#### **CASE NO. 21179**

# APPLICATION OF KAISER-FRANCIS OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

## **EXHIBITS**

- 1. Application and Proposed Ad
- 2. Landman's Affidavit
- 3. Geologist's Affidavit
- 4. Affidavit of Notice
- 5. Pooling Checklist

# BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF KAISER-FRANCIS OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21/79

#### APPLICATION

Kaiser-Francis Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 24, Township 23 South, Range 28 East, N.M.P.M. and Lots 1, 2, E/2NW/4, and NE/4 (the N/2) of Section 19, Township 23 South, Range 29 East, N.M.P.M., and in support thereof, states:

- 1. Applicant is an interest owner in the N/2 of Section 24 and the N/2 of Section 19, and has the right to drill a well or wells thereon.
  - 2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
  - (a) the Mosaic Fed. 2419 WA Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19;
  - (b) the Mosaic Fed. 2419 WA Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19;
  - (c) the Mosaic Fed. 2419 WAM Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19;
  - (d) the Mosaic Fed. 2419 WC Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19; and
  - (e) the Mosaic Fed. 2419 WC Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19.

EXHIBIT 1

- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 24 and the N/2 of Section 19 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the N/2 of Section 24 and the N/2 of Section 19, pursuant to NMSA 1978 §70-2-17.
- 5. The pooling of all mineral interests in the Wolfcamp formation underlying the N/2 of Section 24 and the N/2 of Section 19 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 24 and the N/2 of Section 19;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost thereof among the well' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

James Bruce

Post Office Box 1056 Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Kaiser-Francis Oil Company

## PROPOSED ADVERTISEMENT

Case No.	
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Application of Kaiser-Francis Oil Company for compulsory pooling, Eddy County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit underlying the N/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lots 1, 2, E/2NW/4, and NE/4 (the N/2) of Section 19, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to (a) the Mosaic Fed. 2419 WA Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19, (b) the Mosaic Fed. 2419 WA Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19, (c) the Mosaic Fed. 2419 WAM Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19, (d) the Mosaic Fed. 2419 WC Well No. 1H, with a first take point in the NW/4NW/4 of Section 24 and a last take point in the NE/4NE/4 of Section 19, and (e) the Mosaic Fed. 2419 WC Well No. 2H, with a first take point in the SW/4NW/4 of Section 24 and a last take point in the SE/4NE/4 of Section 19. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located 4 miles southwest of Malaga, New Mexico.

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF KAISER-FRANCIS OIL COMPANYFOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21119

## **VERIFIED STATEMENT OF MICHAEL MAXEY**

Michael Maxey, being duly sworn upon his oath, deposes and states:

- 1. I am a landman for Kaiser-Francis Oil Company ("KFOC"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
- 2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application:
  - (a) The purpose of this application is to force pool a working interest owner into the horizontal spacing unit described below, and in wells to be drilled in the unit.
  - (b) No opposition is expected because the interest owner being pooled has been contacted regarding the proposed well, but hassimply failed to voluntarily commit its interest to the well unit.

All interest owners are locatable.

- (c) A Midland Map Co. plat outlining the unit being pooled is attached hereto as Attachment A.KFOCseeks an order pooling the Wolfcamp formation underlyinga horizontal spacing unit comprised of the N/2 of Section 24, Township 23 South, Range 28 East, NMPM and Lots 1 and 2, E/2NW/4, and NE/4 (the S/2) of Section 19, Township 23 South, Range 29 East, NMPM, containing 636.65 acres.
  - (i) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WA No. 1H. The well is a horizontal well with a first take point in NW/4 NW/4 of Section 24 and a final take point in NE/4 NE/4 of Section 19.

    SHL: 1,045' FNL and 156' FEL of Section 24-23S-28E

    BHL: 660' FNL and 330' FEL of Section 19-23S-29E

EXHIBIT 2

## 20,143' MD / 9,716' TVD

- (ii) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WA No. 2H. The well is a horizontal well with a first take point in SW/4 NW/4 of Section 24 and a final take point in SE/4 NE/4 of Section 19.

  SHL: 1,075' FNL and 156' FEL of Section 24-23S-28E

  BHL: 1,980' FNL and 330' FEL of Section 19-23S-29E
  20,143' MD / 9,716' TVD
- (iii) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WAM No. 1H. The well is a horizontal well with a first take point in NW/4 NW/4 of Section 24 and a final take point in NE/4 NE/4 of Section 19.
  SHL: 1,075' FNL and 186' FEL of Section 24-23S-28E
  BHL: 1,310' FNL and 330' FEL of Section 19-23S-29E
  20,215 MD / 9,891' TVD
- (iv) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WC No. 1H. The well is a horizontal well with a first take point in NW/4 NW/4 of Section 24 and a final take point in NE/4 NE/4 of Section 19.
  SHL: 985' FNL and 156' FEL of Section 24-23S-28E
  BHL: 660' FNL and 330' FEL of Section 19-23S-29E
  21,000' MD / 10,711 TVD
- (v) Pool Code: 98220 Pool Name: Purple Sage; Wolfcamp Gas Pool, to be dedicated to the Mosaic Federal 2419 WC No. 2H. The well is a horizontal well with a first take point in SW/4 NW/4 of Section 24 and a final take point in SE/4 NE/4 of Section 19.
  SHL: 1,015' FNL and 156' FEL of Section 24-23S-28E
  BHL: 1,980' FNL and 330' FEL of Section 19-23S-29E
  21,000' MD / 10,711 TVD

A Form C-102 for each well is part of Attachment A.

- (d) There is no depth severance in the Wolfcampformation.
- (e) The party being pooled and its total percentage interest in the well unit is set forth in Attachment B. Attachment B also contains a listing of the tracts in the well unit.
- (f) Attachment C contains a summary of contacts with the pooled interest owner together with a copy of the proposal letter. KFOC has made a good faith effort to obtain the voluntary joinder of the working interest ownerin the proposed well, and continues to

seek their voluntary joinder. If the pooled party subsequently voluntarily commits its interest to the well, KFOC will notify the Division.

- (g) No overriding royalty owners in the well unit need to be pooled.
- (h) Attachment D is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.
- (i) KFOC requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of EddyCounty. They are also the rates set forth in the Joint Operating Agreement for the well unit. KFOC requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (j) KFOC requests that the maximum 200% risk charge be assessed against a non-consenting working interest owner for the cost of drilling, completing, and equipping the well.
- (k) KFOC requests that it be designated operator of the well.
- (l) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

#### **VERIFICATION**

STATE OF OKLAHOMA	)
	) ss.
COUNTY OF TULSA	)

Michael Maxey, being duly sworn upon his oath, deposes and states that: He is a landman for Kaiser-Francis Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

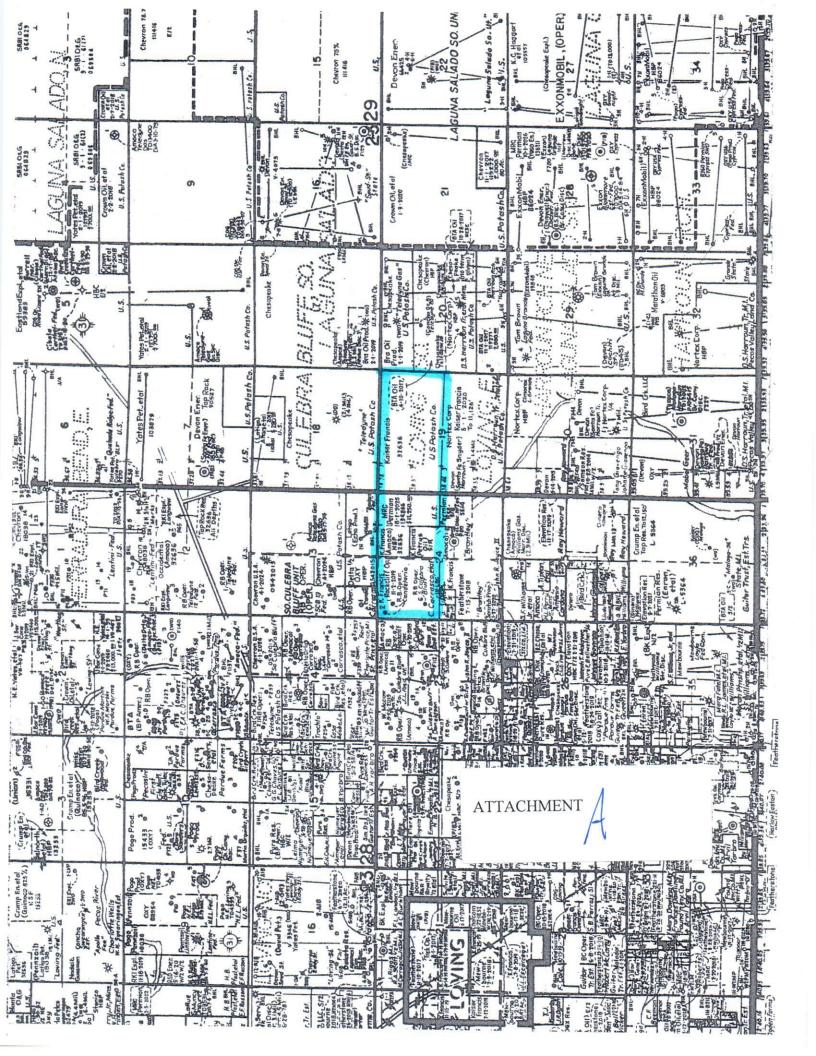
Michael Maxey

SUBSCRIBED AND SWORN TO before me this 3 day of March, 2020 by Michael Maxey.

