1057782W NUSP EAST (FT) N = 485513.07 E = 613163.63		1180' GOONCH FED COM 04 132H ELEV. = 3014.5' LAT. = 32.330272N (NAD83) LONG. = 104.0871364W NUSP EAST (FT) N = 483965.70 E = 614292.14		1180' SE CORNER SEC. 4 LAT. = 32.3271288N LONG. = 104.0840436W NUSP EAST (FT) N = 482831.13 E = 618336.63	
1180' 100' FNL, 1122' FTL LAT. = 32.3274137N LONG. = 104.0974445W NUSP EAST (FT) N = 482925.25 E = 614193.27		1180' 5/4 CORNER SEC. 4 LAT. = 32.3271350N LONG. = 104.0925614W NUSP EAST (FT) N = 482827.80 E = 615707.79		1180' 5/4 CORNER SEC. 4 LAT. = 32.3271350N LONG. = 104.0925614W NUSP EAST (FT) N = 482827.80 E = 615707.79	

" OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

"SURVEYOR CERTIFICATION

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

MAY 10, 2019

Date of Survey _____

Surveyor's Seal: JARAMILLO, NEW MEXICO, 12797

Certificate Number: PL 12075 JARAMILLO, PLS 12797

SURVEY NO. 7131A

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
 District II
 811 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
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 1000 Rio Bravos Road, Artesia, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
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 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 Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name			⁶ Well Number				
		GOONCH FED COM 04			135H				
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation				
372920		NOVO OIL & GAS NORTHERN DELAWARE, LLC			3035.5				
" Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	4	23 S	28 E		592	NORTH	1494	EAST	EDDY
" Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	23 S	28 E		10	SOUTH	1914	WEST	EDDY
¹⁰ Dedicated Acres		¹¹ Joint or In PU		¹² Consolidation Code		¹³ Order No.			

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

WELL LOCATION AND ACREAGE DEDICATION PLAT
 NW CORNER SEC. 4
 LAT. = 32.3419277N
 LONG. = 104.1004001W
 N = 488202.46
 E = 613253.58
 NE CORNER SEC. 4
 LAT. = 32.3418183N
 LONG. = 104.0921814W
 N = 488202.46
 E = 613253.58
 SW CORNER SEC. 4
 LAT. = 32.3271309N
 LONG. = 104.1010900W
 N = 482823.30
 E = 613073.47
 SE CORNER SEC. 4
 LAT. = 32.3271209N
 LONG. = 104.0940436W
 N = 482831.13
 E = 618338.83
 GOONCH FED COM 04 135H
 ELEV. = 3035.5
 LAT. = 32.3402886N (NAD83)
 LONG. = 104.0986817W
 N = 487615.30
 E = 616885.25
 FIRST TAKE POINT
 100' FSL 1914' FSL
 LAT. = 32.3416467N
 LONG. = 104.0942509W
 N = 488105.43
 E = 618164.81
 BOTTOM OF HOLE
 LAT. = 32.3271649N
 LONG. = 104.0940436W
 N = 482831.13
 E = 618338.83

" OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

" SURVEYOR CERTIFICATION

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

MAY 31, 2019

Date of Survey _____

Signature of Professional Surveyor _____

Certificate Number _____

THOMAS F. JARAMILLO, PLS 12797

SURVEY NO. 7269A



NOVO OIL & GAS NORTHERN DELAWARE, LLC
AUTHORIZATION FOR EXPENDITURE
 1001 West White, Suite 206
 Oklahoma City, Oklahoma 73116
 405-281-4381

WELL NAME	Goench Fed Com 04 131H	AFE TYPE	Development	AFE NUMBER	2015053
LATERAL LOCATION	T23S, R28E, Sec 4, Slot 1, Az-N	FIELD	Northern Delaware	DRILLING DAYS	19
SURFACE LOCATION	T23S, R28E, Sec 4 SW/4	FORMATION	3rd Bone Spring	DEPTH (TVD/TMD)	9,305' / 15,285'
BOTTOM-HOLE LOCATION	T23S, R28E, Sec 4 NW/4	COUNTY	Eddy County	STATE	New Mexico
PROJECT DESCRIPTION	Drilling, completion, facilities and pipeline costs for 5,080' horizontal well.				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
	INTANGIBLE COSTS	DRILLING (300)	COMPLETION (500)		
01	SURVEY/PERMITS/DAMAGES/LEGAL	\$ 50,000		\$	50,000
02	LOCATION & ROAD	200,000			200,000
03	RIG MOVE	200,000			200,000
04	DRILLING - FOOTAGE	50,000			50,000
05	DRILLING - DAYWORK	611,500			511,500
06	COMPLETION/WORKOVER RIG		80,000		80,000
07	COIL TUBING/SNUBBING UNIT		200,000		200,000
08	SLICKLINE/SWABBING				0
09	BITS	100,000	5,000		105,000
10	DIRECTIONAL SERVICES	180,000			180,000
11	CASING CREW	100,000			100,000
12	TOOL & EQUIPMENT RENTAL	50,000	80,000		130,000
13	FUEL & POWER	126,000	200,000		326,000
14	DIESEL - BASE FOR MUD	100,000			100,000
15	MUD LOGGING & GEOLOGIST	17,000			17,000
16	DISPOSAL, RESTORATION & BACKFILL	150,000			150,000
17	TRUCKING	120,000	40,000		160,000
18	TESTING				0
19	CEMENTING	150,000			150,000
20	PERFORATING		238,000		238,000
21	CASED HOLE LOGS				0
22	DOWNHOLE TOOLS & SERVICE		39,000		39,000
23	OTHER STIMULATION		120,000		120,000
24	FORMATION STIMULATION		2,340,000		2,340,000
25	CONSULTING SERVICES		20,000		20,000
26	SUPERVISION	120,000	100,000		220,000
27	CONTRACT LABOR	2,000	20,000		22,000
28	OTHER LABOR		100,000		100,000
29	COMPANY CONSULTING/SUPV				0
30	WATER	50,000	780,000		830,000
31	FLUIDS & CHEMICALS	200,000			200,000
32	CORING & ANALYSIS				0
33	COMMUNICATIONS	10,000	10,000		20,000
34	BOP TESTING	20,000	10,000		30,000
35	FISHING TOOLS & SERVICES				0
36	INSPECTIONS	10,000	5,000		15,000
37	WIRELINE SERVICES				0
38	ENGINEERING & GEOLOGY - FIELD				0
39	ENGINEERING & GEOLOGY - OFFICE				0
40	MULTISHOT & GYRO				0
41	RE-ENTRY SERVICES				0
42	CAMPS & TRAILERS	15,000	15,000		30,000
43	SAFETY EQUIPMENT & H2S	10,000	5,000		15,000
44	CONTINGENCY				0
45	INSURANCE	5,000	2,000		7,000
46	MISCELLANEOUS	10,000	1,000		11,000
47	SIM-OPS				0
48	TOTAL INTANGIBLE COSTS	\$ 2,556,500	\$ 4,390,000	\$	6,946,500
	TANGIBLE COSTS	DRILLING (400)	COMPLETION (600)		TOTAL
01	CASING - CONDUCTOR	\$ 8,500		\$	8,500
02	CASING - SURFACE	22,000			22,000
03	CASING - INTERMEDIATE	208,000			208,000
04	CASING - INTERMEDIATE 2				0
05	CASING - PRODUCTION / LINER	330,000			330,000
06	SUBSURFACE EQUIPMENT	25,000			25,000
07	PRODUCTION TUBING		52,000		52,000
08	SUBSURFACE PUMPING EQUIPMENT				0
09	WELLHEAD EQUIPMENT	60,000	10,000		70,000
10	FLOWLINES		50,000		50,000
11	SURFACE PUMPING EQUIPMENT				0
12	LINER HANGER & ASSOC EQUIP				0
13	VALVES & FITTINGS		10,000		10,000
14	RODS				0
15	TRUCKING	40,000	2,000		42,000
16	RE-ENTRY EQUIPMENT				0
17	PRODUCTION EQUIPMENT		300,000		300,000
18	MISCELLANEOUS	10,000	10,000		20,000
19	TANGIBLE EQUIP-ACQUISITIONS				0
20	TOTAL TANGIBLE COSTS	\$ 703,500	\$ 434,000	\$	1,137,500
	TOTAL ESTIMATED WELL COST	\$ 3,260,000	\$ 4,824,000	\$	8,084,000

PREPARED BY: Aaron Catlett Senior Operations Engineer DATE: 6/13/2019
 OPERATOR APPROVAL: [Signature] VP - Operations DATE: 6-13-2019
 OPERATOR APPROVAL: [Signature] CEO or COO DATE: 6/13/2019
CFD

PARTNER COMPANY NAME: _____
 PARTNER APPROVAL: _____ DATE: _____
 TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs. Please make a note that some expenditures such as tubing, artificial lift or surface equipment may occur up to one year after the project has been initiated.



NOVO OIL & GAS NORTHERN DELAWARE, LLC
AUTHORIZATION FOR EXPENDITURE
 1001 West Wilshire, Suite 208
 Oklahoma City, Oklahoma 73116
 409-266-4391

WELL NAME	Goonch Fed Com 04 132H	AFE TYPE	Development	AFE NUMBER	2015054
LATERAL LOCATION	T23S, R28E, Sec 4, Slot-2, Az-N	FIELD	Northern Delaware	DRILLING DAYS	19
SURFACE LOCATION	T23S, R28E, Sec 4 SW/4	FORMATION	3rd Bone Spring	DEPTH (TVD/TMD)	9,398' / 15,300'
BOTTOM-HOLE LOCATION	T23S, R28E, Sec 4 NW/4	COUNTY	Eddy County	STATE	New Mexico
PROJECT DESCRIPTION	Drilling, completion, facilities and pipeline costs for 5,000' horizontal well.				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
	INTANGIBLE COSTS	DRILLING (300)	COMPLETION (500)		
01	SURVEY/PERMITS/DAMAGES/LEGAL	\$ 50,000		\$	50,000
02	LOCATION & ROAD	200,000			200,000
03	RIG MOVE	200,000			200,000
04	DRILLING - FOOTAGE	50,000			50,000
05	DRILLING - DAYWORK	511,500			511,500
06	COMPLETION/WORKOVER RIG		80,000		80,000
07	COIL TUBING/SNUBBING UNIT		200,000		200,000
08	SLICKLINE/SWABBING				0
09	BITS	100,000	5,000		105,000
10	DIRECTIONAL SERVICES	180,000			180,000
11	CASING CREW	100,000			100,000
12	TOOL & EQUIPMENT RENTAL	50,000	80,000		130,000
13	FUEL & POWER	128,000	200,000		328,000
14	DIESEL - BASE FOR MUD	100,000			100,000
15	MUD LOGGING & GEOLOGIST	17,000			17,000
16	DISPOSAL, RESTORATION & BACKFILL	150,000			150,000
17	TRUCKING	120,000	40,000		160,000
18	TESTING				0
19	CEMENTING	150,000			150,000
20	PERFORATING		238,000		238,000
21	CASED HOLE LOGS				0
22	DOWNHOLE TOOLS & SERVICE		39,000		39,000
23	OTHER STIMULATION		120,000		120,000
24	FORMATION STIMULATION		2,340,000		2,340,000
25	CONSULTING SERVICES		20,000		20,000
26	SUPERVISION	120,000	100,000		220,000
27	CONTRACT LABOR	2,000	20,000		22,000
28	OTHER LABOR		100,000		100,000
29	COMPANY CONSULTING/SUPV				0
30	WATER	50,000	760,000		810,000
31	FLUIDS & CHEMICALS	200,000			200,000
32	CORING & ANALYSIS				0
33	COMMUNICATIONS	10,000	10,000		20,000
34	BOP TESTING	20,000	10,000		30,000
35	FISHING TOOLS & SERVICES				0
37	INSPECTIONS	10,000	5,000		15,000
38	WIRELINE SERVICES				0
39	ENGINEERING & GEOLOGY - FIELD				0
40	ENGINEERING & GEOLOGY - OFFICE				0
41	MULTISHOT & GYRO				0
42	RE-ENTRY SERVICES				0
43	CAMPS & TRAILERS	15,000	15,000		30,000
44	SAFETY EQUIPMENT & H2S	10,000	5,000		15,000
45	CONTINGENCY				0
46	INSURANCE	5,000	2,000		7,000
47	MISCELLANEOUS	10,000	1,000		11,000
49	SIM-OPS				0
	TOTAL INTANGIBLE COSTS	\$ 2,555,500	\$ 4,390,000	\$	6,945,500
	TANGIBLE COSTS	DRILLING (400)	COMPLETION (600)		TOTAL
01	CASING - CONDUCTOR	\$ 8,500		\$	8,500
02	CASING - SURFACE	22,000			22,000
03	CASING - INTERMEDIATE	208,000			208,000
04	CASING - INTERMEDIATE 2				0
05	CASING - PRODUCTION / LINER	330,000			330,000
06	SUBSURFACE EQUIPMENT	25,000			25,000
07	PRODUCTION TUBING		52,000		52,000
08	SUBSURFACE PUMPING EQUIPMENT				0
09	WELLHEAD EQUIPMENT	60,000	10,000		70,000
10	FLOWLINES		50,000		50,000
11	SURFACE PUMPING EQUIPMENT				0
12	LINER HANGER & ASSOC EQUIP				0
13	VALVES & FITTINGS		10,000		10,000
15	RODS				0
17	TRUCKING	40,000	2,000		42,000
20	RE-ENTRY EQUIPMENT				0
34	PRODUCTION EQUIPMENT		300,000		300,000
47	MISCELLANEOUS	10,000	10,000		20,000
48	TANGIBLE EQUIP-ACQUISITIONS				0
	TOTAL TANGIBLE COSTS	\$ 703,500	\$ 434,000	\$	1,137,500
	TOTAL ESTIMATED WELL COST	\$ 3,260,000	\$ 4,824,000	\$	8,084,000

PREPARED BY: Aaron Catley Senior Operations Engineer DATE: 6/13/2019
 OPERATOR APPROVAL: [Signature] VP - Operations DATE: 6-13-2019
 OPERATOR APPROVAL: [Signature] CEO or COO DATE: 6/13/2019
CFO

PARTNER COMPANY NAME: _____
 PARTNER APPROVAL: _____ DATE: _____
 TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs. Please make a note that some expenditures such as tubing, artificial lift or surface equipment may occur up to one year after the project has been initiated.



