CASE NO. 21271

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, LEA COUNTY, NEW MEXICO.

Case No. 21271

APPLICATION

Kaiser-Francis Oil Company applies for an order pooling all mineral interests from the top of the First Bone Spring Sand to the base of the Bone Spring formation in a (proximity tract) horizontal spacing unit comprised of Lots 1-4 and the E/2W/2 (the W/2) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 and the E/2W/2 (the W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M., and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 of Section 31 and the W/2 of Section 6, and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation, and dedicate the W/2 of Section 31 and the W/2 of Section 6 to the wells:
 - (a) The Red Hills Well No. 701H to test the First Bone Spring zone; and
- (b) The Red Hills Well No. 201H to test the Second Bone Spring zone; and and In addition, applicant proposes to drill the following wells in the unit:
 - (c) The Red Hills Well No. 703H to test the First Bone Spring zone; and
 - (d) The Red Hills Well No. 203H to test the Second Bone Spring zone.

The above two wells have first take points in the NE/4NW/4 of Section 31 and last take points in the SE/4SW/4 of Section 6.

EXHIBIT

- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation underlying the W/2 of Section 31 and the W/2 of Section 6, as set forth above, 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 from the top of the First Bone Spring Sand to the base of the Bone Spring formation underlying the W/2 of Section 31 and the W/2 of Section 6, pursuant to NMSA 1978 §70-2-17.
- 5. The pooling of all mineral interests in the Bone Spring formation underlying the W/2 of Section 31 and the W/2 of Section 6, as set forth above, 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 from the top of the First Bone Spring Sand to the base of the Bone Spring formation underlying the W/2 of Section 31 and the W/2 of Section 6:
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells and allocating the cost among the wells' 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 and completing 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.	

Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interests from the top of the First Bone Spring Sand to the base of the Bone Spring formation in a (proximity tract) horizontal spacing unit comprised of Lots 1-4 and the E/2W/2 (the W/2) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 and the E/2W/2 (the W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to (i) the Red Hills Well Nos. 701H and 201H, with first take points in Lot 1 of Section 31 and last take points in Lot 4 of Section 6, and (ii) the Red Hills Well Nos. 703H and 203H, with first take points in the NE/4NW/4 of Section 31 and last take points in the SE/SW/4 of Section 6. 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 approximately 24 miles west of Bennett, 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 COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 21271

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. The following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well.
 - (c) A Midland Map Co. plat outlining the unit being pooled is attached hereto as Attachment A. KFOC seeks an order approving a 639.00 horizontal spacing unit in the Bone Spring formation comprised of Lots 1, 2, 3 and 4 and E/2 W/2 (the W/2) of Section 31, Township 25 South Range 33 East, NMPM and Lots 1, 2, 3 and 4 and E/2 W/2 (the W/2) of Section 6, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in:
 - (i) Pool Code: 97903 Pool Name: WC-025 G-08 S253235G; Lower Bone Spring, to be dedicated to the Red Hills Well No. 201H, 203H, 701H, and 703H;

The 701H and 201H wells are horizontal wells with first take points in Lot 1 of Section 31 and final take points in Lot 4 of Section 6. C-102s for the wells are attached as Attachment B-1.

The 703H and 203H wells are horizontal wells with first take points in NE/4 NW/4 of Section 31 and final take points in SE/4 SW/4 of Section 6. C-102s for the wells are attached as Attachment B-2.

There is no depth severance in the Bone Spring formation.

- (d) The parties being pooled and theirinterests are set forth in Attachment C. Their current and correct addresses are also set forth.
- (e) There are no unlocatable interest owners.
- (f) Attachment D contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.
- (g) KFOC has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells.
- (h) KFOC has the right to pool the overriding royalty owners in the well unit.
- (i) Attachment E contains the Authorizations for Expenditure for the proposed wells. The estimated cost of the wells set forth therein are fair and reasonable, and are comparable to the costs of other wells of similar depth and length drilled in this area of Lea County.
- (j) KFOC requests overhead and administrative rates of \$8,000.00/month for a drilling well and \$800.00/month for a producing well. These rates are fair, and are comparable to the rates charged by other operators for wells of this type in this portion of Lea County. 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.
- (k) KFOC requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) KFOC requests that it be designated operator of the wells.
- (m) The attachments to this affidavit were prepared by me, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

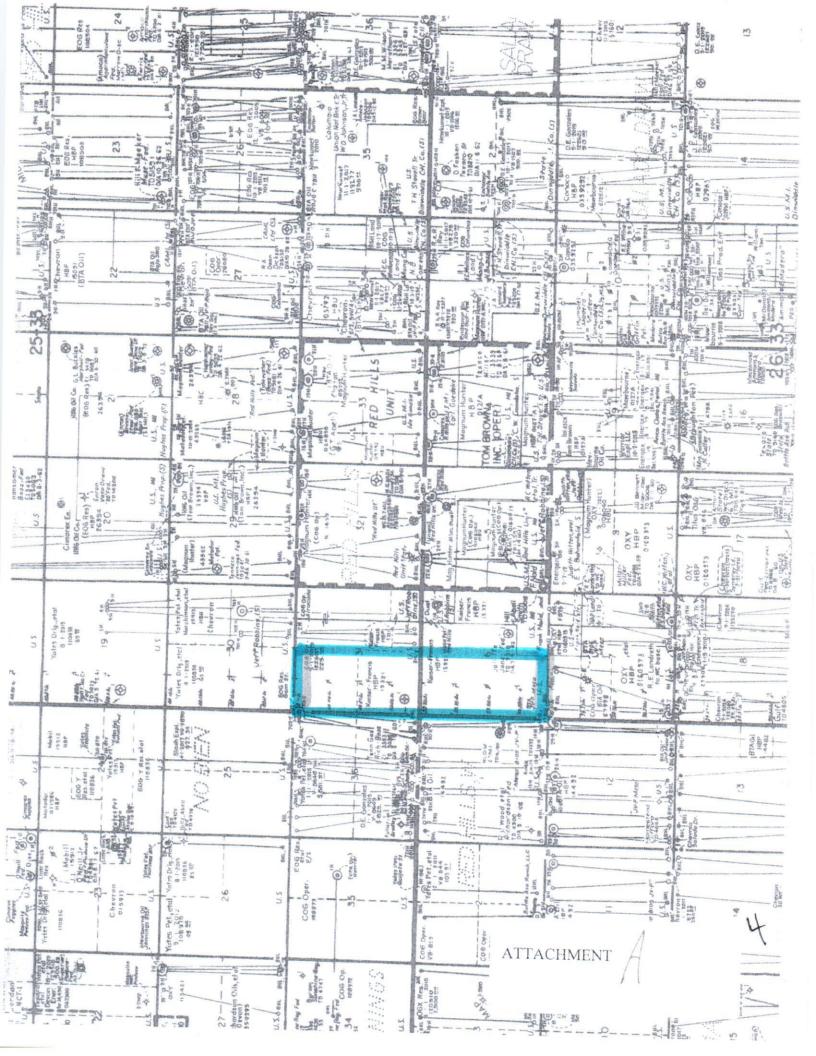
Michael Maxey, being duly sworn upon his oath, deposes and states that: He is a landman for Kaiser-Francis Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

Michael Maxey

SUBSCRIBED AND SWORN TO before me this 28 day of March, 2020 by Michael Maxey.

My Commission Expires: 12-15-22

Notary Public



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

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

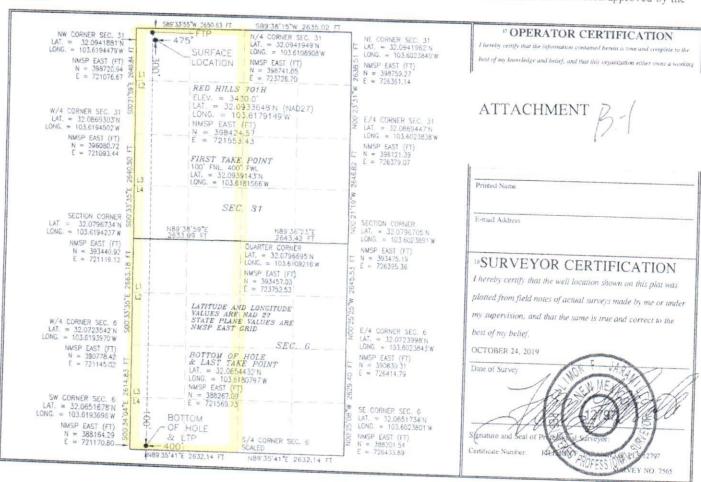
1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

		r		2 Pool Cod	e	REAGE DEDI	3 Pool Na		
* Property C	Code					ty Name			* Well Number
⁷ OGRID N 12361				ŀ	* Operat	HILLS or Name NCIS OIL CO.			701H 'Elevation 3430.0
or lot no.	6 1				" Surface	e Location			5450.0
or lot no.	Section 31	Township 25 S	Range 33 E	Lot Idn	Feet from the 300	North/South line NORTH	Feet from the 475	East/West lin	County LEA
or lot no.			" Bo	ottom He	ole Location	If Different Fr	om Surface		DER
4 edicated Acres	Section 6	Township 26 S	Range 33 E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the	East/West line WEST	e County LEA

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



District I <u>District.1</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 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

12 Dedicated Acres

Joint or Infill

Consolidation Code

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

WEST

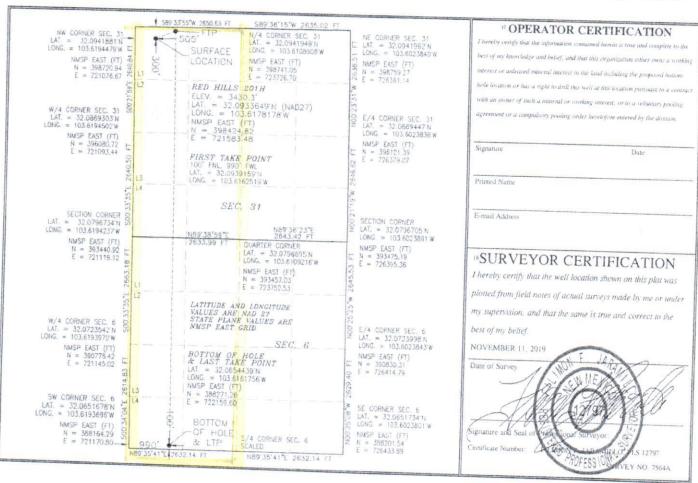
Order No.

AMENDED REPORT

LEA

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code 4 Property Code Property Name Well Number RED HILLS OGRID No. 201H Operator Name Elevation 12361 KAISER-FRANCIS OIL CO. 3430.3 " Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 1 31 25 S 33 E 300 NORTH 505 WEST LEA " Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line 4 County 6 26 S 33 E 100 SOUTH 990

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



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

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

Revised August 1, 2011 Submit one copy to appropriate

AMENDED REPORT

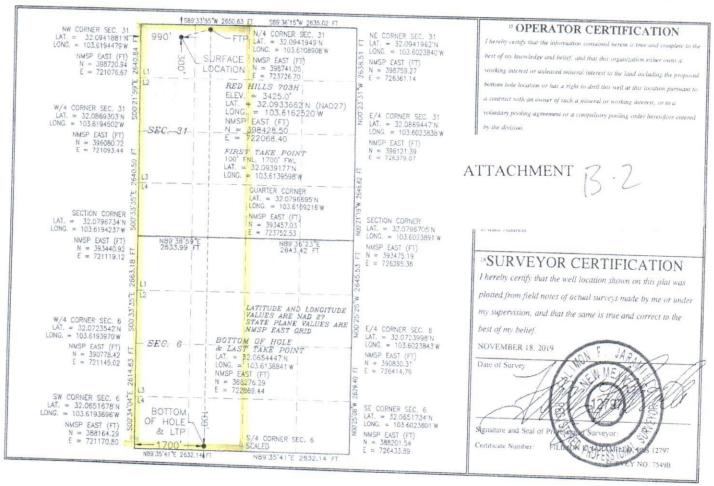
Form C-102

District Office

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Property Code Property Name Well Number RED HILLS 703H OGRID No. 8 Operator Name Elevation 12361 KAISER-FRANCIS OIL CO. 3425.0 Surface Location UL or lot no Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 31 25 S 33 E 300 NORTH 990 WEST LEA ¹¹ Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line N County 6 26 S 33 E 100 NORTH 1700 WEST LEA 12 Dedicated Acres 13 Joint or Infill 4 Consolidation Code Order No.