My Commission Expires: 12-15-22

Notary Public

Notary Public
State of Oklahoma
DEBORAH MCCULLOUGH
TULSA COUNTY
COMMISSION #06011949
Comm. Exp. 12 15-2022



## <u>District I</u> 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 <u>District IV</u> 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

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<sup>4</sup> Property Cod		r		<sup>2</sup> Pool Code	de Jeol Name									
Property Cou	de				5 Property	6	<sup>6</sup> Well Number							
					MOSAIC FED	2419 WA			1H					
OGRID No.					8 Operator	Name			<sup>9</sup> Elevation					
12361				KA	ISER-FRANC	CIS OIL CO.			2986.9					
					" Surface !	Location								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
D	24	23 S	28 E		1045	NORTH	156	WEST	EDDY					
-			" B	ottom Ho	ole Location	If Different Fr	om Surface							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
A	19	23 S	29 E		660	NORTH	330	EAST	EDDY					
Dedicated Acres	13 Joint	or Infill	Consolidation	Code			15 Order No.							
o allowable wil vision.	ll be ass	signed to t	his comple	tion until a	ll interests have	been consolidated	or a non-standa	ird unit has been	approved by					

NW CORNER SEC. 24	17 OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knewledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hade location or has a right to drill this well at this location pursuant to a contract with an owner of such a nimeral or working interest, or to a wolvestury probling agreement or a compulsory pooling order hereusfore entered by the division.
### ACCINET SEC. 24  ### ACCINET SEC. 25  ### ACCIN	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.  JANUARY 17, 2019  JARAMILLO, PLS 12797  SURVEY NO. 6830

District.1
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: (375) 748-1283 Fax: (575) 748-9720
District.III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (305) 334-6178 Fax: (505) 334-6170
District.IV
1220 S. St. Francis Dr., Sunta Fc. NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	г		<sup>2</sup> Pool Co	de		<sup>3</sup> Pool Na	me		
<sup>4</sup> Property	Code				Property MOSAIC FEI		<sup>6</sup> Well Number 2H			
'ogrib' 12361				K	Operator	Name			<sup>3</sup> Elevation 2986.8	
					» Surface	Location		A		
UL or lot no.	Section 24	Townsh 23 S				North/South line NORTH	Feet from the 156	East/West line WEST	County EDDY	
		-1000	" B	ottom H	lole Location	If Different Fr	om Surface			
UL or lot no.	Section 19	Townsh 23 S		Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY	
U Dedicated Acre	s <sup>13</sup> Joint	or Infill	H Consolidation	Code	1		15 Order No.	ACT 10-10-10-10-10-10-10-10-10-10-10-10-10-1		

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. 24	It hereby certify that the information contained herein is true and complete to the heat of my knowledge and helief, and that this organization either owns a working interest or indeussed mineral interest in the land including the proposad bottom hade 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 wolumary pooling agreement or a compulsory proling order heretofore entered by the division.  Signature Date
156'   LAT. = 32.2929751N   CAT. = 32.2929751N   CAT. = 32.2922975N   CAT. = 32.29239N   CAT. = 32.2922975N   CAT. = 32.29239N   CAT.	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.  JANUARY 17, 2019
LAT. = 32.2836823N	Signature and Seal of Professional/Surgeral Ceptificate Number: 11.1MON - IARAMI/1.0, PLS 12797 SURVEY NO. 6831

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
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District IV
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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	er		Pool Cod	ode Pool Name									
<sup>4</sup> Property	Code				5 Property	6	6 Well Number							
				N	AOSAIC FED	2419 WAM			1H					
OGRID :	No.				<sup>8</sup> Operator	Name			<sup>9</sup> Elevation					
12361	l			KA	AISER-FRANC	CIS OIL CO.			2986.6					
			H	· · · · · · · · · · · · · · · · · · ·	" Surface	Location								
UL or let no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
D	24	23 S	28 E		1075	NORTH	186	WEST	EDDY					
			" Bo	ottom H	ole Location	If Different Fr	om Surface							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
A	19	23 S	29 E		1310	NORTH	330	EAST	EDDY					
Dedicated Acre	s 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. 24 N/4 CORNER SEC. 24 N/4 CORNER SEC. 24 LAT. = 32.2981153'N LAT. = 32.2980805'N LAT. = 32.2971155'N LAT. = 32.2981095'N LAT. = 32.2971050'N LONG. = 104.0491721W LONG. = 104.0491721W LONG. = 104.04918W LONG. = 104.02143485'W LONG. = 104.0154065'W LONG. = 104.	In OPERATOR CERTIFICATION  I haveby certify that the information contained hereis is true and complete to the best of my incovering and belief, and that this organization either owns a working interest or unleased inherent interest in the tand including the proposed bottom hole location or has a right to drill this well at this location parsuant 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.
SHL   S30'39'33"E   S89'21'35"E   S89'21'35'E   S89'21'35'E   S89'21'35'E   S89'21'35'E   S89'21'35'E   S89'21'3	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 the or under my supervision, and that the same is true and correct to the best of my belief. FEBRUARY 7, 2019  Date of Survey  Signature and Scal of Professional Surveyor Certificate Number: FILIMON E ARAMILLO, PLS 12797 SURVEY NO. 6880A

Distrigt 1
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION	AND	ACREAGE	DEDICA	TION	PLAT
VV C.I.I. I.I.I. M. M. III					

1 A	PI Number	T .		<sup>2</sup> Pool Co	le	³ Pool Name								
<sup>4</sup> Property C	Code	-			5 Property	Name		6	Well Number					
					MOSAIC FED	2419 WC			1H					
OGRID N	Vo.				<sup>6</sup> Operator	Name			° Elevation					
12361				K	AISER-FRANC	CIS OIL CO.			2986.9					
					" Surface	Location	Nava Hamilton							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
D	24	238	28E		985	NORTH	156	WEST	EDDY					
			и В	ottom F	ole Location	If Different Fr	om Surface	N. C.						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County					
A	19	235	29E		660	NORTH	330	EAST	EDDY					
Dedicated Acre	s 13 Joint	or Infill	Consolidatio	n Code		1	15 Order No.							
Dedicated Acre	s <sup>13</sup> Joint	or Infill	Consolidatio	n Code			<sup>13</sup> 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.

MY CORNER SEC. 24 N/4 CORNER SEC. 24 NE CORNER SEC. 24 N/4 CORNER SEC. 19 NE CORNER SEC. 19 LUT. = 32.2981637N LUT. = 32.2981637N LUT. = 32.29816057N LUT. = 32.29816187N LUT. = 32.29816057N LUT. = 32.29816187N LUT. = 32.29816188N LUT. = 32.2881618N LUT. = 32.288161	In 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 organitualise 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 unler heretafore 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.  JANUARY 17, 2019  Date of Survey
LAT. = 32.2835823YN LAT. = 32.2836840YN LAT. = 32.2836840YN LAT. = 32.2836325YN LONG. = 104.0495276'W LONG. = 104.0495276'W LONG. = 104.0495276'W LONG. = 104.0317543'W LONG. = 104.0234780'W LONG. = 104.0334780'W LONG. =	Senature xixi Seatos Professional Surveyor:  Certificate Number Framon F. Jaramillo, PLS 12797  SURVEY NO. 6828

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 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

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AMENDED REPORT

¹ A	PI Numbe	er'		<sup>2</sup> Pool Code <sup>3</sup> Pool Name				me		
'Property C	ode	Froperty Name MOSAIC FED 2419 WC						<sup>6</sup> Well Number 2H		
'OGRID N 12361	0.		Operator Name KAISER-FRANCIS OIL CO.						<sup>9</sup> Elevation 2986.9	
					" Surface	Location				
UL or lot no.	Section 24	Townshi 23 S		Lot Idn	Feet from the 1015			East/West line WEST	County EDDY	
			п Во	ttom H	ole Location	If Different Fr	om Surface			
UL or lot no.	Section 19	Townshi 23 S		Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 330	East/West line EAST	County	
Dedicated Acres	<sup>13</sup> Joint	or Infill	14 Consolidation	Code		ka ————————————————————————————————————	<sup>15</sup> Order No.			

division.

N = 471285.03   N = 470199.87   BHL	a comment with an owner of such a mineral ar working interest, or to a voluntary probling agreement or a computary probling agreement or a computary probling ander hereinforce entered
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NMOCD Case 21/19
Attachment B

MRC Permian LKE Company, LLC

Attn: Mr. Nick Weeks

5400 LBJ Freeway, Suite 1500

Dallas, TX 75240

5.7098877% WI

NW/4 Sec. 24-23S-28E:

KFOC & WI partners160.00 acres / 636.65 = 25.1315480% WI

NW/4 NE/4 Sec. 24-23S-28E:

KFOC & WI partners 40.00 acres / 636.65 = 6.2828870% WI

SW/4 NE/4 Sec. 24-23S-28E:

KFOC and WI partners 40.00 acres / 636.65 = 6.2828870% WI

E/2 NE/4 Sec. 24-23S-28E:

KFOC and WI partners 43.648 acres / 636.65 = 6.8558863% WI

MRC 36.352 acres / 636.65 = 5.7098877% WI

Lots 1 and 2 and the E/2 NW/4 And the NE/4 of Section 19-23S-29E

KFOC 316.65 acres / 636.65 = 49.7369040 % WI

#### ATTACHMENT C

CASE #\_ 2/1/19

I have had numerous contact with MRC over the past year, as we have readied this well for drilling. We had been working on an acreage swap, which would have divested MRC of their interest in Section 24-23S-28E, for a like amount of Kaiser-Francis acreage elsewhere in New Mexico. When this trade did not come to fruition, Kaiser-Francis moved forward, proposed the well, and filed to pool. Kaiser-Francis had a hearing in July of 2019. MRC said they would delay the hearing, so Kaiser-Francis dismissed MRC and continued to work on a trade. Having no success again in making a trade, Kaiser-Francis moved forward to pool when we were unable to reach an agreement. Should MRC choose to make a voluntary election to participate, prior to an Order issuing, Kaiser-Francis will supply MRC with a JOA with for their review and execution. In the event we were unable to execute a mutually agreeable JOA, Kaiser-Francis will allow them to elect under the Order that will issue from this hearing.