NOVO OIL & GAS NORTHERN DELAWARE, LLC
AUTHORIZATION FOR EXPENDITURE
 1001 West Wilshire, Suite 200
 Oklahoma City, Oklahoma 73110
 405-286-4381

WELL NAME	Geonch Fed Com 04 135H	AFE TYPE	Development	AFE NUMBER	2015107
LATERAL LOCATION	T23S, R28E, Sec 4, Slot-2, Az-N	FIELD	Northern Delaware	DRILLING DAYS	19
SURFACE LOCATION	T23S, R28E, Sec 4 NW/4 NE/4	FORMATION	3rd Bone Spring	DEPTH (TVD/TMD)	9,378' / 15,378'
BOTTOM-HOLE LOCATION	T23S, R28E, Sec 4 SE/4 SW/4	COUNTY	Eddy County	STATE	New Mexico
PROJECT DESCRIPTION	Drilling, completion, facilities and pipeline costs for 5,080' horizontal well.				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
		DRILLING (300)	COMPLETION (600)		
	INTANGIBLE COSTS				
01	SURVEY/PERMITS/DAMAGES/LEGAL	\$ 50,000		\$ 50,000	
02	LOCATION & ROAD	200,000		200,000	
03	RIG MOVE	200,000		200,000	
04	DRILLING - FOOTAGE	50,000		50,000	
05	DRILLING - DAYWORK	511,500		511,500	
06	COMPLETION/WORKOVER RIG		80,000	80,000	
07	COIL TUBING/SNUBBING UNIT		200,000	200,000	
08	SLICKLINE/SWABBING				
09	BITS	100,000	5,000	105,000	
10	DIRECTIONAL SERVICES	180,000		180,000	
11	CASING CREW	100,000		100,000	
12	TOOL & EQUIPMENT RENTAL	50,000	80,000	130,000	
13	FUEL & POWER	126,000	200,000	326,000	
14	DIESEL - BASE FOR MUD	100,000		100,000	
15	MUD LOGGING & GEOLOGIST	17,000		17,000	
16	DISPOSAL, RESTORATION & BACKFILL	150,000		150,000	
17	TRUCKING	120,000	40,000	160,000	
18	TESTING				
19	CEMENTING	150,000		150,000	
20	PERFORATING		238,000	238,000	
21	CASED HOLE LOGS				
22	DOWNHOLE TOOLS & SERVICE		38,000	38,000	
23	OTHER STIMULATION		120,000	120,000	
24	FORMATION STIMULATION		2,340,000	2,340,000	
25	CONSULTING SERVICES		20,000	20,000	
26	SUPERVISION	120,000	100,000	220,000	
27	CONTRACT LABOR	2,000	20,000	22,000	
28	OTHER LABOR		100,000	100,000	
29	COMPANY CONSULTING/SUPV				
30	WATER	50,000	780,000	830,000	
31	FLUIDS & CHEMICALS	200,000		200,000	
32	CORING & ANALYSIS				
33	COMMUNICATIONS	10,000	10,000	20,000	
34	BOP TESTING	20,000	10,000	30,000	
35	FISHING TOOLS & SERVICES				
36	INSPECTIONS	10,000	5,000	15,000	
37	WIRELINE SERVICES				
38	ENGINEERING & GEOLOGY - FIELD				
39	ENGINEERING & GEOLOGY - OFFICE				
40	MULTISHOT & GYRO				
41	RE-ENTRY SERVICES				
42	CAMPS & TRAILERS	15,000	15,000	30,000	
43	SAFETY EQUIPMENT & H2S	10,000	5,000	15,000	
44	CONTINGENCY				
45	INSURANCE	5,000	2,000	7,000	
46	MISCELLANEOUS	10,000	1,000	11,000	
47	SIM-OPS				
48	TOTAL INTANGIBLE COSTS	\$ 2,556,500	\$ 4,390,000	\$ 6,946,500	
	TANGIBLE COSTS	DRILLING (400)	COMPLETION (600)	TOTAL	
01	CASING - CONDUCTOR	\$ 8,500		\$ 8,500	
02	CASING - SURFACE	22,000		22,000	
03	CASING - INTERMEDIATE	208,000		208,000	
04	CASING - INTERMEDIATE 2				
05	CASING - PRODUCTION / LINER	330,000		330,000	
06	SUBSURFACE EQUIPMENT	25,000		25,000	
07	PRODUCTION TUBING		52,000	52,000	
08	SUBSURFACE PUMPING EQUIPMENT				
09	WELLHEAD EQUIPMENT	60,000	10,000	70,000	
10	FLOWLINES		50,000	50,000	
11	SURFACE PUMPING EQUIPMENT				
12	LINER HANGER & ASSOC EQUIP				
13	VALVES & FITTINGS		10,000	10,000	
14	RODS				
15	TRUCKING	40,000	2,000	42,000	
16	RE-ENTRY EQUIPMENT				
17	PRODUCTION EQUIPMENT				
18	MISCELLANEOUS	10,000	300,000	310,000	
19	TANGIBLE EQUIP-ACQUISITIONS		10,000	10,000	
20	TOTAL TANGIBLE COSTS	\$ 703,500	\$ 434,000	\$ 1,137,500	
	TOTAL ESTIMATED WELL COST	\$ 3,260,000	\$ 4,824,000	\$ 8,084,000	

PREPARED BY: Aaron Catlett Senior Operations Engineer DATE: 6/13/2019

OPERATOR APPROVAL: [Signature] VP - Operations DATE: 6-13-2019

OPERATOR APPROVAL: [Signature] CEO or COO DATE: 6/13/2019

PARTNER COMPANY NAME: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs. Please make a note that some expenditures such as tubing, artificial lift or surface equipment may occur up to one year after the project has been initiated.

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

State of New 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 Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GOONCH FED COM 0409	⁶ Well Number 133H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3038.8

¹⁰ Surface Location

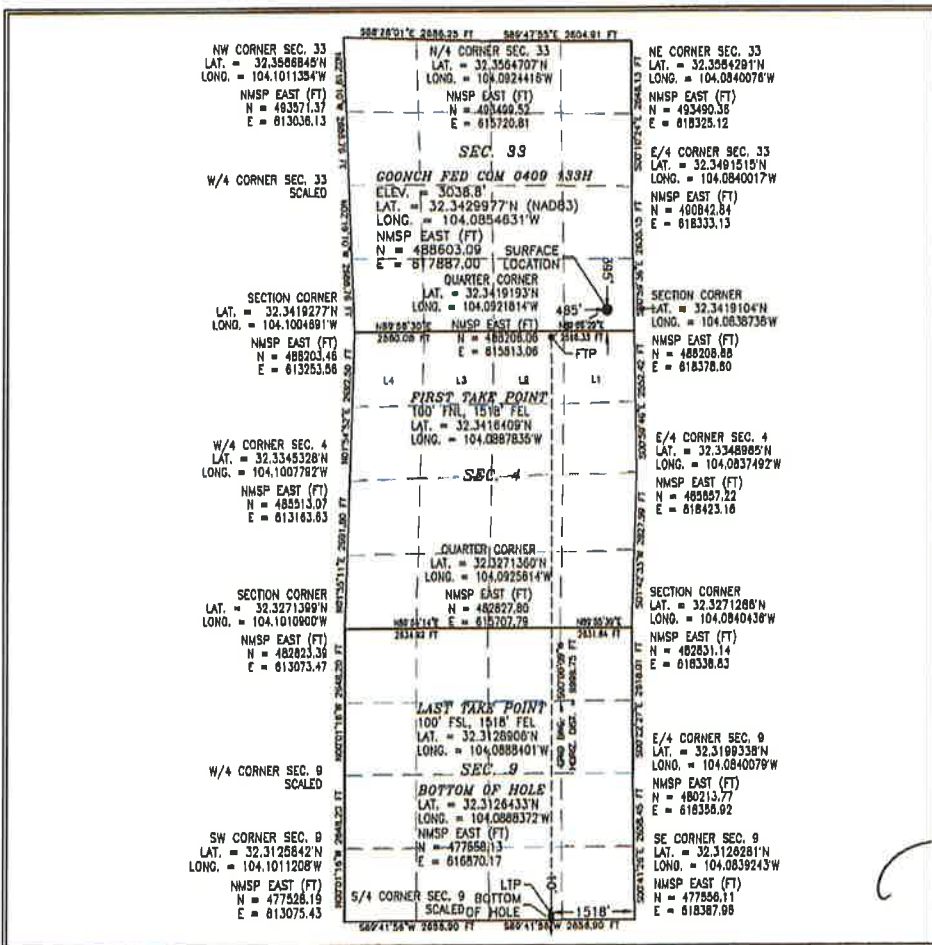
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	22 S	28 E		395	SOUTH	485	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	9	23 S	28 E		10	SOUTH	1518	EAST	EDDY

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

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



¹⁶ OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

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

JUNE 5, 2019
Date of Survey

Signature and Seal of Professional Surveyor
Certificate Number: SIMON F. JARAMILLO, PLS 12797

SURVEY NO. 7258

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A6

Submitted by: Novo Oil & Gas Northern Delaware
Hearing Date: August 8, 2019
Case # 20691 & 20692

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Phone: (505) 334-6178 Fax: (505) 334-6170
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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
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁴ Property Name GOONCH FED COM 0409	⁶ Well Number 134H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3039.7

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	22 S	28 E		435	SOUTH	285	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	23 S	28 E		10	SOUTH	726	EAST	EDDY

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

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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JUNE 5, 2019 Date of Survey _____ Signature and Seal of Professional Surveyor _____ Certificate Number: DILIMON F. JARAMILLO, PLS 12797 SURVEY NO. 7259
	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A7 Submitted by: Novo Oil & Gas Northern Delaware Hearing Date: August 8, 2019 Case # 20691 & 20692

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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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District Office
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name	⁶ Well Number
	GOONCH FED COM 0409	136H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
372920	NOVO OIL & GAS NORTHERN DELAWARE, LLC	3035.5

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	4	23 S	28 E		464	NORTH	1338	EAST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	9	23 S	28 E		10	SOUTH	2310	EAST	EDDY

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

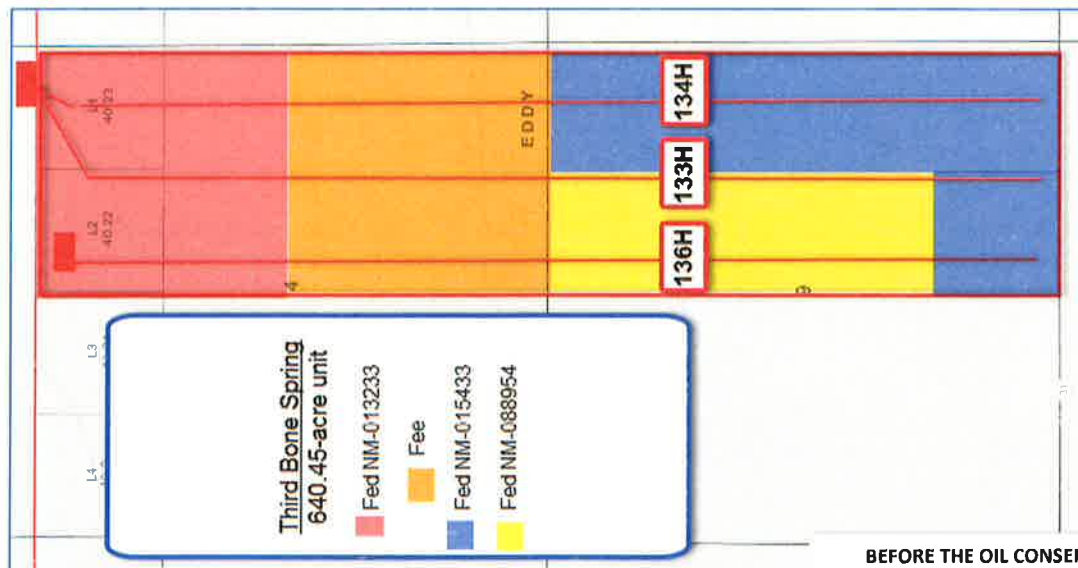
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

NW CORNER SEC. 4 LAT. = 32.3419277°N LONG. = 104.1004691°W NMSP EAST (FT) N = 488203.46 E = 613253.56 W/4 CORNER SEC. 4 LAT. = 32.3345328°N LONG. = 104.1007792°W NMSP EAST (FT) N = 485513.07 E = 613163.63 SW CORNER SEC. 4 LAT. = 32.3271399°N LONG. = 104.1010900°W NMSP EAST (FT) N = 482823.39 E = 613073.47 FIRST TAKE POINT 100' FSL, 2310' FEL LAT. = 32.3416436°N LONG. = 104.0913478°W NMSP EAST (FT) N = 488106.35 E = 616070.76 LAST TAKE POINT 100' FSL, 2310' FEL LAT. = 32.3128841°N LONG. = 104.0914033°W NMSP EAST (FT) N = 477843.94 E = 616077.24 SW CORNER SEC. 9 LAT. = 32.3125842°N LONG. = 104.1011208°W NMSP EAST (FT) N = 477528.19 E = 613075.43		N/4 CORNER SEC. 4 LAT. = 32.3419193°N LONG. = 104.0921814°W NMSP EAST (FT) N = 488206.06 E = 615813.06 COONCH FED COM 0409 136H ELEV. = 3035.5' LAT. = 32.3406399°N (NAD83) LONG. = 104.0881831°W NMSP EAST (FT) N = 487743.44 E = 617048.96 GRID AZ. = S00°02'28"E HORIZ. DIST. = 10654.77 FT S/4 CORNER SEC. 4 LAT. = 32.3271360°N LONG. = 104.0925614°W NMSP EAST (FT) N = 482827.80 E = 615707.79 SE CORNER SEC. 4 LAT. = 32.3271286°N LONG. = 104.0840436°W NMSP EAST (FT) N = 482831.13 E = 618338.83 E/4 CORNER SEC. 9 LAT. = 32.3199338°N LONG. = 104.0840079°W NMSP EAST (FT) N = 480213.77 E = 618355.92 SE CORNER SEC. 9 LAT. = 32.3126281°N LONG. = 104.0839243°W NMSP EAST (FT) N = 477556.11 E = 618387.96		" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____
NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83) BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE, VERTICAL DATUM NAD83. BOTTOM OF HOLE LAT. = 32.3126368°N LONG. = 104.0914004°W NMSP EAST (FT) N = 477553.98 E = 616078.33		" SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MAY 14, 2019 Date of Survey Signature and Seal of Professional Surveyor Certificate Number 12797 BILIMON E. JARAMILLO, PLS 12797 SURVEY NO. 7273		

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A8

Submitted by: Novo Oil & Gas Northern Delaware
Hearing Date: August 8, 2019
Case # 20691 & 20692