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



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

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

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

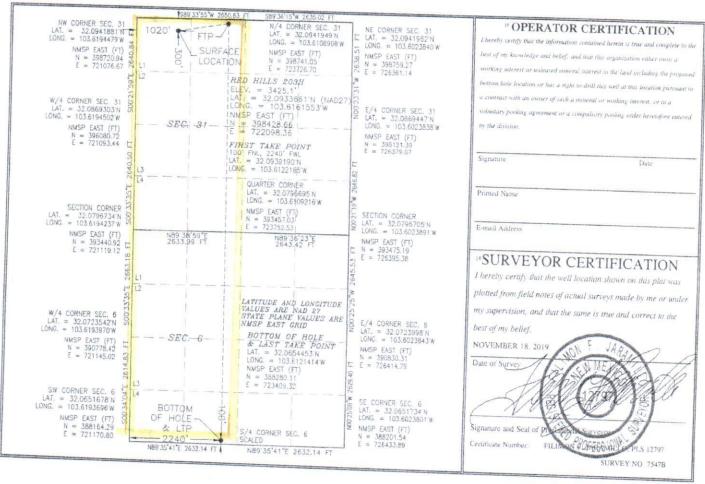
AMENDED REPORT

3425.1

API Number	VELL LOCATION AND ACREA	OE DEDICATION PLAT
The state of the s	2 Pool Code	³ Pool Name
* Property Code	5 -	
	Property Nat	S Well Number
OGRID No.	* Operator Nat	203H
12361	KAISER-FRANCIS	l evation

UL or lot no.	Section 31	Township 25 S	33 E	Lot Idn	Feet from the 300	North/South line NORTH	Feet from the 1020	East/West line WEST	County
UL or lot no.	Section	T- 11	" B	ottom Ho	ole Location	If Different Fr	om Surface		
O	6	Township 26 S	Range 33 E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 2240	East/West line	County
Dedicated Acre	Joint of	or Infill	Consolidation	1 Code		SOCIII	15 Order No.	WEST	LEA

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.



NMOCD Case #20966 Attachment C

Atlas OBO Energy, LP 3501 Allen Parkway Houston, TX 77019

3.758686% WI

West Texas Gas, Inc. D/B/A WTG Exploration Inc. 401 W. Wadley Avenue Midland, TX 79705-5339

5.619718% WI

COG Operating LLC Concho Oil & Gas, LLC Attn: Mr. Luke Bedrick One Concho Center 600 W. Illinois Avenue Midland, TX 79701

25.0522531% WI

Atlas OBO Energy, LP has 15% of the SW/4 of Section 31-25S-33E West Texas Gas, Inc. has 7.5% of the SW/4 of Section 31-25S-33E Kaiser-Francis Oil Company has 77.5% of the SW/4 of Section 31-25S-33E

COG Operating LLC and Concho Oil & Gas LLC have 100% of the NW/4 of Section 31-25S-33E

West Texas Gas, Inc. has 7.5% of the W/2 of Section 6-26S-33E Kaiser-Francis Oil Company has 92.5% of the W/2 of Section 6-26S-33E

ATTACHMENT

September 19, 2019

Sent by Certified Mail

COG Operating LLC Attn: Mr. Luke Bedrick One Concho Center 600 W. Illinois Avenue Midland, TX 79701

Re:

Red Hills 201H

W/2 of Section 31-25S-33E and W/2 of Section 6-26S-33E

Lea Co., NM

Ladies and Gentlemen:

Kaiser-Francis Oil Company ("Kaiser-Francis" hereinafter) hereby proposes the drilling of an 11,000' TVD / 21,660' TMD 2nd Bone Spring Formation test well. FTP 100' FNL and 1,050' FWL of Section 31-25S-33E and LTP 100' FSL and 1,050' FWL of Section 6-26S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,025,009 initial drilling costs and \$11,136,869 total well costs for a completed producer. Two copies of the AFE are enclosed for your review. Should you wish to participate in the well, please execute and return one copy of the AFE, and send that back to us, along with your Well Information Requirements. We do plan to file for Force Pooling with the NMOCD soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

Should you have any questions, I can be reached at the above number, extension 4424

Respectfully,

Michael D. Maxey

Landman

ATTACHMENT

6733 South Yale Avenue, 74136 (918) 494-0000

September 19, 2019

Sent by Certified Mail

O. BOX 21468

COG Operating LLC Attn: Mr. Luke Bedrick One Concho Center 600 W. Illinois Avenue Midland, TX 79701

Re:

Red Hills 203H

W/2 of Section 31-25S-33E and W/2 of Section 6-26S-33E Lea Co., NM

Ladies and Gentlemen:

Kaiser-Francis Oil Company ("Kaiser-Francis" hereinafter) hereby proposes the drilling of an 11,000' TVD /21,660' TMD 2nd Bone Spring Formation test well. FTP 100' FNL and 2,240' FWL of Section 31-258-33E and LTP 100' FSL and 2,240' FWL of Section 6-26S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,025,009 initial drilling costs and \$11,137,919 total well costs for a completed producer. Two copies of the AFE are enclosed for your review. Should you wish to participate in the well, please execute and return one copy of the AFE, and send that back to us, along with your Well Information Requirements. We do plan to file for Force Pooling with the NMOCD soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

Should you have any questions, I can be reached at the above number, extension 4424.

Respectfully,

Michael D. Maxey

Landman

6733 South Yale Avenue, 74136 (918) 494-0000

September 19, 2019

Sent by Certified Mail

COG Operating LLC Attn: Mr. Luke Bedrick One Concho Center 600 W. Illinois Avenue Midland, TX 79701

Re:

Red Hills 701H W/2 of Section 31-25S-33E and W/2 of Section 6-26S-33E Lea Co., NM

Ladies and Gentlemen:

Kaiser-Francis Oil Company ("Kaiser-Francis" hereinafter) hereby proposes the drilling of a 10,300' TVD / 20,960' TMD 1" Bone Spring Formation test well. FTP 100' FNL and 400' FWL of Section 31-25S-33E and LTP 100' FSL and 400' FWL of Section 6-26S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,014,159 initial drilling costs and \$11,128,277 total well costs for a completed producer. Two copies of the AFE are enclosed for your review. Should you wish to participate in the well, please execute and return one copy of the AFE, and send that back to us, along with your Well Information Requirements. We do plan to file for Force Pooling with the NMOCD soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

Should you have any questions, I can be reached at the above number, extension 4424.

Respectfully,

Michael D. Maxey Landman

6733 South Yule Avenue, 74136 (918) 494-0000

September 19, 2019

Sent by Certified Mail

COG Operating LLC Attn: Mr. Luke Bedrick One Concho Center 600 W. Illinois Avenue Midland, TX 79701

Re:

Red Hills 703H

W/2 of Section 31-25S-33E and W/2 of Section 6-26S-33E Lea Co., NM

Ladies and Gentlemen:

Kaiser-Francis Oil Company ("Kaiser-Francis" hereinafter) hereby proposes the drilling of a 10,300' TVD / 20,960' TMD 1" Bone Spring Formation test well. FTP 100' FNL and 1,600' FWL of Section 31-25S-33E and LTP 100' FSL and 1,600' FWL of Section 6-26S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,014,159 initial drilling costs and \$11,144,027 total well costs for a completed producer. Two copies of the AFE are enclosed for your review. Should you wish to participate in the well, please execute and return one copy of the AFE, and send that back to us, along with your Well Information Requirements. We do plan to file for Force Pooling with the NMOCD soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

Should you have any questions, I can be reached at the above number, extension 4424.