December 17, 2019

#### Sent by Certified Mail

MRC Permian LKE Company, LLC Attn: Mr. Nick Weeks 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Mosaic Fed 2419 WA #1H

N/2 Section 24-23S-28E and N/2 Section 19-23S-29E

Eddy Co., NM

Nick:

Kaiser-Francis Oil Company hereby proposes the drilling of a 20,143' MD / 9716' TVD horizontal Wolfcamp "A" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,045' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 660' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$4,605,848 DHC and \$11,852,685 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,

Michael D. Maxey, Landman Kaiser-Francis Oil Company

December 17, 2019

#### Sent by Certified Mail

MRC Permian LKE Company, LLC Attn: Mr. Nick Weeks 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Mosaic Fed 2419 WA #2H

N/2 Section 24-23S-28E and N/2 Section 19-23S-29E

Eddy Co., NM

Nick:

Kaiser-Francis Oil Company hereby proposes the drilling of a 20,143' MD / 9716' TVD horizontal Wolfcamp "A" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,075' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 1,980' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$4,605,848 DHC and \$11,852,685 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,

Michael D. Maxey, Landman

Kaiser-Francis Oil Company

December 17, 2019

#### Sent by Certified Mail

MRC Permian LKE Company, LLC Attn: Mr. Nick Weeks 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Mosaic Fed 2419 WAM #1H

N/2 Section 24-235-28E and N/2 Section 19-23S-29E

Eddy Co., NM

Nick:

Kaiser-Francis Oil Company hereby proposes the drilling of a 20,215' MD / 9,891' TVD horizontal Wolfcamp "A-Mid" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,075' FNL and 186' FWL of Section 24-23S-28E, and a terminus of approximately 1,320' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$4,605,848 DHC and \$11,852,685 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,

Michael D. Maxey, Landman Kaiser-Francis Oil Company

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December 17, 2019

#### Sent by Certified Mail

MRC Permian LKE Company, LLC Attn: Mr. Nick Weeks 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Mosaic Fed 2419 WC #1H

N/2 Section 24-23S-28E and N/2 Section 19-23S-29E

Eddy Co., NM

Nick:

Kaiser-Francis Oil Company hereby proposes the drilling of a 21,000' MD / 10,711' TVD horizontal Wolfcamp "C" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 985' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 660' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$4,639,379 DHC and \$11,886,217 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully,

Michael D. Maxey, Landman

Kaiser-Francis Oil Company

December 17, 2019

#### Sent by Certified Mail

MRC Permian LKE Company, LLC Attn: Mr. Nick Weeks 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re:

Mosaic Fed 2419 WC #2H

N/2 Section 24-23S-28E and N/2 Section 19-23S-29E

Eddy Co., NM

Nick:

Kaiser-Francis Oil Company hereby proposes the drilling of a 21,000' MD / 10,711' TVD horizontal Wolfcamp "C" test well, covering the referenced 2.0 mile well path. The well will have an approximate surface location of 1,015' FNL and 156' FWL of Section 24-23S-28E, and a terminus of approximately 1980' FNL and 330' FEL of Section 19-23S-29E.

AFE costs are estimated to be \$4,639,379 DHC and \$11,886,217 CWC. Two copies of the AFE are enclosed.

Should you wish to participate in the well, please execute and return one copy of the AFE, along with a reply letter indicating your desire to participate, and we will in turn send you a JOA for your review and approval.

We plan to file for pooling with the NMOCD soon, therefore, a prompt answer regarding our proposal would be greatly appreciated.

Should you have any questions, I can be reached at the above number, extension 424.

Respectfully.

Michael D. Maxey, Landman Kaiser-Francis Oil Company

## Kalser-Francis Oil Company

Authority for Expenditure

Operator:	Kalser-Francis Oil Company			Date:	10/25/2019	
Well Name:				Field:		
Prospect:	Mosaic Fed		County / Psh Eddy County			
Location:	24 23S 28E			State:	New Mexico	
Depth: Horizon:	20143 MD 9716 TVD Wolfcamp A			Preparer:	RS/DZ	
Objective:	Drill and complete Wolfcamp A					
JIB Code	Intangible Drilling and Completion Costs		Drilling	Completion	Fant/Const	7-55
500/600	Location / Road Expense / Frac Pit Construction		\$65,000	\$14,000	\$40,000	Total
501/***	Cond, Rat Hole, Mouse Hole Services		\$26,000	72.7000	<b>240,000</b>	\$119,000
502/602	Location Damages					\$0
504/604	Turnkey Completion Rig			\$8,000		\$8,000
	Footage @ per foot  Daywork 34 days at					\$0
505/605	Coiled Tubing & Related Services	\$24,250	\$812,375	-		\$812,375
506/606	Rig Mob / Demob		\$123,000	\$240,000		\$240,000
507/***	Directional Drilling Services		\$913,200	1		\$123,000
508/608	Bits & Reamers		\$86,000			\$913,200
510/610	Fuel/Power		\$130,900			\$130,900
512/612 514/614	Drilling Water / Completion Fluid Mud & Chemicals		\$33,000	\$807,500		\$840,500
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD		\$195,000	\$20,000		\$215,000
516/616	Surface Equipment Rental / Inspection		\$160,000	\$37,500		\$197,500
517/517	Downhole Equipment Rental / Inspection		\$218,684 \$119,000	\$91,450		\$310,134
518/618	Transportation & Loading		\$34,000	\$156,000 \$50,000		\$275,000
520/***	DST, Coring & Analysis		,_,,,,,,	\$50,000		\$84,000
522/622	OH Logs / CH Logs / Perforating / Slickline / Plugs			\$350,000		\$350,000
523/***	Mud Logging / Geosteering / LWD		\$40,800			\$40,800
526/626	Cementing & Squeezing Casing Crews & Equipment		\$213,500			\$213,500
528/628	Plug & Abandon		\$77,000			\$77,000
***/630	Stimulation			£4.420.000		\$0
532/532	Geological & Engineering			\$4,420,000		\$4,420,000
534/634	Supervision		\$136,000	\$73,750		\$15,000
536/636	Miscellaneous Contract Labor		\$20,000	\$42,500	\$35,000	\$209,750 \$97,500
538/638 541/641	Prof. Fees & Abstracts				750,000	\$0
542/642	Liability Insurance / Bonds Drilling Overhead / Competion Overhead					\$0
544/644	Miscellaneous & Unforeseen		\$13,600	\$6,300		\$19,900
	Total Intangible Orilling & Completion		\$153,969 \$3,571,028	\$316,600	\$3,750	\$474,319
			75,771,020	\$6,648,600	\$78,750	\$10,298,378
JIB Code	Tangible Well and Lease Foulament Costs		0.40			720,230,378
700	Tangible Well and Lease Equipment Costs Conductor	<b>建門 7</b>	Drilling	Completion	Eqpt/Const	Total
700 701	Conductor Surface Casing 13-3/8" H40 48 ppf STC	500		Completion		Total \$0
700 701 702	Conductor   Surface Casing   13-3/8" H40 48 ppf STC     Intermediate Casing   10-3/4" J55 40.5 ppf BTC (TD to 11.25")	500 3000	Drilling \$22,500 \$89,000	Completion		Total \$0 \$22,500
700 701 702 702	Conductor         13-3/8" H40 48 ppf STC           Intermediate Casing         10-3/4" J55 40.5 ppf BTC (TD to 11.25")           Intermediate Casing         7-5/8" P110 29.7 ppf BTC		\$22,500	Completion		Total \$0 \$22,500 \$89,000
700 701 702	Conductor         13-3/8" H40 48 ppf STC           Intermediate Casing         10-3/4" J55 40.5 ppf BTC (TD to 11.25")           Intermediate Casing         7-5/8" P110 29.7 ppf BTC           Drilling Liner (BCP)         7-5/8" P100 29.7 ppf BTC	3000	\$22,500 \$89,000	Completion		Total \$0 \$22,500
700 701 702 702 704	Conductor   Surface Casing   13-3/8" H40 48 ppf STC     Intermediate Casing   10-3/4" J55 40.5 ppf BTC (TD to 11.25")     Intermediate Casing   7-5/8" P110 29.7 ppf BTC     Drilling Liner (BCP)     Production Liner (ACP)     Production Casing (ACP)	3000 10000	\$22,500 \$89,000 \$274,000	Completion		Total \$0 \$22,500 \$89,000 \$274,000
700 701 702 702 704 703 706 710	Conductor           Surface Casing         13-3/8" H40 48 ppf STC           Intermediate Casing         10-3/4" J55 40.5 ppf BTC (TD to 11.25")           Intermediate Casing         7-5/8" P110 29.7 ppf BTC           Drilling Liner (BCP)         Production Liner (ACP)           Production Casing (ACP)         5-1/2" 20# P110 HC Eagle           Tubing         2 7/8" 6.5# L-80 EUE to KOP	3000 10000 20200	\$22,500 \$89,000			Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50
700 701 702 702 704 703 706 710 721/720	Conductor         3.3-3/8" H40 48 ppf STC           Intermediate Casing         10-3/4" J55 40.5 ppf BTC (TD to 11.25")           Intermediate Casing         7-5/8" P110 29.7 ppf BTC           Drilling Liner (BCP)         Production Liner (ACP)           Production Casing (ACP)         5-1/2" 20# P110 HC Eagle           Tubing         2 7/8" 6.5# L-80 EUE to KOP           Wellhead Equip. BCP/ACP	3000 10000	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750		Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$0 \$50 \$547,200 \$57,750
700 701 702 702 704 703 706 710 721/720 724	Conductor  Surface Casing  13-3/8" H40 48 ppf STC  Intermediate Casing  10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing  7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP)  Tubing  27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment	3000 10000 20200	\$22,500 \$89,000 \$274,000			Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000
700 701 702 702 704 703 706 710 721/720 724	Conductor  Surface Casing  13-3/8" H40 48 ppf STC  Intermediate Casing  10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing  7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP)  Tubing  27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750		Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0
700 701 702 702 704 703 706 710 721/720 724	Conductor  Surface Casing  13-3/8" H40 48 ppf STC  Intermediate Casing  10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing  7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP)  Tubing  27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750		Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000
700 701 702 702 704 703 706 710 721/720 724 726 737	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750	\$30,000 \$30,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750	\$30,000 \$30,000 \$120,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750	\$30,000 \$30,000 \$120,000 \$75,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000 \$75,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Une Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$5547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Une Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200	\$57,750	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing  13-3/8" H40 48 ppf STC  Intermediate Casing  10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing  7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP)  Tubing  27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Deby / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900	\$57,750 \$45,000	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$50 \$5105,000 \$0 \$30,000 \$30,000 \$120,000 \$57,500 \$85,000 \$57,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Deby / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220	\$57,750 \$45,000 \$2,000 \$5,238	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$55,7750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$55,000 \$85,000 \$85,000 \$85,000 \$85,000 \$85,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Une Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900	\$57,750 \$45,000 \$2,000	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$50 \$5105,000 \$0 \$30,000 \$30,000 \$120,000 \$57,500 \$85,000 \$57,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Deby / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment  Total Ornilling and Completion Cost	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220	\$57,750 \$45,000 \$2,000 \$5,238	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$19,500	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Une Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1 034,820	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$50 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$55,000 \$55,000 \$47,958
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Deby / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment  Total Ornilling and Completion Cost	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1 034,820	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$409,500	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 27/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Deby / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment  Total Ornilling and Completion Cost	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1 034,820	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$409,500	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment  Total Original Completion Cost  KFOC APPROVALS	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1 034,820	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$409,500	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline  Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1 034,820	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$409,500	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC  Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP) 5-1/2" 20# P110 HC Eagle  Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment  Total Original Completion Cost  KFOC APPROVALS	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1.034,820 \$4,605,848	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$49,500 \$48,250	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline  Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1.034,820 \$4,605,848	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$49,500 \$48,250	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing 13-3/8" H40 48 ppf STC Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") Intermediate Casing 7-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle Tubing 2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline  Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1.034,820 \$4,605,848	\$57,750 \$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$49,500 \$48,250	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing  Intermediate Intermediate Intermediate  Intermediate Intermediate  Intermediate  Intermediate Intermediate  Interme	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1.034,820 \$4,605,848	\$57,750 \$45,000 \$45,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$49,500 \$48,250	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing  Intermediate Intermediate Intermediate  Intermediate Intermediate  Intermediate  Intermediate Intermediate  Interme	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1.034,820 \$4,605,848	\$57,750 \$45,000 \$45,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$49,500 \$48,250	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000 \$85,000 \$57,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing  Intermediate Casing  IO-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing  T-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP)  Tubing  2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipelline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment  Total Orilling  Completion  Land	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1.034,820 \$4,605,848	\$57,750 \$45,000 \$45,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$49,500 \$48,250	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
700 701 702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774 777/776	Conductor  Surface Casing  Intermediate Casing  IO-3/4" J55 40.5 ppf BTC (TD to 11.25")  Intermediate Casing  T-5/8" P110 29.7 ppf BTC  Drilling Liner (BCP)  Production Liner (ACP)  Production Casing (ACP)  Tubing  2 7/8" 6.5# L-80 EUE to KOP  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment  Rods & Pumps  Line Pipe / Fittings / Pipelline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Well and Lease Equipment  Total Orilling  Completion  Land	3000 10000 20200	\$22,500 \$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1.034,820 \$4,605,848	\$57,750 \$45,000 \$45,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$49,500 \$48,250	Total \$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$50 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000