Goonch Fed Com 0409 133H, 134H, 136H



<u>Pooled Parties</u>	
OXY U.S.A. Inc.	49.964868%
Chevron Midcontinent, L.P.	15.157634%
Norman L. Stevens, III, Trustee of the Norman Stevens Jr. Rev Trust UTA Dated 9/14/1995	0.500992%
Yosemite Creek Oil & Gas, LLC	2.798601%
Bad Water, LLC	0.312280%
Roy G. Barton, Jr. & Claudia R. Barton as JTWROS	0.312280%
Russell T. Rudy Energy, LLC	0.195188%
Ruth D. Roberts	0.078070%

*Goonch Fed Com 0409 133H Non-Standard Location

Summary of Interest

Goonch Fed Com 0409 133H, 134H, 136H

E/2 of Sections 4 and 9, Township 23 South, Range 28 East
Third Bone Spring
640.45-acre spacing

Committed Working Interest:

	32.001045%
• Novo Oil & Gas Northern Delaware, LLC	27.828558%
• Novo Minerals, LP	2.851740%
• Bad Water, LLC	0.312280%
• Roy G. Barton Jr., & Claudia R. Barton	0.312280%
• Russell T. Rudy Energy, LLC	0.195188%
• Norman L. Stevens III, Trustee of the Norman Stevens Jr. Irrevocable Trust	0.500992%

Uncommitted Working Interest:

	67.999174%
• OXY U.S.A. Inc.	49.964868%
• Yosemite Creek Oil & Gas, LLC	2.798601%
• Ruth D. Roberts	0.078070%
• Chevron U.S.A. Inc.	15.15763%

Unleased Mineral Interest:

- None



Name	Street1	Street2	City	State	Zip
ORRI Section 4- Lots 1,2, S2NE					
A. Lansdale	PO Box 68		Garden Grove	California	92642
Robert B Gates, Deceased and Nada S	PO Box 81119		Midland	Texas	79708
CBR Oil Properties, LLC	PO Box 1518		Roswell	New Mexico	88202
ORRI Section 4 - SE4					
Zunis Energy, LLC	15 East 5th Street, Suite 3300		Tulsa	Oklahoma	74103
Desert Partners VI, LP	PO Box 3579		Midland	Texas	79702
Novo Minerals, LP	1001 W. Wilshire Blvd, Suite 206		Oklahoma City	Oklahoma	73116
STR Corp	1614 Ventura		Midland	Texas	79705
JSA Investments	15 East 5th Street, Suite 3300		Tulsa	Oklahoma	74103
Enerstar Resources O&G LLC	PO Box 606		Carlsbad	New Mexico	88221
Discovery Exploration	410 N Main		Midland	Texas	79701
J Cleo Thompson & James Cleo Thompson Jr., LP	325 North Saint Paul Street, Suite 4300		Dallas	Texas	75201
Marathon Oil Permian LLC	5555 San Felipe St		Houston	Texas	77056
James Adelson & Family Trust	15 East 5th Street, Suite 3300		Tulsa	Oklahoma	74103
Teresa H Jolliffe	408 Kenniston		Austin	Texas	78752
Sam H Jolliffe IV (Reminderman - Trinidad Jollife, Samuel H Jolliffe, Teresa J King	PO Box 1275		Elfers	Florida	34680
Post Oak Crown IV-B LLC					
Crown Oil Partners, LP	5200 San Felipe		Houston	Texas	77056
Crown Oil Partners IV MGMT LP	PO Box 50820		Midland	Texas	79710
Wells Fargo Central Pacific Holdings In	PO Box 50820		Midland	Texas	79710
Post Oak Crown IV LLC	1000 Louisiana Street, 9th Floor		Houston	Texas	77002
Collins & Jones Investments LLC	5200 San Felipe		Houston	Texas	77056
Mavros Minerals II LLC	508 W Wall Street, Suite 1200		Midland	Texas	79701
Gerard G Vavrek	PO Box 50820		Midland	Texas	79710
LMC Energy	1521 2nd Ave #1604		Seattle	Washington	98101
Jesse A Faught JR	550 W Texas Ave, Suite 945		Midland	Texas	79701
H Jason Wacker	PO Box 52603		Midland	Texas	79710
David W Cromwell	5601 Hillcrest		Midland	Texas	79707
Oak Valley Mineral & Land LP	2008 Country Club Dr		Midland	Texas	79701
Kaleb Smith	PO Box 50820		Midland	Texas	79710
Deane Durham	PO Box 50820		Midland	Texas	79710
Mike Moylett	PO Box 50820		Midland	Texas	79710
ORRI Section 9 - E2					
Joseph C. Farris, Jr.	PO Box 50820		Midland	Texas	79710
	369 SW 28th Road		Miami	Florida	33129



Justin Carter
Landman
Novo Oil & Gas Northern Delaware, LLC
1001 West Wilshire Blvd, Suite 206
Oklahoma City, Oklahoma 73116
Office: 405.286.3375
jcarter@novoog.com

June 13, 2019

SEE ATTACHED LIST OF WORKING INTEREST OWNERS

Re: Amended Goonch Fed Com Third Bone Spring Well Proposals
E2 of Sections 4 and 9, Township 23 South, Range 28 East
Eddy County, New Mexico

Proposed Wells

Goonch Fed Com 0409 133H
Goonch Fed Com 0409 134H
Goonch Fed Com 0409 136H

Ladies and Gentlemen:

Novo Oil & Gas Northern Delaware, LLC ("Novo") as Operator hereby amends its February 12, 2019 Well Proposal Letter to include one (1) additional Third Bone Spring well, modifying the development plan from a two (2) well spacing to a three (3) well spacing in the E2 of Sections 4 and 9, Township 23 South, Range 28 East, Eddy County, New Mexico, as set forth below.

Proposed Well – Goonch Fed Com 0409 133H

SHL: SE4 of Section 33, Township 22 South, Range 28 East.
First take point: 100' FNL & 1,518' FEL of Section 4, Township 23 South, Range 28 East.
Last take point: 100' FSL & 1,518' FEL of Section 9, Township 23 South, Range 28 East.
BHL: SE4 of Section 9, Township 23 South, Range 28 East.
The E2 of Section 4 and the E2 of Section 9 will be dedicated to the well as its 640.45-acre project area.
The well will be drilled to an approximate true vertical depth of 9,371 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth of approximately 20,631 feet.

Proposed Well – Goonch Fed Com 0409 134H

SHL: SE4 of Section 33, Township 22 South, Range 28 East.
First take point: 100' FNL & 726' FEL of Section 4, Township 23 South, Range 28 East.
Last take point: 100' FSL & 726' FEL of Section 9, Township 23 South, Range 28 East.
BHL: SE4 of Section 9, Township 23 South, Range 28 East.
The E2 of Section 4 and E2 of Section 9 will be dedicated to the well as its 640.45-acre project area. The well will be drilled to an approximate true vertical depth of 9,396 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth of approximately 20,656 feet.

Proposed Well – Goonch Fed Com 0409 136H

SHL: NW4NE4 of Section 4, Township 23 South, Range 28 East.

First take point: 100' FNL & 2,310' FEL of Section 4, Township 23 South, Range 28 East.

Last take point: 100' FSL & 2,310' FEL of Section 4, Township 23 South, Range 28 East.

BHL: SW4SE4 of Section 9, Township 23 South, Range 28 East.

The E2 of Section 4 and the E2 of Section 9 will be dedicated to the well as its 640.45-acre project area.

The well will be drilled to an approximate true vertical depth of 9,406 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth of approximately 20,406 feet.

Regarding the above, enclosed for your handling are AFEs for each of the three (3) proposed wells. In the event you elect to participate in the proposed wells, please execute the enclosed AFEs and return to the attention of the undersigned within thirty (30) days from receipt of this letter. Novo will provide a copy of its proposed Operating Agreement upon request. Should you have any suggestions regarding the above, please call me at (405) 286-3375 or by email, jcarter@novooil.com.

Sincerely,

Novo Oil & Gas Northern Delaware, LLC



Justin Carter
Landman

_____ Not to participate in the **Goonch Fed Com 0409 133H**.

_____ Participate in the **Goonch Fed Com 0409 133H** for its Proportionate share of costs.

_____ Not to participate in the **Goonch Fed Com 0409 134H**.

_____ Participate in the **Goonch Fed Com 0409 134H** for its Proportionate share of costs.

_____ Not to participate in the **Goonch Fed Com 0409 136H**.

_____ Participate in the **Goonch Fed Com 0409 136H** for its Proportionate share of costs.

By: _____

Printed Name: _____

Title: _____

Date: _____

Contact Number: _____

Working Interest Owners

Goonch Fed Com 04 133H
Goonch Fed Com 04 134H
Goonch Fed Com 04 136H

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

Chevron Midcontinent LP
1400 Smith Street
Houston, TX 77002

Concise Oil & Gas Partnership
1400 Smith Street
Houston, TX 77002

Yosemite Creek Oil & Gas LLC
4350 South Monaco Street, 5th Floor
Denver, CO 80237

Norman L Stevens III
Trustee of the Norman Stevens Jr Irrevocable Trust
2224 Brentwood Drive
Houston, TX 77019

Bad Water LLC
1919 North Turner Street
Hobbs, NM 88240

Roy G Barton Jr and Claudia R Barton as JTROWS
1919 North Turner Street
Hobbs, NM 88240

Russell T Rudy Energy LLC
5701 Woodway Drive, Suite 346
Houston, TX 77057

Ruth D Roberts
c/o Daniel Roberts
PO Box 6368
Austin, TX 78762

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name			6 Well Number
		GOONCH FED COM 0409			133H
7 OGRID No.		8 Operator Name			9 Elevation
372920		NOVO OIL & GAS NORTHERN DELAWARE, LLC			3038.8
10 Surface Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
P	33	22 S	28 E		395
					SOUTH
					485
					EAST
					County
					EDDY
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
O	9	23 S	28 E		10
					SOUTH
					1518
					EAST
					County
					EDDY
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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

16 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling under heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____	
17 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JUNE 5, 2012 Date of Survey _____ Signature of Surveyor _____ Certificate Number _____ SURVEY NO. 7258	

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

State of New 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 Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name			6 Well Number
		GOONCH FED COM 0409			134H
7 OGRID No.		8 Operator Name			9 Elevation
372920		NOVO OIL & GAS NORTHERN DELAWARE, LLC			3039.7
10 Surface Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line
P	33	22 S	28 E		435 SOUTH
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line
P	9	23 S	28 E		10 SOUTH
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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

16 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____	
17 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JUNE 5, 2019 Date of Survey _____ Signature _____ Certification Number: 7259	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0730
District II
811 E. 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 Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name GOONCH FED COM 0409			⁶ Well Number 136H
⁷ OGRID No. 372920		⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC			⁹ Elevation 3035.5
* Surface Location					
UL or lot no. 2	Section 4	Township 23 S	Range 28 E	Lot Idn 464	Feet from the North/South line NORTH Feet from the East/West line EAST
** Bottom Hole Location If Different From Surface					
UL or lot no. O	Section 9	Township 23 S	Range 28 E	Lot Idn 10	Feet from the North/South line SOUTH Feet from the East/West line EAST
¹⁰ Dedicated Acres		¹¹ Joint or Infill		¹² Consolidation Code	
				¹³ Order No.	

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

NE CORNER SEC. 4 LAT. = 32.34191277°N LONG. = 104.0836736°W NAD83 EAST (FT) N = 488208.66 E = 618378.80 W/4 CORNER SEC. 4 LAT. = 32.3345328°N LONG. = 104.1007792°W NAD83 EAST (FT) N = 485513.07 E = 613163.03 SW CORNER SEC. 4 LAT. = 32.3271399°N LONG. = 104.1010500°W NAD83 EAST (FT) N = 482823.39 E = 613073.47 FIRST TAKE POINT 100' PSL, 2310' FEL LAT. = 32.34191277°N LONG. = 104.0913478°W NAD83 EAST (FT) N = 488104.35 E = 616070.76 LAST TAKE POINT 100' PSL, 2310' FEL LAT. = 32.3128841°N LONG. = 104.0914033°W NAD83 EAST (FT) N = 477528.19 E = 613075.43 SW CORNER SEC. 9 LAT. = 32.3128841°N LONG. = 104.1011208°W NAD83 EAST (FT) N = 477528.19 E = 613075.43		NE CORNER SEC. 4 LAT. = 32.3419104°N LONG. = 104.0836736°W NAD83 EAST (FT) N = 488208.66 E = 618378.80 E/4 CORNER SEC. 4 LAT. = 32.3346895°N LONG. = 104.0837492°W NAD83 EAST (FT) N = 485637.22 E = 618423.18 SE CORNER SEC. 4 LAT. = 32.3271288°N LONG. = 104.0840435°W NAD83 EAST (FT) N = 482831.13 E = 618336.83 E/4 CORNER SEC. 9 LAT. = 32.3193338°N LONG. = 104.0840079°W NAD83 EAST (FT) N = 480213.77 E = 618395.92 SE CORNER SEC. 9 LAT. = 32.3128821°N LONG. = 104.0839243°W NAD83 EAST (FT) N = 477556.11 E = 618397.95		" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or retained mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____ "SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. ELIJAH F. JARAMILLO MAY 14, 2013 Date of Survey Signature and Seal of Professional Surveyor Certificate Number ELIJAH F. JARAMILLO, PLS 12797 SURVEY NO. 7773
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NOVO OIL & GAS NORTHERN DELAWARE, LLC
AUTHORIZATION FOR EXPENDITURE
1001 West Wilshire, Suite 200
Oklahoma City, Oklahoma 73115
405-288-4391