Respectfully,

Michael D. Maxey

Landman

Kaiser-Francis Oil Company

** cu Mame	Kaiser-Francis Oil Company	enditure	Date:	9/11/2019	
rospect:	Red Hills 201H		Field:	Red Hills	
cation.			County / Psh	Lea	
epth:	FTP 100' FNL 1050' FWL SECTION 31 T25S R33E, LTP 100' FSL 1050' FWL SEC 21660 MD 11000 TVD	TION 6 T26S R33E	State:	NM	
orizon:	21660 MD 11000 TVD 2nd Bone Springs		Preparer:	CJ/DZ	***************************************
bjective:	Drill and Complete 2 Mile 2nd Bone Springs				
JIB Code					
500/600	Intangible Drilling and Completion Costs Location / Road Expense / Frac Pit Construction	Drilling	Completion	Eqpt/Const	Total
501/***	Cond, Rat Hole, Mouse Hole Services	\$96,250	\$14,000	\$40,000	\$150,250
502/602	Location Damages	\$24,774			\$24,774
503/603	Environmental, Regulatory, and Permitting	\$20,000			\$20,000
504/604	Turnkey Completion Rig	\$40,000			\$40,000
	Footage @ per foot		\$8,000		\$8,000
	Daywork 26 days at \$25,000	Acreson	-		\$0
505/605	Coiled Tubing & Related Services	\$650,000	6260,000		\$650,000
506/606	Rig Mob / Demob	\$140,000	\$360,000		\$360,000
507/***	Directional Drilling Services	\$410,000	-	-	\$140,000
508/608	Bits & Reamers	\$95,500		-	\$410,000
510/610	Fuel/Power	\$143,000	-	-	\$95,500
512/612	Drilling Water / Completion Fluid	\$65,000	\$980,000	-	\$143,000
514/614	Mud & Chemicals	\$160,000	\$35,000	-	\$1,045,000
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$275,000	\$37,500	-	\$195,000
516/616	Surface Equipment Rental / Inspection	\$455,910	\$289,300		\$312,500
517/617	Downhole Equipment Rental / Inspection	\$69,000	\$289,300	-	\$745,210
518/618	Transportation & Loading	\$6,000	\$50,000		\$172,000 \$56,000
520/***	DST, Coring & Analysis	75,000	950,000		\$56,000
522/622	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs		\$84,000		\$84,000
523/***	OH Logs / CH Logs / Perforating / Slickline Mud Logging / Geosteering / LWD		\$308,000		\$308,000
	Cementing & Squeezing / LWD	\$39,000			\$39,000
526/626	Casing Crews & Equipment	\$208,000			\$208,000
	Plug & Abandon	\$44,000			\$44,000
***/630	Stimulation		\$3.850.000		\$0
532/632	Geological & Engineering		\$13,000		\$3,850,000
534/634 536/636	Supervision Miscellaneous Contract Labor	\$124,000	\$51,750		\$175,750
	Prof. Fees & Abstracts	\$25,000	\$42,500	\$35,000	\$102,500
541/641	Liability Insurance / Bonds	\$10,000			\$10,000
542/642	Drilling Overhead / Competion Overhead				50
544/644	Miscellaneous & Unforeseen	\$10,400	\$6,300		\$16,700
	Total Intangible Drilling & Completion	\$190,944 \$3,301,778	\$311,618	\$3,750	\$506,312
JIB Code	Tangible Well and Lease Equipment Costs	Drilling		578,750	\$9,924,496
700	Conductor	Orthing	Completion	Eqpt/Const	Total
701	Surface Casing 13 3/8 54.5# J-55 BTC 1000				\$0
702	ptermodiate Casina	\$45,500	A comment of the second		
702 702	Intermediate Casing 9 5/8 40# P-110HC ITC 5000	\$45,500			\$45,500 \$167,500
702	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing				\$167,500 \$167,500
702 704 703	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP)				\$167,500 \$0 \$0
702 704 703 706	Intermediate Casing	\$167,500			\$167,500 \$0 \$0 \$0 \$0
702 704 703 706 710	Intermediate Casing		\$58.850		\$167,500 \$0 \$0 \$0 \$0 \$387,401
702 704 703 706 710 21/720	Intermediate Casing 9 5/8 40# P-110HC LTC 5000	\$167,500	\$58,850 \$45,000		\$167,500 \$0 \$0 \$0 \$0 \$387,401 \$58,850
702 704 703 706 710 21/720 724	Intermediate Casing	\$167,500	\$58,850 \$45,000		\$167,500 \$0 \$0 \$0 \$0 \$387,401 \$58,850 \$130,000
702 704 703 706 710 21/720 724 726 737	Intermediate Casing	\$167,500			\$167,500 \$0 \$0 \$0 \$0 \$387,401 \$58,850
702 704 703 706 710 21/720 724 726 737 738	Intermediate Casing	\$167,500		\$30,000	\$167,500 \$0 \$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0
702 704 703 706 710 21/720 724 726 737 738 747	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment	\$167,500		\$85,000	\$167,500 \$0 \$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$85,000
702 704 703 706 710 21/720 724 726 737 738 747 752	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Drilling Liner (BCP) 7 5/8 1/8 1/8 1/8 1/8 1/8 1/8 1/8 1/8 1/8 1	\$167,500		\$85,000 \$30,000	\$167,500 \$0 \$0 \$0 \$5 \$387,401 \$58,850 \$130,000 \$0 \$30,000 \$30,000 \$30,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765	Intermediate Casing	\$167,500		\$85,000 \$30,000 \$90,000	\$167,500 \$0 \$0 \$0 \$5 \$387,401 \$58,850 \$130,000 \$0 \$30,000 \$85,000 \$90,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 768 770	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Drilling Liner (BCP) 7	\$167,500		\$85,000 \$30,000	\$167,500 50 50 50 50 5387,401 558,850 \$130,000 \$0 \$30,000 \$85,000 \$30,000 \$30,000 \$75,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 770 65/774	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Drilling Liner (BCP) 7	\$167,500 \$387,401 \$85,000	\$45,000	\$85,000 \$30,000 \$90,000 \$75,000	\$167,500 \$0 \$0 \$0 \$5 \$387,401 \$58,850 \$130,000 \$0 \$30,000 \$85,000 \$90,000
702 704 703 706 707 708 710 21/720 724 726 737 738 747 752 765 1768 770 65/774 7770 65/7776 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/ScADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/ Jest Tubulars BCP/ACP	\$167,500 \$387,401 \$85,000 \$10,000		\$85,000 \$30,000 \$90,000 \$75,000	\$167,500 50 \$0 \$0 \$5 \$5 \$5 \$58,850 \$130,000 \$30,000 \$85,000 \$75,000 \$5 \$5,000 \$5,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 170 170 17776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2.7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Tanks & Walkways Fleaters / Treaters / Separator / VRU Artificial Lft/ Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Non-Controllable Equipment BCP/ACP Non-Controllable Equipment BCP/ACP	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400	\$45,000	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$130,000 \$30,000 \$85,000 \$90,000 \$75,000 \$5,000 \$57,000 \$4,400
702 704 703 706 710 21/720 724 726 737 738 747 752 765 768 770 65/774 7770 7770 77776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/ScADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/ Jest Tubulars BCP/ACP	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430	\$45,000 \$2,000 \$5,293	\$85,000 \$30,000 \$90,000 \$75,000 \$55,000 \$45,000 \$18,000	\$167,500 \$0 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$0 \$30,000
702 704 703 706 707 708 710 21/720 724 726 737 738 747 752 765 1768 770 65/774 7770 65/7776 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2.7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Tanks & Liner (Treaters / Separator / VRU Artificial Lft/ Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Non-Controllable Equipment BCP/ACP Non-Controllable Equipment BCP/ACP	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 768 770 65/774 7770 7770 77776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 10 5/8 40# P-110HC LTC 5000 Intermediate Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP 27/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP 3/8 6.5# L80 10700 Wellhead Equip. BCP/ACP 5/8 6.5# L80 10700 Wellhead Equip. BCP/ACP 5/8 6.5# L80 10700 Wellhead Equip. BCP/ACP 6/8 6.5# L80 10700 Wellhead Equipment Equipment 5/8 6.5# L80 10700 Automation/SCADA/Misc Electrical Equipment 5/8 Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare 1/8 flare	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430	\$2,000 \$2,000 \$5,293 \$111,143 \$6,655,110	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$0 \$30,000
702 704 703 706 707 710 11/720 724 726 737 747 752 765 1768 777 770 65/774 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 27/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 Total Well and Lease Equipment Total Drilling and Completion Cost KFOC APPROVALS	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 707 710 11/720 724 726 737 747 752 765 1768 777 770 65/774 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 27/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 Total Well and Lease Equipment Total Drilling and Completion Cost KFOC APPROVALS	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,655,110	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 707 708 710 21/720 724 726 737 738 747 752 765 1768 770 65/774 7770 65/7776 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing (ACP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 27/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment 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 Total Well and Lease Equipment Total Drilling and Completion Cost	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,655,110	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$50 \$50,850 \$130,000 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$5
702 704 703 706 707 710 11/720 724 726 737 747 752 765 1768 777 770 65/774 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 27/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Franportation and Freight BCP/ACP Inspect/ Test Tubulars BCP/ACP Total Drilling and Completion Cost KFOC APPROVALS Robert Sandford (918) 491-4201 Drilling	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,655,110	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 707 710 11/720 724 726 737 747 752 765 1768 777 770 65/774 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 27/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Franportation and Freight BCP/ACP Inspect/ Test Tubulars BCP/ACP Total Drilling and Completion Cost KFOC APPROVALS Robert Sandford (918) 491-4201 Orilling David Zerger (918) 491-4350	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,655,110	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$50 \$50,850 \$130,000 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$5
702 704 703 706 707 710 11/720 724 726 737 747 752 765 1768 777 770 65/774 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 RFOC APPROVALS Robert Sandford (918) 491-4201 Drilling David Zerger (918) 491-4350 Completion	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,655,110	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 707 708 710 21/720 724 726 737 738 747 752 765 1768 770 65/774 7770 65/7776 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 RFOC APPROVALS Robert Sandford (918) 491-4201 Drilling David Zerger (918) 491-4350 Completion	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,655,110	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$50 \$50,850 \$130,000 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$5
702 704 703 706 710 21/720 724 726 737 738 747 752 765 768 770 65/774 7770 7770 77776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 27/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Franportation and Freight BCP/ACP Inspect/ Test Tubulars BCP/ACP Total Drilling and Completion Cost KFOC APPROVALS Robert Sandford (918) 491-4201 Orilling David Zerger (918) 491-4350	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 170 170 17776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 Robert Sandford (918) 491-4201 Onling David Zerger (918) 491-4424 Land	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$773,231	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 768 770 65/774 7770 7770 77776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 RFOC APPROVALS Robert Sandford (918) 491-4201 Drilling David Zerger (918) 491-4244 Land Chris Miller (918) 491-4443	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 170 170 17776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 Drilling and Completion Cost RFOC APPROVALS Robert Sandford (918) 491-4201 Drilling David Zerger (918) 491-4244 Land Chris Miller (918) 491-4443 Geology	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 170 170 17776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 Drilling and Completion Cost RFOC APPROVALS Robert Sandford (918) 491-4201 Drilling David Zerger (918) 491-4244 Land Chris Miller (918) 491-4443 Geology	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 765 770 770 7770 77776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# LBO 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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 RFOC APPROVALS Robert Sandford (918) 491-4201 Drilling David Zerger (918) 491-4244 Land Chris Miller (918) 491-4443	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 710 21/720 724 726 737 738 747 752 765 768 770 65/774 770 65/7774 7770 7770 7770 77776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gass Sales Unit / Deby / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/ Fest Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Drilling and Completion Cost KFOC APPROVALS Robert Sandford (918) 491-4201 Onling David Zerger (918) 491-4424 Lend Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 707 708 710 21/720 724 726 737 738 747 752 765 1768 770 65/774 7770 65/7776 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gass Sales Unit / Deby / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/ Fest Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Drilling and Completion Cost KFOC APPROVALS Robert Sandford (918) 491-4201 Onling David Zerger (918) 491-4424 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4658	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000
702 704 703 706 707 710 11/720 724 726 737 747 752 765 1768 777 770 65/774 77/776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gass Sales Unit / Deby / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/ Fest Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Drilling and Completion Cost KFOC APPROVALS Robert Sandford (918) 491-4201 Onling David Zerger (918) 491-4424 Lend Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$50 \$50,850 \$130,000 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$5
702 704 703 706 710 1/720 724 726 737 738 747 752 765 1768 7770 67774 17776	Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 21660 Tubing 2 7/8" 6.5# L80 10700 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gass Sales Unit / Deby / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/ Fest Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Drilling and Completion Cost KFOC APPROVALS Robert Sandford (918) 491-4201 Onling David Zerger (918) 491-4424 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4658	\$167,500 \$387,401 \$85,000 \$10,000 \$4,400 \$23,430 \$723,231 \$4,025,009	\$2,000 \$5,293 \$111,143 \$6,655,110 PARTNER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$167,500 \$0 \$0 \$0 \$50 \$387,401 \$58,850 \$0 \$30,000 \$30,000 \$30,000 \$30,000 \$50,000