## Kaiser-Francis Oil Company

Authority for Expenditure

Operator:	Kaiser-Francis Oil Company		Date:	10/25/2019	
Well Name:	Mosalc Fed 2419 WA #2H	-	Field:	10/23/2013	
Prospect:	Mosaic Fed .		County / Psh	Eddy County	
Location:	24 235 28E		State:	New Mexico	
Depth:	20143 MD 9716 TVD		Preparer:	RS/DZ	
Horizon:	Wolfcamp A				
Objective:	Drill and complete Wolfcamp A				
JIB Code	Intangible Drilling and Completion Costs	Drilling	Completion	Éqpt/Const	Tabel
500/600	Location / Road Expense / Frac Pit Construction	\$65,000	\$14,000	\$40,000	Total
501/***	Cond, Rat Hole, Mouse Hole Services	\$26,000	721,000	340,000	\$119,000
502/602	Location Damages	720,000	1		\$25,000
504/604	Turnkey Completion Rig		\$8,000		\$0
	Footage @ per foot		90,000		\$8,000
	Daywork 34 days at \$24,250	\$812,375	1		\$0
505/605	Coiled Tubing & Related Services	70-0,01	\$240,000		\$812,375
506/606	Rig Mob / Demob	\$123,000	\$240,000		\$240,000
507/***	Directional Drilling Services	\$913,200			\$123,000
508/608	Bits & Reamers	\$85,000			\$913,200
510/610	Fuel/Power	\$130,900			\$86,000
512/612	Drilling Water / Completion Fluid	\$33,000	\$807,500		\$130,900
514/614	Mud & Chemicals	\$195,000	\$20,000		\$840,500
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$160,000	\$37,500		\$215,000
516/616	Surface Equipment Rental / Inspection	\$218,684	\$91,450	+	\$197,500
517/617	Downhole Equipment Rental / Inspection	\$119,000	\$156,000		\$310,134
518/618	Transportation & Loading	\$34,000	\$50,000		\$275,000
520/***	DST, Coring & Analysis	75.,500	730,000		\$84,000
522/622	OH Logs / CH Logs / Perforating / Slickline / Plugs		\$350,000		\$0
523/***	Mud Logging / Geosteering / LWD	\$40,800	4350,000		\$350,000
524/624	Cementing & Squeezing	\$213,500			\$40,800
526/626	Casing Crews & Equipment	\$77,000	+		\$213,500
528/628	Plug & Abandon	277,000		-	\$77,000
***/630	Stimulation		\$4,420,000		\$0
532/632	Geological & Engineering		\$15,000		\$4,420,000
534/634	Supervision	\$136,000	\$73,750		\$15,000
536/636	Miscellaneous Contract Labor	\$20,000	\$42,500	\$35,000	\$209,750
538/638	Prof. Fees & Abstracts	17	942,300	\$35,000	\$97,500
541/641	Liability Insurance / Bonds				\$0
542/642	Drilling Overhead / Competion Overhead	\$13,600	\$6,300		\$0
544/544	Miscellaneous & Unforeseen	\$153,969	\$316,600	63.750	\$19,900
	Tatal Intangible Orilling & Completion	\$3,571,028	\$6,648,600	\$3,750 \$78,750	\$474,319
JIB Code	Tangible Well and Lease Equipment Costs			\$76,750	510,298,378
700	Conductor	Drilling	Completion	Eqpt/Const	Total
					THE RESERVE OF THE PARTY OF THE
701		000 500			\$0
701 702	Surface Casing 13-3/8" H40 48 ppf STC 500	\$22,500			THE RESERVE OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAME
Control of the Park of the Par	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (TD to 11.25")         3000	\$89,000			\$0
702	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (TD to 11.25")         3000	The second secon			\$0 \$22,500 \$89,000 \$274,000
702 702	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (T0 to 11.25")         3000           Intermediate Casing         7-5/8" P110 29.7 ppf BTC         10000	\$89,000			\$0 \$22,500 \$89,000
702 702 704 703 706	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (TD to 11.25")         3000           Intermediate Casing         7-5/8" P110 29.7 ppf BTC         10000           Drilling Uner (BCP)         Production Liner (ACP)	\$89,000 \$274,000			\$0 \$22,500 \$89,000 \$274,000
702 702 704 703 706 710	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (TD to 11.25")         3000           Intermediate Casing         7-5/8" P110 29.7 ppf BTC         10000           Drilling Uner (BCP)         Production Liner (ACP)           Production Casing (ACP)         5-1/2" 20# P110 HC Eagle         20200	\$89,000			\$0 \$22,500 \$89,000 \$274,000 \$0
702 702 704 703 706 710 721/720	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (TD to 11.25")         3000           Intermediate Casing         7-5/8" P110 29.7 ppf BTC         10000           Drilling Uner (BCP)         Production Liner (ACP)         20200           Production Casing (ACP)         5-1/2" 20# P110 HC Eagle         20200	\$89,000 \$274,000 \$547,200	\$57,750		\$0 \$22,500 \$89,000 \$274,000 \$0 \$0
702 702 704 703 706 710 721/720 724	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (TD to 11.25")         3000           Intermediate Casing         7-5/8" P110 29.7 ppf BTC         10000           Drilling Uner (BCP)         Production Liner (ACP)           Production Casing (ACP)         5-1/2" 20# P110 HC Eagle         20200           Tubing         2 7/8" 6.5# L-80 EUE to KOP         10500	\$89,000 \$274,000	\$57,750 \$45,000		\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200
702 702 704 703 706 710 721/720 724 726	Surface Casing         13-3/8" H40 48 ppf STC         500           Intermediate Casing         .10-3/4" J55 40.5 ppf BTC (TD to 11.25")         3000           Intermediate Casing         7-5/8" P110 29.7 ppf BTC         10000           Drilling Uner (BCP)         Production Liner (ACP)           Production Casing (ACP)         5-1/2" 20# P110 HC Eagle         20200           Tubing         2 7/8" 6.5# L-80 EUE to KOP         10500           Wellhead Equip. BCP/ACP         10500	\$89,000 \$274,000 \$547,200	The second		\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750
702 702 704 703 706 710 721/720 724 726 737	Surface Casing   13-3/8" H40 48 ppf STC   500     Intermediate Casing   10-3/4" J55 40.5 ppf BTC (TD to 11.25")   3000     Intermediate Casing   7-5/8" P110 29.7 ppf BTC   10000     Drilling Uner (BCP)	\$89,000 \$274,000 \$547,200	The second		\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$547,200 \$50,000
702 702 704 703 706 710 721/720 724 726 737	Surface Casing   13-3/8" H40 48 ppf STC   500     Intermediate Casing   10-3/4" J55 40.5 ppf BTC (TD to 11.25")   3000     Intermediate Casing   7-5/8" P110 29.7 ppf BTC   10000     Drilling Uner (BCP)	\$89,000 \$274,000 \$547,200	The second	\$30,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$0
702 702 704 703 706 710 721/720 724 726 737 747	Surface Casing   13-3/8" H40 48 ppf STC   500     Intermediate Casing   10-3/4" J55 40.5 ppf BTC (TD to 11.25")   3000     Intermediate Casing   7-5/8" P110 29.7 ppf BTC   10000     Intermediate Casing   7-5/8" P110 29.7 ppf BTC   10000     Intermediate Casing   7-5/8" P110 29.7 ppf BTC   10000     Intermediate Casing   10000   10000     Intermediate Casing   10000   10000     Production Liner (ACP)   10000   10000     Production Casing (ACP)   10000   10000     Values & Downhole Equipment   10000   10000     Values   10000   10000     Values   10000   10000   10000     Values   10000   1000	\$89,000 \$274,000 \$547,200	The second	\$30,000 \$30,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$0 \$0
702 702 704 703 706 710 721/720 724 726 737 747 752 765	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing .10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU	\$89,000 \$274,000 \$547,200	The second	\$30,000 \$30,000 \$120,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$5,547,200 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing .10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor	\$89,000 \$274,000 \$547,200	The second	\$30,000 \$30,000 \$120,000 \$75,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000 \$75,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768	Surface Casing	\$89,000 \$274,000 \$547,200	The second	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP	\$89,000 \$274,000 \$547,200	\$45,000	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tariks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000	The second	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tariks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900	\$45,000	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$50 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tariks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000	\$45,000	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$320,000 \$75,000 \$85,000 \$5,000 \$57,000 \$57,000 \$57,000 \$57,000 \$85,000 \$57,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 27/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$50 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 27/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Valves Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220	\$45,000	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$320,000 \$75,000 \$85,000 \$5,000 \$57,000 \$57,000 \$57,000 \$57,000 \$85,000 \$57,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 27/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$45,000	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$50,000 \$105,000 \$130,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$1,0