WELL NAME	Goonch Fed Com 0409 133H	AFE TYPE	Development	AFE NUMBER	2015055
LATERAL LOCATION	T23S, R28E, Sec 4/9, Slot 3, Az-S	FIELD	Northern Delaware	DRILLING DAYS	22
SURFACE LOCATION	T22S, R28E, Sec 33 SE/4	FORMATION	3rd Bone Spring	DEPTH (TVD/TMD)	9,371' / 20,631'
BOTTOM-HOLE LOCATION	T23S, R28E, Sec 9 SE/4	COUNTY	Eddy County	STATE	New Mexico
PROJECT DESCRIPTION	Drilling, completion, facilities and pipeline costs for 10,360' horizontal well.				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
	INTANGIBLE COSTS	DRILLING (300)	COMPLETION (600)		
01	SURVEY/PERMITS/DAMAGES/LEGAL	\$ 50,000		\$	50,000
02	LOCATION & ROAD	200,000			200,000
03	RIG MOVE	200,000			200,000
04	DRILLING - FOOTAGE	50,000			50,000
05	DRILLING - DAYWORK	634,000			634,000
06	COMPLETION/WORKOVER RIG		80,000		80,000
07	COIL TUBING/SNUBBING UNIT		200,000		200,000
08	SLICKLINE/SWABBING				0
09	BITS	100,000	5,000		105,000
10	DIRECTIONAL SERVICES	192,000			192,000
11	CASING CREW	100,000			100,000
12	TOOL & EQUIPMENT RENTAL	50,000	80,000		130,000
13	FUEL & POWER	144,000	200,000		344,000
14	DIESEL - BASE FOR MUD	100,000			100,000
15	MUD LOGGING & GEOLOGIST	18,000			18,000
16	DISPOSAL, RESTORATION & BACKFILL	150,000			150,000
17	TRUCKING	120,000	40,000		160,000
18	TESTING				0
19	CEMENTING	150,000			150,000
20	PERFORATING		368,000		368,000
21	CASED HOLE LOGS				0
22	DOWNHOLE TOOLS & SERVICE		78,000		78,000
23	OTHER STIMULATION		120,000		120,000
24	FORMATION STIMULATION		4,680,000		4,680,000
25	CONSULTING SERVICES		20,000		20,000
26	SUPERVISION	120,000	100,000		220,000
27	CONTRACT LABOR	2,000	20,000		22,000
28	OTHER LABOR		100,000		100,000
29	COMPANY CONSULTING/SUPV				0
30	WATER	50,000	1,233,000		1,283,000
31	FLUIDS & CHEMICALS	200,000			200,000
32	CORING & ANALYSIS				0
33	COMMUNICATIONS	10,000	10,000		20,000
34	BOP TESTING	20,000	10,000		30,000
35	FISHING TOOLS & SERVICES				0
36	INSPECTIONS	10,000	5,000		15,000
37	WIRELINE SERVICES				0
38	ENGINEERING & GEOLOGY - FIELD				0
39	ENGINEERING & GEOLOGY - OFFICE				0
40	MULTISHOT & GYRO				0
41	RE-ENTRY SERVICES				0
42	CAMPS & TRAILERS	15,000	15,000		30,000
43	SAFETY EQUIPMENT & H2S	10,000	5,000		15,000
44	CONTINGENCY				0
45	INSURANCE	5,000	2,000		7,000
46	MISCELLANEOUS	10,000	1,000		11,000
47	SIM-OPS				0
48	TOTAL INTANGIBLE COSTS	\$ 2,710,000	\$ 7,372,000	\$	10,082,000
	TANGIBLE COSTS	DRILLING (400)	COMPLETION (600)		TOTAL
01	CASING - CONDUCTOR	\$ 8,500		\$	8,500
02	CASING - SURFACE	22,000			22,000
03	CASING - INTERMEDIATE	208,000			208,000
04	CASING - INTERMEDIATE 2				0
05	CASING - PRODUCTION / LINER	445,000			445,000
06	SUBSURFACE EQUIPMENT	25,000			25,000
07	PRODUCTION TUBING		52,000		52,000
08	SUBSURFACE PUMPING EQUIPMENT				0
09	WELLHEAD EQUIPMENT	60,000	10,000		70,000
10	FLOWLINES		50,000		50,000
11	SURFACE PUMPING EQUIPMENT				0
12	LINER HANGER & ASSOC EQUIP				0
13	VALVES & FITTINGS		10,000		10,000
14	RODS				0
15	TRUCKING	40,000	2,000		42,000
16	RE-ENTRY EQUIPMENT				0
17	PRODUCTION EQUIPMENT		300,000		300,000
18	MISCELLANEOUS	10,000	10,000		20,000
19	TANGIBLE EQUIP-ACQUISITIONS				0
20	TOTAL TANGIBLE COSTS	\$ 815,500	\$ 434,000	\$	1,252,500
21	TOTAL ESTIMATED WELL COST	\$ 3,528,500	\$ 7,806,000	\$	11,334,500

PREPARED BY: Aaron Catfley Senior Operations Engineer DATE: 6/13/2019
OPERATOR APPROVAL: [Signature] VP - Operations DATE: 6-13-2019
OPERATOR APPROVAL: [Signature] CEO or COO DATE: 6/13/2019
CFO

PARTNER COMPANY NAME: _____
PARTNER APPROVAL: _____ DATE: _____
TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs. Please make a note that some expenditures such as tubing, artificial lift or surface equipment may occur up to one year after the project has been initiated.



NOVO OIL & GAS NORTHERN DELAWARE, LLC
AUTHORIZATION FOR EXPENDITURE
 1001 West Wishire, Suite 206
 Oklahoma City, Oklahoma 73116
 405-266-4391

WELL NAME	Goonch Fed Com 0409 134H	AFE TYPE	Development	AFE NUMBER	2015056
LATERAL LOCATION	T23S, R28E, Sec 4/9, Slet 4, Az-S	FIELD	Northern Delaware	DRILLING DAYS	22
SURFACE LOCATION	T23S, R28E, Sec 33 SE/4	FORMATION	3rd Bone Spring	DEPTH (TVD/TMD)	9,396' / 20,656'
BOTTOM-HOLE LOCATION	T23S, R28E, Sec 9 SE/4	COUNTY	Eddy County	STATE	New Mexico
PROJECT DESCRIPTION	Drilling, completion, facilities and pipeline costs for 10,360' horizontal well.				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
		DRILLING (300)	COMPLETION (500)		
	INTANGIBLE COSTS				
01	SURVEY/PERMITS/DAMAGES/LEGAL	\$ 50,000		\$ 50,000	
02	LOCATION & ROAD	200,000		200,000	
03	RIG MOVE	200,000		200,000	
04	DRILLING - FOOTAGE	50,000		50,000	
05	DRILLING - DAYWORK	634,000		634,000	
06	COMPLETION/WORKOVER RIG		80,000	80,000	
07	COIL TUBING/SNUBBING UNIT		200,000	200,000	
08	SLICKLINE/SWABBING			0	
09	BITS	100,000	5,000	105,000	
10	DIRECTIONAL SERVICES	192,000		192,000	
11	CASING CREW	100,000		100,000	
12	TOOL & EQUIPMENT RENTAL	50,000	80,000	130,000	
13	FUEL & POWER	144,000	200,000	344,000	
14	DIESEL - BASE FOR MUD	100,000		100,000	
15	MUD LOGGING & GEOLOGIST	18,000		18,000	
16	DISPOSAL, RESTORATION & BACKFILL	150,000		150,000	
17	TRUCKING	120,000	40,000	160,000	
18	TESTING			0	
19	CEMENTING	150,000		150,000	
20	PERFORATING		368,000	368,000	
21	CASED HOLE LOGS			0	
22	DOWNHOLE TOOLS & SERVICE		78,000	78,000	
23	OTHER STIMULATION		120,000	120,000	
24	FORMATION STIMULATION		4,680,000	4,680,000	
25	CONSULTING SERVICES		20,000	20,000	
26	SUPERVISION	120,000	100,000	220,000	
27	CONTRACT LABOR	2,000	20,000	22,000	
28	OTHER LABOR		100,000	100,000	
29	COMPANY CONSULTING/SUPV			0	
30	WATER	50,000	1,233,000	1,283,000	
31	FLUIDS & CHEMICALS	200,000		200,000	
32	CORING & ANALYSIS			0	
33	COMMUNICATIONS	10,000	10,000	20,000	
34	BOP TESTING	20,000	10,000	30,000	
35	FISHING TOOLS & SERVICES			0	
36	INSPECTIONS	10,000	5,000	15,000	
37	WIRELINE SERVICES			0	
38	ENGINEERING & GEOLOGY - FIELD			0	
39	ENGINEERING & GEOLOGY - OFFICE			0	
40	MULTISHOT & GYRO			0	
41	RE-ENTRY SERVICES			0	
42	CAMPS & TRAILERS	15,000	15,000	30,000	
43	SAFETY EQUIPMENT & H2S	10,000	5,000	15,000	
44	CONTINGENCY			0	
45	INSURANCE	5,000	2,000	7,000	
46	MISCELLANEOUS	10,000	1,000	11,000	
47	SIM-OPS			0	
48	TOTAL INTANGIBLE COSTS	\$ 2,710,000	\$ 7,372,000	\$ 10,082,000	
	TANGIBLE COSTS	DRILLING (400)	COMPLETION (600)	TOTAL	
01	CASING - CONDUCTOR	\$ 8,500		\$ 8,500	
02	CASING - SURFACE	22,000		22,000	
03	CASING - INTERMEDIATE	208,000		208,000	
04	CASING - INTERMEDIATE 2			0	
05	CASING - PRODUCTION / LINER	445,000		445,000	
06	SUBSURFACE EQUIPMENT	25,000		25,000	
07	PRODUCTION TUBING		52,000	52,000	
08	SUBSURFACE PUMPING EQUIPMENT			0	
09	WELLHEAD EQUIPMENT	60,000	10,000	70,000	
10	FLOWLINES		50,000	50,000	
11	SURFACE PUMPING EQUIPMENT			0	
12	LINER HANGER & ASSOC EQUIP			0	
13	VALVES & FITTINGS		10,000	10,000	
14	RODS			0	
15	TRUCKING	40,000	2,000	42,000	
16	RE-ENTRY EQUIPMENT			0	
17	PRODUCTION EQUIPMENT		300,000	300,000	
18	MISCELLANEOUS	10,000	10,000	20,000	
19	TANGIBLE EQUIP-ACQUISITIONS			0	
20	TOTAL INTANGIBLE COSTS	\$ 818,500	\$ 434,000	\$ 1,252,500	
	TOTAL ESTIMATED WELL COST	\$ 3,528,500	\$ 7,806,000	\$ 11,334,500	

PREPARED BY: Aaron Catley Senior Operations Engineer DATE: 6/13/2019

OPERATOR APPROVAL: [Signature] VP - Operations DATE: 6-13-2019

OPERATOR APPROVAL: [Signature] CEO or COO DATE: 6/13/2019

PARTNER COMPANY NAME: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs. Please make a note that some expenditures such as tubing, artificial lift or surface equipment may occur up to one year after the project has been initiated.



NOVO OIL & GAS NORTHERN DELAWARE, LLC
AUTHORIZATION FOR EXPENDITURE
1001 West Wiskire, Suite 206
Oklahoma City, Oklahoma 73116
405-286-4351

WELL NAME	Goonch Fed Com 0409 136H	AFE TYPE	Development	AFE NUMBER	2015106
LATERAL LOCATION	T23S, R28E, Sec 4	FIELD	Northern Delaware	DRILLING DAYS	22
SURFACE LOCATION	T23S, R28E, Sec 4 NW/4 NE/4	FORMATION	3rd Bone Spring	DEPTH (TVD/TMD)	9,408' / 20,408'
BOTTOM-HOLE LOCATION	T23S, R28E, Sec 9 SW/4 SE/4	COUNTY	Eddy County	STATE	New Mexico
PROJECT DESCRIPTION	Drilling, completion, facilities and pipeline costs for 10,360' horizontal well.				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
	INTANGIBLE COSTS	DRILLING (300)	COMPLETION (600)		
01	SURVEY/PERMITS/DAMAGES/LEGAL	\$ 50,000		\$	50,000
02	LOCATION & ROAD	200,000			200,000
03	RIG MOVE	200,000			200,000
04	DRILLING - FOOTAGE	50,000			50,000
05	DRILLING - DAYWORK	634,000			634,000
06	COMPLETION/WORKOVER RIG		80,000		80,000
07	COIL TUBING/SNUBBING UNIT		200,000		200,000
08	SLICKLINE/SWABBING				0
09	BITS	100,000	5,000		105,000
10	DIRECTIONAL SERVICES	192,000			192,000
11	CASING CREW	100,000			100,000
12	TOOL & EQUIPMENT RENTAL	50,000	80,000		130,000
13	FUEL & POWER	144,000	200,000		344,000
14	DIESEL - BASE FOR MUD	100,000			100,000
15	MUD LOGGING & GEOLOGIST	18,000			18,000
16	DISPOSAL, RESTORATION & BACKFILL	150,000			150,000
17	TRUCKING	120,000	40,000		160,000
18	TESTING				0
19	CEMENTING	150,000			150,000
20	PERFORATING		368,000		368,000
21	CASED HOLE LOGS				0
22	DOWNHOLE TOOLS & SERVICE		78,000		78,000
23	OTHER STIMULATION		120,000		120,000
24	FORMATION STIMULATION		4,680,000		4,680,000
25	CONSULTING SERVICES		20,000		20,000
26	SUPERVISION	120,000	100,000		220,000
27	CONTRACT LABOR	2,000	20,000		22,000
28	OTHER LABOR		100,000		100,000
29	COMPANY CONSULTING/SUPV				0
30	WATER	50,000	1,233,000		1,283,000
31	FLUIDS & CHEMICALS	200,000			200,000
32	CORING & ANALYSIS				0
33	COMMUNICATIONS	10,000	10,000		20,000
34	BOP TESTING	20,000	10,000		30,000
35	FISHING TOOLS & SERVICES				0
36	INSPECTIONS	10,000	5,000		15,000
37	WIRELINE SERVICES				0
38	ENGINEERING & GEOLOGY - FIELD				0
39	ENGINEERING & GEOLOGY - OFFICE				0
40	MULTISHOT & GYRO				0
41	RE-ENTRY SERVICES				0
42	CAMPS & TRAILERS	15,000	15,000		30,000
43	SAFETY EQUIPMENT & H2S	10,000	5,000		15,000
44	CONTINGENCY				0
45	INSURANCE	5,000	2,000		7,000
46	MISCELLANEOUS	10,000	1,000		11,000
47	SIM-OPS				0
48	TOTAL INTANGIBLE COSTS	\$ 2,710,000	\$ 7,372,000	\$	10,082,000
	TANGIBLE COSTS	DRILLING (400)	COMPLETION (600)		TOTAL
01	CASING - CONDUCTOR	\$ 8,500		\$	8,500
02	CASING - SURFACE	22,000			22,000
03	CASING - INTERMEDIATE	208,000			208,000
04	CASING - INTERMEDIATE 2				0
05	CASING - PRODUCTION / LINER	445,000			445,000
06	SUBSURFACE EQUIPMENT	25,000			25,000
07	PRODUCTION TUBING		52,000		52,000
08	SUBSURFACE PUMPING EQUIPMENT				0
09	WELLHEAD EQUIPMENT	60,000	10,000		70,000
10	FLOWLINES		50,000		50,000
11	SURFACE PUMPING EQUIPMENT				0
12	LINER HANGER & ASSOC EQUIP				0
13	VALVES & FITTINGS		10,000		10,000
14	RODS				0
15	TRUCKING	40,000	2,000		42,000
16	RE-ENTRY EQUIPMENT				0
17	PRODUCTION EQUIPMENT		300,000		300,000
18	MISCELLANEOUS	10,000	10,000		20,000
19	TANGIBLE EQUIP-ACQUISITIONS				0
20	TOTAL INTANGIBLE COSTS	\$ 818,500	\$ 434,000	\$	1,252,500
21	TOTAL ESTIMATED WELL COST	\$ 3,528,500	\$ 7,806,000	\$	11,334,500

PREPARED BY: Aaron Cattey Senior Operations Engineer DATE: 6/13/2019
OPERATOR APPROVAL: [Signature] VP - Operations DATE: 6-13-2019
OPERATOR APPROVAL: [Signature] CEO or COO DATE: 6/13/2019
CEO

PARTNER COMPANY NAME: _____
PARTNER APPROVAL: _____ DATE: _____
TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs. Please make a note that some expenditures such as tubing, artificial lift or surface equipment may occur up to one year after the project has been initiated.