Kaiser-Francis Oil Company

Well Na	r: Kaiser-Francis Oil Company	y for Expenditure				
	me: Red Hills 203H			Date:	9/11/2019	
Prospec				Field:	Red Hills	
Location	FTP 100' FNL 2240' FWL SECTION 31 T25S R33E, LTP 100' FSL 2240'	FWI SECTION S.T.	265 0325	County / Psh	Lea	
Depth:		THE SECTION OF	203 N33E	State: Preparer:	NM	
iorizon:	2nd Bone Springs			rreparer:	CJ/DZ	
Objectiv	2 Time 2 It done Springs					
JIB Cod 500/60	mitaligible Dilling and Completion Coefe	CARLO CONTRACTOR	Drilling	Completion	Eqpt/Const	Total
501/**	The struction		\$96,250	\$14,000	\$40,000	\$150.250
502/60	Territy has rivine, is loase rivines		524,774		310,000	\$24,774
503/60	The state of the s		\$20,000			\$20,000
504/60			\$40,000			\$40,000
	Completion Rig			\$8,000		\$8,000
	Danwork					\$0
505/60		25,000	\$650,000			\$650,000
506/60	6 Rig Mob / Demob			\$360,000		\$360,000
507/**	The state of thing Services		\$140,000			\$140,000
508/60			\$410,000	-		\$410,000
510/610			\$143,000	-	-	\$95,500
512/61	- San Field Field		\$65,000	\$980,000		\$143,000
514/614			\$160,000	\$35,000	-	\$1,045,000
516/616	The state of state of the state		\$275,000	\$37,500		\$195,000 \$312,500
517/617			\$455,910	\$269,300		\$725,210
518/618	Transportation & Loading		\$69,000	\$124,000		\$193,000
520/***	DST, Coring & Analysis		\$6,000	\$50,000		\$56,000
521 /621	Downhole tools: Whipstocks Lines Hannel			20222		\$0
522/622	On Logs / CH Logs / Perforating / Slickline			\$84,000		\$84,000
524/624	Cementing & Squeezing		\$39,000	\$550,000		\$308,000
526/626	Casing Crews & Equipment		\$208,000			\$208,000
528/628	Plug & Abandon		\$44,000			\$44,000
532/632	Stimulation			\$3,850,000		\$0
534/634				\$13,000		\$3,850,000
536/636	Miscellaneous Contract Labor		\$124,000	\$51,750		\$175,750
538/638	Prof. Fees & Abstracts		\$25,000	\$42,500	\$35,000	\$102,500
541/641 542/642			\$10,000			\$10,000
544/644	Drilling Overhead / Competion Overhead Miscellaneous & Unforeseen		\$10,400	\$6,300		\$0
	Total Intangible Drilling & Completion		\$190,944	\$311,668	\$3,750	\$16,700 \$506,362
IB Code			53,301,778	\$6,545,018	\$78,750	\$9,925,546
700	Tangible Well and Lease Equipment Costs Conductor		Drilling	Completion	Eqpt/Const	Total
701	Surface Casing 13 3/8 54.5# J-55 BTC 10	000	\$45,500			SO
702 702	Intermediate Casing 9 5/8 40# P-110HC ITC 5/	000	\$167,500			\$45,500
704	intermediate Casing					\$167,500
703	Trilling Liner (BCP) Production Liner (ACP)					\$0
703 706	Production Casing (ACP) Production Casing (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GRCD	660	6307 404			
703 706 710	Production Casing (ACP) Tubing Tubing Tubing Tubing	660	5387,401	\$50.05V		\$0 \$0 \$0 \$0 \$387,401
703 706 710	Trubing Company Comp		\$387,401	\$58,850 \$45,000		\$0 \$0 \$0 \$387,401 \$58,850
703 706 710 21/720 724 726	Drilling Liner (BCP)			\$58,850 \$45,000		\$0 \$0 \$0 \$387,401 \$58,850 \$130,000
703 706 710 21/720 724 726 737	The remediate Lasing Drilling Liner (BCP)					\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0
703 706 710 21/720 724 726	Tribing Liner (ACP) Production Liner (ACP) Production Casing (ACP) Tubing Veilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Miss Electrical Equipment				\$30,000	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000
703 706 710 21/720 724 726 737 738 747 752	Trilling Liner (8CP) Production Liner (ACP) Production Casing (ACP) Production				\$85,000	\$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$5 \$30,000 \$85,000
703 706 710 21/720 724 726 737 738 747 752 765	Triling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Tubing 2 7/8" 6.5# Cr13 10 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRII				\$85,000 \$30,000 \$90,000	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000
703 706 710 710 717 724 726 737 738 747 752 765 768	Tribing Line (ACP) Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Tubing 2 7/8" 6.5# Cr13 10 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor				\$85,000	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$85,000 \$30,000 \$90,000 \$75,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770	Treatmediate Lasing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production Cas				\$85,000 \$30,000 \$90,000 \$75,000	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$30,000 \$85,000 \$30,000 \$90,000 \$75,000 \$0
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Tribing Liner (BCP) Production Liner (ACP) Production Casing (ACP) Trubing 2 7/8" 6.5# Cr13 10 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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	700	\$85,000		\$85,000 \$30,000 \$90,000	\$0 \$0 \$0 \$387,401 \$56,850 \$130,000 \$0 \$30,000 \$85,000 \$90,000 \$75,000 \$5
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Triling Liner (ACP) Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Tubing 2 7/8" 6.5# Cr13 10 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways 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	7700	\$85,000 \$10,000 \$4,400	\$45,000	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000	\$0 \$0 \$0 \$387,401 \$56,850 \$130,000 \$0 \$30,000 \$85,000 \$30,000 \$90,000 \$75,000 \$0
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Tribing Liner (BCP) Production Liner (ACP) Production Casing (ACP) Trubing 2 7/8" 6.5# Cr13 10 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment 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	700	\$85,000 \$10,000 \$4,400 \$23,430	\$45,000	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000	\$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$5,000 \$30,000 \$90,000 \$75,000 \$5,000 \$5,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Triling Liner (ACP) Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Tubing 2 7/8" 6.5# Cr13 10 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways 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	700	\$10,000 \$4,400 \$23,430 723,231	\$45,000	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000	\$0 \$0 \$0 \$387,401 \$56,850 \$130,000 \$0 \$5,000 \$30,000 \$30,000 \$30,000 \$55,000 \$5,000 \$5,000 \$5,000 \$4,400
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Triling Uner (BCP) Production Liner (ACP) Production Casing (ACP) Pr	700	\$85,000 \$10,000 \$4,400 \$23,430	\$2,000 \$5,293 \$111,143 \$6,656,160	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$0 \$30,000 \$30,000 \$30,000 \$90,000 \$75,000 \$5
703 706 710 11/720 724 726 737 738 747 752 765 768 770 6/774	Tribing Liner (8CP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000
703 706 710 1/720 724 726 737 738 747 752 765 768 770 7774	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$5,293 \$111,143 \$6,656,160	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$30,000 \$30,000 \$50,000 \$5,000
703 706 710 11/720 724 726 737 738 747 752 765 768 770 6/774	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$5,293 \$111,143 \$6,656,160	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$30,000 \$30,000 \$50,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$5,293 \$111,143 \$6,656,160	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$30,000 \$30,000 \$50,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Tribing Liner (8CP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$5,293 \$111,143 \$6,656,160	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 8/774 7/776	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111.143 \$6,656,160 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000
703 706 710 11/720 724 726 737 738 747 752 765 768 770 6/774	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$30,000 \$30,000 \$50,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111.143 \$6,656,160 PARINER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$30,000 \$30,000 \$50,000 \$5,000
703 706 710 21/720 724 726 737 738 747 752 765 768 770 6/774 7/776	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER API Signature Printed Name	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$30,000 \$30,000 \$50,000 \$5,000
703 706 710 11/720 724 726 737 738 747 752 765 768 770 6/774	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER AP	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000
703 706 710 11/720 724 726 737 738 747 752 765 768 770 6/774	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER API Signature Printed Name	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$58,850 \$130,000 \$0 \$0 \$30,000 \$30,000 \$30,000 \$50,000 \$5,000
703 706 710 1/720 724 726 737 738 747 752 765 768 770 7774	Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) Production	700	\$10,000 \$4,400 \$23,430 723,231	\$2,000 \$2,000 \$5,293 \$111,143 \$6,656,160 PARTNER API Signature Printed Name	\$85,000 \$30,000 \$90,000 \$75,000 \$5,000 \$45,000 \$18,000 \$378,000 \$456,750	\$0 \$0 \$0 \$387,401 \$56,850 \$30,000 \$5,000 \$30,000 \$30,000 \$30,000 \$57,000 \$5,000

