#### **CASE NO. 21464**

# 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.	
Case	No.	

#### **APPLICATION**

Kaiser-Francis Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/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 E/2 of Section 31 and the E/2 of Section 6, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation, and dedicate the E/2 of Section 31 and the E/2 of Section 6 to the wells:
  - (a) The Red Hills Well Nos. 404H, 504H and 604H, with first take points in the NW/4NE/4 of Section 31 and final take points in the SW/4SE/4 of Section 6; and
  - (b) The Red Hills Well Nos. 406H, 505H, 506H, and 606H, with first take points in the NE/4NE/4 of Section 31 and final take points in the SE/4SE/4 of Section 6.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation underlying the E/2 of Section 31 and the E/2 of Section 6 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp

formation underlying the E/2 of Section 31 and the E/2 of Section 6, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the E/2 of Section 31 and the E/2 of Section 6 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interests in the Wolfcamp formation underlying E/2 of Section31 and the E/2 of Section 6;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells and allocating the cost thereof 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, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Kaiser-Francis Oil Company

#### PROPOSED ADVERTISEMENT

Case No.	:

Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/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. 404H, 504H, and 604H, with first take points in the NW/4NE/4 of Section 31 and last take points in the SW/SE/4 of Section 6, and (ii) the Red Hills Well Nos. 406H, 505H, 506H, 606H, and 606H, with first take points in the NE/4NE/4 of Section 31 and last take points in the SE/SE/4 of Section 6. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the wells. The unit is located approximately 23-1/2 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. 21464

#### SELF-AFFIRMED STATEMENT OF DAVID V. HAMILTON

David V. Hamilton, being duly sworn upon his oath, deposes and states:

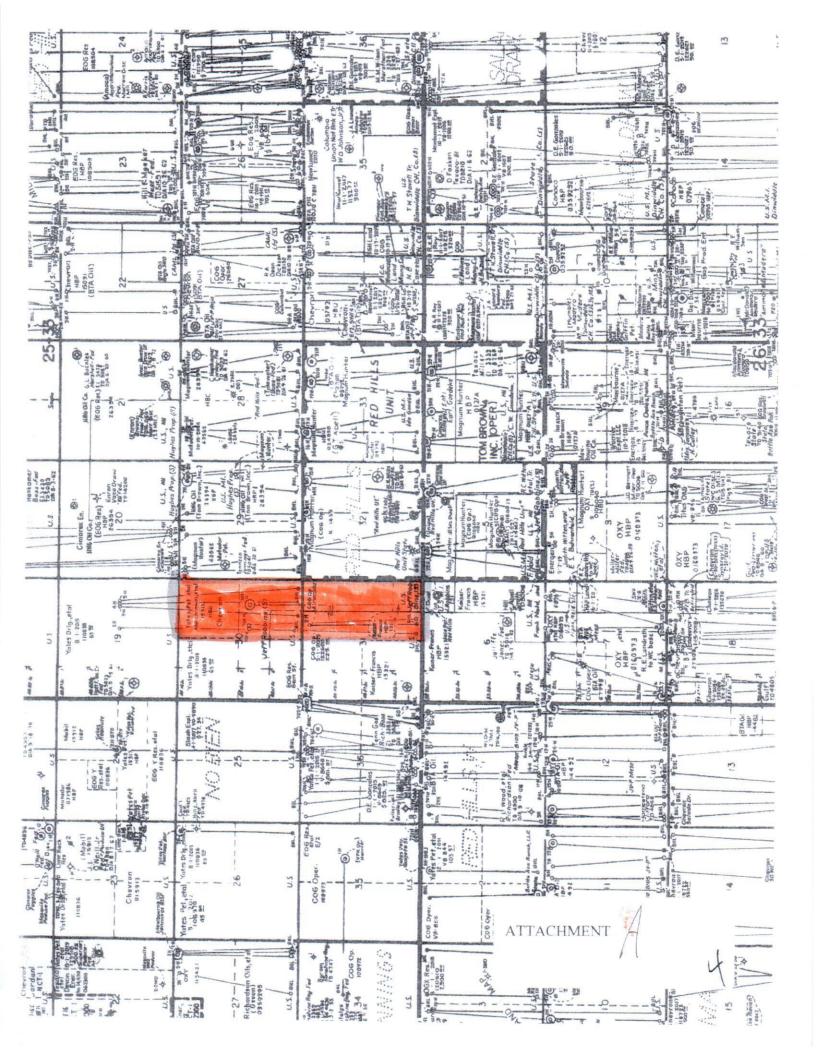
- 1. I am a landman for Kaiser-Francis Oil Company ("KFOC"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
- 2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application:
  - (a) The purpose of this application is to force pool working interest owners into the 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 wells, but has simply failed to voluntarily commit their interests to the well unit. All interest owners are locatable.
  - (c) Attachment A is a Midland Map Co. plat outlining the unit being pooled. KFOC seeks an order pooling the Wolfcamp formation underlying a proximity tract horizontal spacing unit comprised of the of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2 of Section 6, Township 26 South, Range 33 East, N.M.P.M.
  - (d) Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:
    - (i) The Red Hills Well Nos. 404H, 504H and 604H, with first take points in the NW/4NE/4 of Section 31 and final take points in the SW/4SE/4 of Section 6; and
    - (ii) The Red Hills Well Nos. 406H, 505H, 506H, and 606H, with first take points in the NE/4NE/4 of Section 31 and final take points in the SE/4SE/4 of Section 6.

Forms C-102 for the wells are Attachment B.

- (e) There is no depth severance in the Wolfcamp formation.
- (f) The parties in the well unit and their total percentage interests in the well unit are set forth in **Attachment C**. Attachment C also contains sample proposal letters for the subject wells.
- (g) KFOC has been in contact with the interest owners in these wells, by mail, e-mail, and telephone calls, for over a year, and has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells. It continues to seek their voluntary joinder. If the pooled parties subsequently voluntarily commit their interest to the wells, KFOC will notify the Division.
- (h) No overriding royalty owners in the well unit need to be pooled.
- (i) Attachment D 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 \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to rates charged by other operators for wells of this type in this area 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 200% risk charge be assessed against a non-consenting working interest owner for the cost of drilling, completing, and equipping the wells.
- (l) KFOC requests that it be designated operator of the wells.
- (m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.
- 3. 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 2(n) 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: 10/6/2020

David V Hamilton



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

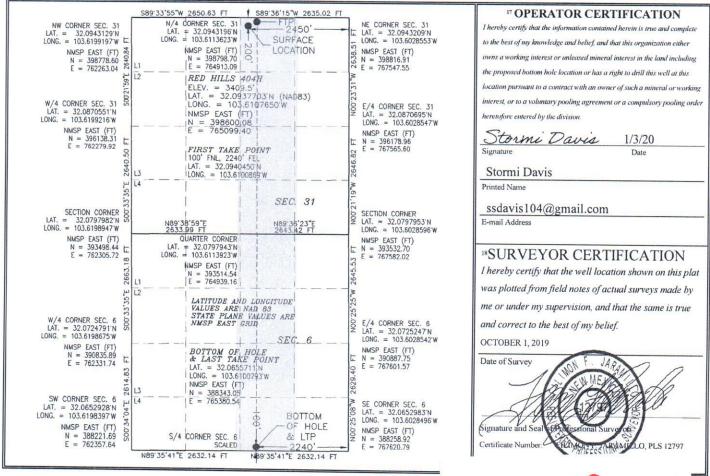
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	025- 47	r 037		98158		WC-025	<sup>3</sup> Pool Na 5 G-09 S253236	me A; Upper Wolfc	amp
<sup>4</sup> Property (	Code				5 Property RED HILLS I				<sup>6</sup> Well Number 404H
<sup>7</sup> OGRID 1 12361				KA	8 Operator				<sup>9</sup> Elevation 3409.5
					10 Surface	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

B 25 S 33 E 31 200 NORTH 2450 EAST LEA 11 Bottom Hole Location If Different From Surface UL or lot no. Section Range Township Lot Idn Feet from the North/South line Feet from the East/West line County 26 S 33 E 100 SOUTH 2240 **EAST** LEA 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 320