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

**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 20691 & 20692

**AFFIDAVIT OF MICHAEL HALE
IN SUPPORT OF CASE NOS. 20691 & 20692**

Michael Hale, of lawful age and being first duly sworn, declares as follows:

1. My name is Michael Hale. I work for Novo Oil & Gas Northern Delaware, LLC (“Novo”) as Vice President of Geoscience and Exploration.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

CASE NO. 20691

3. I am familiar with the application filed by Novo in this case, and I have conducted a geologic study of the lands in the subject areas.

4. In this case, Novo is targeting the Bone Spring formation.

5. **Novo Exhibit B-1** is a locator map. It shows the path of the proposed wellbores for the proposed **Goonch Fed Com 04 #131H Well, Goonch Fed Com 04 #132H Well, and the Goonch Fed Com 04 #135H Well**. A nearby Third Bone Spring producing wells is marked with a blue dot.

6. **Novo Exhibit B-2** is a subsea structure map that I prepared off the top of the Third Bone Spring Sand formation with a contour interval of 20 feet. The structure map shows the Bone Spring is gently dipping to the northeast. The structure appears consistent across the proposed

wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling. **Novo Exhibit B-2** also shows the location of the wells used to create the stratigraphic cross-section on **Novo Exhibit B-3**. These three wells from A to A' are representative of the geology in the area.

7. **Novo Exhibit B-3** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Third Bone Spring from three representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Bone Spring, is consistent in thickness, across the entire proposed spacing unit.

CASE NO. 20692

8. I am familiar with the application filed by Novo in this case, and I have conducted a geologic study of the lands in the subject areas.

9. In this case, Novo is targeting the Bone Spring formation.

10. **Novo Exhibit B-4** is a locator map. It shows the path of the proposed wellbores for the proposed **Goonch Fed Com 0409 #133H Well**, **Goonch Fed Com 0409 #134H Well**, and the **Goonch Fed Com 0409 #136H Well**. A nearby Third Bone Spring producing well is marked with a blue dot.

11. **Novo Exhibit B-5** is a subsea structure map that I prepared off the top of the Third Bone Spring Sand formation with a contour interval of 20 feet. The structure map shows the Bone Spring is gently dipping to the east in the southern half of the unit and to the northeast in the northern half. The structural change across the proposed wellbore paths appears mild and I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling. **Novo**

Exhibit B-5 also shows the location of the wells used to create the stratigraphic cross-section on **Novo Exhibit B-6**. These three wells from A to A' are representative of the geology in the area.

12. **Novo Exhibit B-6** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Third Bone Spring from three representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Bone Spring, is consistent in thickness, across the entire proposed spacing unit.

13. In my opinion, each tract comprising the proposed horizontal spacing units in **Case Nos. 20691** and **20692** will be productive and contribute more-or-less equally to production from the wellbore.

14. In my opinion, the granting of Novo's applications in these cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

15. Novo Exhibits B-1 through B-6 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Michael Hale
MICHAEL HALE

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 15th day of August 2019 by
Michael Hale.

Kiley Nixon
NOTARY PUBLIC

My Commission Expires:

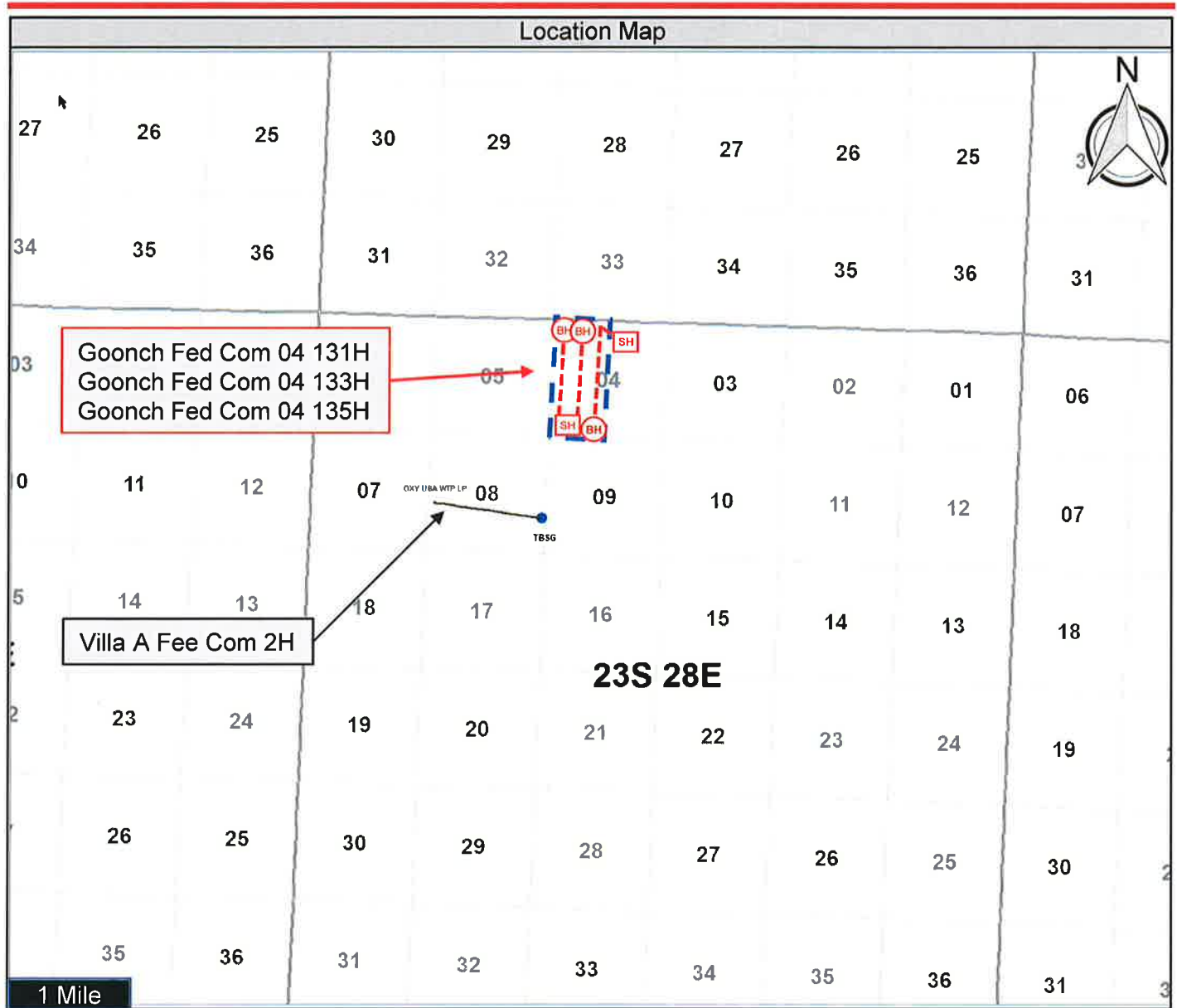
11/15/20



13367401_v1

Goonch – Third Bone Spring Execution Plan

Third Bone Spring Proposed Locations, Section 04-23S-28E

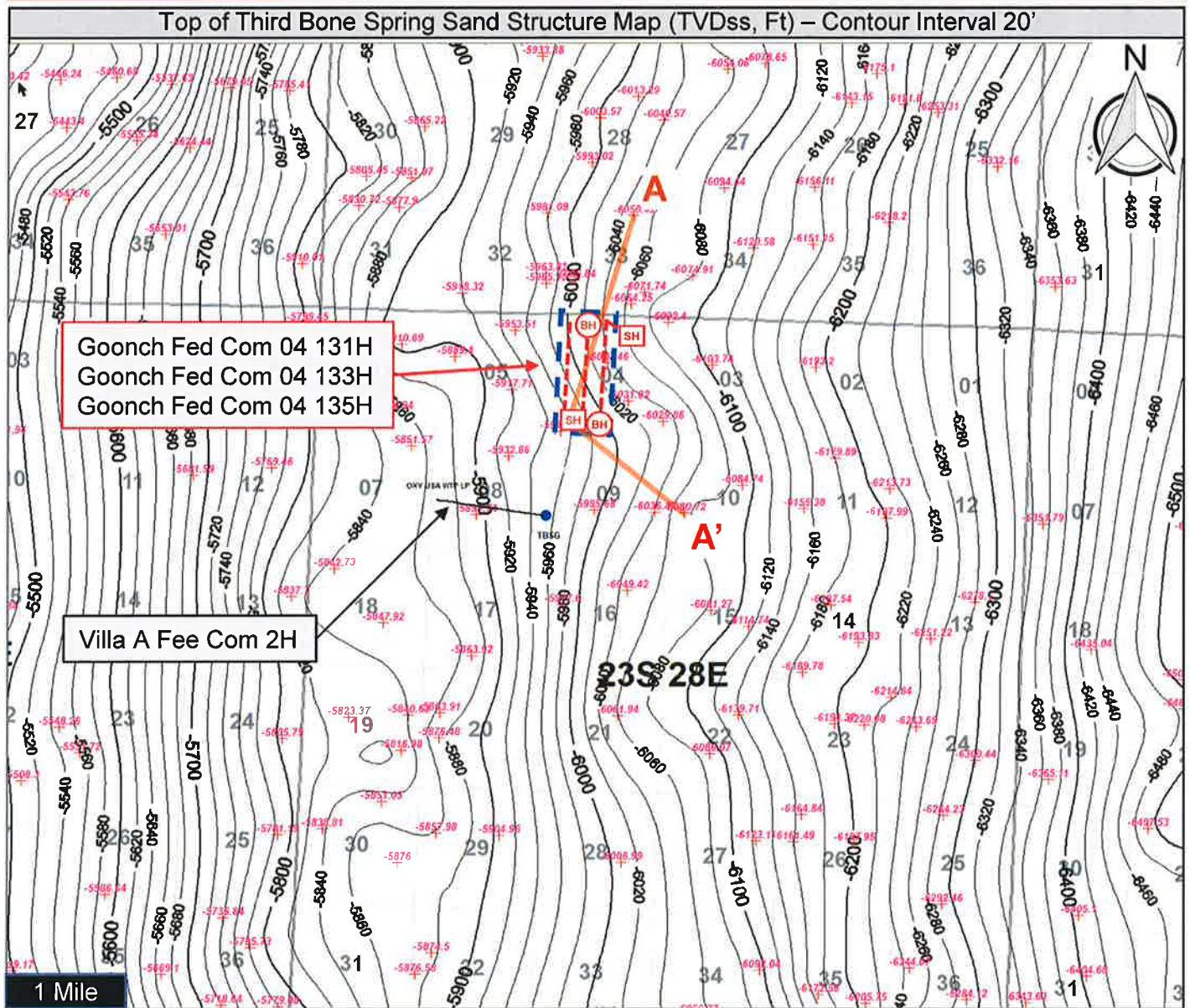


Map Legend	
	Spacing Unit (320 ac.)
	Surface Hole Location
	Novo Horizontal Location
	Bottom Hole Location
	Horizontal Landing Target
	Third Bone Spring Producer

Hearing Details
Novo Oil & Gas Northern Delaware, LLC
Docket Number: 28-19
Case Number: 20691
Date: August 8, 2019
Exhibit Number: B-1

Goonch – Top of Third Bone Spring Structure Map (Subsea)