Kaiser-Francis Oil Company

Operator:	Kalser-Francis Oil Company	or Expenditure			
Well Name	: Red Hills 701H		Date:	9/11/2019	
Prospect:	Red Hills		Field:	Red Hills	
ocation:	FTP 100' FNL 400' FWL SECTION 31 T255 R33E, LTP 100' FSL 400' FWL	SECTION 6 TAGE DATE	County / Psh	Lea	
epth:	20960 MD 10300 TVD	JECTION 0 1203 R33E	State:	NM	
lorizon:	1st Bone Springs		Preparer:	CJ/DZ	
bjective:	Drill and Complete 2 Mile 1st Bone Springs				
JIB Code	Intangible Drilling and Completion Costs				
500/600	Location / Road Expense / Frac Pit Construction	Drilling	Completion	Eqpt/Const	Total
501/***	Cond, Rat Hole, Mouse Hole Services	\$96,250	\$14,000	\$40,000	\$150,2
502/602	Location Damages	\$24,774			\$24,77
503/603	Environmental, Regulatory, and Permitting	\$20,000			\$20,00
504/604		\$40,000			\$40,00
	Completion rig		\$8,000		\$8,000
	Dawark				\$0
505/605	Coiled Tubing & Related Services \$25,	,000 \$650,000			\$650,00
506/606	Rig Mob / Demob		\$360,000		\$360,00
507/***	Directional Drilling Services	\$140,000			\$140,00
	Bits & Reamers	\$410,000			\$410,00
-	Fuel/Power	\$95,500			\$95,50
		\$143,000			\$143,00
14/614	Drilling Water / Completion Fluid Mud & Chemicals	\$65,000	\$980,000		\$1,045,0
		\$160,000	\$20,000		\$180,00
16/616	Closed Loop System / Mud & Cuttings Disposal / SWD	\$275,000	\$37,500		\$312,50
17/617	Surface Equipment Rental / Inspection	\$455,910	\$289,300		\$745,21
18/618	Downhole Equipment Rental / Inspection	\$69,000	\$103,000		
20/***	Transportation & Loading DST, Coring & Analysis	\$6,000	\$50,000		\$172,00 \$56,000
21 /621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs		7-7,300		\$56,000
22/622	OH Logs / CH Logs / Perforating / Slickline		\$84,000		\$84,000
23/444	Mud Logging / Geosteering / LWD		\$308,000		\$308.00
24/624	Cementing & Squeezing	\$39,000			\$39,000
26/626	Casing Crews & Equipment	\$208,000			\$208,00
	Plug & Abandon	\$44,000			\$44,000
	Stimulation		\$3,850,000		\$0
	Geological & Engineering		\$13,000		\$3,850,00
	Supervision Miscellaneous Contract Labor	\$124,000	\$51,750		\$13,000
THE REAL PROPERTY AND ADDRESS OF THE PARTY AND	Prof. Fees & Abstracts	\$25,000	\$42,500	\$35,000	\$102,500
	Liability Insurance / Bonds	\$10,000			\$10,000
42/642	Drilling Overhead / Competion Overhead				50
44/644	Miscellaneous & Unforeseen	\$10,400	\$6,300		\$16,700
		2100.011			440,100
Charles S	Total Intangible Drilling & Completion	\$190,944	\$310,868	\$3,750	\$505,562
8 Code	Total Intangible Drilling & Completion Tangible Well and Lease For Jones & Completion	\$3,301,778	\$310,868 \$6,528,218	\$3,750 \$78,750	\$505,562
8 Code 700	Tangible Well and Lease Equipment Costs Conductor		\$310,868		\$505,562
8 Code 700 0	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000	\$3,301,778 Drilling	\$310,868 \$6,528,218	\$78,750	\$505,562 \$9,908,74
8 Code 700 0	Tangible Well and Lease Equipment Costs	\$3,301,778 Drilling 0 \$45,500	\$310,868 \$6,528,218	\$78,750	\$505,562 \$9,908,74 Total \$0 \$45,500
8 Code 700 0 701 5 702 1 702 1	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54 5# J-55 BYC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 13 3/8 54 5# J-55 BYC 1000	\$3,301,778 Drilling 0 \$45,500	\$310,868 \$6,528,218	\$78,750	\$505,562 \$9,908,74 Total \$0 \$45,500 \$167,500
8 Code 700 0 701 9 702 1 702 1 704 E	Tangible Well and Lease Equipment Costs	\$3,301,778 Drilling 0 \$45,500	\$310,868 \$6,528,218	\$78,750	\$505,562 \$9,908,74 Total \$0 \$45,500 \$167,500 \$0
B Code 700 0 701 9 702 1 702 1 704 E 703 F	Tangible Well and Lease Equipment Costs	\$3,301,778 Drilling 0 \$45,500	\$310,868 \$6,528,218	\$78,750	\$505,562 \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0
8 Code 700 0 701 5 702 11 702 11 704 12 703 P 706 P	Tangible Well and Lease Equipment Costs	53,301,778 Drilling 0 \$45,500 0 \$167,500	\$310,868 \$6,528,218	\$78,750	\$505,56. \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0
8 Code 700 0 701 9 702 11 702 11 704 12 703 F 706 P 710 11	Tangible Well and Lease Equipment Costs	53,301,778 Drilling 0 \$45,500 0 \$167,500	\$310,868 \$6,528,218	\$78,750	\$505,56; \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$376,551
8 Code 700 0 701 S 702 H 702 H 703 P 706 P 710 T 1/720 V	Tangible Well and Lease Equipment Costs	53,301,778 Drilling 0 \$45,500 0 \$167,500	\$310,868 \$6,528,218 Completion	\$78,750	\$505,56; \$9,908,74 fotal \$0 \$45,500 \$167,500 \$0 \$0 \$50 \$376,551 \$55,000
8 Code 700 701 3 702 1 702 1 704 L 706 P 706 P 710 T 1 710 V 724 P 726 R	Tangible Well and Lease Equipment Costs	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551	\$310,868 \$6,528,218 Completion \$55,000	\$78,750	\$505,56; \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000
B Code 700 (701 S 702 H 702 H 703 F 706 P 706 V 7724 P 726 R 737 U 7726 R 737 U 772	Tangible Well and Lease Equipment Costs	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551	\$310,868 \$6,528,218 Completion \$55,000 \$45,000	\$78,750 Eqpt/Const	\$505,56; \$9,908,74 fotal \$0 \$45,500 \$167,500 \$0 \$0 \$50 \$376,551 \$55,000
B Code 700 0 701 3 702 1 702 1 703 F 706 F 710	Tangible Well and Lease Equipment Costs	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551	\$310,868 \$6,528,218 Completion \$55,000 \$45,000	\$78,750	\$505,56; \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$5 \$376,551 \$55,000 \$130,000 \$21,000
B Code 700 0 701 3 702 1 702 1 702 1 704 E 703 F 706 P 710 T 726 R 737 L 738 A 747 V	Tangible Well and Lease Equipment Costs	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551	\$310,868 \$6,528,218 Completion \$55,000 \$45,000	\$78,750 Eqpt/Const \$30,000 \$85,000	\$505,56; \$9,908,74 \$0 \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$30,000 \$33,000
8 Code 700 701 37 702 17 702 17 704 17 704 17 706 707	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 2 7/8 6.5# L80 1000 Intermediate Casing	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551	\$310,868 \$6,528,218 Completion \$55,000 \$45,000	\$50,000 \$85,000 \$30,000	\$505,56; \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$0 \$30,000 \$35,000
B Code 700 0 700 0 701 5 702 1 702 1 703 F 704 L 703 F 706 F 706 F 706 F 706 F 706 F 707 706 F 707 7	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing 9 5/8 40# P-110HC LTC 500i Intermediate Casing 9 5/8 40# P-110HC LTC 500i Intermediate Casing 9 5/8 40# P-110HC LTC 500i Intermediate Casing 5/8 40# P-110HC LTC 500i Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 2096 Ubing 27/8" 6.5# L80 1000 Vellhead Equip. BCP/ACP Packers & Downhole Equipment 100s & Pumps 100 ppf GBCD 1000 Intermediate Casing 100 ppf GBCD 2096 Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 2096 Intermediate Casing 100 ppf GBCD 2	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551	\$310,868 \$6,528,218 Completion \$55,000 \$45,000	\$30,000 \$30,000 \$5,000 \$90,000	\$505,562 \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$90,000
8 Code 7700 C 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing 9 5/8 40# P-110HC LTC 500i Intermediate Casing 6/6/P 5/8/8/8/8/9/8/9/9/9/9/9/9/9/9/9/9/9/9/9/	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551	\$310,868 \$6,528,218 Completion \$55,000 \$45,000	\$50,000 \$85,000 \$30,000	\$505,562 \$9,908,74 \$100 \$100 \$167,500 \$0 \$0 \$0 \$376,551 \$0 \$130,000 \$21,000 \$30,000 \$30,000 \$30,000 \$75,000
8 Code 7700 C 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Termediate Casing 9 5/8 40# P-110HCLTC 500 Termediate Casing 9 5/8 40# P-110HCLTC 500 Termediate Casing 100 Production Liner (ACP) Production Casing (ACP) Subing 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Sods & Pumps Inter Pipe / Fittings / Pipelline Nutomation/SCADA/Misc Electrical Equipment Salves Termediate Casing 100 1000 Termediate Casing 1	53,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000	\$30,000 \$30,000 \$5,000 \$90,000	\$505,562 \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$90,000
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing Intermedia	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000	\$310,868 \$6,528,218 Completion \$55,000 \$45,000	\$30,000 \$83,000 \$83,000 \$90,000 \$75,000	\$505,562 \$9,908,74 \$0 \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$130,000 \$130,000 \$21,000 \$30,000 \$30,000 \$30,000 \$50,000 \$
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing 9 5/8 40# P-110HC LTC 500i Intermediate Casing 5/8 5/8 5/8 5/8 5/8 5/8 5/8 5/8 5/8 5/8	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000	\$30,000 \$85,000 \$90,000 \$75,000 \$45,000 \$45,000	\$505,56; \$9,908,74 \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$90,000 \$75,000 \$55,000
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing Intermedia	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 50 \$85,000 \$10,000 \$4,400 \$23,430	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$2,000 \$6,150	\$50,000 \$85,000 \$85,000 \$30,000 \$90,000 \$75,000 \$45,000 \$18,000	\$505,56; \$9,908,74 \$0 \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$30,000 \$30,000 \$30,000 \$55,000 \$50,000 \$55,000 \$57,
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing 9 5/8 40# P-110HC LTC 500i Intermediate Casing 6/8 5/8 5/8 40# P-110HC LTC 500i Intermediate Casing 6/8 5/8 5/8 40# P-110HC LTC 500i Intermediate Casing 6/8 5/8 5/8 5/8 5/8 5/8 5/8 5/8 5/8 5/8 5	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000	\$30,000 \$85,000 \$90,000 \$75,000 \$45,000 \$45,000	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$130,000 \$21,000 \$30,000 \$30,000 \$30,000 \$55
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing Intermedia	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 50 \$85,000 \$10,000 \$4,400 \$23,430	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$2,000 \$6,150	\$50,000 \$85,000 \$85,000 \$30,000 \$90,000 \$75,000 \$45,000 \$18,000	\$505,56; \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$50 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$30,000 \$55,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing Intermedia	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,56; \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$50 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$30,000 \$55,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HC LTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) S-1/2" P110 20 ppf GBCD 2096 Value 2 7/8" 6.5# L80 1000 Value Value Value 2 7/8" 6.5# L80 1000 Value	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,56; \$9,908,74 Total \$0 \$45,500 \$167,500 \$0 \$0 \$50 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$30,000 \$55,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100i Intermediate Casing Intermedia	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$167,500 \$0 \$130,000 \$130,000 \$21,000 \$0 \$30,000 \$30,000 \$57,0
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Subing 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Iods & Pumps Inter Pipe / Fittings / Pipelline Interpretation ScADA/Misc Electrical Equipment Interpretation Interpretati	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$130,000 \$130,000 \$31,000 \$
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Subing 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Iods & Pumps Inter Pipe / Fittings / Pipelline Interpretation ScADA/Misc Electrical Equipment Interpretation and Freight 8CP/ACP Interpretation Interpretation Lost REOCAPPROVALS Robert Sandford (918) 491-4201 Orilling David Zerger (918) 491-4350	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$130,000 \$130,000 \$31,000 \$
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Subing 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Iods & Pumps Inter Pipe / Fittings / Pipelline Interpretation ScADA/Misc Electrical Equipment Interpretation Interpretati	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$21,000 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$130,000 \$130,000 \$31,000 \$
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Production Casing (ACP) S-1/2" P110 20 ppf GBCD 2096 Value 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Vods & Pumps Inter Pipe / Fittings / Pipelline Interval Pipe / Fittings / Pipelline Interval Pipe / Fittings / Pipelline Interval Pipel / Fittings / Pipel	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$130,000 \$130,000 \$31,000 \$
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Subing 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Iods & Pumps Inter Pipe / Fittings / Pipelline Interpretation ScADA/Misc Electrical Equipment Interpretation and Freight 8CP/ACP Interpretation Interpretation Lost REOCAPPROVALS Robert Sandford (918) 491-4201 Orilling David Zerger (918) 491-4350	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$21,000 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$1,500 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$30,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$54,400 \$54,500 \$54,400 \$54,555
8 Code 7700 C 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Production Casing (ACP) S-1/2" P110 20 ppf GBCD 2096 Value 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Vods & Pumps Inter Pipe / Fittings / Pipelline Interval Pipe / Fittings / Pipelline Interval Pipe / Fittings / Pipelline Interval Pipel / Fittings / Pipel	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$129,150 \$6,657,368 PARTINER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$130,000 \$130,000 \$31,000 \$
8 Code 7700 C 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 500	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$21,000 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$0 \$130,000 \$130,000 \$21,000 \$0 \$30,000 \$30,000 \$55,000 \$55,000 \$575
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Production Casing (ACP) Production Casing (ACP) S-1/2" P110 20 ppf GBCD 2096 Value 2 7/8" 6.5# L80 1000 Packers & Downhole Equipment Vods & Pumps Inter Pipe / Fittings / Pipelline Interval Pipe / Fittings / Pipelline Interval Pipe / Fittings / Pipelline Interval Pipel / Fittings / Pipel	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$129,150 \$6,657,368 PARTINER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$167,500 \$0 \$130,000 \$130,000 \$21,000 \$0 \$30,000 \$30,000 \$57,0
8 Code 7700 C 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Intermed	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$129,150 \$6,657,368 PARTINER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$167,500 \$0 \$130,000 \$130,000 \$21,000 \$0 \$30,000 \$30,000 \$57,0
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 1000 Production Liner (ACP) Production Casing (ACP) Interpretation Casing (ACP) Production Casing (ACP) Interpretation Casing (ACP) Production Casing (ACP) Interpretation Casing (ACP) Interpretation Casing (ACP) Production Casing (ACP) Interpretation Casing (ACP) Interpretati	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$35,000 \$57,000 \$57,000 \$57,000 \$4,400 \$47,580
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Intermed	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$521,000 \$6,150 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$35,000 \$57,000 \$57,000 \$57,000 \$4,400 \$47,580
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 1000 Intermediate Ca	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$35,000 \$57,000 \$57,000 \$57,000 \$4,400 \$47,580
8 Code 7700 C 7700 C 7700 S 700 I 700 C 700 T 700 C 700 T 700 T 700 T 700 T 700 T 700 T 700 C 700 T 700 C 70	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Interpretation Casing (ACP) Production Casing (ACP) Pr	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$521,000 \$6,150 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$35,000 \$57,000 \$57,000 \$57,000 \$4,400 \$47,580
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 5	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,657,368 PARINER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$0 \$0 \$130,000 \$130,000 \$21,000 \$0 \$30,000 \$30,000 \$55,000 \$55,000 \$575
S Code 7700 C 7700 C 7700 S 700 II 700 C 700 II 700	Tangible Well and Lease Equipment Costs Conductor Surface Casing 13 3/8 54.5# J-55 BTC 100 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 9 5/8 40# P-110HCLTC 500 Intermediate Casing 100 Production Liner (ACP) Production Casing (ACP) Interpretation Casing (ACP) Production Casing (ACP) Pr	\$3,301,778 Drilling 0 \$45,500 0 \$167,500 50 \$376,551 0 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$310,868 \$6,528,218 Completion \$55,000 \$45,000 \$21,000 \$21,000 \$521,000 \$6,150 \$129,150 \$6,657,368 PARTNER AP	\$30,000 \$85,000 \$85,000 \$75,000 \$75,000 \$18,000 \$378,000 \$378,000 \$456,750	\$505,562 \$9,908,74 \$0 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$30,000 \$35,000 \$57,000 \$57,000 \$57,000 \$4,400 \$47,580