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 27/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Valves Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$50,000 \$105,000 \$130,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$1,0
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 27/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Valves Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$50,000 \$105,000 \$130,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$1,0
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing .10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost  KFOC APPROVALS  Drilling	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$45,000 \$409,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$419,500 \$409,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing .10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost  KFOC APPROVALS  Drilling	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$2,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$419,500 \$409,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing .10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost  KFOC APPROVALS  Drilling	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588 PARTNE	\$30,000 \$30,000 \$120,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$49,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing .10-3/4" J55 40.5 ppf BTC (TO to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2.7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  KFOC APPROVALS  Drilling  Campletion	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$2,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$30,000 \$120,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$49,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tariks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  Total Orilling and Completion Cost  KFOC APPROVALS  Land	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588 PARTNE	\$30,000 \$30,000 \$120,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$49,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$50,000 \$105,000 \$130,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$1,0
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing .10-3/4" J55 40.5 ppf BTC (TO to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2.7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  KFOC APPROVALS  Drilling  Campletion	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588 PARTNE	\$30,000 \$30,000 \$120,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$49,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$50,000 \$105,000 \$130,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$1,0
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tariks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  Total Orilling and Completion Cost  KFOC APPROVALS  Land	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588 PARTNE	\$30,000 \$30,000 \$120,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$49,500 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000
702 702 704 703 706 710 721/720 724 726 737 747 752 765 768 770 775/774	Surface Casing 13-3/8" H40 48 ppf STC 500 Intermediate Casing 10-3/4" J55 40.5 ppf BTC (TD to 11.25") 3000 Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000 Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200 Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tariks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  Total Orilling and Completion Cost  KFOC APPROVALS  Land	\$89,000 \$274,000 \$547,200 \$60,000 \$10,000 \$8,900 \$23,220 \$1,034,820	\$45,000 \$2,000 \$5,238 \$109,988 \$6,758,588 PARTNE	\$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$45,000 \$419,500 \$488,250 \$488,250	\$0 \$22,500 \$89,000 \$274,000 \$0 \$0 \$547,200 \$547,200 \$105,000 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000

#### Kaiser-Francis Oil Company

Authority for Expenditure

Operator:	Kaiser-Francis Oil Company		Date:	10/25/2019	
	Mosalc Fed 2419 WAM #1H		Field:	20/20/2023	
				Eddy County	
Prospect:	Mosaic Fed		County / Psh	Eddy County	
Location:	24 23S 28E		State:	New Mexico	
Depth:	20215 MD 9891 TVD		Preparer:	RS/DZ	
Horizon:	Wolfcamp A "Mid"				
Objective:	Orill and complete Wolfcamp A "Mid"				
JIB Code	Intangible Drilling and Completion Costs	Drilling	Completion	Eqpt/Const	Total
500/600	Location / Road Expense / Frac Pit Construction	\$65,000	\$14,000	\$40,000	\$119,000
501/***	Cond, Rat Hole, Mouse Hole Services	\$26,000			\$26,000
		\$20,000		-	
502/602	Location Damages		40.000		\$0
504/604	Turnkey Completion Rig		\$8,000		\$8,000
	Footage @ per foot				\$0
	Daywork 34 days at \$24,250	\$812,375			\$812,375
505/605	Colled Tubing & Related Services		\$240,000		\$240,000
506/606	Rig Mob / Demob	\$123,000			\$123,000
507/***	Directional Drilling Services	\$913,200			\$913,200
508/608	Bits & Reamers	\$86,000			\$86,000
510/610	Fuel/Power	\$130,900			\$130,900
512/612	Drilling Water / Completion Fluid	\$33,000	\$807,500		\$840,500
514/614	Mud & Chemicals	\$195,000	\$20,000		
515/615		The second secon			\$215,000
CONTRACTOR OF STREET	Closed Loop System / Mud & Cuttings Disposal / SWD	\$160,000	\$37,500		\$197,500
516/616	Surface Equipment Rental / Inspection	\$218,684	\$91,450		\$310,134
517/617	Downhole Equipment Rental / Inspection	\$119,000	\$156,000		\$275,000
518/618	Transportation & Loading	\$34,000	\$50,000		\$84,000
520/***	DST, Coring & Analysis				\$0
522/622	OH Logs / CH Logs / Perforating / Slickline / Plugs		\$350,000		\$350,000
523/***	Mud Logging / Geosteering / LWD	\$40,800			\$40,800
524/624	Cementing & Squeezing	\$213,500			\$213,500
526/626	Casing Crews & Equipment	\$77,000			\$77,000
528/628	Plug & Abandon	<b>417,000</b>			The second secon
***/630	Stimulation		C4 420 000		\$0
532/632	Geological & Engineering		\$4,420,000		\$4,420,000
The second second second second		4405.000	\$15,000		\$15,000
534/634	Supervision	. \$136,000	\$73,750		\$209,750
536/636	Miscellaneous Contract Labor	\$20,000	\$42,500	\$35,000	\$97,500
538/638	Prof. Fees & Abstracts				\$0
541/641	Liability Insurance / Bonds		The state of the s		\$0
542/642	Drilling Overhead / Competion Overhead	\$13,600	\$6,300		\$19,900
544/644	Miscellaneous & Unforeseen	\$153,969	\$316,600	\$3,750	\$474,319
0.001	Total intangible Drilling & Completion	\$3,571,028	\$6,648,600	\$78,750	\$10,298,378
IID Code	Yearthle May and Lang Surface and Surface				
JIB Code	Tangible Well and Lease Equipment Costs	Drilling	Completion	Eqpt/Const	Total
700	Conductor	-			\$0
701	Surface Casing 13-3/8" H40 48 ppf STC 500	\$22,500			\$22,500
702	Intermediate Casing 10-3/4" JSS 40.5 ppf BTC (TD to 11.25") 3000	\$89,000			\$89,000
702	Intermediate Casing 7-5/8" P110 29.7 ppf BTC 10000	\$274,000			\$274,000
704	Drilling Uner (BCP)				\$0
703	Production Liner (ACP)				\$0
706	Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 20200	\$547,200	1		\$547,200
710	Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500		\$57,750		
721/720	Wellhead Equip. BCP/ACP	\$60,000	\$45,000	-	\$57,750
724	Packers & Downhole Equipment	\$60,000	543,000		\$105,000
726	Rods & Pumps		1		\$0
737	Line Pipe / Fittings / Pipeline				\$0
747	Valves		-	\$30,000	\$30,000
752	Tanks & Walkways			\$30,000	\$30,000
The second second second		-		\$120,000	\$120,000
765	Heaters / Treaters / Separator / VRU			\$75,000	\$75,000
768	Artificial Lift / Compressor	1		\$85,000	\$85,000
770	Gas Sales Unit / Dehy / Line Heater / Flare			\$5,000	\$5,000
775/774	Tranportation and Freight BCP/ACP	\$10,000	\$2,000	\$45,000	\$57,000
777/776	Inspect/Test Tubulars BCP/ACP	\$8,900		7.15,500	\$8,900
779/778	Non-Controllable Equipment BCP/ACP	\$23,220	\$5,238	\$19,500	\$47,958
10.00	Total Well and Lease Equipment	\$1,034,820	\$109,988	\$409,500	\$1,554,308
DESCRIPTION OF THE PARTY OF THE	Total Buillian and Consolating Cont			\$105,500	31,334,300
	Total Drilling and Completion Cost	\$4,605,848	\$6,758,588	\$488,250	\$11,852,685
	KFOC APPROVALS		PARTA	ER APPROVAL	
			PART	ICH AFFROYAL	ARMINIST LEVELED
	Drilling				
	Completion		Signatu	re	
	Land		Printed N	ame	