Third Bone Spring Proposed Locations, Section 4-23S-28E



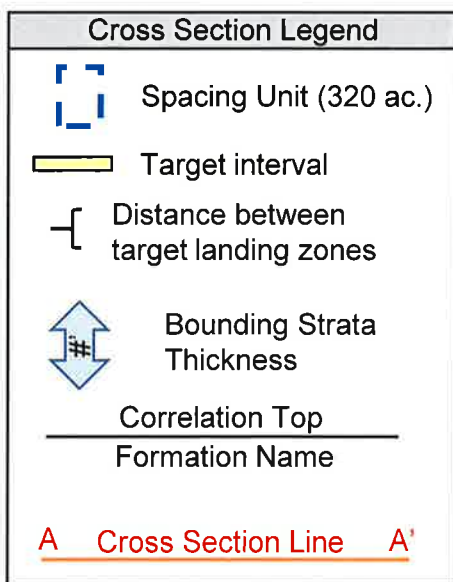
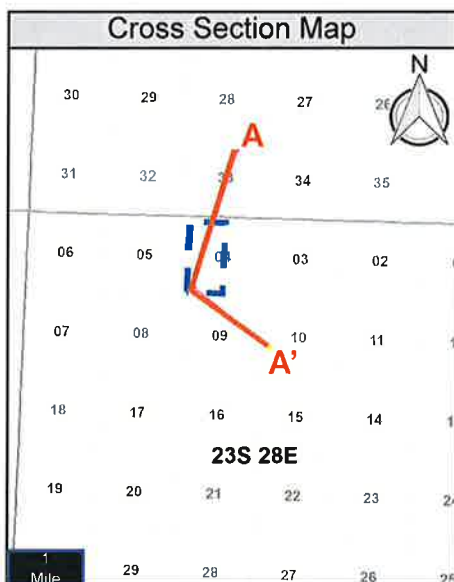
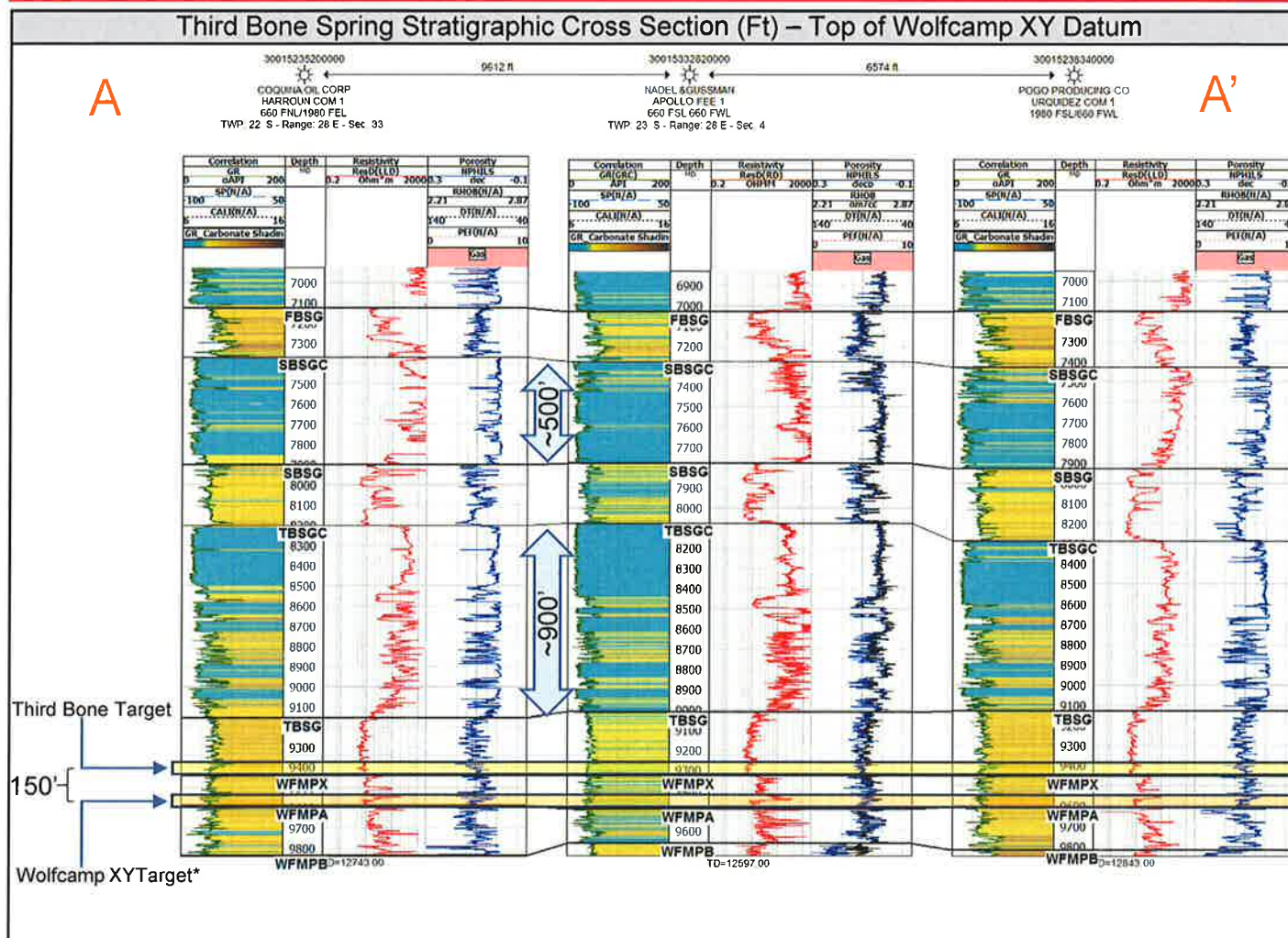
Map Legend	
	Spacing Unit (320 ac.)
	Surface Hole Location
	Novo Horizontal Location
	Bottom Hole Location
	Horizontal Landing Target
	Third Bone Spring Producer Company
	Well Name
	Third Bone Spring (TVDss, Ft)
	Contour line – interval 20'
	Cross Section Line A A'

Hearing Details
Novo Oil & Gas Northern Delaware, LLC
Docket Number: 28-19
Case Number: 20691
Date: August 8, 2019
Exhibit Number: B-2

Goonch – Third Bone Spring Stratigraphic Cross Section



Third Bone Spring Proposed Location, Section 4-23S-28E



Novo Oil & Gas Northern Delaware, LLC

Docket Number: 28-19

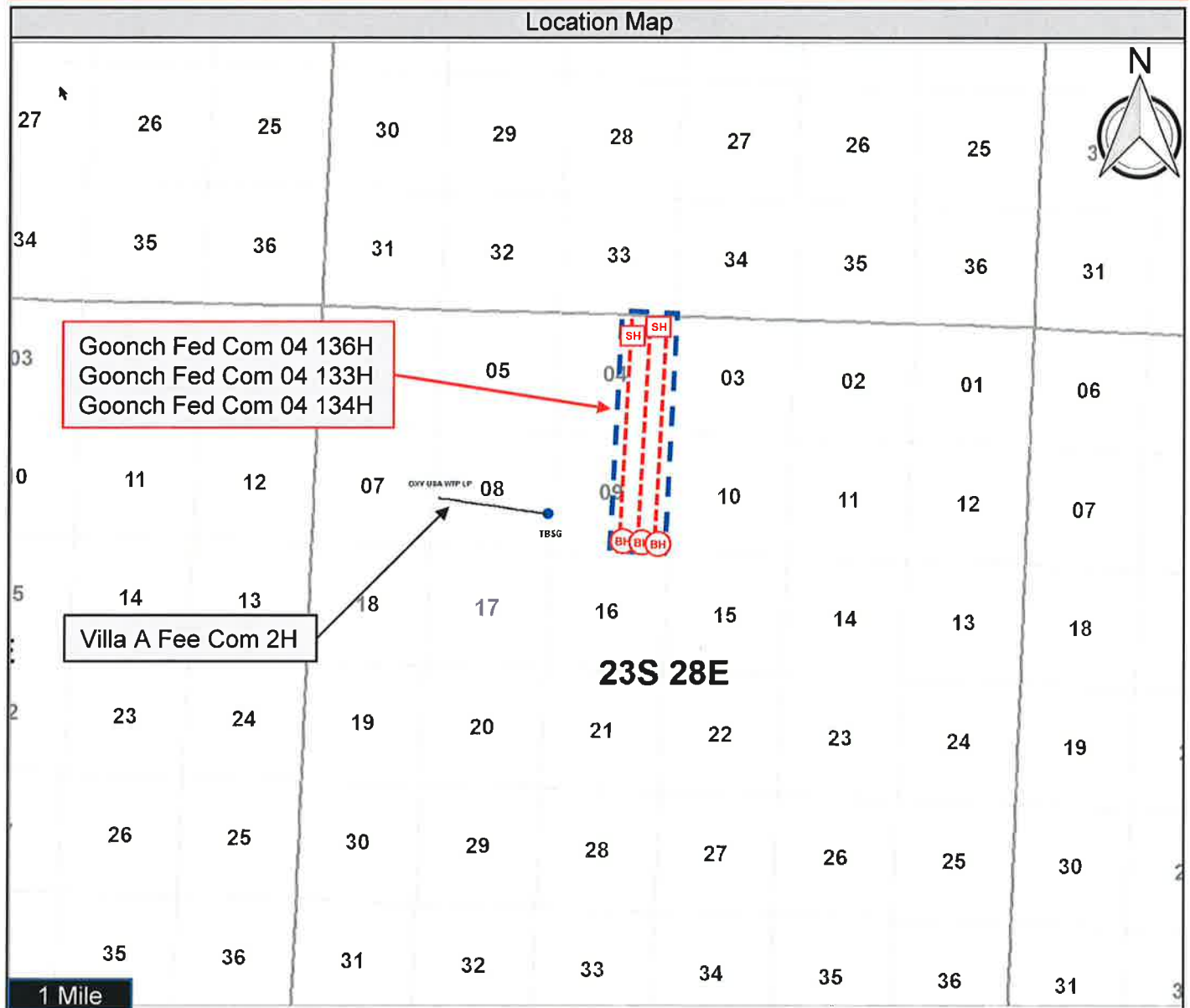
Case Number: 20691

Date: August 8, 2019

Exhibit Number: B-3

Goonch – Third Bone Spring Execution Plan NOVO

Third Bone Spring Proposed Locations, Section 4-23S-28E and Section 9-23S-28E

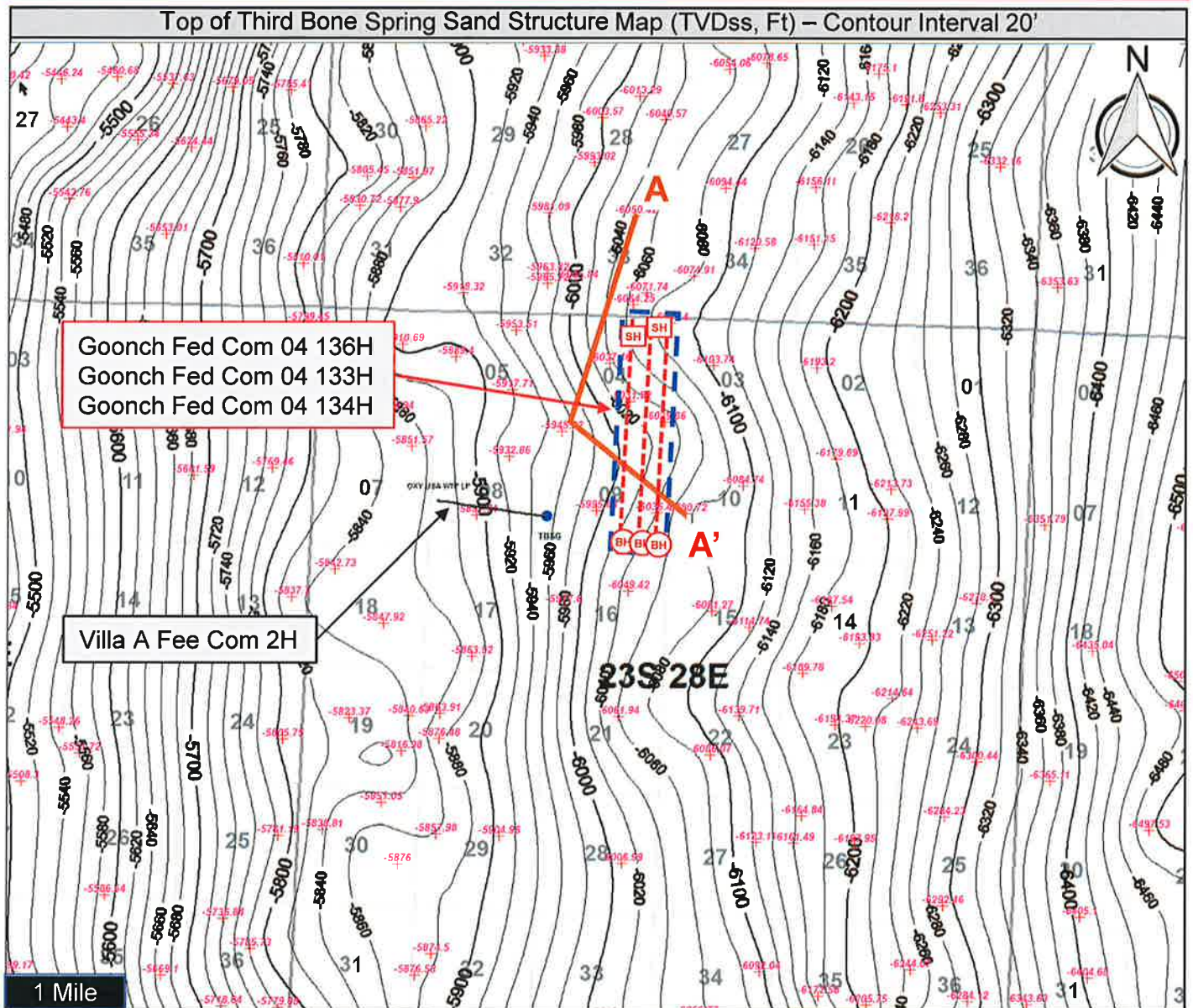


Map Legend		Hearing Details
	Spacing Unit (640 ac.)	Novo Oil & Gas Northern Delaware, LLC Docket Number: 28-19 Case Number: 20692 Date: August 8, 2019 Exhibit Number: B-4
	Surface Hole Location	
	Novo Horizontal Location	
	Bottom Hole Location	
	Horizontal Landing Target	
	Third Bone Spring Producer	

Goonch – Top of Third Bone Spring Structure Map (Subsea)



Third Bone Spring Proposed Locations, Section 4-23S-28E and Section 9-23S-28E



Map Legend

- Spacing Unit (640 ac.)
- SH Surface Hole Location
- BH Bottom Hole Location
- TBSG Horizontal Landing Target
- Third Bone Spring Producer Company
- + Well Name
- Third Bone Spring (TVDss, Ft)
- Contour line – interval 20'
- A Cross Section Line A'