Kaiser-Francis Oil Company Authority for Expenditure

Well No.	: Kaiser-Francis Oil Company	enditure	Date:	9/11/2019	
Prospect:	ne: Red Hills 703H		Field:	Red Hills	
Location:	Red Hills		County / Psh	Lea	
Depth:	FTP 100' FNL 1600' FWL SECTION 31 T255 R33E, LTP 100' FSL 1600' FWL SEC	CTION 6 T26S R33E	State:	NM	
Horizon:	10300 TVD		Preparer:	CJ/DZ	
Objective:	1st Bone Springs		- Aparel	0106	
JIB Code	The Lat Borie Springs				
500/600		Drilling	Completion	Eqpt/Const	Total
501/***	1	\$96,250	\$14,000	\$40,000	
502/602	The final final final services	\$24,774	37,000	540,000	\$150,25
503/603		\$20,000		_	\$24,77
504/604	, regulatory, and remitting	\$40,000			\$20,00
304/604	Completion Rig		\$8,000		\$40,000
	Footage @ per foot		30,000	-	\$8,000
505/605	Daywork 26 days at \$25,000	\$650,000			
506/606	Colled Tubing & Related Services Rig Mob / Demob		\$360,000	+	\$650,00
507/***	Directional Drilling Services	\$140,000		1	\$140,00
508/608	Bits & Reamers	\$410,000			\$410,00
510/610	Fuel/Power	\$95,500			\$95,500
512/612	Drilling Water / Completion Fluid	\$143,000			\$143,00
514/614	Mud & Chemicals	\$65,000	\$980,000	1	\$1,045,00
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$160,000	\$35,000		\$195,000
516/616	Surface Equipment Rental / Inspection	\$275,000	\$37,500	1	\$312,500
517/617	Downhole Equipment Rental / Inspection	\$455,910	\$289,300		\$745,210
518/618	Transportation & Loading	\$69,000	\$103,000		\$172,000
520/***	DST. Coring & Analysis	\$6,000	\$50,000		\$56,000
21/621	Downhole tools: Whipstocks Liner Hangers E 0				\$0
522/622	on Logs / Ch Logs / Perforating / Slickline		\$84,000		\$84,000
	Mud Logging / Geosteering / LWD Cementing & Squeezing	\$39,000	\$308,000	-	\$308,000
26/626	Casing Crews & Equipment	\$208,000		-	\$39,000 \$208,000
28/628	Plug & Abandon	\$44,000			\$44,000
**/630	Stimulation				50
32/632	Geological & Engineering		\$3,850,000		\$3,850,00
36/636	Supervision Miscellaneous Contract Labor	\$124,000	\$13,000		\$13,000
38/638	Prof Fees & Abstracts	\$25,000	\$42,500	\$35,000	\$175,750
41/641	Liability Insurance / Bonds	\$10,000	1,	933,000	\$102,500 \$10,000
42/642	Drilling Overhead / Competion Overhead				\$0
44/644	Miscellaneous & Unforeseen	\$10,400	\$6,300		\$16,700
15 L	Total Intangible Drilling & Completion	\$190,944 \$3,301,778	\$311,618	\$3,750	\$506,312
0.0			1 35 543 968	\$78,750	\$9,924,496
	Tangible Well and Lease Equipment Costs		40/310/300		301254,436
700	Tangible Well and Lease Equipment Costs Conductor	Drilling	Completion	Eqpt/Const	Total
700 701	Surface Casing 13 3/8 54.5# J-55 BTC 1000	Drilling			
700 701 702	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9.5/8 APP 9.130 VC 175	Drilling \$45,500			Total \$0 \$45,500
700 701 702 702	Conductor	Drilling			Total \$0 \$45,500 \$167,500
700 701 702 702 704 703	13 3/8 54.5# J-55 BTC	Drilling \$45,500			Total \$0 \$45,500 \$167,500 \$0
700 701 702 702 704 703 706	Surface Casing	Drilling \$45,500 \$167,500			Total \$0 \$45,500 \$167,500 \$0 \$0
701 702 702 704 703 706 710	13 3/8 54.5# J-55 BTC 1000	Drilling \$45,500	Completion		Total \$0 \$45,500 \$167,500 \$0
700 701 702 702 704 703 706 710 1/720	Conductor Cond	\$45,500 \$167,500 \$376,551	Completion		Total \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000
700 701 702 702 704 703 706 710 1/720 724	Surface Casing	Drilling \$45,500 \$167,500	\$55,000 \$45,000		Total \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000
700 701 702 702 704 703 706 710 1/720 724 726 737	Surface Casing	\$45,500 \$167,500 \$376,551	Completion		Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000
700 701 702 702 704 703 706 710 1/720 724 737 1738	Surface Casing	\$45,500 \$167,500 \$376,551	\$55,000 \$45,000	Eqpt/Const	Total \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$0
700 701 702 702 704 703 706 710 1/720 1/720 724 1738 747	13 3/8 54.5# J-55 BTC	\$45,500 \$167,500 \$376,551	\$55,000 \$45,000	\$30,000 \$85,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$0 \$21,000 \$0 \$33,000 \$33,000 \$35,000
700 701 702 702 704 703 706 710 1/720 1/720 1/726 1/737 1/738 1/747 752 1/752	Surface Casing	\$45,500 \$167,500 \$376,551	\$55,000 \$45,000	\$30,000 \$85,000 \$30,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$0 \$21,000 \$0 \$330,000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
700 701 702 702 703 706 710 1/720 1/720 1/720 1/737 1/738 747 737 1/752 1/752 1/765 1/768	Surface Casing	\$45,500 \$167,500 \$376,551	\$55,000 \$45,000	\$30,000 \$85,000 \$90,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$330,000 \$35,000 \$30,000 \$30,000 \$30,000
700 701 702 702 702 703 706 710 1/720 1/720 1/737 1/738 1/747 738 1/747 752 1765 1/768 1/768 1/768 1/770 1/7	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) 5-1/2" P110 20 ppf GBCD 20960 Tubing 2 7/8" 6.5# L80 10000 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Teaters / Treaters / Separator / VRU Artificial Lift / Compressor	\$45,500 \$167,500 \$376,551	\$55,000 \$45,000	\$30,000 \$85,000 \$30,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$30,000 \$85,000 \$30,
700 701 702 702 704 703 706 710 1/720 1/724 1/726 1/726 1/737 1/738 1/747 1/752 1/768 1/7768 1/770 1/774 1/7768 1/770 1/774 1/7768 1/7688 1/7	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) S-1/2" P110 20 ppf GBCD 20560 Tubing 2 7/8" 6.5# L80 10000 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Mise Eleutrical Equipment Valves Tanks & Walkways Teaters / Treaters / Separator / VRU Artificial Lift / Compressor Sas Sales Unit / Dehy / Line Heater / Flare Tanportation and Freight BCP/ACP	\$45,500 \$167,500 \$167,500 \$376,551 \$85,000	\$55,000 \$45,000 \$21,000	\$30,000 \$85,000 \$75,000 \$5,000 \$75,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$330,000 \$35,000 \$30,000 \$30,000 \$30,000
700 701 702 702 702 704 703 706 710 1/720 1/720 1/738 1/747 738 1/765 1/765 1/765 1/776 1/776 1/776 1/776	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Uner (ACP) Production Casing (ACP) Tubing 2 7/8" 6.5# L80 10000 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves: Sanks & Welkways Jesters / Treaters / Separator / VRU Artificial Lift / Compressor Sas Sales Unit / Deh / Line Heater / Flare Tanportation and Freight BCP/ACP Tanportation and Freight BCP/ACP	\$45,500 \$167,500 \$376,551 \$85,000 \$10,000	\$55,000 \$45,000	\$30,000 \$85,000 \$30,000 \$90,000 \$75,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$0 \$30,000 \$
700 701 702 702 702 704 703 706 710 1/720 1/720 1/738 1/747 738 1/765 1/765 1/765 1/776 1/776 1/776 1/776	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Lasing (ACP) Tubing 2 7/8" 6.5# L80 10000 Wellhead Equip, BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Lanks & Walkways Leaters / Treaters / Separator / VRU Artificial Lift / Compressor Las Sales Unit / Dehy / Line Heater / Flare Canportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Inne-Controllable Equipment BCP/ACP Inne-Controllable Equipment BCP/ACP Inne-Controllable Equipment BCP/ACP	\$45,500 \$167,500 \$167,500 \$376,551 \$85,000 \$10,000 \$4,400	\$55,000 \$45,000 \$21,000	\$30,000 \$85,000 \$30,000 \$30,000 \$75,000 \$5,000 \$45,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$0 \$376,551 \$55,000 \$13,000 \$21,000 \$30,000 \$30,000 \$30,000 \$35,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000 \$575,000
700 701 702 702 704 703 706 710 724 726 737 747 752 765 768 8 8 7777 7770 6 77774 7776 6	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Lasing (ACP) Tubing 2 7/8" 6.5# L80 10000 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Sas Sales Unit / Dehy / Line Heater / Flare Tanportation and Freight BCP/ACP Total Well and Lease Equipment	\$45,500 \$167,500 \$376,551 \$85,000 \$10,000	\$55,000 \$45,000 \$21,000 \$2,000 \$6,150	\$30,000 \$30,000 \$85,000 \$30,000 \$75,000 \$5,000 \$45,000 \$18,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$380,000 \$390,000 \$75,000 \$50,000
700 701 702 702 704 703 706 710 724 726 737 747 752 765 768 8 8 7777 7770 6 77774 7776 6	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Lasing (ACP) Production Casing (ACP) Production Casing (ACP) 2 7/8" 6.5# L80 10000 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment Valves Sanks & Walkways Jesters / Treaters / Separator / VRU Artificial Litt / Compressor Sas Sales Unit / Dehy / Line Heater / Flare Tanportation and Freight BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost	\$45,500 \$167,500 \$167,500 \$376,551 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$55,000 \$45,000 \$21,000 \$2,000 \$6,150 \$129,150	\$30,000 \$85,000 \$30,000 \$75,000 \$75,000 \$45,000 \$18,000 \$378,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$38,000 \$390,000 \$75,000 \$5,000
700 701 702 702 704 703 706 710 724 726 737 747 752 765 768 8 8 7777 7770 6 77774 7776 6	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing Drilling Uner (BCP) Production Liner (ACP) Production Lasing (ACP) Tubing 2 7/8" 6.5# L80 10000 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Sas Sales Unit / Dehy / Line Heater / Flare Tanportation and Freight BCP/ACP Total Well and Lease Equipment	\$45,500 \$167,500 \$167,500 \$376,551 \$85,000 \$10,000 \$4,400 \$23,430	\$55,000 \$45,000 \$21,000 \$21,000 \$6,150 \$129,150 \$6,673,118	\$30,000 \$85,000 \$53,000 \$75,000 \$75,000 \$45,000 \$45,000 \$45,000 \$45,000 \$45,000 \$45,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$380,000 \$390,000 \$75,000 \$50,000
700 701 702 702 704 703 706 710 724 726 737 747 752 765 768 8 8 7777 7770 6 77774 7776 6	Conductor Surface Casing 13 3/8 54.5# J-55 BTC 1000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Intermediate Casing 9 5/8 40# P-110HC LTC 5000 Drilling Liner (BCP) Production Liner (ACP) Production Casing (ACP) S-1/2" P110 20 ppf GBCD 20560 Tubing 2 7/8" 6.5# L80 10000 Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipelline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Sas Sales Unit / Dehy / Line Heater / Flare Tanportation and Freight BCP/ACP Total Well and Lease Equipment Total Orilling and Completion Cost KFOC APPROVALS	\$45,500 \$167,500 \$167,500 \$376,551 \$85,000 \$10,000 \$4,400 \$23,430 \$712,381	\$55,000 \$45,000 \$21,000 \$2,000 \$6,150 \$129,150	\$30,000 \$85,000 \$53,000 \$75,000 \$75,000 \$45,000 \$45,000 \$45,000 \$45,000 \$45,000 \$45,000	Total \$0 \$45,500 \$167,500 \$0 \$0 \$376,551 \$55,000 \$130,000 \$21,000 \$0 \$380,000 \$390,000 \$75,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$1,00
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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

Case No. 21271

VERIFIED STATEMENT OF MITCH SULLIVAN

COUNTY OF TULSA)
STATE OF OKLAHOMA) ss.)