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

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

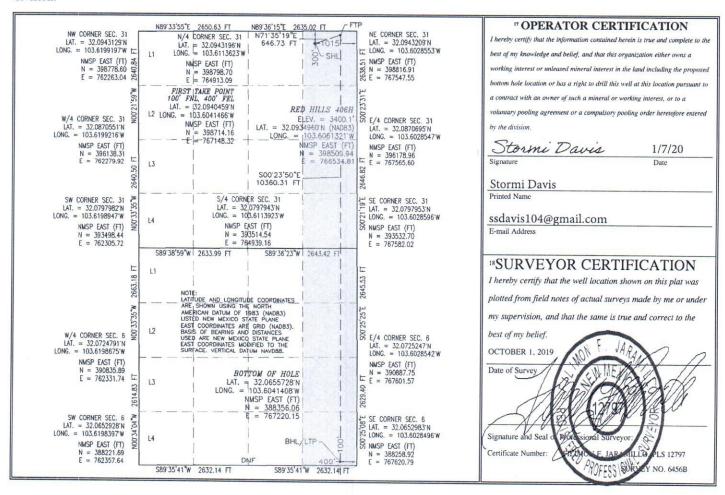
☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Na	ame			
30-025- 47039	98158	WC-025 G-09 S253236A; Upper Wolfcamp				
<sup>4</sup> Property Code	<sup>5</sup> Prop	erty Name	<sup>6</sup> Well Number			
5467	RED	RED HILLS FEDERAL				
OGRID No.	8 Oper	ator Name	° Elevation			
12361	KAISER-FRA	ANCIS OIL CO.	3400.1			

Surface Location

UL or lot no.	Section 31	Township 25 S	Range 33 E	Lot Idn	Feet from the 300	North/South line NORTH	Feet from the 1015	East/West line EAST	County
			" B	ottom He	ole Location	If Different Fr	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	26 S	33 E		100	SOUTH	400	EAST	LEA
12 Dedicated Acre	s 13 Joint	or Infill 14	Consolidation	Code			15 Order No.		
320									



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

State of New Mexico

Form C-102

Revised August 1, 2011

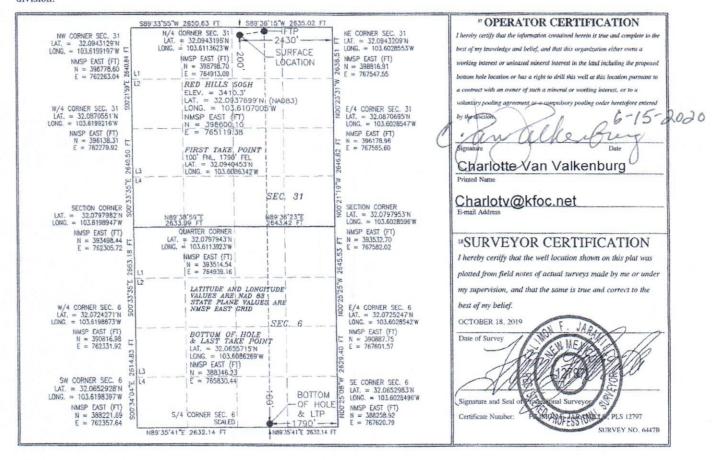
OIL CONSERVATION DIVISION OCD - HOB Submit one copy to appropriate Energy, Minerals & Natural Resources Department

06/15/2020 1220 South St. Francis Dr. RECEIVED Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number	r		<sup>2</sup> Pool Code			³ Pool Na	me	
30-025-4	7031			97994	W	C-025 G-06 S	S253329D I	Upper Bo	one Spring
Property 6	Code				Froperty RED HI	Name			Well Number 505H
'OGRID 1 12361				KA	Operator ISER-FRANC		<sup>9</sup> Elevation 3410.3		
					" Surface	Location			
UL or lot no.	Section 31	Township 25 S	Range 33 E	Lot Idn	Feet from the 200	North/South line NORTH	Feet from the 2430	East/West I	
	All Market and All Ma		" Be	ottom Ho	ole Location	If Different Fr	om Surface		
UL or lot no.	Section 6	Township 26 S	Range 33 E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 1790	East/West	1
Dedicated Acre	es 13 Joint	or Infill 14 (	Consolidation	Code		L	15 Order No.		



## State of New Mexico

Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr. 1200

Santa Fe, NM 87505

Santa Fe, NM 87505

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

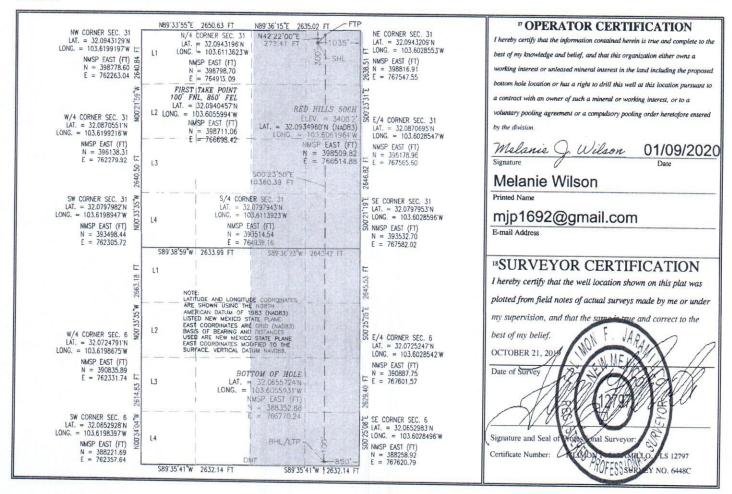
☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025 -47189	<sup>2</sup> Pool Code 98158	³ Pool N WC-025 G-08 S253236A;	
Property Code 5467		Property Name ED HILLS FEDERAL	<sup>6</sup> Well Number <b>506</b> H
OGRID No. 12361		Operator Name FRANCIS OIL CO.	<sup>9</sup> Elevation 3400.2

Surface Location

UL or lot no.	Section 31	Township 25 S	Range 33 E	Lot Idn	Feet from the 300	North/South line NORTH	Feet from the 1035	East/West line EAST	County
			" B	ottom He	ole Location	If Different Fr	om Surface		
UL or lot no.	Section 6	Township 26 S	Range 33 E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 850	East/West line EAST	County
Dedicated Acres	13 Joint	or Infill 14	Consolidation	Code		1	15 Order No.		



#### State of New Mexico

Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

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

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AMENDED REPORT

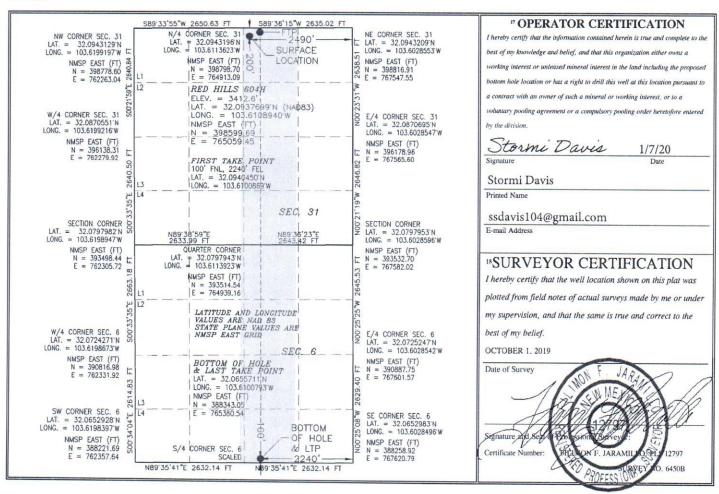
District Office

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name		
30-025- 47190	0-025- 47190 98158 WC-025 G-09 S253236A; Up			
Property Code 5467	<sup>5</sup> Propert RED F	y Name IILLS FEDERAL	604H	
OGRID No.	* Operato	or Name	<sup>9</sup> Elevation	
12361	KAISER-FRAM	NCIS OIL CO.	3412.6	

<sup>10</sup> Surface Location

I	~ .				(00,000,000,000,000,000,000,000,000,000	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	31	25 S	33 E		200	NORTH	2490	EAST	LEA
			" Be	ottom Ho	ole Location	If Different Fr	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	6	26 S	33 E		100	SOUTH	2240	EAST	LEA
12 Dedicated Acres	Joint 13	or Infill 14	Consolidation	Code			15 Order No.		
320									



#### State of New Mexico

Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

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

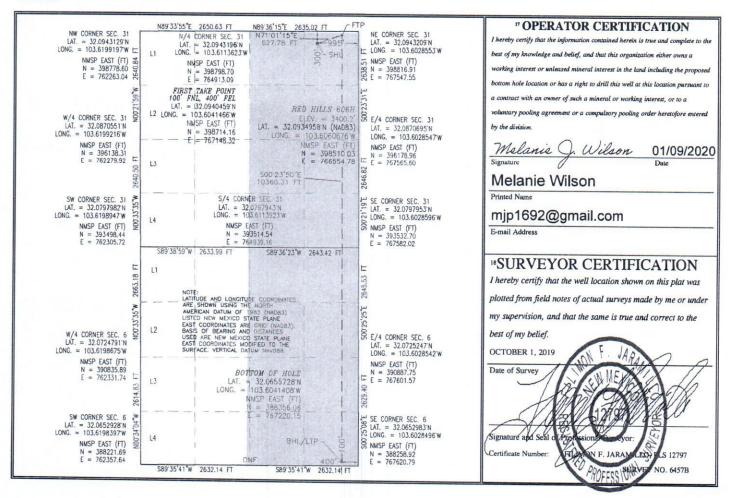
ON OCD - HOBBS 05|15|2020 RECEIVED Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Numbe 025- 47		98	<sup>2</sup> Pool Code 8158		;WC-025 G-0	<sup>3</sup> Pool Na 8 S253236A;		CAMP	
Property 0	formation in the				s Property RED HI	Name			Well Number 606H	
<sup>7</sup> OGRID 1 12361				KA	CONTRACTOR OF THE PARTY OF THE	Operator Name FRANCIS OIL CO.			Selevation 3400.2	
					* Surface	e 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 995 EAST 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 County 26 S 33 E 100 SOUTH 400 EAST LEA 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code Order No. 640