Hearing Details

Novo Oil & Gas Northern
Delaware, LLC

Docket Number: 28-19

Case Number: 20692

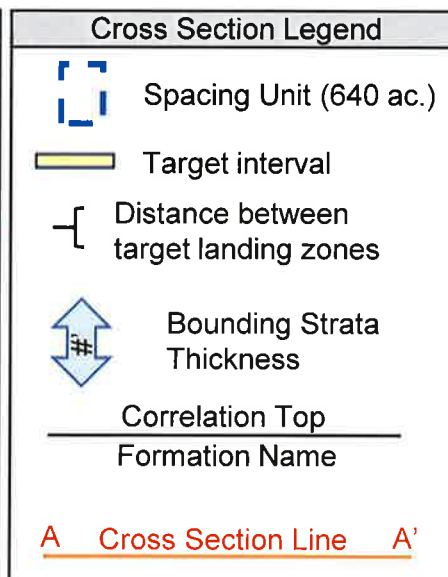
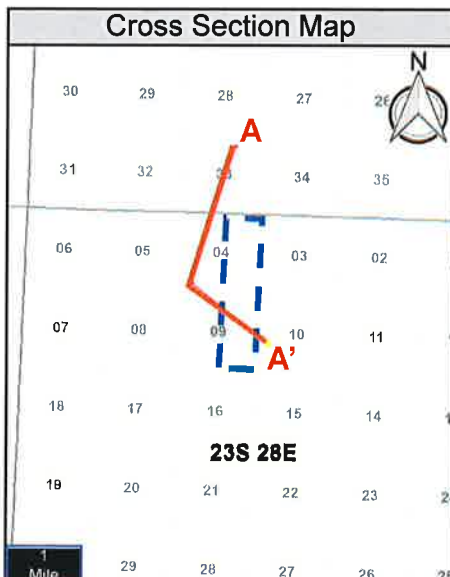
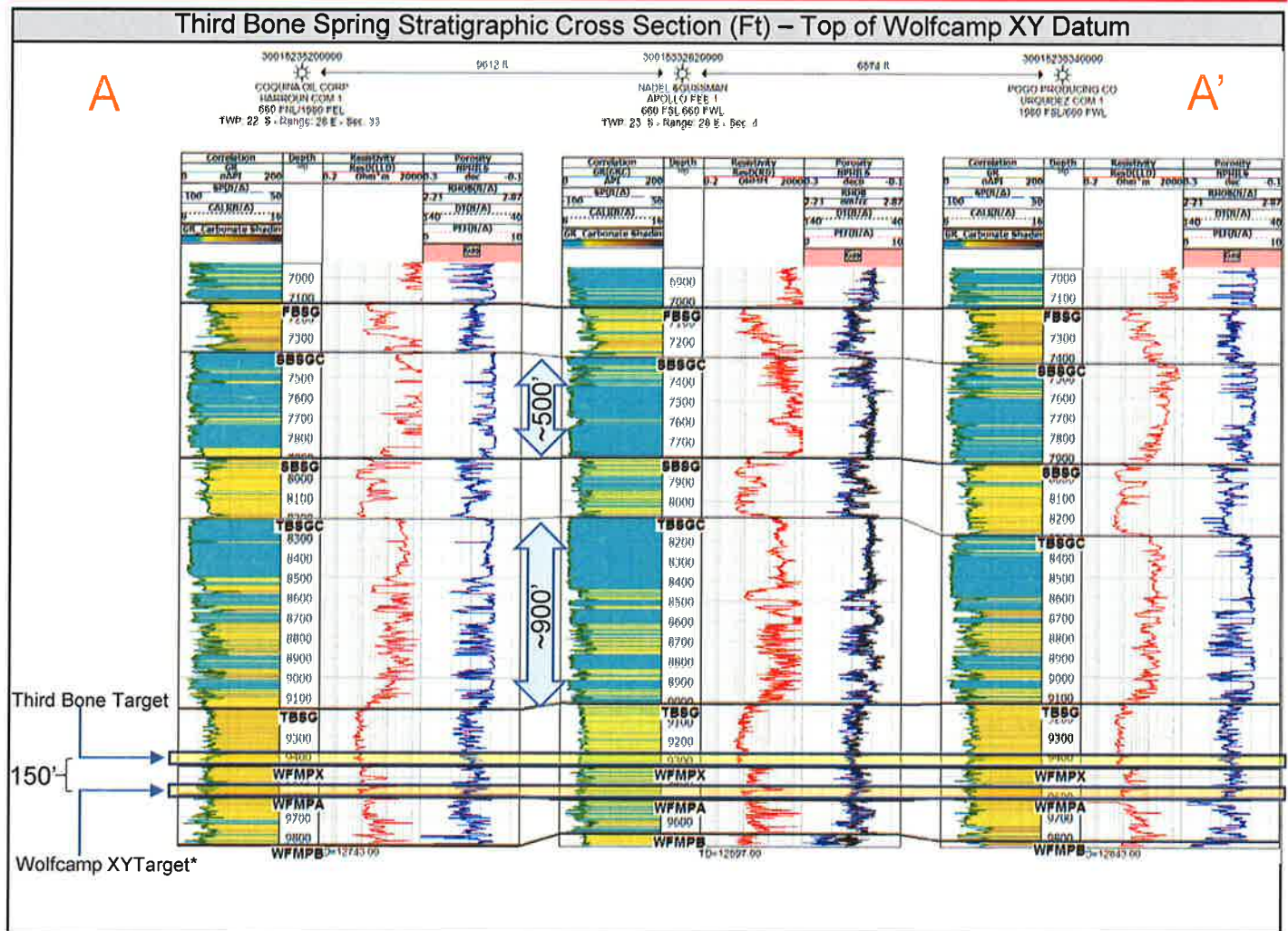
Date: August 8, 2019

Exhibit Number: B-5

Goonch – Third Bone Spring Stratigraphic Cross Section



Third Bone Spring Proposed Locations, Section 4-23S-28E



Novo Oil & Gas Northern Delaware, LLC

Docket Number: 28-19

Case Number: 20692

Date: August 8, 2019

Exhibit Number: B-6

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

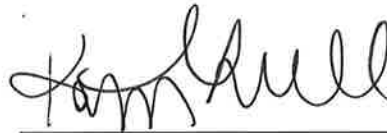
**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 20691 & 20692

AFFIDAVIT

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

Kaitlyn A. Luck, attorney in fact and authorized representative of Novo Oil & Gas Northern Delaware LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.



Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 7th day of August 2019 by Kaitlyn A. Luck.


Notary Public

My Commission

Expires: August 24, 2021

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C

Submitted by: **Novo Oil & Gas Northern Delaware**

Hearing Date: August 8, 2019

Case # 20691 & 20692



July 17, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL POOLED PARTIES

Re: Application of Novo Oil & Gas Northern Delaware LLC for compulsory pooling, Eddy County, New Mexico.
Goonch Fed Com 04 #131H well
Goonch Fed Com 04 #132H well
Goonch Fed Com 04 #135H well

Ladies & Gentlemen:

This letter is to advise you that Novo Oil & Gas Northern Delaware, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 8, 2019, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from subsequently challenging this matter.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Justin Carter, at (405) 286-3375 or jcarter@novoog.com.

Sincerely,

Michael H. Feldewert
**ATTORNEY FOR NOVO OIL & GAS NORTHERN
DELAWARE LLC**



July 17, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL POOLED PARTIES

Re: Application of Novo Oil & Gas Northern Delaware LLC for compulsory pooling, Eddy County, New Mexico.
Goonch Fed Com 0409 #133H, #134H, 136H wells

Ladies & Gentlemen:

This letter is to advise you that Novo Oil & Gas Northern Delaware, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 8, 2019, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from subsequently challenging this matter.

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If you have any questions about this matter, please contact Justin Carter, at (405) 286-3375 or jcarter@novoog.com.

Sincerely,

Michael H. Feldewert
**ATTORNEY FOR NOVO OIL & GAS NORTHERN
DELAWARE LLC**

Tracking Number	Recipient	Status
9214890194038386335583	C OXY U S A Inc 5 Greenway Plaza Suite 110 Houston TX 77046	Delivered Signature Received
9214890194038386335590	C Yosemite Creek Oil & Gas LLC 4350 South Monaco Street 5th Floor Denver CO 80237	Delivered Signature Received
9214890194038386335606	C Bad Water LLC 1919 North Turner Street Hobbs NM 88240	Delivered Signature Received
9214890194038386335613	C Roy G Barton Jr and Claudia R Barton 1919 North Turner Street Hobbs NM 88240	Delivered Signature Received
9214890194038386335620	C Russell T Rudy Energy LLC 5701 Woodway Dr Suite 346 Houston TX 77057	Delivered Signature Received
9214890194038386335637	C Ruth D Roberts c/o Daniel Roberts PO BOX 6368 Austin TX 78762	Delivered Signature Received
9214890194038386335644	C McMullen Minerals LLC 2821 W 7th Street Suite 515 Fort Worth TX 76107	In-Transit
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Tracking Number	Recipient	Status
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9214890194038386336771	C Jesse A Faught JR PO BOX 52603 Midland TX 79710	In-Transit
9214890194038386336788	C H Jason Wacker 5601 Hillcrest Midland TX 79707	Delivered Signature Received
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9214890194038386336825	C Deane Durham PO BOX 50820 Midland TX 79710	In-Transit
9214890194038386336832	C Mike Moylett PO BOX 50820 Midland TX 79710	Delivered Signature Received
9214890194038386336849	C Joseph C Farris Jr 369 SW 28th Road Miami Florida 33129	Delivered Signature Received

\$ 5.60 x 38 = \$212.80



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Novo / Goonch Fed Com 04 131H, 132H, 135H

Case No. 20691

CM# 104370.0001

Shipment Date: 07/16/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	38
Total	38

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0015 7198 73





Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service ☐ Adult Signature Required ☐ Adult Signature Restricted Delivery ☐ Certified Mail ☒ Certified Mail Restricted Delivery ☐ Collect on Delivery (COD) ☐ Insured Mail ☐ Priority Mail ☐ Priority Mail Express ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.										
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8386 3355 83	OXY U S A, Inc 5 Greenway Plaza Suite 110 Houston TX 77046	0.50	3.50								1.60			
2. 9214 8901 9403 8386 3355 90	Yosemite Creek Oil & Gas LLC 4350 South Monaco Street 5th Floor Denver CO 80237	0.50	3.50								1.60			
3. 9214 8901 9403 8386 3356 06	Bad Water LLC 1919 North Turner Street Hobbs NM 88240	0.50	3.50								1.60			
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5. 9214 8901 9403 8386 3356 20	Russell T Ruffy Energy LLC 5701 Woodway Dr Suite 200 Houston TX 77055	0.50	3.50								1.60			
6. 9214 8901 9403 8386 3356 37	Ruff Robertts c/o Daniel Roberts PO BOX 6369 Austin TX 78762	0.50	3.50								1.60			
7. 9214 8901 9403 8386 3356 44	McMullen Minerals LLC 2821 W 7th Street Suite 515 Fort Worth TX 76107	0.50	3.50								1.60			
8. 9214 8901 9403 8386 3356 51	Pegasus Resources LLC PO BOX 470698 Fort Worth TX 76147	0.50	3.50								1.60			



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
9.	9214 8901 9403 8386 3356 68	Charles W Hicks 6200 Osuna Road NE Albuquerque NM 87109		0.50	3.50								1.60			
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11.	9214 8901 9403 8386 3356 82	Zunis Energy LLC 15 East 5th Street Suite 3300 Tulsa OK 74103		0.50	3.50								1.60			
12.	9214 8901 9403 8386 3356 99	Desert Partners VI LP PO BOX 3579 Midland TX 79702		0.50	3.50								1.60			
13.	9214 8901 9403 8386 3357 05	Nowo Minerals LP 1001 W Wilshire Blvd Suite 206 Oklahoma City OK 73116		0.50	3.50								1.60			
14.	9214 8901 9403 8386 3357 12	STR Corp 1614 Ventura Midland TX 79705		0.50	3.50								1.60			
15.	9214 8901 9403 8386 3357 29	USA Investments 15 East 5th Street Suite 3300 Tulsa OK 74103		0.50	3.50								1.60			
16.	9214 8901 9403 8386 3357 36	Enerstar Resources O&G LLC PO BOX 606 Carlsbad NM 88021		0.50	3.50								1.60			

Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)
38		



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Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service ☐ Adult Signature Required ☐ Adult Signature Restricted Delivery ☐ Certified Mail ☒ Certified Mail Restricted Delivery ☐ Collect on Delivery (COD) ☐ Insured Mail ☐ Priority Mail ☐ Priority Mail Express ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
17. 9214 8901 9403 8386 3357 43		Discovery Exploration 410 N Main Midland TX 79701		0.50	3.50								1.60			
18. 9214 8901 9403 8386 3357 50		J Cleo Thompson & James Cleo Thompson Jr LP 325 North Saint Paul Street Suite 4300 Dallas TX 75201		0.50	3.50								1.60			
19. 9214 8901 9403 8386 3357 67		Marathon Oil Permian LLC 5555 San Felipe St Houston TX 77056		0.50	3.50								1.60			
20. 9214 8901 9403 8386 3357 74		James Adelson & Family Trust 15 East 5th Street Suite 3300 Tulsa OK 74103		0.50	3.50								1.60			
21. 9214 8901 9403 8386 3357 81		Teresa H Joliffe 408 Kanniston Austin TX 78752		0.50	3.50								1.60			
22. 9214 8901 9403 8386 3357 98		Sam H Joliffe IV (Remindeman) Joliffe Teresa J King PO BOX 34680 Santa Fe, NM 87501		0.50	3.50								1.60			
23. 9214 8901 9403 8386 3358 04		Post Oak Crown IV-B LLC 5200 Santa Fe Avenue Houston TX 77056		0.50	3.50								1.60			
24. 9214 8901 9403 8386 3358 11		Crown Oil Partners LP PO BOX 50820 Midland TX 79710		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 38		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												



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Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service ☐ Adult Signature Required ☐ Adult Signature Restricted Delivery ☒ Certified Mail ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery (COD) ☐ Insured Mail ☐ Priority Mail ☐ Priority Mail Express ☐ Registered Mail ☐ Return Receipt for Merchandise ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
25.	9214 8901 9403 8386 3358 28	Crown Oil Partners IV MGMT LP PO BOX 50620 Midland TX 79710		0.50	3.50	Handling Charge - If Registered and over \$50,000 in value							1.60				
26.	9214 8901 9403 8386 3358 35	Wells Fargo Central Pacific Holdings Inc 1000 Louisiana Street 9th Floor Houston TX 77002		0.50	3.50								1.60				
27.	9214 8901 9403 8386 3358 42	Post Oak Crown IV LLC 5200 San Felipe Houston TX 77056		0.50	3.50								1.60				
28.	9214 8901 9403 8386 3358 59	Collins & Jones Investments LLC 508 W Wall Street Suite 1200 Midland TX 79701		0.50	3.50								Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling
29.	9214 8901 9403 8386 3358 66	Mavros Minerals II LLC PO BOX 50820 Midland TX 79710		0.50	3.50								Adult Signature Required	Adult Signature Restricted Delivery			
30.	9214 8901 9403 8386 3358 73	Gerard G Vavrek 1521 2nd Ave #1604 Seattle WA 98101		0.50	3.50								1.60				
31.	9214 8901 9403 8386 3358 80	LMC Energy 550 W Texas Ave Suite 945 Midland TX 79701		0.50	3.50								1.60				
32.	9214 8901 9403 8386 3358 97	Jesse A Faught JR PO BOX 52603 Midland TX 79710		0.50	3.50								1.60				
Total Number of Pieces Listed by Sender 38		Postmaster, Per (Name of receiving employee)															
Total Number of Pieces Received at Post Office		Complete in Ink		Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy .													
PS Form 3877, April 2015 PSN 7530-02-000-9098		(Page 4 of 5)															