Mitch Sullivan, being duly sworn upon his oath, deposes and states:

- 1. 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").
- 2. 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) Exhibit A is a structure map on the top of the 1st Bone Spring Sand. It shows that structure dips gently to the West/Southwest. It also shows the proposed well location along with the location of the pilot hole Red Hills 401.
 - (b) Exhibit B is an Isopach map from the top of the 1st Bone Spring sand to the top of the Wolfcamp A. The contours displayed on the map shows relatively constant thickness along the proposed well path.
 - (c) Exhibit C is a Stratigraphic-Bone Spring type log. The Red Hills 401 log provides a representative sample of the Bone Spring formation in this area. The target zone for the well is the 1st Bone Spring Sand zone, and that zone is continuous across the well unit.
 - (d) Exhibit D is a zoomed in portion of the Red Hills 401 type log that focuses on the 1st Bone Spring landing location. As displayed, the distance from the landing point and the bottom of the Lower Avalon D is 450°.
 - (e) Exhibit E is a zoomed in portion of the Red Hills 401 type log that focuses on the 2nd Bone Spring Sand landing point. As you can see from the type log, the landing point is 1,250' away from the top of the Wolfcamp A interval.

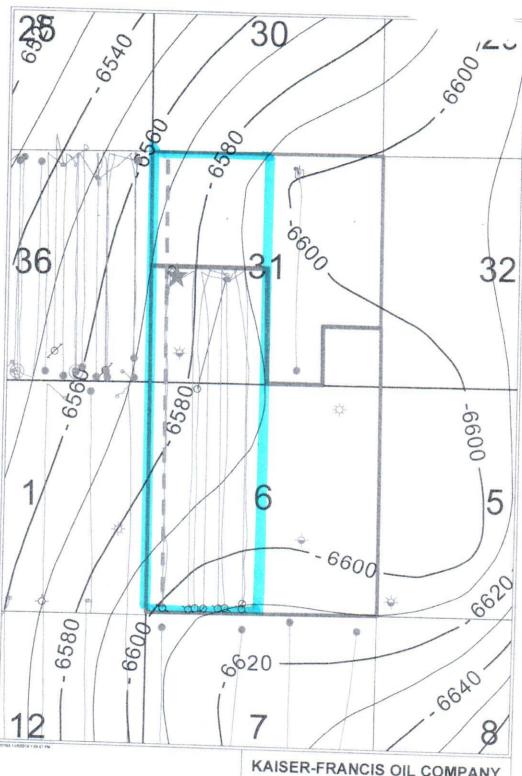
EXHIBIT 3

- (f) Exhibit F is a zoomed in portion of the Red Hills 401 type log that depicts the Lower Avalon A as well as the Lower Avalon D. As you can see the distance from the Lower Avalon A landing point to the Lower Avalon D formation is 550°.
- I conclude from the maps that:
- (a) The horizontal spacing unit is justified from a geologic standpoint.
- (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.
- (d) There is sufficient vertical separation between existing drilled wells and future proposed wells.
- KFOC sees a preference for standup wells in this area.
- 6. Attachment F contains the proposed horizontal drilling plan for the well. The producing interval of the well will be orthodox, and will comply with Division setback requirements.

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			-	-		-	

STATE OF TEXAS)	
COUNTY OF MIDLAND) ss.)	
	nd knows the contents	h, deposes and states that: He is a geologis make this verification on its behalf; he has thereof; and the same is true and correct to
		Mitch Sullivan
SUBSCRIBED AND SW Sullivan.	ORN TO before me the	his 17 day of April, 2020 by Mitch
My Commission Expires:	:15 : 22.	Notary Public
	Notary Public State of Oklanoma DEBORAH MCCULLOUGH TULSA COUNTY COMMISSION #06011849 Comm Exp. 12-15-2022	