Kaiser-Francis Oil Company

77.187500%

Atlas OBO Energy, LP

0.937500%

COG Operating LLC

20.781250%

Concho Oil & Gas, LLC

1.093750%

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 404H E/2 of Section 31-25S-33E and E/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 12,250' TVD / 22,910' TMD Wolfcamp XY Formation test well. FTP 100' FSL and 2,240' FEL of Section 6-26S-33E and 1.TP 100' FNL and 2,240' FEL of Section 31-25S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,560,086 initial drilling costs and \$11,441,366 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

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 406H E/2 of Section 31-25S-33E and E/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 12,250' TVD / 22,910' TMD Wolfcamp XY Formation test well. FTP 100' FSL and 400' FEL of Section 6-26S-33E and LTP 100' FNL and 400' FEL of Section 31-25S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,560,086 initial drilling costs and \$11,432,966 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

6733 South Yale Avenue, 74136 (918) 494-00(x)

September 19, 2019

Sent by Certified Mail

P. O. BOX 21468

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

Red Hills 505H

E/2 of Section 31-25S-33E and E/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 12,500' TVD / 23,160' TMD Wolfcamp A Formation test well. FTP 100' FSL and 1,790' FEL of Section 6-26S-33E and LTP 100' FNL and 1,790' FEL of Section 31-25S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,565,836 initial drilling costs and \$11,429,371 total well costs for a completed Costs are estimated to be \$4,505,650 initial ording costs and \$11,425,571 total well costs its a competent 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,

helocher Michael D. Maxey

6733 South Vale 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

Day

Red Hills 506H E/2 of Section 31-25S-33E and E/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 12,500' TVD /23,160' TMD Wolfcamp A Formation test well. FTP 100' FSL and 850' FEL of Section 6-26S-33E and LTP 100' FNL and 850' FEL of Section 31-25S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,565,836 initial drilling costs and \$11,413,621 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

TULSA, OKLAHOMA 74121-1408

6733 Sorah 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

Ra

Red Hills 604H E/2 of Section 31-25S-33E and E/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 12,800' TVD / 23,460' TMD Wolfcamp B Formation test well. FTP 100' FSL and 2,240' FEL of Section 6-26S-33E and LTP 100' FNL and 2,240' FEL of Section 31-25S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,572,736 initial drilling costs and \$11,450,866 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

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 605H E/2 of Section 31-25S-33E and E/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 12,800° TVD / 23,460° TMD Wolfcamp B Formation test well. FTP 100° FSL and 1,320° FEL of Section 6-26S-33E and LTP 100° FNL and 1,320° FEL of Section 31-25S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,572,736 initial drilling costs and \$11,453,753 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

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 606H

E/2 of Section 31-25S-33E and E/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 12,800° TVD / 23,460° TMD Wolfcamp B Formation test well. FTP 100° FSL and 400° FEL of Section 6-26S-33E and LTP 100° FNL and 400° FEL of Section 31-25S-33E, all in Lea Co., NM.

Costs are estimated to be \$4,572,736 initial drilling costs and \$11,453,753 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

Operator:	Kaiser-Francis Oil Company Authority for expenditure		Date:	7/16/2020	
Well Name:	Red Hills 404H		Field:	7/16/2020 Red Hills	
Prospect:	Red Hills		County / Psh	Lea	
Location: Depth:	FTP: 100' FNL & 1800' FEL of S31 T255 R33E, BHL: 100' FSL & 1800' FEL S6 T265 R33E		State:	New Mexico	
Horizon:	22500 MD 12250 TVD Wolfcamp		Preparer:	CJ/DZ/JC/RS/B	н
Objective:	Drill and complete a 9800' lateral Wolfcamp well				
JIB Code	Intangible Drilling and Completion Costs	Orlling	Completion	T 51/51	
500/600	Location / Road Expense / Frac Pit Construction	\$62,500	Completion \$14,000	\$36,000	Total \$112,500
501/***	Cond, Rat Hole, Mouse Hole Services	\$35,000	724,000	330,000	\$35,000
502/602	Location Damages	\$20,000			\$20,000
503/603	Environmental, Regulatory, and Permitting	\$30,000			\$30,000
504/604	Turnkey Completion Rig		\$8,000		\$8,000
	Footage ® per foot  Daywork 27 days at \$10.500				\$0
505/605	Daywork 27 days at \$19,500 Coiled Tubing & Related Services	\$526,500			\$526,500
506/606	Rig Mob / Demob	\$61,200	\$84,000		\$84,000
507/***	Directional Drilling Services	\$397,800		-	\$61,200
508/608	Bits & Reamers	\$122,500		_	\$387,800
510/610	Fuel/Power	\$189,000		_	\$189,000
512/612	Drilling Water / Completion Fluid	\$60,000	\$611,250	+	\$671,250
514/614	Mud & Chemicals	\$175,000	\$35,000	-	\$210,000
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$240,000	\$20,000		\$260,000
516/616	Surface Equipment Rental / Inspection	\$296,080	\$142,265		\$438,345
517/617	Downhole Equipment Rental / Inspection	\$254,000	\$39,500		\$293,500
520/***	Transportation & Loading DST, Coring & Analysis	\$65,000	\$50,000		\$115,000
521/621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs				50
522/622	OH Logs / CH Logs / Perforating / Slickline		\$56,000		\$56,000
523/***	Mud Logging / Geosteering / LWD	\$32,400	\$5,000		\$5,000
524/624	Cementing & Squeezing	\$32,400	+	-	\$32,400
526/626	Casing Crews & Equipment	\$88,500	-		\$208,000
528/628	Plug & Abandon	\$00,500			\$0
***/630	Stimulation		\$2,382,429		\$2,382,429
532/632	Geological & Engineering				\$0
534/634 536/636	Supervision	\$119,000	\$46,500		\$165,500
538/638	Miscellaneous Contract Labor Prof. Fees & Abstracts	\$55,000	\$48,000	\$45,000	\$148,000
541/641	Liability Insurance / Bonds	\$10,000			\$10,000
542/642	Drilling Overhead / Competion Overhead	631.600	44.544		\$0
544/644	Miscellaneous & Unforeseen	\$21,600 \$247,900	\$5,250	4	\$26,850
	Total Intangible Drilling & Completion	\$3,306,980	\$177,360	\$4,050	\$429,310 \$7,116,584
JIB Code	Tangible Well and Lease Equipment Costs				\$7,110,384
700	Conductor	Drilling	Completion	Eqpt/Const	Total
701	Surface Casing 13-3/8" 48.0# J-55 STC 1350	\$63,868			\$0
702	Intermediate Casing 10 3/4" 40.50# J-55 STC 5200	\$222,204		-	\$63,868
702	Intermediate Casing 7-5/8" 29.7# P-110 BTC 11000	\$253,420			\$222,204
704	Drilling Liner (BCP)	9200,420		_	\$253,420
703	Production Liner (ACP)				\$0
706	Production Casing (ACP) 5-1/2" P110 HP 23# SFH Eagle 23300	\$633,054			
710	Tubing 2-7/8" 6.5# L-80 EUE COPAS 12000	2033,034			5633.054
721/720		7033,034	\$71,160		\$633,054 \$71,160
	Wellhead Equip. BCP/ACP	\$45,000	\$71,160 \$40,000		\$633,054 \$71,160 \$85,000
724	Wellhead Equip. BCP/ACP Packers & Downhole Equipment				\$71,160
724 726 737	Wellhead Equip. 8CP/ACP Packers & Downhole Equipment Rods & Pumps		\$40,000		\$71,160 \$85,000 \$20,000 \$0
726	Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline		\$40,000	\$40,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000
726 737 738 747	Wellhead Equip. 8CP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves		\$40,000	\$30,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000
726 737 738 747 752	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways		\$40,000	\$30,000 \$35,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000
726 737 738 747 752 765	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Heaters / Treaters / Separator / VRU		\$40,000	\$30,000 \$35,000 \$70,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000
726 737 738 747 752 765 768	Wellhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Volves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor		\$40,000	\$30,000 \$35,000 \$70,000 \$55,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000
726 737 738 747 752 765 768 770	Weilhead 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 LITH / Compressor Gas Sales Unit / Dehy / Une Heater / Fiare		\$40,000	\$30,000 \$35,000 \$70,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000
726 737 738 747 752 765 768 770 775/774	Weilhead 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 Unif / Deby / Une Heater / Flare Tranportation and Freight BCP/ACP	\$45,000	\$40,000	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une Heater / Fiare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP	\$45,000	\$40,000 \$20,000 \$20,000 \$2,000 \$5,000	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000
726 737 738 747 752 765 768 770 775/774	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial LIT / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP	\$45,000 \$45,000 \$24,000 \$60,849	\$40,000 \$20,000 \$2,000 \$5,000 \$6,908	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead 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 / Une Heater / Fiare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment	\$45,000	\$40,000 \$20,000 \$20,000 \$2,000 \$5,000	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$70,000 \$75,000 \$40,000 \$40,000 \$40,000 \$42,000 \$29,000
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead 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 / Une Heater / Fiare 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	\$45,000 \$45,000 \$24,000 \$60,849	\$40,000 \$20,000 \$2,000 \$5,000 \$6,908	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead 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 / Une Heater / Fiare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$2,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Volves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Weil and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$2,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead 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 / Fiare 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 Sanford (918) 491-4201	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$2,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Volves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Weil and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$2,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Volves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une Heater / Fiare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Weil and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$2,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead 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 / Une Heater / Fiare 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$2,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead 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 / Une Heater / Fiare 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Une Heater / Fiare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial LIft / Compressor Gas Sales Unit / Dehy / Une Heater / Fiare 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  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Une Heater / Fiare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 RAPPROVAL	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,00
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 RAPPROVAL	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,00
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une Heater / Fiare 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  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,00
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Line Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Une 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,00
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valives Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Une Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  **KFOC APPROVALS**  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,000 \$40,000 \$5,00
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial LIft / Compressor Gas Sales Unit / Dehy / Une Heater / Fiare 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4658	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial LIT / Compressor Gas Sales Unit / Dehy / Une 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4658 Asset Manager	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$5,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774 777/776	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial LIft / Compressor Gas Sales Unit / Dehy / Une Heater / Fiare 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  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4658 Asset Manager Tom Redman (918) 491-4201	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$96,257 \$1,790,963
726 737 738 747 752 765 768 770 775/774	Weilhead Equip. BCP/ACP Packers & Downhole Equipment Rods & Pumps Une Pipe / Fittings / Pipeline Automation/SCADA/Misc Electrical Equipment Valves Tanks & Waltways Heaters / Treaters / Separator / VRU Artificial LIT / Compressor Gas Sales Unit / Dehy / Une 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 Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4658 Asset Manager	\$45,000 \$24,000 \$60,849 \$1,302,395	\$40,000 \$20,000 \$20,000 \$5,000 \$6,908 \$145,068 \$3,869,622 PARTNEI	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000 \$28,500 \$343,500 \$428,550 \$428,550	\$71,160 \$85,000 \$20,000 \$0 \$40,000 \$35,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$5,000 \$42,000 \$42,000 \$42,000 \$42,000 \$42,000 \$42,000 \$42,000