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33. Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	9214 8901 9403 8386 3359 03	H Jason Wacker 5601 Hillcrest Midland TX 79707	
34. 9214 8901 9403 8386 3359 10		David W Cromwell 2008 Country Club Dr Midland TX 79701	
35. 9214 8901 9403 8386 3359 27		Oak Valley Mineral & Land LP PO BOX 50620 Midland TX 79710	
36. 9214 8901 9403 8386 3359 34		Kaleb Smith PO BOX 50620 Midland TX 79710	
37. 9214 8901 9403 8386 3359 41		Diane Durham PO BOX 50620 Midland TX 79710	
38. 9214 8901 9403 8386 3359 58		Mike Moykett PO BOX 50620 Midland TX 79710	
Total Number of Pieces Listed by Sender 38	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)	

PS Form **3877**, April 2015 (Page 5 of 5)
 PSN 7530-02-000-9098

$\$5.60 \times 41 = \229.60



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Novo / Goonch Fed Come 0409 133H, 134H, 136H
Case No. 20692
CM# 104370.0001

Shipment Date: 07/16/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	41
Total	41

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0015 7200 84





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USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8386 3364 43		OXY USA Inc 5 Greenway Plaza Suite 110 Houston TX 77046		0.50	3.50								1.60			
2. 9214 8901 9403 8386 3364 50		Chevron Midcontinent LP 1400 Smith Street Houston TX 77002		0.50	3.50								1.60			
3. 9214 8901 9403 8386 3364 67		Concise Oil & Gas Partnership 1400 Smith Street Houston TX 77002		0.50	3.50								1.60			
4. 9214 8901 9403 8386 3364 74		Yosemite Creek Oil & Gas LLC 4350 South Monaco Street 5th Floor Denver CO 80237		0.50	3.50								1.60			
5. 9214 8901 9403 8386 3364 81		Norman L Stevens III Trustee of the Norman Stevens Jr Irrevocable Trust 2224 Brentwood Drive Houston TX 77019		0.50	3.50								1.60			
6. 9214 8901 9403 8386 3364 98		Bad Water LLC 1919 North Turner Street Hobbs NM 88240		0.50	3.50								1.60			
7. 9214 8901 9403 8386 3365 04		Roy G Barton Jr and Claudia R Barton 1919 North Turner Street Hobbs NM 88240		0.50	3.50								1.60			
8. 9214 8901 9403 8386 3365 11		Russell T Rudy Energy LLC 5701 Woodway Dr Suite 346 Houston TX 77057		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 41		Postmaster, Per (Name of receiving employee)		Handling Charge - if Registered and over \$50,000 in value												
Total Number of Pieces Received at Post Office				Adult Signature Required Adult Signature Restricted Delivery Restricted Delivery Return Receipt Return Receipt Signature Confirmation Signature Confirmation Restricted Delivery Special Handling												



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USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	Extra Service Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
9. 9214 8901 9403 8386 3365 28		Ruth D Roberts c/o Daniel Roberts PO BOX 6568 Austin TX 78762		0.50	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
10. 9214 8901 9403 8386 3365 35		A Lansdale PO BOX 68 Garden Grove CA 92642		0.50	3.50									1.60			
11. 9214 8901 9403 8386 3365 42		Robert B Gates Deceased and Nada S Gates Gates Living Trust PO BOX 81119 Midland TX 79708		0.50	3.50									1.60			
12. 9214 8901 9403 8386 3365 59		CBR Oil Properties LLC PO BOX 1518 Roswell NM 88202		0.50	3.50									1.60			
13. 9214 8901 9403 8386 3365 66		Zunis Energy LLC 15 East 5th Street Suite 3300 Tulsa OK 74103		0.50	3.50									1.60			
14. 9214 8901 9403 8386 3365 73		Desert Partners VI LP PO BOX 3579 Midland TX 79702		0.50	3.50									1.60			
15. 9214 8901 9403 8386 3365 80		Novo Minerals LP 1001 W Wilshire Blvd Suite 205 Oklahoma City OK 73116		0.50	3.50									1.60			
16. 9214 8901 9403 8386 3365 97		STR Corp 1614 Ventura Midland TX 79705		0.50	3.50									1.60			



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USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
17. 9214 8901 9403 8386 3366 03		JSA Investments 15 East 5th Street Suite 3300 Tulsa OK 74103		0.50	3.50								1.60			
18. 9214 8901 9403 8386 3366 10		Enerstar Resources O&G LLC PO BOX 606 Carlsbad NM 88221		0.50	3.50								1.60			
19. 9214 8901 9403 8386 3366 27		Discovery Exploration 410 N Main Midland TX 79701		0.50	3.50								1.60			
20. 9214 8901 9403 8386 3366 34		J Cleo Thompson & James Cleo Thompson Jr LP 325 North Saint Paul Street Suite 4300 Dallas TX 75201		0.50	3.50								1.60			
21. 9214 8901 9403 8386 3366 41		Marathon Oil Permian LLC 5555 San Felipe St Houston TX 77056		0.50	3.50								1.60			
22. 9214 8901 9403 8386 3366 58		James Adelson & Family Trust 15 East 5th Street Suite 3300 Tulsa OK 74103		0.50	3.50								1.60			
23. 9214 8901 9403 8386 3366 65		Teresa H Jolliffe 408 Kenniston Austin TX 78752		0.50	3.50								1.60			
24. 9214 8901 9403 8386 3366 72		Sam H Jolliffe IV (Reminderman - Trinidad Jolliffe Samuel H Jolliffe Teresa J King PO BOX 1275 Elfers FL 34690		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 41		Total Number of Pieces Received at Post Office														



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USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
25.	9214 8901 9403 8386 3366 89	Post Oak Crown IV-B LLC 5200 San Felipe Houston TX 77056		0.50	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
26.	9214 8901 9403 8386 3366 96	Crown Oil Partners LP PO BOX 50820 Midland TX 79710		0.50	3.50									1.60			
27.	9214 8901 9403 8386 3367 02	Crown Oil Partners IV MGMT LP PO BOX 50820 Midland TX 79710		0.50	3.50									1.60			
28.	9214 8901 9403 8386 3367 19	Wells Fargo Central Pacific Holdings Inc 1000 Louisiana Street 9th Floor Houston TX 77002		0.50	3.50									1.60			Special Handling
29.	9214 8901 9403 8386 3367 26	Post Oak Crown IV LLC 5200 San Felipe Houston TX 77056		0.50	3.50								1.60				
30.	9214 8901 9403 8386 3367 33	Collins & Jones Investments LLC 508 W Wall Street Suite 1200 Midland TX 79701		0.50	3.50								1.60				
31.	9214 8901 9403 8386 3367 40	Mavros Minerals II LLC PO BOX 50820 Midland TX 79710		0.50	3.50								1.60				
32.	9214 8901 9403 8386 3367 57	Gerard G Vavrek 1521 2nd Ave #1604 Seattle WA 98101		0.50	3.50								1.60				



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USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code TM)		Postage	(Extra Service) Fee	Handling Charge - if Registered and over \$50,000 in value	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
33.	9214 8901 9403 8386 3367 64	LMC Energy 550 W Texas Ave Suite 945 Midland TX 79701		0.50	3.50								1.60			
34.	9214 8901 9403 8386 3367 71	Jesse A Faught JR PO BOX 52603 Midland TX 79710		0.50	3.50								1.60			
35.	9214 8901 9403 8386 3367 88	H Jason Wacker 5601 Hillcrest Midland TX 79707		0.50	3.50								1.60			
36.	9214 8901 9403 8386 3367 95	David W Cromwell 2008 Country Club Dr Midland TX 79701		0.50	3.50								1.60			
37.	9214 8901 9403 8386 3368 01	Oak Valley Mineral & Land LP PO BOX 50820 Midland TX 79710		0.50	3.50								1.60			
38.	9214 8901 9403 8386 3368 18	Kaleb Smith PO BOX 50820 Midland TX 79710		0.50	3.50								1.60			
39.	9214 8901 9403 8386 3368 25	Deane Durham PO BOX 50820 Midland TX 79710		0.50	3.50								1.60			
40.	9214 8901 9403 8386 3368 32	Mike Moylett PO BOX 50820 Midland TX 79710		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 41		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												
PS Form 3877, April 2015 PSN 7530-02-000-9098		(Page 5 of 6)		Complete in Ink		Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy .										



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CURRENT-ARGUS

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HOLLAND & HART
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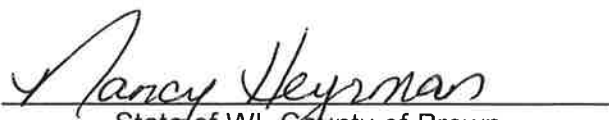
SANTA FE NM 87504

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

07/21/19


Legal Clerk

Subscribed and sworn before me this
22nd of July 2019.


State of WI, County of Brown
NOTARY PUBLIC

5.15.23
My Commission Expires

Ad#:0001291853
P O : Case No. 20691:
of Affidavits :0.00

NANCY HEYRMAN
Notary Public
State of Wisconsin

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **August 8, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **July 29, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To:All overriding royalty interest owners and pooled parties, including: OXY U.S.A, Inc.; Yosemite Creek Oil & Gas, LLC; Bad Water, LLC; Roy G. Barton, Jr. and Claudia R. Barton, their heirs and devisees; Russell T. Rudy Energy LLC; Ruth D. Roberts, c/o Daniel Roberts, her heirs and devisees; McMullen Minerals LLC; Pegasus Resources LLC; Charles W. Hicks, his heirs and devisees; Farris C. Joseph Jr., his heirs and devisees; Zunis Energy, LLC; Desert Partners VI, LP; Novo Minerals, LP; STR Corp; JSA Investments; Enerstar Resources O&G LLC; Discovery Exploration; J. Cleo Thompson & James Cleo Thompson, Jr., LP; Marathon Oil Permian LLC; James Adelson & Family Trust; Teresa H. Jolliffe, her heirs and devisees; Sam H. Jolliffe, IV (Reminderman - Trinidad Jolliffe, Samuel H. Jolliffe, Teresa J. King), their heirs and devisees; Post Oak Crown IV-B LLC; Crown Oil Partners, LP; Crown Oil Partners IV MGMT LP; Wells Fargo Central Pacific Holdings Inc; Post Oak Crown IV LLC; Collins & Jones Investments LLC; Mavros Minerals II LLC; Gerard G. Vavrek, his heirs and devisees; LMC Energy; Jesse A Faught, Jr., his heirs and devisees; H. Jason Wacker, his heirs and devisees; David W. Cromwell, his heirs and devisees; Oak Valley Mineral & Land LP; Kaleb Smith, his heirs and devisees; Deane Durham, his heirs and devisees; Mike Moylett, his heirs and devisees; Joseph C. Farris, Jr., his heirs and devisees.

Case No. 20691:Application of Novo Oil & Gas Northern Delaware LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised

of the W/2 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit will be dedicated to the following proposed initial wells:

- o The Goonch Fed Com 04 #131H Well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 4 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 4.

- o The Goonch Fed Com 04 #132H Well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 4 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 4.

- o The Goonch Fed Com 04 #135H Well to be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 4.

The completed interval for the Goonch Fed Com 04 #132H Well will remain within 330 feet of the E/2 W/2 of Section 4 to allow inclusion of these proximity tracts in a standard 320-acre horizontal well spacing comprised of the W/2 of Section 4. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 3 miles north of Loving, New Mexico.

July 21, 2019

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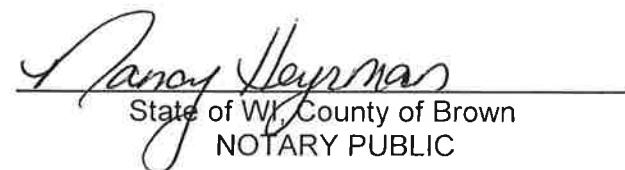
SANTA FE NM 87504

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

07/21/19


Legal Clerk

Subscribed and sworn before me this
22nd of July 2019.


State of WI, County of Brown
NOTARY PUBLIC

5.15.23
My Commission Expires

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **August 8, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 29, 2019. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: OXY U.S.A, Inc.; Chevron Midcontinent, LP; Concise Oil & Gas Partnership; Yosemite Creek Oil & Gas, LLC; Norman L Stevens III, Trustee of the Norman Stevens Jr. Irrevocable Trust; Bad Water, LLC; Roy G. Barton, Jr. and Claudia R. Barton, their heirs and devisees; Russell T. Rudy Energy LLC; Ruth D. Roberts, c/o Daniel Roberts, her heirs and devisees; A. Lansdale, his/her heirs and devisees; Robert B. Gates, Deceased and Nada S. Gates, Gates Living Trust; CBR Oil Properties, LLC; Zunis Energy, LLC; Desert Partners VI, LP; Novo Minerals, LP; STR Corp; JSA Investments; Enerstar Resources O&G LLC; Discovery Exploration; J. Cleo Thompson & James Cleo Thompson, Jr., LP; Marathon Oil Permian LLC; James Adelson & Family Trust; Teresa H. Jolliffe, her heirs and devisees; Sam H. Jolliffe, IV (Reminderman - Trinidad Jolliffe, Samuel H. Jolliffe, Teresa J. King), their heirs and devisees; Post Oak Crown IV-B LLC; Crown Oil Partners, LP; Crown Oil Partners IV MGMT LP; Wells Fargo Central Pacific Holdings Inc; Post Oak Crown IV LLC; Collins & Jones Investments LLC; Mavros Minerals II LLC; Gerard G. Vavrek, his heirs and devisees; LMC Energy; Jesse A. Faught, Jr., his heirs and devisees; H. Jason Wacker, his heirs and devisees; David W. Cromwell, his heirs and devisees; Oak Valley Mineral & Land LP; Kaleb Smith, his heirs and devisees; Deane Durham, his heirs and devisees; Farris C. Joseph Jr., his heirs and devisees; Mike Moylett, his heirs and devisees; Joseph C. Farris, Jr., his heirs and devisees.

Case No. 20692: Application of Novo Oil & Gas Northern Delaware LLC for compulsory pooling, Eddy County, New Mexico. Applicant in

the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 4 and 9, Township 23 South, Range 28 East, NMPPM, Eddy County, New Mexico. Said horizontal spacing unit will be dedicated to the following proposed initial wells:

- o the Goonch Fed Com 0409 #133H Well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33, T22S, R28E, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9;

- o the Goonch Fed Com 0409 #134H Well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33, T22S, R28E, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9; and

- o the Goonch Fed Com 0409 #136H Well to be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9.

The completed interval for the Goonch Fed Com 0409 #133H Well will remain within 330 feet of the E/2 E/2 of Sections 4 and 9 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of the E/2 of Sections 4 and 9. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the wells, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 3 miles north of Loving, New Mexico.

July 21, 2019