Company

Reservoir

# Kalser-Francis Oil Company Authority for Expenditure

Operator:	Kaiser-Francis Oil Company		Date:	10/05/05/05	
Well Name:	Mosaic Fed 2419 WC #1H		Field:	10/25/2019	
Prospect:	Mosalc Fed				
Location:	24 23S 2BE		County / Psh	Eddy County	
Depth:	21000 MD 10711 TVD		State:	New Mexico	
Horizon:	Wolfcamp C		Preparer:	RS/DZ	
Objective:	Drill and complete Wolfcamp C				
JIB Code	Intangible Drilling and Completion Costs		7		
500/600	Location / Road Expense / Frac Pit Construction	Drilling	Completion	Eqpt/Canst	Total
501/***	Cond, Rat Hole, Mouse Hole Services	\$65,000	\$14,000	\$40,000	\$119,000
502/602	Location Damages	\$26,000			\$26,000
504/604					\$0
3047004			\$8,000		\$8,000
					\$0
505/605	Daywork 34 days at \$24,250 Colled Tubing & Related Services	\$824,500			\$824,500
506/606	Rig Mob / Demob		\$240,000		\$240,000
507/***		\$123,000			\$123,000
508/608	Directional Drilling Services Bits & Reamers	\$913,200			\$913,200
510/610		\$86,000			\$86,000
	Fuel/Power .	\$130,900			\$130,900
512/612	Drilling Water / Completion Fluid	\$33,000	\$807,500		The same of the sa
514/614	Mud & Chemicals	\$195,000	\$20,000		\$840,500
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$160,000	\$37,500		\$215,000
516/616	Surface Equipment Rental / Inspection	\$218,684	\$91,450		\$197,500
517/617	Downhole Equipment Rental / Inspection	\$119,000	\$156,000		\$310,134
518/618	Transportation & Loading	\$34,000	\$50,000	-	\$275,000
520/***	DST, Coring & Analysis	451,000	330,000		\$84,000
522/622	OH Logs / CH Logs / Perforating / Slickline / Plugs		\$350,000		\$0
523/***	Mud Logging / Geosteering / LWD	\$40,800	\$350,000		\$350,000
524/624	Cementing & Squeezing	\$213,500			\$40,800
526/626	Casing Crews & Equipment	\$77,000	-		\$213,500
528/628	Plug & Abandon	377,000	-		\$77,000
***/630	Stimulation		44 420 000		\$0
532/632	Geological & Engineering		\$4,420,000		\$4,420,000
534/634	Supervision	£135.000	\$15,000	-	\$15,000
536/636	Miscellaneous Contract Labor	\$136,000	\$73,750		\$209,750
538/638	Prof. Fees & Abstracts	\$20,000	\$42,500	\$35,000	\$97,500
541/641	Liability Insurance / Bonds				\$0
542/642	Drilling Overhead / Competion Overhead	A.A.A.A.			\$0
544/644	Miscellaneous & Unforeseen	\$13,600	\$6,300		\$19,900
	Total Intangible Drilling & Completion	\$154,575	\$316,600	\$3,750	\$474,925
JIB Code		\$3,583,759	\$6,648,600	\$78,750	\$10,311,109
700	Tangible Well and Lease Equipment Costs Conductor	Orilling	Completion	Eqpt/Const	
701				rdb0 coust	Total
702	13-3/8 1140 40 ppr 31C 500	.\$22,500			\$0
702	3000 I	\$89,000		-	\$22,500
704	Intermediate Casing   7-5/8" P110 29.7 ppf 8TC   10000	\$274,000			\$89,000
703	Production Liner (ACP)				\$274,000
706					\$0
710	21000	\$568,000			\$0
721/720	Tubing 2 7/8" 6.5# L-80 EUE to KOP 10500  Wellhead Equip. BCP/ACP		\$57,750		\$568,000
724	Packers & Downhole Equipment	\$60,000	\$45,000		\$57,750
726	Rods & Pumps				\$105,000
737	Line Pipe / Fittings / Pipeline				\$0
747	Valves			\$30,000	\$0
752	Tanks & Walkways			\$30,000	\$30,000
765				\$30,000	\$30,000
768	Heaters / Treaters / Separator / VRU			\$120,000	\$120,000
770	Artificial Lift / Compressor			\$75,000	\$75,000
775/774	Gas Sales Unit / Dehy / Line Heater / Flare			\$85,000	\$85,000
777/776	Tranportation and Freight BCP/ACP	\$10,000	\$2,000	\$5,000	\$5,000
The property of the local division in which the local division is not the local division in the local division	Inspect/Test Tubulars BCP/ACP	\$8,900	\$4,000	\$45,000	\$57,000
113[110	Non-Controllable Equipment BCP/ACP	\$23,220	Ar 220		\$8,900
	Total Weil and Lease Equipment	\$1,055,620	\$5,238 \$109,988	\$19,500	\$47,958
	Total Drilling and Completion Cost		\$109,300	\$409,500	\$1,575.108
English a	XFOC APPROVALS	\$4,639,379	\$6,758,588	\$488,250	\$11,886,217
	AFOCAPPROVALS		PARTNE	APPROVAL	
			HAINE	APPROVAL	The second second second
	Drilling  Completion				
	Land		Signature		
	Goology		Printed Nam	•	
			Position		