Well Name:	Kalser-Francis Oil Company Red Hills 406H		Date:	7/16/2020	
rospect:	Red Hills		Field:	Red Hills	
cation:	FTP: 100' FNL & 850' FEL of S31 T255 R33E, BHL: 100' FSL & 850' FEL S6 T265 R33E		County / Psh	Lea	
oth:	22500 MD 12250 TVD		State:	New Mexico	
orizon:	Wolfcamp		Preparer:	CJ / DZ / JC / RS / B	н
bjective:	Drill and complete a 9800' lateral Wolfcamp well				
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	\$62,500	\$14,000	\$36,000	\$112,500
502/602	Location Damages	\$35,000			\$35,000
503/603	Environmental, Regulatory, and Permitting	\$20,000			\$20,000
504/604	Turnkey Completion Rig	\$30,000			\$30,000
,	Footage @ per foot		\$8,000		\$8,000
	Daywork 27 1	444444			\$0
505/605	Colled Tubing & Related Services \$19,500	\$526,500			\$526,500
506/606	Rig Mob / Demob	\$61,200	\$84,000		\$84,000
507/***	Directional Drilling Services	\$387,800	-		\$61,200
508/608	Bits & Reamers	\$122,500	-		\$387,800 \$122,500
510/610	Fuel/Power	\$189,000			\$189,000
512/612	Drilling Water / Completion Fluid	\$60,000	\$611,250		\$671,250
515/615	Mud & Chemicals Closed Loop System (Advid & Constant System)	\$175,000	\$35,000		\$210,000
516/616	Closed Loop System / Mud & Cuttings Disposal / SWD Surface Equipment Rental / Inspection	\$240,000	\$20,000		\$260,000
517/617	Downhole Equipment Rental / Inspection	\$296,080	\$142,265		\$438,345
518/618	Transportation & Loading	\$254,000	\$39,500		\$293,500
520/***	DST, Coring & Analysis	\$65,000	\$50,000		\$115,000
521/621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs		\$56,000		\$0
522/622	OH Logs / CH Logs / Perforating / Slickline		\$56,000		\$56,000
523/***	Mud Logging / Geosteering / LWD	\$32,400	33,000		\$5,000
524/624	Cementing & Squeezing	\$208,000	-		\$32,400
526/626	Casing Crews & Equipment	\$88,500			\$88,500
528/628 ***/630	Plug & Abandon				\$88,500
532/632	Stimulation Geological & Engineering		\$2,382,429		\$2,382,429
534/634	Supervision				\$0
536/636	Miscellaneous Contract Labor	\$119,000	\$46,500		\$165,500
538/638	Prof. Fees & Abstracts	\$55,000 \$10,000	\$48,000	\$45,000	\$148,000
541/641	Liability Insurance / Bonds	\$10,000		-	\$10,000
542/642	Drilling Overhead / Competion Overhead	\$21,600	¢5.350	-	\$0
544/644	Miscellaneous & Unforeseen	\$247,900	\$5,250	41000	\$26,850
	Total Intangible Drilling & Completion	\$3,306,980	\$3,724,554	\$4,050	\$429,310
JIB Code	Tangible Well and Lease Equipment Costs				\$7,116,584
700	Conductor	Drilling	Completion	Eqpt/Const	Total
701	Surface Casing 13-3/8" 48.0# J-55 STC 1350	\$63,868			50
702	Intermediate Casing 10 3/4" 40.50# J-55 STC 5200	\$222,204	-	-	\$63,868
702	Intermediate Casing 7-5/8" 29.7# P-110 BTC 11000	\$253,420	-	-	\$222,204
704	Drilling Liner (BCP)	7.50,10			\$253,420 \$0
703 706	Production Liner (ACP)			<del> </del>	\$0
710	Production Casing (ACP) 5-1/2" P110 HP 23# SFH Eagle 23300	\$633,054			5633,054
721/720	Tubing 2-7/8" 6.5# L-80 EUE COPAS 12000 Wellhead Equip. BCP/ACP		\$71,160		\$71,160
724	Packers & Downhole Equipment	\$45,000	\$40,000		\$85,000
726	Rods & Pumps		\$20,000		\$20,000
737	Line Pipe / Fittings / Pipeline				\$0
738	Automation/SCADA/Misc Electrical Equipment			\$40,000	\$40,000
747	Valves			\$30,000	\$30,000
752	Tanks & Walkways			\$35,000	\$35,000
765	Heaters / Treaters / Separator / VRU			\$70,000 \$55,000	\$70,000
768	Artificial Lift / Compressor			\$40,000	\$55,000 \$40,000
770	Gas Sales Unit / Dehy / Line Heater / Flare			\$5,000	\$5,000
775/774	Tranportation and Freight BCP/ACP Inspect/Test Tubulars BCP/ACP		\$2,000	\$40,000	\$42,000
779/778	Non-Controllable Equipment BCP/ACP	\$24,000	\$5,000		\$29,000
	Total Well and Lease Equipment	\$60,849	\$6,908	\$28,500	\$96,257
		\$1,302,395	\$145,068	\$343,500	\$1,790,963
	Total Drilling and Completion Cost	\$4,609,375	\$3,869,622	\$428,550	\$8,907,547
	KFOC APPROVALS			APPROVAL	
	Robert Sanford (918) 491-4201 Drilling				
	Jake Crissup (918) 491-4685 Completion		Signa	ture	
	David Hamilton (832) 428-2460		Printed		
	Chris Miller (918) 491-4443 Geology				
	Blake Humphries (918) 491-4455 Reservoir		Posi		н
	Reservoir				
	Mike Raines (918) 491-4658 Asset Manager		Comp	,	