hibit A



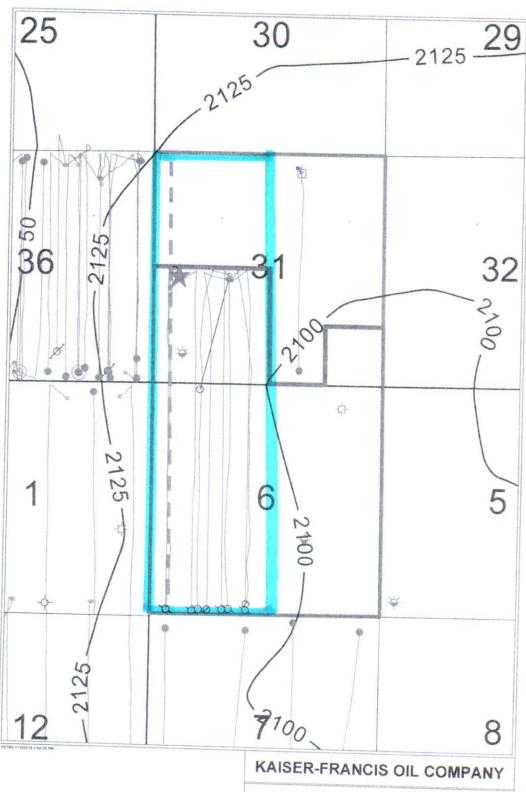
KAISER-FRANCIS OIL COMPANY

RED HILLS PROJECT 1ST Bone Spring Sand Structure Map FEET C.I. = 10' Well Path



Pilot well location

Exhibit B



RED HILLS PROJECT

1ST Bone Spring Sand To Wolfcamp

Isopach Map

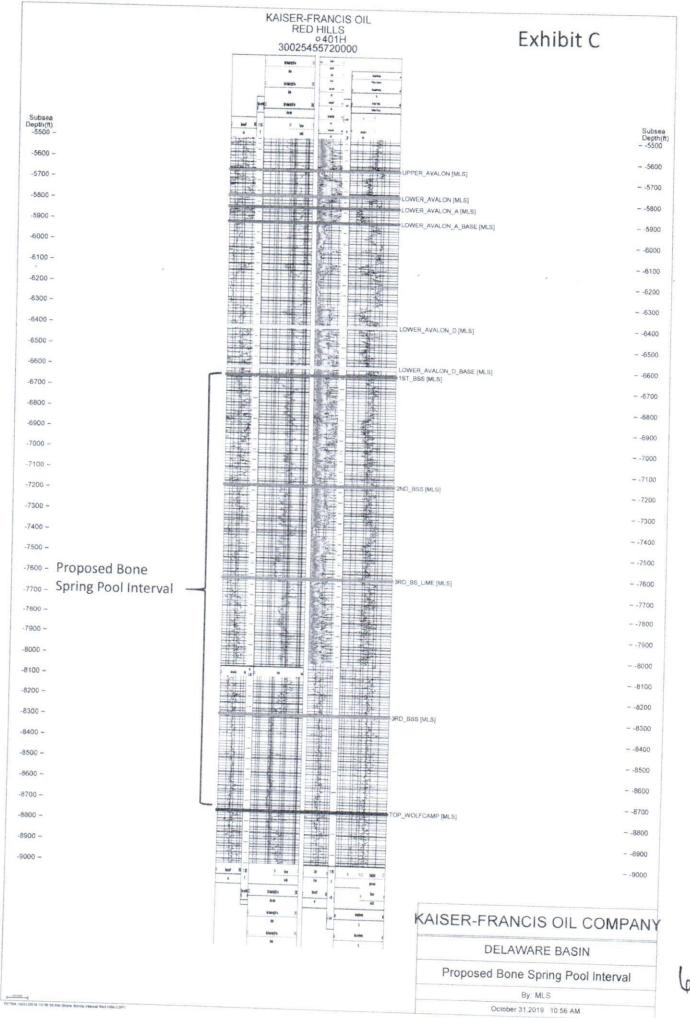
0 1,371 2,742 4,113
FEET

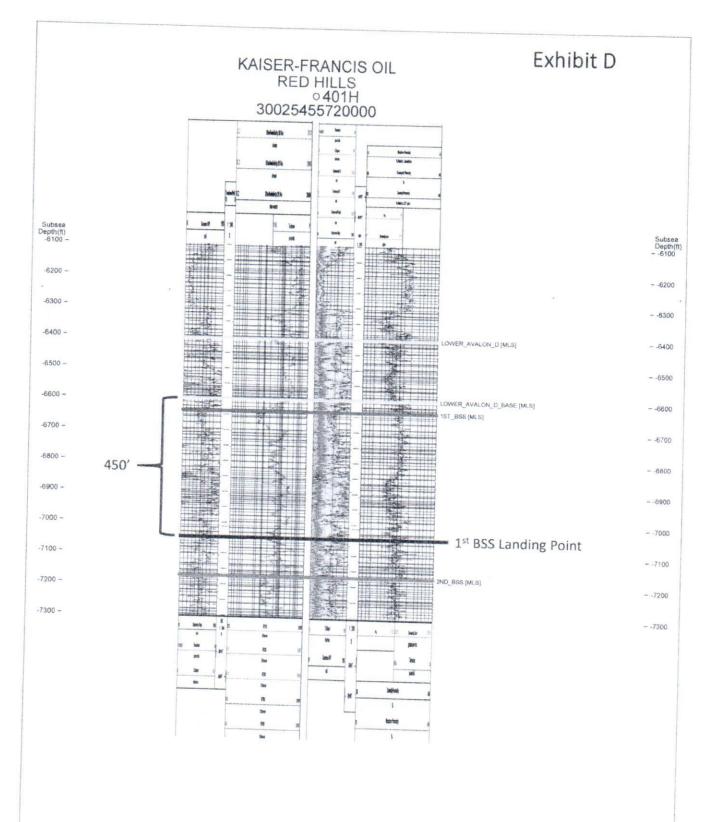
REMARKS

C.I. = 25' Well Path



Pilot well location



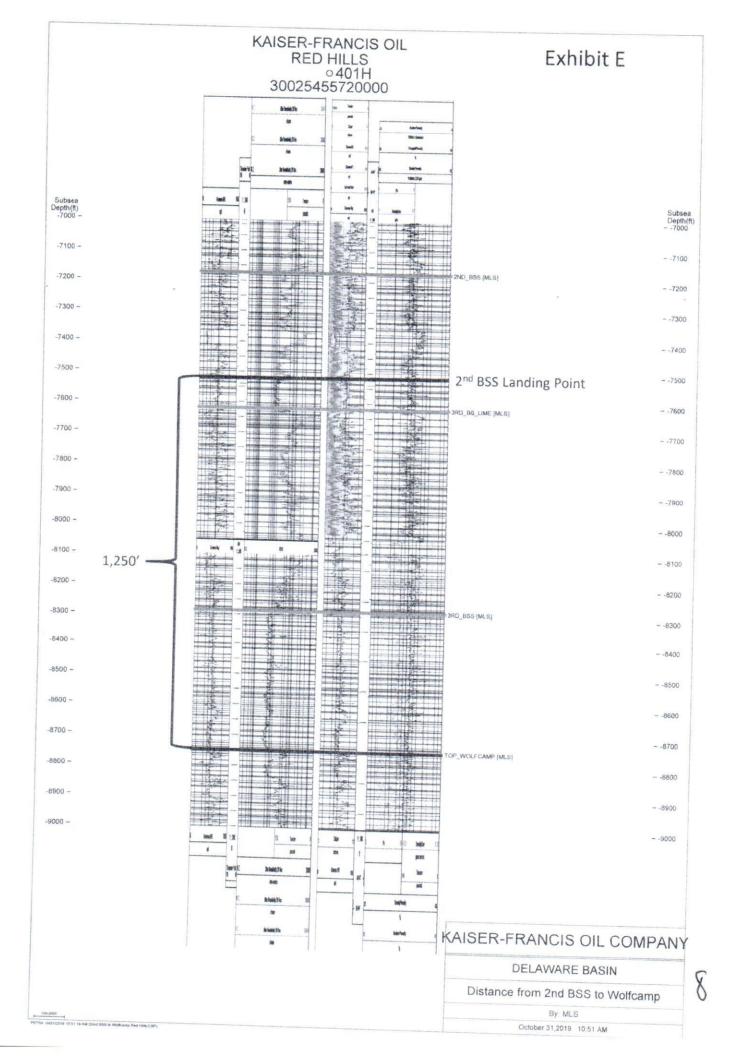


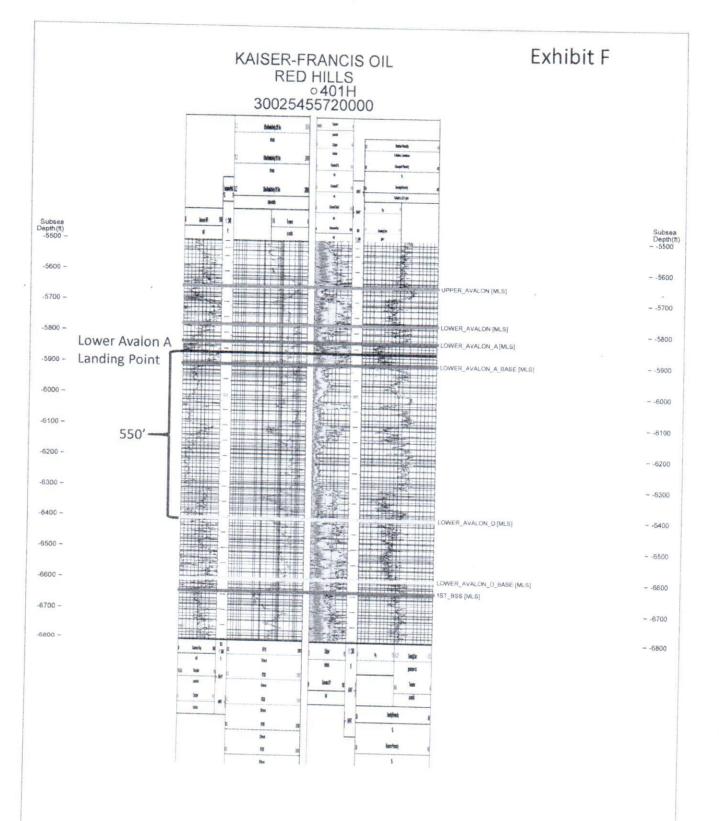
KAISER-FRANCIS OIL COMPANY
DELAWARE BASIN

Distance from Avalon D to 1st BSS

By: MLS

October 31,2019 10:54 AM





HS-2000 A 1001/2019 10 47 39 AM (10-2-18, FOR, RESET CST) KAISER-FRANCIS OIL COMPANY

DELAWARE BASIN

Distance from Avalon A to Avalon D

By: MLS

October 31,2019 10:47 AM

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 Nos. 21271

SELF-AFFIRMED STATEMENT OF NOTICE

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

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 application filed herein.
- 4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Attachment A.
 - 5. 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: May 12, Zoro

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

April 20, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Kaiser-Francis Oil Company, regarding Bone Spring wells in the W/2 of Section 31, Township 25 South, Range 33 East, NMPM and the W/2 of Section 6, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, May 14, 2020, at a place to be determined by the Division. The hearing may be conducted remotely. You should contact the Division at (505) 476-3441 or emnrd.state.nm.us/OCD to request additional information on participating in the case. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 7, 2020. 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

ATTACHMENT

EXHIBIT A

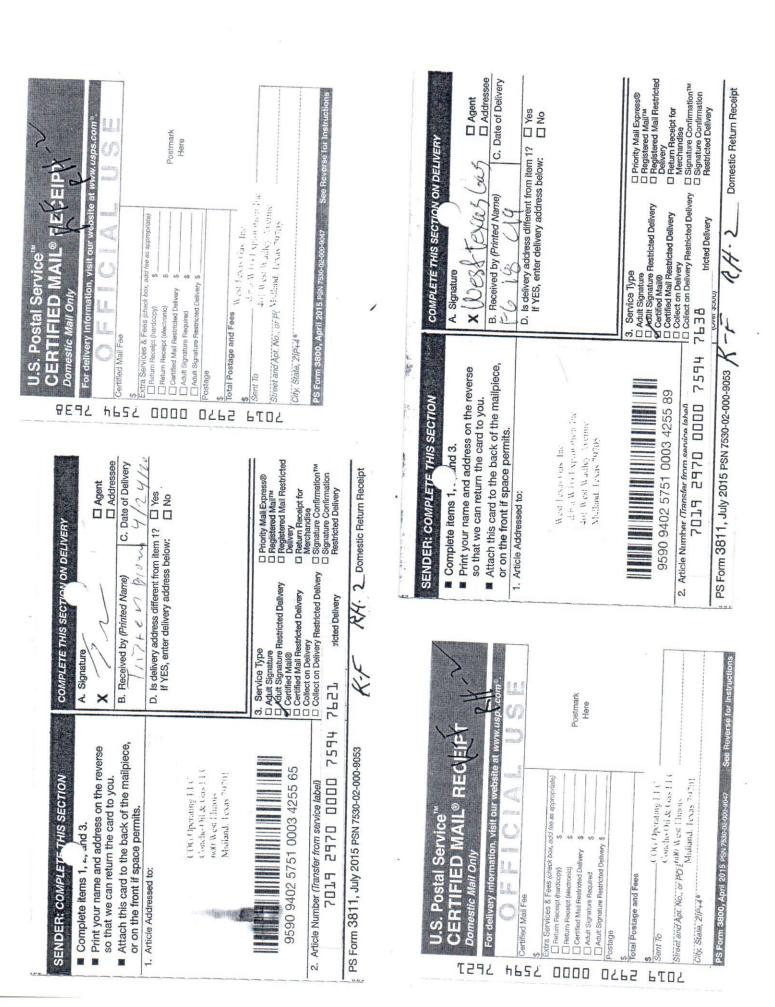
Atlas OBO Energy, LP 3501 Allen Parkway Houston, Texas 77019

Attention: Ijaz Rehman

COG Operating LLC Concho Oil & Gas LLC 600 West Illinois Midland, Texas 79701

Attention: Luke Bedrick

West Texas Gas. Inc. d/b/a WTG Exploration Inc. 401 West Wadley Avenue Midland, Texas 79705



J. J	Postmark	
CERTIFIED MAIL® RECE Comestic Mail Only For delivery information, visit our website at	Certified Matified String Services & Hels phase to addie at appoint to the Mann House to the Act of the Services of the Services of the Mann House to the M	Atlas OBO Energy, Lp 3501 Allen Parkway Brone and April , Houston, Texas 77019

ON DELIVERY Addressee C Date of Delivery Om item 1?	Priority Mall Express® Registered Mall* Registered Mall* Delivery Return Restricted Return Receipt for	
A. Signature A. Signature X. (((((((((((((((((((3. Service Type Chalit Signature Adult Signature Restricted Delivery Contribed Mailes Coetfiled Mail Restricted Delivery Collect on Delivery	613 Y Pestricted Delivery (over \$500) Acted Delivery
SENDER: COMPLEY— "IIS SECTION Complete items 1,	9590 9402 4582 8278 5892 91	S Form 3811, July 2015 PSN 7530-02-000-006-00

KF . R/1 - 2 Domestic Return Receipt

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case:	21271	
Date	May 14, 2020	
Applicant	Kaiser-Francis Oil Company	
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, Le County, New Mexico	
Entries of Appearance/Intervenors:		
Well Family	Red Hills Wells	
	Red Hills Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Bone Spring Formation	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Entire Bone Spring formation	
Pool Name and Pool Code:	WC-025 G-08 S253235G/Pool Code 97903	
Well Location Setback Rules:	Statewide rules and current horizontal well rules	
Spacing Unit Size:	Quarter-quarter Section/40 acre	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	640 acres	
Building Blocks:	40 acres	
Orientation:	North-South	
Description: TRS/County	W/2 §31-25S-33E and W/2 §6-26S-33E, NMPM, Lea County	
Standard Horizontal Well Spacing Unit	Yes	
(Y/N), If No, describe		
Other Situations		
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	Yes	
Proximity Defining Well: if yes, description	Red Hills Well No. 201H	
Applicant's Ownership in Each Tract	Exhibit 2, page 9	
Vell(s)	Exhibit 2, page 3	
Name & API (if assigned), surface and pottom hole location, footages, ompletion target, orientation, ompletion status (standard or non-tandard)	Red Hills Well No. 701H API No. 30-015-Pending SHL: 300 FNL & 475 FWL §31 BHL: 100 FSL & 400 FWL §6 FTP: 100 FNL & 400 FWL §31 LTP: 100 FSL & 400 FWL §6 1 st Bone Spring/TVD 10300 feet/MD 20960 feet	
	EXHIBIT 5	

	Red Hills Well No. 201H
	API No. 30-015-Pending
	SHL: 300 FNL & 505 FWL §31
	BHL: 100 FSL & 990 FWL §6
	FTP: 100 FNL & 990 FWL §31
	LTP: 100 FSL & 990 FWL §6
	2 nd Bone Spring/TVD 11000 feet/MD 21660 feet
	2 Bone Spring/1VB 11000 reet/IVIB 21660 feet
	Red Hills Well No. 703H
	API No. 30-015-Pending
	SHL: 300 FNL & 990 FWL §31
	BHL: 100 FSL & 1700 FWL §6
	FTP: 100 FNL & 1700 FWL §31
	LTP: 100 FSL & 1700 FWL §6
	1 st Bone Spring/TVD 10300 feet/MD 20960 feet
	Red Hills Well No. 203H
	API No. 30-015-Pending
	SHL: 300 FNL & 1020 FWL §31
	BHL: 100 FSL & 2240 FWL §6
	FTP: 100 FNL & 2240 FWL §31
	LTP: 100 FSL & 2240 FWL §6
Horizontal Well First and Last Take	2 nd Bone Spring/TVD 11000 feet/MD 21660 feet
Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	40000
Production Supervision/Month \$	\$8000
Justification for Supervision Costs	\$800
Requested Risk Charge	Exhibit 2, page 2
Notice of Hearing	Cost + 200%/Exhibit 2, page 2
Proposed Notice of Hearing	Exhibit 4
Proof of Mailed Notice of Hearing (20	LATIBLE 4
days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10	EXHIDIT 4
days before hearing)	Not necessary
Ownership Determination	NOT HECESSALY
Land Ownership Schematic of the	
Spacing Unit	Exhibit 2 pages 4 and 0
Tract List (including lease numbers and	Exhibit 2, pages 4 and 9
owners)	Exhibit 2, page 9
Pooled Parties (including ownership	Extribit 2, page 3
type)	Exhibit 2, page 9
Unlocatable Parties to be Pooled	Exhibit 2, page 9 Not applicable
Ownership Depth Severance (including	Mor applicable
percentage above & below)	None
Joinder	NOTE
Sample Copy of Proposal Letter	Evhibit 2 pages 10.12
, and a second cetter	Exhibit 2, pages 10-13

List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2, page 7
Chronology of Contact with Non-Joined Working Interests	Exhibit 2, pages 10-13
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2. pages 14-17
Cost Estimate to Equip Well	Exhibit 2, pages 14-17
Cost Estimate for Production Facilities	Exhibit 2, pages 14-17
Geology	Exmitt 2, pages 14-17
Summary (including special	THE RESIDENCE OF THE PROPERTY
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3, page 4
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3, pages 6-9
Well Orientation (with rationale)	Standup/Exhibit 3, pages 4-5
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3, pages 6-9
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	Not Applicable
C-102	Exhibit 2, pages 5-8
Tracts	Exhibit 2, page 9
Summary of Interests, Unit	Exhibit 2, page 3
Recapitulation (Tracts)	Exhibit 2, page 9
General Location Map (including basin)	Exhibit 2, page 4
Well Bore Location Map	
Structure Contour Map - Subsea Depth	Exhibit 2, pages 5-8 and Exhibit 3, pages 4-9 Exhibit 3 page 4
Cross Section Location Map (including	Exhibit 5 page 4
wells)	Exhibit 3 pages 4-9
Cross Section (including Landing Zone)	Exhibit 3 pages 6-9
Additional Information	Eximple 2 hages 6-3
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	7
Representative):	James Palle
Date:	May 12, 2020