Company

#### Kaiser-Francis Oil Company Authority for Expenditure

Operator:	Kalser-Francis Oil Company	NA CANADAMANA		Date:	10/25/2019	
Well Name:				Field:		
rospect:	Mosaic Fed			County / Psh.	Eddy County	
ocation:	24 23S 28E			State:	New Mexico	
pth:	21000 MD 10711 TVD			Preparer:	RS/DZ	***
orizon: bjective:	Wolfcamp C Drill and complete Wolfcamp C					
JIB Code	Intangible Drilling and Completion Costs		Drilling	Completion	Eqpt/Const	Total
500/600	Location / Road Expense / Frac Pit Construction		\$65,000	\$14,000	\$40,000	\$119,000
	Cond, Rat Hole, Mouse Hole Services		\$26,000			\$26,000
502/602	Location Damages					\$0
504/604	Turnkey Completion Rig			\$8,000		
	Footage @ per foot			1000		\$8,000
	Daywork 34 days at \$	24,250.	\$824,500			\$0
505/605	Coiled Tubing & Related Services			\$240,000		\$824,500
506/606	Rig Mob / Demob	-	\$123,000	\$240,000		\$240,000
507/***	Directional Drilling Services		\$913,200			\$123,000
508/608	Bits & Reamers	-	\$86,000			\$913,200
510/610	Fuel/Power		\$130,900	-		\$86,000
512/612	Drilling Water / Completion Fluid		THE RESERVE OF THE PERSON NAMED IN COLUMN 1	6007 500		\$130,900
514/614	Mud & Chemicals		\$33,000	\$807,500		\$840,500
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD		\$195,000	\$20,000		\$215,000
516/616	Surface Equipment Rental / Inspection		\$160,000	\$37,500		\$197,500
517/617	Downhole Equipment Rental / Inspection		\$218,684	\$91,450		\$310,134
518/618	Transportation & Loading		\$119,000	\$156,000		\$275,000
520/***	DST, Coring & Analysis		\$34,000	\$50,000		\$84,000
522/622	OH Logs / CH Logs / Perforating / Slickline / Plugs					\$0 .
523/***	Mud Logging / Geosteering / LWD			\$350,000		\$350,000
524/624			\$40,800			\$40,800
The same of the same of the same of	Cementing & Squeezing		\$213,500			\$213,500
526/626	Casing Crews & Equipment		\$77,000			\$77,000
528/628	Plug & Abandon		***			\$0
***/630	Stimulation			\$4,420,000		- Company of the last of the l
532/632	Geological & Engineering			\$15,000		\$4,420,000
534/634	Supervision		\$136,000	\$73,750		\$15,000
536/636	Miscellaneous Contract Labor		\$20,000	\$42,500	ADERDO	\$209,750
538/638	Prof. Fees & Abstracts		\$20,000	\$42,300	\$35,000	\$97,500
541/641	Liability Insurance / Bonds					\$0
542/642	Drilling Overhead / Competion Overhead		\$13,600	60.000		\$0
544/644	Miscellaneous & Unforeseen			\$6,300		\$19,900
	Total Intangible Drilling & Completion		\$154,575	\$316,600	\$3,750	\$474,925
JIB Code			\$3,583,759	\$5,648,600	\$78,750	\$10,311,10
700	Tangible Well and Lease Equipment Costs Conductor		Ortiling	Completion	Eqpt/Const	Total
701					18 7	\$0
702	13-3/8 1140 48 901310	500	\$22,500			\$22,500
702	, pp. o.c. (15 to 11.25 )	3000	\$89,000			The second secon
704	Intermediate Casing   7-5/8" P110 29.7 ppf STC   1	0000	\$274,000		<del> </del>	\$89,000
703	Production Liner (ACP)					\$274,000
706		Annual Control				ćn.
THE RESERVE OF THE PARTY OF THE	Production Cooks (ACD)					\$0
71/1	Production Casing (ACP) 5-1/2" 20# P110 HC Eagle 2	1000	\$568,000	-		\$0
710	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1	-	\$568,000	\$57.750		\$0 \$568,000
21/720	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP	1000		\$57,750		\$0 \$568,000 \$57,750
721/720 724	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment	-	\$568,000 \$60,000	\$57,750 \$45,000		\$0 \$568,000 \$57,750 \$105,000
721/720 724 726	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps	-		The second secon		\$0 \$568,000 \$57,750
721/720 724 726 737	Tubing 2 7/8" 6.5# L-80 FUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline	-		The second secon		\$0 \$568,000 \$57,750 \$105,000
721/720 724 726 737 747	Tubing 2 7/8" 6.5# L-80 FUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves	-		The second secon	\$30,000	\$0 \$568,000 \$57,750 \$105,000 \$0
721/720 724 726 737 747 752	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways	-		The second secon	\$30,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0
721/720 724 726 737 747 752 765	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU	-		The second secon		\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000
721/720 724 726 737 747 752 765 768	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Heaters / Treaters / Separator / VRU Artificial Lift / Compressor	-		The second secon	\$30,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000
721/720 724 726 737 747 752 765 768 770	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU	-		The second secon	\$30,000 \$120,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000
721/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP	-	\$60,000	\$45,000	\$30,000 \$120,000 \$75,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$885,000
721/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP	-	\$60,000	The second secon	\$30,000 \$120,000 \$75,000 \$85,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000
721/720 724 726 737 747 752 765 768 770 75/774 77/776	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Iranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP	-	\$60,000 \$10,000 \$8,900	\$45,000	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000
721/720 724 726 737 747 752 765 768 770 75/774 77/776	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Non-Controllable Equipment BCP/ACP	-	\$60,000 \$10,000 \$8,900 \$23,220	\$45,000	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$88,000
721/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment	-	\$60,000 \$10,000 \$8,900	\$45,000	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000	\$0 \$568,000 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$8,900 \$47,958
721/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor  Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Non-Controllable Equipment BCP/ACP	-	\$10,000 \$10,000 \$8,900 \$23,220 \$1,055,620	\$2,000 \$2,000 \$5,238 \$109,988	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$19,500 \$409,500	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$87,000 \$47,958 \$1,575,108
721/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment	-	\$60,000 \$10,000 \$8,900 \$23,220	\$2,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$45,000 \$49,500 \$409,500	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$88,000 \$88,000
21/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Drilling and Completion Cost	-	\$10,000 \$10,000 \$8,900 \$23,220 \$1,055,620	\$2,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$19,500 \$409,500	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$47,958 \$1,575,108
21/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP  Packers & Downhole Equipment Rods & Pumps  Line Pipe / Fittings / Pipeline  Valves  Tanks & Walkways  Heaters / Treaters / Separator / VRU  Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare  Tranportation and Freight BCP/ACP  Inspect/Test Tubulars BCP/ACP  Non-Controllable Equipment BCP/ACP  Total Drilling and Completion Cost	-	\$10,000 \$10,000 \$8,900 \$23,220 \$1,055,620	\$2,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$45,000 \$49,500 \$488,250	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$57,000 \$8,900 \$47,958 \$1,575,108
21/720 724 726 737 747 752 765 768 770 75/774	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS	-	\$10,000 \$10,000 \$8,900 \$23,220 \$1,055,620	\$2,000 \$2,000 \$5,238 \$109,988 \$6,758,588	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$49,500 \$488,250	\$0 \$568,000 \$57,750 \$105,000 \$0 \$0 \$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$5,000 \$47,958 \$1,575,108
724 726 737 747 752 765 768 770 \$\int 7/776	Tubing 2 7/8" 6.5# L-80 EUE to KOP 1  Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS  Drilling  Completion	-	\$10,000 \$10,000 \$8,900 \$23,220 \$1,055,620	\$2,000 \$2,000 \$5,238 \$109,988 \$6,758,588 PARTINE	\$30,000 \$120,000 \$75,000 \$85,000 \$5,000 \$45,000 \$49,500 \$488,250	\$0 \$568,000 \$57,750 \$105,000 \$0 \$30,000 \$30,000 \$120,000 \$75,000 \$5,000 \$5,000 \$5,000 \$47,958 \$1,575,100

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

APPLICATION OF KAISER-FRANCIS OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21/19

# VERIFIED STATEMENT OF LEE LINDMAN

COUNTY OF TULSA	)
STATE OF OKLAHOMA	) ss.

Lee Lindman, being duly sworn upon his oath, deposes and states:

- I am over the age of 18, and have personal knowledge of the geological matters stated herein. I am a geologist for Kaiser-Francis Oil Company ("KFOC").
- I have been qualified by the Division as an expert petroleum geologist.

My area of responsibility at KFOC includes this portion of Southeast New Mexico.

- The following geological plats are attached hereto:
- (a) Attachment Λ is a structure map on the Base of the Wolfcamp C zone. It shows that structure dips gently to the East. It also shows, in green filled circles, Wolfcamp wells producing in the vicinity of the proposed Mosaic Fed 2419 WA #1H, Mosaic Fed 2419 WA #2H, Mosaic Fed 2419 WA #1H, Mosaic Fed 2419 WC #2H. Lastly, it shows a line of cross-section thru the Penroc Brantley B #1 and the Devon Harroun Trust 19 #1 wells.
- (b) Attachment B is a Gross Isopach of the Wolfcamp C zone from the Top of the Wolfcamp C to the Base of the Wolfcamp C. The Wolfcamp C shows a uniform thickness across the proposed well unit.
- (b) Attachment C is the  $A-A^{\circ}$  cross section. The well logs on the cross-section give a representative sample of the Wolfcamp C formation in this area. The target zone for the wells, as indicated by the red arrow, is the Wolfcamp C zone, and is continuous across the well unit.
- I conclude from the maps that:
- (a) The horizontal spacing unit is justified from a geologic standpoint.

7

- (b) Each quarter section in the well unit will contribute more or less equally to production from the wells.
- (c) There is no faulting or other geologic impediment which will adversely affect the drilling of the subject wells.
- KFOC sees no difference for standup wells in this area.
- 6. The producing interval of the wells will be orthodox, and will comply with Division setback requirements.

#### **VERIFICATION**

STATE OF OKLAHOMA	)
	) ss.
COUNTY OF TULSA	)

Lee J. Lindman, being duly sworn upon his oath, deposes and states that: He is a geologist for Kaiser-Francis Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

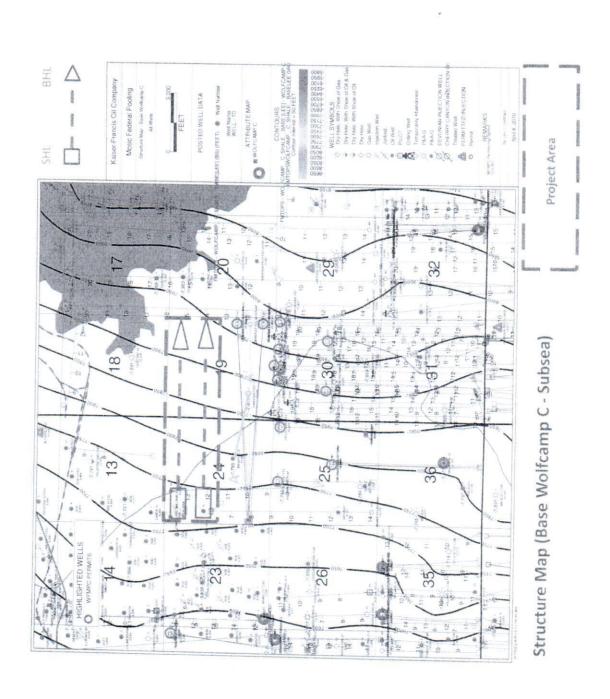
SUBSCRIBED AND SWORN TO before me this 2 day of March, 2020 by Debbie McCullough.