Well Name:	Kaiser-Francis Oil Company Red Hills 504H		Date:	7/16/2020	
Prospect:	Red Hills		Field:	Red Hills	
Location:	FTP: 100' FNL & 2290' FEL of \$31 T255 R33E, BHL: 100' FSL & 2290' FEL 56 T265 R33E		County / Psh	Lea	
Depth:	22725 MD 12475 TVD		State:	New Mexico	
Horizon:	Wolfcamp		Preparer:	CI/DZ/JC/RS/E	зн
Objective:	Drill and complete a 9800' lateral Wolfcamp well				
JIB Code 500/600	Intangible Drilling and Completion Costs	Drilling	Completion	Eqpt/Const	
501/***	Location / Road Expense / Frac Pit Construction Cond. Rat Hole, Mouse Hole Services	\$62,500	\$14,000	\$36,000	Total \$112,500
502/602	Location Damages	\$35,000		750,000	\$35,000
503/603	Environmental, Regulatory, and Permitting	\$20,000			\$20,000
504/604	Turnkey Completion Rig	\$30,000			\$30,000
	Footage @ per foot		\$8,000		\$8,000
	Daywork				\$0
505/605	Coiled Tubing & Related Services \$19,500	\$526,500			\$526,500
506/606	Rig Mob / Demob	CC1 200	\$84,000		\$84,000
507/***	Directional Drilling Services	\$61,200			\$61,200
508/608	Bits & Reamers	\$122,500			\$387,800
512/612	Fuel/Power	\$189,000			\$122,500 \$189,000
514/614	Drilling Water / Completion Fluid Mud & Chemicals	\$60,000	\$611,250		\$671,250
515/615		\$175,000	\$35,000		\$210,000
516/616	Closed Loop System / Mud & Cuttings Disposal / SWD Surface Equipment Rental / Inspection	\$240,000	\$20,000		\$260,000
517/617	Downhole Equipment Rental / Inspection	\$296,080	\$142,265		\$438,345
518/618	Transportation & Loading	\$254,000	\$39,500		\$293,500
520/***	DST, Coring & Analysis	\$65,000	\$50,000		\$115,000
521 /621	Downhole tools: Whipstocks, Liner Hangers, Frac Plues		-		\$0
522/622	OH Logs / CH Logs / Perforating / Slickline		\$56,000		\$56,000
523/***	Mud Logging / Geosteering / LWD	622.400	\$5,000		\$5,000
524/624	Cementing & Squeezing	\$32,400	-	-	\$32,400
526/626	Casing Crews & Equipment	\$88,500	-	-	\$208,000
528/628 ***/630	Plug & Abandon	755,500			\$88,500
532/632	Stimulation		\$2,382,429		\$0 \$2,382,429
534/634	Geological & Engineering Supervision		1-1-0-1		\$0
536/636	Miscellaneous Contract Labor	\$119,000	\$46,500		\$165,500
538/638	Prof. Fees & Abstracts	\$55,000	\$48,000	\$45,000	\$148,000
541/641	Uability Insurance / Bonds	\$10,000			\$10,000
542/642	Drilling Overhead / Competion Overhead				\$0
544/644	Miscellaneous & Unforeseen	\$21,600	\$5,250		\$26,850
	Total Intangible Drilling & Completion	\$247,900	\$177,360	\$4,050	\$429,310
JIB Code		\$3,306,980	\$3,724,554	\$85,050	\$7,116,584
700	Tangible Well and Lease Equipment Costs Conductor	Drilling	Completion	Eqpt/Const	Total
701	Surface Cacing				\$0
702	Intermediate Carina	\$63,868			\$63,868
702	10 3/4" 40.50# J-55 STC   5200	\$222,204			\$222,204
704	Drilling Liner (BCP)	\$253,420	-		\$253,420
703	Production Liner (ACP)		-		\$0
706	Production Casing (ACP) 5-1/2" P110 HP 23# SFH Eagle 23300	\$633,054	+		\$0
710	Tubing 2-7/8" 6.5# L-80 FUE COPAS 12000	2033,034	\$71,160		\$633,054
721/720	Wellhead Equip. BCP/ACP	\$45,000	\$40,000		\$71,160
726	Packers & Downhole Equipment	7.2,000	\$20,000		\$85,000
737	Rods & Pumps		710,000		\$20,000
738	Line Pipe / Fittings / Pipeline				
130	Automoria - (CADA (AA)			\$40,000	
747	Automation/SCADA/Misc Electrical Equipment			\$40,000 \$30,000	\$40,000
747 752	Valves			\$40,000 \$30,000 \$35,000	\$40,000 \$30,000
747 752 765	Valves Tanks & Walkways			\$30,000	\$40,000
752 765 768	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor			\$30,000 \$35,000 \$70,000 \$55,000	\$40,000 \$30,000 \$35,000
752 765 768 770	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare			\$30,000 \$35,000 \$70,000 \$55,000 \$40,000	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000
752 765 768 770 775/774	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor		A.	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight 8 CP/ACP Inspect/Test Yobulars 8 CP/ACP	Cham	\$2,000	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight 8CP/ACP Inspect/Test Tubulars 8CP/ACP Non-Controllable Equipment 8CP/ACP	\$24,000	\$5,000	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$40,000	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight 8 CP/ACP Inspect/Test Yobulars 8 CP/ACP	\$60,849	\$5,000 \$6,908	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight & CP/ACP Inspect/Test Tubulars & CP/ACP Non-Controllable Equipment & CP/ACP Total Well and Lease Equipment	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight BCP/ACP Inspect/Test Yubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost	\$60,849	\$5,000 \$6,908	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight & CP/ACP Inspect/Test Tubulars & CP/ACP Non-Controllable Equipment & CP/ACP Total Well and Lease Equipment	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight 8CP/ACP Inspect/Test Tubulars 8CP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars BCP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight 8CP/ACP Inspect/Test Tubulars 8CP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight & CP/ACP Inspect/Test Tubulars & CP/ACP Non-Controllable Equipment & CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight & CP/ACP Inspect/Test Tubulars & CP/ACP Non-Controllable Equipment & CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tanks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Dehy / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion  David Hamilton (832) 428-2460 Land	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$28,500 \$343,500 \$428,550	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 \$428,550	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 \$428,550	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER Signat	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 APPROVAL	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit/ Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 APPROVAL	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER Signat	\$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 APPROVAL	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit/ Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER. Signat Printed I	\$30,000 \$33,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 APPROVAL	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and reight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4558 Asset Manager	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER Signat	\$30,000 \$33,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 APPROVAL	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Salest Unit / Deby / Line Heater / Flare Tranportation and Freight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment BCP/ACP Total Well and Lease Equipment Total Drilling and Completion Cost  RFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4658 Asset Manager Tom Redman (918) 491-4201	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER. Signat Printed I	\$30,000 \$33,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 APPROVAL	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$5,000 \$42,000 \$29,000 \$96,257 \$1,790,963
752 765 768 770 775/774 777/776	Valves Tranks & Walkways Heaters / Treaters / Separator / VRU Artificial Lift / Compressor Gas Sales Unit / Deby / Line Heater / Flare Tranportation and reight &CP/ACP Inspect/Test Tubulars &CP/ACP Non-Controllable Equipment &CP/ACP Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology Blake Humphries (918) 491-4455 Reservoir Mike Raines (918) 491-4558 Asset Manager	\$60,849 \$1,302,395	\$5,000 \$6,908 \$145,068 \$3,869,622 PARTNER. Signat Printed I	\$30,000 \$33,000 \$70,000 \$55,000 \$40,000 \$40,000 \$40,000 \$343,500 \$428,550 APPROVAL	\$40,000 \$30,000 \$35,000 \$70,000 \$55,000 \$40,000 \$42,000 \$29,000 \$96,257 \$1,790,963