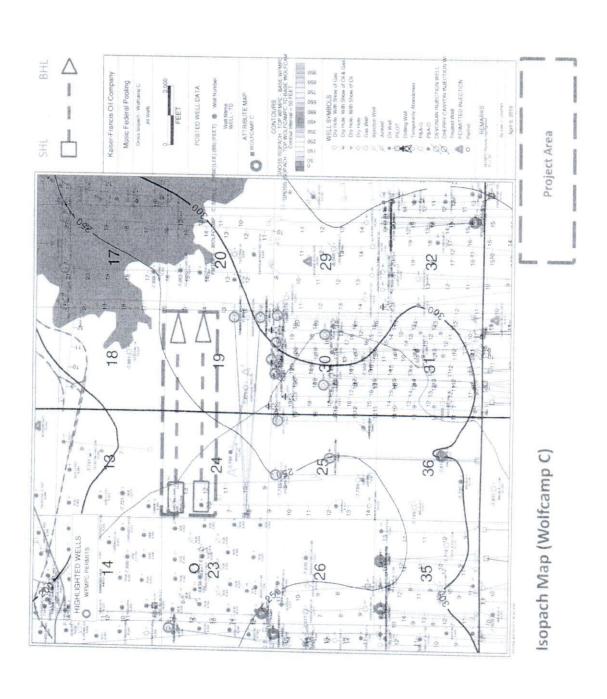
> Notary Public State of Oklanoma DEBORAH MCCULLOUGH

My Commission Expires: 12-15-22

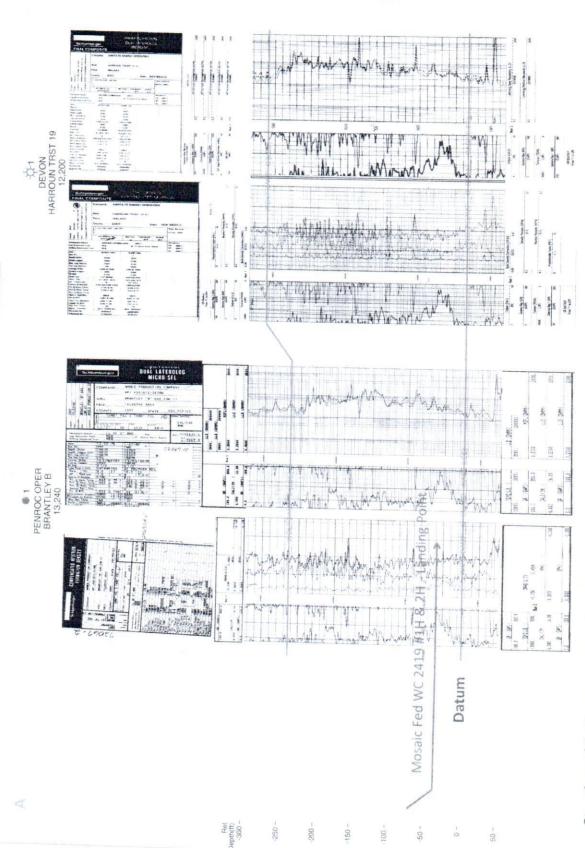
Notary Public M Jullaugh







- 50



Rel Depth(ft

Stratigraphic Cross Section A - A'

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

APPLICATIONS OF KAISER-FRANCIS OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case Nos. 21177 - 21179

# SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Kaiser-Francis Oil Company.
- 3. Kaiser-Francis Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
- 4. Notice of the applications was provided to the interest owner, at its last known addresses, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
  - Applicant has complied with the notice provisions of Division Rules.
- 6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: April 28 2

James Bruce

EXHIBIT

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax) jamesbruc@aol.com

March 12, 2020

# CERTIFIED MAIL - RETURN RECEIPT REQUESTED

MRC Permian LKE Company, LLC Suite 1500 5400 LBJ Freeway Dallas, Texas 75240

Ladies and gentlemen:

Enclosed are copies of the following applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Kaiser-Francis Oil Company:

- (a) For a Bone Spring well in the N/2N/2 of Section 24, Township 23 South, Range 28 East, NMPM and the N/2N/2 of Section 19, Township 23 South, Range 29 East, NMPM (Case No. 21177);
- (b) For a Bone Spring well in the S/2N/2 of Section 24, Township 23 South, Range 28 East, NMPM and the S/2N/2 of Section 19, Township 23 South, Range 29 East, NMPM (Case No. 21178); and
- (c) For five Wolfcamp wells in the N/2 of Section 24, Township 23 South, Range 28 East, NMPM and the N/2 of Section 19, Township 23 South, Range 29 East, NMPM (Case No. 21179),

in Eddy County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, April 2, 2020, in Room 311, State Capitol Building, 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. You are not required to attend the hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

ATTACHMENT A

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, March 26, 2019. This statement must be filed with the Division's Santa Fe office, and should include: The names of the party and his or her attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. This document may be filed online at ocd. hearings@state.nm.us.

Very truly yours,

James Bruce

Attorney for Kaiser-Francis Oil Company

The state of the s	RECEIPT
For delivery information, visit ou	
Certified Mall Fee	The space
Return Receipt (electronic)    Return Receipt (electronic)   Return Receipt (electronic)   Return Receipt (electronic)   Return Receipt (electronic)   Adult Signature Regularied   Security   Adult Signature Regularied   Security   Adult Signature Regularied   Security   Resulting Regularies   Security   Sec	Postmark Here
Sent to Sent to	Company, LLC
5400 LBJ Freeway Street and Apt. No. Dallas, Texas 75240 City, State, 21944	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items , and 3.  Print your name and address on the reverse so that we can return the card-to you.	A. Signature  X
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 19.  Yes If YES, enter delivery address below:
MRC Permian LKE Company, LLC Suite 1500 5400 LBJ Freeway Dallas, Texas 75240	SA MAR 3 1 2020
9590 9402 5751 0003 4256 95	3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Certified Mail  Certified Mail Restricted Delivery  Certified Mail Restricted Delivery  Registered Mail Restricted Delivery  Registered Mail Restricted Delivery
	□ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	KF. M Domestic Return Receipt

# COMPULSORY POOLING APPLICATION CHECKLIST

	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS 21179 April 30, 2020
Case:	
Designated Operator & OGRID	· · ·
(affiliation if applicable)	Kaiser-Francis Oil Company/OGRID No. 12361
Applicant's Counsel:	James Bruce
Case Title:	Application of Kaiser-Francis Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Mosaic Fed. 2419 WC Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp, Gas/Pool Code 98220
Well Location Setback Rules:	Purple Sage rules and current horizontal well rules
Spacing Unit Size:	Half Section/320 acres
Spacing Unit	
ype (Horizontal/Vertical)	Horizontal
ize (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	West-East
Description: TRS/County	N/2 §24-23S-28E and N/2 §19-23S-29E, NMPM, Eddy County
tandard Horizontal Well Spacing Unit Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
roximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
applicant's Ownership in Each Tract	Euleileia 2 B
Vell(s)	Exhibit 2-B
lame & API (if assigned), surface and	Mossis Fed 2410 With Will Will Will Will Will Will Will Wil
ottom hole location, footages,	Mosaic Fed. 2419 WA Well No. 1H, API No. 30-015-Pendin
completion target, orientation, completion status (standard or non-standard)	SHL: 1045 feet from the North line and 156 feet from the West line (Unit D) of Section 24
	BHL: 660 feet from the North line and 330 feet from the East line (Unit A) of Section 19
	FTP: 660 feet from the North line and 330 from the West line (Unit D) of Section 24

LTP: 660 feet from the North line and 330 feet from the East line (Unit A) of Section 19

Completion Target: Upper Wolfcamp (A) zone

TVD 9716 feet/MD 20143 Feet Well Orientation: West to East

Completion Location expected to be: standard

### Mosaic Fed. 2419 WA Well No. 2H, API No. 30-015-Pending

SHL: 1075 feet from the North line and 156 feet from the West line (Unit D) of Section 24

BHL: 1980 feet from the North line and 330 feet from the East line (Unit H) of Section 19

FTP: 1980 feet from the North line and 330 from the West line (Unit E) of Section 24

LTP: 1980 feet from the North line and 330 feet from the East line (Unit H) of Section 19

Completion Target: Upper Wolfcamp (A) zone

TVD 9716 feet/MD 20143 Feet Well Orientation: West to East

Completion Location expected to be: standard

## Mosaic Fed. 2419 WAM Well No. 1H, API No. 30-015-Pending

SHL: 1075 feet from the North line and 186 feet from the West line (Unit D) of Section 24

BHL: 1310 feet from the North line and 330 feet from the East line (Unit A) of Section 19

FTP: 1310 feet from the North line and 330 from the West line (Unit D) of Section 24

LTP: 1310 feet from the North line and 330 feet from the East line (Unit A) of Section 19

Completion Target: Middle Wolfcamp (A) zone

TVD 9891 feet/MD 20215 Feet Well Orientation: West to East

Completion Location expected to be: standard

# Mosaic Fed. 2419 WC Well No. 1H, API No. 30-015-46680

SHL: 985 feet from the North line and 156 feet from the West line (Unit D) of Section 24

BHL: 660 feet from the North line and 330 feet from the East line (Unit A) of Section 19

FTP: 660 feet from the North line and 330 from the West line (Unit D) of Section 24

LTP: 660 feet from the North line and 330 feet from the East line (Unit A) of Section 19

Completion Target: Lower Wolfcamp (A) zone

TVD 10711 feet/MD 21000 Feet Well Orientation: West to East

Completion Location expected to be: standard

# Mosaic Fed. 2419 WC Well No. 2H, API No. 30-015-Pending

SHL: 1015 feet from the North line and 156 feet from the West line (Unit D) of Section 24

BHL: 1980 feet from the North line and 330 feet from the East line (Unit A) of Section 19

FTP: 1980 feet from the North line and 330 from the West line (Unit D) of Section 24

LTP: 1980 feet from the North line and 330 feet from the East line (Unit A) of Section 19

Completion Target: Lower Wolfcamp (C) zone

TVD 10711 feet/MD 21000 Feet Well Orientation: West to East

Completion Location expected to be: standard

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Not necessary
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None

Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined	
Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special	
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Laydown/Exhibit 3, page 2
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	The Court of the C
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including	
wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
CERTIFICATION: I hereby certify that the	
information provided in this checklist is	
complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party	//a. 2
Representative):	Janes Buce
Date:	April 28, 2020