Ils 505H  Ils  For FAL & 1300' FEL of \$317255 R33E, BHL: 100' F5L & 1300' FEL 56 7265 R33E  22725 MD 12475 TVD  Interpolation of the process	Drilling \$62,500 \$35,000 \$30,000 \$30,000 \$526,500 \$61,200 \$387,800 \$112,500 \$189,000 \$240,000 \$240,000 \$254,000 \$65,000 \$32,40	Field: County / Psh State: Preparer:  Completion \$14,000  \$84,000  \$84,000  \$611,250  \$33,000  \$20,000  \$142,265  \$39,500  \$50,000  \$56,000  \$55,000	7/16/2020 Red Hills Lea New Mexico CJ / DZ / JC / RS / Bi Eqpt/Const \$36,000	H Total \$112,500 \$35,000 \$30,000 \$3,000 \$4,000 \$520,000 \$520,500 \$54,000 \$512,500 \$189,000 \$122,500 \$189,000 \$212,500 \$212,500 \$212,500 \$212,500 \$212,500
10° FNL & 1300° FEL Of 531 T255 R33C, BHL: 100° F5L & 1300° FEL 56 T265 R33E 22725 MD 12475 TVD  Imp  d complete a 9800° lateral Wolfcamp well Intangible Drilling and Completion Costs  In / Road Expense / Frac Pit Construction  Rat Hole, Mouse Hole Services  In Damages  In Damages  In Oamages	\$62,500 \$35,000 \$20,000 \$30,000 \$526,500 \$526,500 \$61,200 \$387,800 \$112,500 \$112,500 \$60,000 \$175,000 \$240,000 \$254,000 \$65,000	State: Preparer:  Completion \$14,000  \$8,000  \$84,000  \$611,250  \$35,000  \$20,000  \$142,265  \$39,500  \$50,000  \$56,000	New Mexico CJ / DZ / JC / RS / Bi  Eqpt/Const	Total 5112,500 535,000 530,000 530,000 550,000 550 550,000 550 550,000 550 55
22725 MD 12475 TVD  mp  d complete a 9800' lateral Wolfcamp well Intangible Drilling and Completion Costs  in / Road Expense / Frac Pit Construction  Rat Hole, Mouse Hole Services  in Damages  morental, Regulatory, and Permitting  y Completion Rig  e @ per foot  rk 27 days at \$19,500  Tubing & Related Services  b / Demob  noal Drilling Services  Reamers  wwer  Water / Completion Fluid  Chemicals  Loop System / Mud & Cuttings Disposal / SWD  E quipment Rental / Inspection  ole Equipment Rental / Inspection  ole Equipment Rental / Inspection  ortation & Loading  pring & Analysis  ole tools: Whipstocks, Liner Hangers, Frac Plugs  s / CH Logs / Perforating / Slickline  ogging / Geosteering / LWD  ting & Squeezing  Crews & Equipment  Abandon  titon	\$62,500 \$35,000 \$20,000 \$30,000 \$526,500 \$526,500 \$61,200 \$387,800 \$112,500 \$112,500 \$60,000 \$175,000 \$240,000 \$254,000 \$65,000	Preparer:  Completion \$14,000  \$8,000  \$84,000  \$611,250 \$35,000 \$214,0265 \$39,500 \$50,000 \$56,000	CJ / DZ / JC / RS / B	Total 5112,500 535,000 530,000 530,000 550,000 550 550,000 550 550,000 550 55
Intangible Drilling and Completion Costs  Interpretation of Completion Rig  Interpretation of Completion Rig  Interpretation Rig  Interpretation Rig  Interpretation Completion Rig  Interpretation Rig	\$62,500 \$35,000 \$20,000 \$30,000 \$526,500 \$526,500 \$61,200 \$387,800 \$112,500 \$112,500 \$60,000 \$175,000 \$240,000 \$254,000 \$65,000	\$84,000 \$84,000 \$84,000 \$811,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000	Eqpt/Const	Total 5112,500 535,000 530,000 530,000 550,000 550 550,000 550 550,000 550 55
d complete a 9800' lateral Wolfcamp well Intangible Drilling and Completion Costs In / Road Expense / Frac Pit Construction Rat Hole, Mouse Hole Services In Damages In Damages In Damages Intended Provided Provi	\$62,500 \$35,000 \$20,000 \$30,000 \$526,500 \$526,500 \$61,200 \$387,800 \$112,500 \$112,500 \$60,000 \$175,000 \$240,000 \$254,000 \$65,000	\$8,000 \$84,000 \$84,000 \$11,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$112,500 \$35,000 \$20,000 \$30,000 \$8,000 \$0 \$526,500 \$84,000 \$61,200 \$387,800 \$122,500 \$122,500 \$671,250 \$2210,000 \$438,345
Intangible Drilling and Completion Costs  in / Road Expense / Frac Pit Construction  Rat Hole, Mouse Hole Services  In Damages  In Damages  In Damages  In Damages  In Damages  In Part Completion Rig  Y Completion Rig  Y Experience  Y Toting & Related Services  Defense  Defense  In Damages  Y State State  Y S	\$62,500 \$35,000 \$20,000 \$30,000 \$526,500 \$526,500 \$61,200 \$387,800 \$112,500 \$112,500 \$60,000 \$175,000 \$240,000 \$254,000 \$65,000	\$8,000 \$84,000 \$84,000 \$11,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$112,500 \$35,000 \$20,000 \$30,000 \$8,000 \$0 \$526,500 \$84,000 \$61,200 \$387,800 \$122,500 \$122,500 \$671,250 \$2210,000 \$438,345
In / Road Expense / Frac Pit Construction Rat Hole, Mouse Hole Services In Damages In Da	\$62,500 \$35,000 \$20,000 \$30,000 \$526,500 \$526,500 \$61,200 \$387,800 \$112,500 \$112,500 \$60,000 \$175,000 \$240,000 \$254,000 \$65,000	\$8,000 \$84,000 \$84,000 \$11,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$112,500 \$35,000 \$20,000 \$30,000 \$8,000 \$0 \$526,500 \$84,000 \$61,200 \$387,800 \$122,500 \$122,500 \$671,250 \$2210,000 \$438,345
Nat Hole, Mouse Hole Services  In Damages  Immental, Regulatory, and Permitting  Y Completion Rig  e @ per foot  rk 27 days at \$19,500  Tubing & Related Services  b / Demob  Indianal Prilling Services  Reamers  Water / Completion Fluid  Chemicals  Loop System / Mud & Cuttings Disposal / SWD  E Equipment Rental / Inspection  ole Equipment Rental / Inspection  ole Equipment Rental / Inspection  ortation & Loading  ortring & Analysis  ole tools: Whipstocks, Liner Hangers, Frac Plugs  s / CH Logs / Perforating / Slickline  oggin / Geosteering / LWD  ting & Squeezing  Crews & Equipment  Abandon  Abandon  Abandon	\$35,000 \$20,000 \$30,000 \$30,000 \$526,500 \$61,200 \$387,800 \$122,500 \$189,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000	\$84,000 \$84,000 \$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$35,000 \$20,000 \$30,000 \$0,000 \$0 \$526,500 \$84,000 \$61,200 \$387,800 \$122,500 \$189,000 \$671,250 \$210,000 \$2438,345
In Damages Imental, Regulatory, and Permitting Y Completion Riig e @ per foot rk 27 days at \$19,500 Tubing & Related Services b / Demob onal Orilling Services Reamers Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD 12 Equipment Rental / Inspection oole Equipment Rental / Inspection oortation & Loading oring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Slickline geging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon titon	\$20,000 \$30,000 \$526,500 \$61,200 \$387,800 \$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$240,000 \$245,000 \$254,000 \$65,000	\$84,000 \$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$20,000 \$30,000 \$8,000 \$0 \$526,500 \$61,200 \$1387,800 \$122,500 \$671,250 \$210,000 \$438,345
Amental, Regulatory, and Permitting  Y Completion Rig  e @ per foot  rk 27 days at \$19,500  Tubing & Related Services  b) Demob  onal Drilling Services  Reamers  Dower  Water / Completion Fluid  Chemicals  Loop System / Mud & Cuttings Disposal / SWD  E Quipment Rental / Inspection  ole Equipment Rental / Inspection  rotation & Loading  pring & Analysis  ole tools: Whipstocks, Liner Hangers, Frac Plugs  s / CH Logs / Perforating / Slickline  gging / Geosteering / LWD  ting & Squeezing  Crews & Equipment  Abandon  Abandon  titon	\$30,000 \$526,500 \$61,200 \$387,800 \$112,500 \$189,000 \$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000	\$84,000 \$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$20,000 \$30,000 \$8,000 \$0 \$526,500 \$61,200 \$1387,800 \$122,500 \$671,250 \$210,000 \$438,345
y Completion Rig e @ per foot rk 27 days at \$19,500 Tubing & Related Services b / Demob noal Orilling Services Reamers wer Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD E Equipment Rental / Inspection ole Equipment Rental / Inspection ole Equipment Rental / Inspection ortation & Loading ortraid & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs 5 / CH Logs / Perforating / Slickline geging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon Abandon	\$526,500 \$61,200 \$387,800 \$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000	\$84,000 \$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$30,000 \$8,000 \$0 \$526,500 \$61,200 \$387,800 \$122,500 \$189,000 \$671,250 \$210,000 \$438,345
e @ per foot  rk 27 days at \$19,500  Tubing & Related Services  b / Demob  onal Orilling Services  Reamers  ower  Water / Completion Fluid  Chemicals  Loop System / Mud & Cuttings Disposal / SWD  1 Equipment Rental / Inspection  oole Equipment Rental / Inspection  ootation & Loading  rring & Analysis  ole tools: Whipstocks, Liner Hangers, Frac Plugs  s / CH Logs / Perforating / Slickline  gging / Geosteering / LWD  ting & Squeezing  Crews & Equipment  Abandon  Abandon	\$61,200 \$387,800 \$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000	\$84,000 \$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$8,000 \$0 \$526,500 \$84,000 \$61,200 \$122,500 \$199,000 \$671,250 \$210,000 \$260,000 \$438,345
rk 27 days at \$19,500  Tubing & Related Services b. J Demob bonal Drilling Services b. J Demob bonal Drilling Services Reamers bower Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD 1: Equipment Rental / Inspection ole Equipment Rental / Inspection ole Equipment Rental / Inspection or Equipment Rental / Inspection or Station & Loading oring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs 5 / CH Logs / Perforating / Silickline ggging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon Abandon halon or services services when the control of the contr	\$61,200 \$387,800 \$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000	\$84,000 \$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$0 \$526,500 \$84,000 \$61,200 \$387,800 \$122,500 \$189,000 \$671,250 \$210,000 \$260,000 \$438,345
Tubing & Related Services b / Demob noal Drilling Services Reamers wwer Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD E Equipment Rental / Inspection ole Equipment Rental / Inspection ortation & Loading ortraid & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Slickline ogging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon Abandon	\$61,200 \$387,800 \$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000	\$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$526,500 \$84,000 \$61,200 \$387,800 \$122,500 \$189,000 \$671,250 \$210,000 \$260,000 \$438,345
b/ Demob noal Drilling Services Reamers Sower Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD Equipment Rental / Inspection oole Equipment Rental / Inspection oole Equipment Rental / Inspection ooritation & Loading pering & Analysis oole tools: Whipstocks, Liner Hangers, Frac Plugs ss / CH Logs / Perforating / Slickline ggging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon otton	\$387,800 \$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$240,000 \$254,000 \$65,000 \$324,000 \$65,000	\$611,250 \$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$84,000 \$61,200 \$387,800 \$122,500 \$189,000 \$671,250 \$210,000 \$260,000 \$438,345
onal Drilling Services Reamers  were Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD  Equipment Rental / Inspection ole Equipment Rental / Inspection ortation & Loading ortring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Silickline ggging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon Abandon	\$387,800 \$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$240,000 \$254,000 \$65,000 \$324,000 \$65,000	\$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$61,200 \$387,800 \$122,500 \$189,000 \$671,250 \$210,000 \$260,000 \$438,345
Reamers Dower  Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD  Equipment Rental / Inspection ole Equipment Rental / Inspection ortation & Loading ortradion & Loading ortradion & Loading string & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Slickline ogging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon Abandon	\$122,500 \$189,000 \$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000	\$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$387,800 \$122,500 \$189,000 \$671,250 \$210,000 \$260,000 \$438,345
ower Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD Equipment Rental / Inspection ole Equipment Rental / Inspection ortation & Loading pring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Slickline ggjing / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon tion	\$189,000 \$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000 \$32,400 \$208,000	\$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$122,500 \$189,000 \$671,250 \$210,000 \$260,000 \$438,345
Water / Completion Fluid Chemicals Loop System / Mud & Cuttings Disposal / SWD  Equipment Rental / Inspection olie Equipment Rental / Inspection ortation & Loading ortation & Loading ortation & Loading ortation & Hospital / Inspection ortation & Loading soring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Silickline ggging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon ortation	\$60,000 \$175,000 \$240,000 \$296,080 \$254,000 \$65,000 \$32,400 \$208,000	\$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$189,000 \$671,250 \$210,000 \$260,000 \$438,345
Chemicals  Loop System / Mud & Cuttings Disposal / SWD  Equipment Rental / Inspection  ole Equipment Rental / Inspection  rotation & Loading  string & Analysis  ole tools: Whipstocks, Liner Hangers, Frac Plugs  s / CH Logs / Perforating / Slickline  gging / Geosteering / LWD  ting & Squeezing  Crews & Equipment  Abandon  tion	\$175,000 \$240,000 \$296,080 \$254,000 \$65,000 \$32,400 \$208,000	\$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$671,250 \$210,000 \$260,000 \$438,345
Loop System / Mud & Cuttings Disposal / SWD  Equipment Rental / Inspection  ole Equipment Rental / Inspection  ortation & Loading  oring & Analysis  ole tools: Whipstocks, Liner Hangers, Frac Plugs  s / CH Logs / Perforating / Slickline  ggjing / Geosteering / LWD  ting & Squeezing  Crews & Equipment  Abandon  stion	\$240,000 \$296,080 \$254,000 \$65,000 \$32,400 \$208,000	\$35,000 \$20,000 \$142,265 \$39,500 \$50,000		\$210,000 \$260,000 \$438,345
Equipment Rental / Inspection ole Equipment Rental / Inspection oritation & Loading oring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Slickline ggging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon otton	\$240,000 \$296,080 \$254,000 \$65,000 \$32,400 \$208,000	\$20,000 \$142,265 \$39,500 \$50,000		\$260,000 \$438,345
ole Equipment Rental / Inspection ortation & Loading ortation & Loading ortation & Calading orting & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Slickline ggging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon ortion	\$296,080 \$254,000 \$65,000 \$32,400 \$208,000	\$142,265 \$39,500 \$50,000 \$56,000		\$438,345
ortation & Loading pring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs 5 / CH Logs / Perforating / Slickline paging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon	\$254,000 \$65,000 \$32,400 \$208,000	\$39,500 \$50,000 \$56,000		
oring & Analysis ole tools: Whipstocks, Liner Hangers, Frac Plugs s / CH Logs / Perforating / Slickline ggjing / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon stion	\$65,000 \$32,400 \$208,000	\$50,000 \$56,000		
ole tools: Whipstocks, Liner Hangers, Frac Plugs 3 / CH Logs / Perforating / Slickline ggging / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon Ition	\$32,400 \$208,000	\$56,000	1	\$115,000
s / CH Logs / Perforating / Slickline ggjng / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon	\$208,000			\$115,000
s / CH Logs / Perforating / Slickline ggjng / Geosteering / LWD ting & Squeezing Crews & Equipment Abandon	\$208,000			\$56,000
ting & Squeezing Crews & Equipment Abandon otion	\$208,000	73,000		
ting & Squeezing Crews & Equipment Abandon otion	\$208,000			\$5,000
Crews & Equipment Abandon Ition		-	-	\$32,400
Abandon Ition				\$208,000
ition	14401244	-		\$88,500
		63.752.555	-	\$0
		\$2,382,429		\$2,382,42
ision	\$119,000	-		\$0
aneous Contract Labor	\$55,000	\$46,500	445.000	\$165,500
ees & Abstracts	\$10,000	\$48,000	\$45,000	\$148,000
Insurance / Bonds	\$10,000	-		\$10,000
Overhead / Competion Overhead	631.600	45.350		\$0
				\$26,850
				\$429,310
	\$3,306,980	\$3,724,554	\$85,050	\$7,116,58
	Drilling	Completion	Eqpt/Const	Total
Carlos Carlos				\$0
20 0/0 40.00 7 33 310 1330	\$63,868			\$63,868
2007 10:30#7 33 310 3200	\$222,204			\$222,204
	\$253,420			\$253,420
				\$0
				\$0
Total Com Still Cogic 25500	\$633,054			\$633,054
2-7/8" 6.5# L-80 EUE COPAS 12000		\$71,160		\$71,160
	\$45,000	\$40,000		\$85,000
		\$20,000		\$20,000
				\$0
			\$40,000	\$40,000
ation/SCADA/Misc Electrical Equipment				\$30,000
				\$35,000
				\$70,000
				\$55,000
				\$40,000
es Unit / Dehy / Line Heater / Flare				
rtation and Freight BCP/ACP		\$2,000		\$5,000
/Test Tubulars BCP/ACP	\$24,000		340,000	\$42,000
introllable Equipment BCP/ACP			620 500	
Total Well and Lease Equipment				\$96,257 \$1,790,96
	\$4,609,375	\$3,869,622	\$428,550	\$8,907,54
KFOC APPROVALS		PARTNER	APPROVAL	
Robert Conford (010) 404 405				
Drilling				
lake Crissup (918) 401-4605				
Completion (310) 431-4003		and the same of th		
Completion		Signa	ture	
David Hamilton (832) 428-2460				
		Drintod	Name	
Land		rinted		
Land		Frinted		
Land		Printed		
Land		Posit	ion	
Chris Miller (918) 491-4443 Geology		200. 200.000	ion	
Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455		200. 200.000	ion	
Chris Miller (918) 491-4443 Geology		200. 200.000		
Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir		Posit		
Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658		Posit	any	
Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir		Posit	any	
Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658		Posit	any	
	### Total Intangible Drilling & Completion    Tangible Well and Lease Equipment Costs	### Standard   Section   S	### Spiral Processor ### Spira	Section   Sect

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Operator:	Kaiser-Francis Oil Company				
Well Name:	Red Hills 506H		Date:	7/16/2020	
Prospect:	Red Hills		Field:	Red Hills	
Location:	FTP: 100' FNL & 350' FEL of S31 T255 R33E, BHL: 100' FSL & 350' FEL S6 T265 R33E		County / Psh State:	New Mexico	
Depth:	22725 MD 12475 TVD		Preparer:	CJ / DZ / JC / RS / BI	<u> </u>
Horizon:	Wolfcamp			G/ 02/ 10/ 13/ 80	
Objective: JIB Code	Drill and complete a 9800' lateral Wolfcamp well				
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	\$62,500	\$14,000	\$36,000	\$112,500
502/602	Location Damages	\$35,000	-		\$35,000
503/603	Environmental, Regulatory, and Permitting	\$20,000			\$20,000
504/604	Turnkey Completion Rig	\$30,000	\$8,000		\$30,000
	Footage @ per foot		\$8,000		\$8,000
	Daywork 27 days at \$19,500	\$526,500			\$526,500
505/605	Coiled Tubing & Related Services		\$84,000		\$84,000
506/606	Rig Mob / Demob	\$61,200			\$61,200
507/***	Directional Drilling Services	\$387,800			\$387,800
510/610	Bits & Reamers Fuel/Power	\$122,500			\$122,500
512/612	Drilling Water / Completion Fluid	\$189,000			\$189,000
514/614	Mud & Chemicals	\$60,000	\$611,250		\$671,250
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$175,000	\$35,000		\$210,000
516/616	Surface Equipment Rental / Inspection	\$240,000	\$20,000		\$260,000
517/617	Downhole Equipment Rental / Inspection	\$296,080	\$142,265		\$438,345
518/618	Transportation & Loading	\$65,000	\$39,500		\$293,500
520/***	DST, Coring & Analysis	203,000	\$50,000		\$115,000
521 /621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs		\$56,000		\$56,000
522/622	OH Logs / CH Logs / Perforating / Slickline		\$5,000		\$5,000
523/***	Mud Logging / Geosteering / LWD	\$32,400			\$32,400
524/624 526/626	Cementing & Squeezing	\$208,000			\$208,000
528/628	Casing Crews & Equipment Plug & Abandon	\$88,500			\$88,500
***/630	Stimulation				\$0
532/632	Geological & Engineering		\$2,382,429		\$2,382,429
534/634	Supervision				\$0
536/636	Miscellaneous Contract Labor	\$119,000	\$46,500		\$165,500
538/638	Prof. Fees & Abstracts	\$55,000 \$10,000	\$48,000	\$45,000	\$148,000
541/641	Liability Insurance / Bonds	310,000	-		\$10,000
542/642	Drilling Overhead / Competion Overhead	\$21,600	\$5,250	-	\$0
544/644	Miscellaneous & Unforeseen	\$247,900	\$177,360	\$4,050	\$26,850
	Total Intangible Drilling & Completion	\$3,306,980	\$3,724,554	\$85,050	\$7,116,584
JIB Code	Tangible Well and Lease Equipment Costs	Drilling			
700	Conductor	Drining	Completion	Eqpt/Const	Total
701	Surface Casing 13-3/8" 48.0# J-55 STC 1350	\$63,868	-		\$0
702	Intermediate Casing 10 3/4" 40.50# J-55 STC 5200	\$222,204			\$63,868
702	Intermediate Casing 7-5/8" 29.7# P-110 BTC 11000	\$253,420			\$253,420
704	Drilling Liner (BCP)				\$0
703 706	Production Liner (ACP)				\$0
710	Production Casing (ACP) 5-1/2" P110 HP 23# SFH Eagle 23300	\$633,054			\$633,054
721/720	Tubing 2-7/8" 6.5# L-80 EUE COPAS 12000 Wellhead Equip. BCP/ACP		\$71,160		\$71,160
724	Packers & Downhole Equipment	\$45,000	\$40,000		\$85,000
726	Rods & Pumps		\$20,000		\$20,000
737	Line Pipe / Fittings / Pipeline				\$0
738	Automation/SCADA/Misc Electrical Equipment			\$40,000	\$40,000
747	Valves			\$30,000	\$30,000
752	Tanks & Walkways			\$35,000	\$35,000
765	Heaters / Treaters / Separator / VRU			\$70,000	\$70,000
768	Artificial Lift / Compressor			\$40,000	\$55,000 \$40,000
	Gas Sales Unit / Dehy / Line Heater / Flare			\$5,000	\$5,000
	Tranportation and Freight BCP/ACP		\$2,000	\$40,000	\$42,000
	Inspect/Test Tubulars BCP/ACP	\$24,000	\$5,000		\$29,000
	Non-Controllable Equipment BCP/ACP	\$60,849	\$6,908	\$28,500	\$96,257
	Total Well and Lease Equipment	\$1,302,395	\$145,068	\$343,500	\$1,790,963
	Total Drilling and Completion Cost	\$4,609,375	\$3,869,622	\$428,550	\$8,907,547
	KFOC APPROVALS				+0,001,001
			PAKINER	APPROVAL	
	Robert Sanford (918) 491-4201 Drilling				
	Jake Crissup (918) 491-4685				
	Completion David Hamilton (832) 428-2460		Signat	ure	
	Land		Printed	Name	
	Chris Miller (918) 491-4443 Geology		Positi	on	
	Blake Humphries (918) 491-4455				
	Mike Raines (918) 491-4658		Comp	any	
	Fred & Fr				
	Asset Manager  Tom Redman (918) 491-4201		Dat	e	

Vell Name	Kaiser-Francis Oil Company Authority for Expenditure		Date:	7/16/2020	
			Field:	Red Hills	
ospect:	Red Hills		County / Psh	Lea	
pth:	FYP: 100' FNL & 1800' FEL of \$31 TZ55 R33E, BHL: 100' FSL & 1800' FEL \$6 TZ65 R33E		State:	New Mexico	
rizon:	23100 MD 12850 TVD Wolfcamp		Preparer:	CJ/DZ/JC/RS/I	ВН
jective:	Drill and complete a 9800' lateral Wolfcamp well				
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	\$62,500 \$35,000	\$14,000	\$36,000	\$112,500
502/602		\$20,000			\$35,000
503/603	, regulatory, and retrinting	\$30,000	+		\$20,000
504/604	Competion rig	755,655	\$8,000		\$30,000
	Footage @ per foot		70,000		\$0
505/605	Daywork 27 days at \$19,500	\$526,500			\$526,500
506/606			\$84,000		\$84,000
07/***		\$61,200			\$61,200
808/608		\$387,800			\$387,800
10/610	Fuel/Power	\$122,500			\$122,500
12/612	Drilling Water / Completion Fluid	\$189,000	4511.515		\$189,000
14/614	Mud & Chemicals	\$60,000	\$611,250		\$671,250
15/615		\$175,000 \$240,000	\$35,000	-	\$210,000
16/616	Surface Equipment Rental / Inspection	\$296,080	\$142,265		\$260,000
17/617	Downhole Equipment Rental / Inspection	\$254,000	\$39,500		\$438,345
20/***	Transportation & Loading	\$65,000	\$50,000		\$115,000
21 /621	DST, Coring & Analysis				\$0
22/622	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs OH Logs / CH Logs / Perforating / Slickline		\$56,000		\$56,000
23/***	Mud Logging / Geosteering / Slickline		\$5,000		\$5,000
24/624	Cementing & Squeezing	\$32,400			\$32,400
26/626	Casing Crews & Equipment	\$208,000			\$208,000
28/628	Plug & Abandon	\$88,500	-		\$88,500
**/630	Stimulation		62.202.122		\$0
32/632	Geological & Engineering		\$2,382,429		\$2,382,429
34/634	Supervision	\$119,000	\$46,500		\$0
36/636	Miscellaneous Contract Labor	\$55,000	\$48,000	\$45,000	\$165,500
38/638 41/641	Prof. Fees & Abstracts	\$10,000	V-0,000	343,000	\$148,000 \$10,000
42/642	Liability Insurance / Bonds				\$0
44/644	Drilling Overhead / Competion Overhead Miscellaneous & Unforeseen	\$21,600	\$5,250		\$26,850
11/011		\$247,900	\$177,360	\$4,050	\$429,310
	Total Intangible Drilling & Completion	\$3,306,980	\$3,724,554	\$85,050	\$7,116,584
B Code 700	Tangible Well and Lease Equipment Costs	Drilling	Completion	Eqpt/Const	Total
701	Conductor Surface Casing 13.3/8" AR DW LSS STC 1370			eqpy const	\$0
702	Intermediate Casing	\$63,868			\$63,868
702	20 5/4 40.50# 1-33 310 3200	5222,204			\$222,204
704	Drilling Liner (BCP)   7-5/8" 29.7# P-110 BTC   11000	\$253,420			\$253,420
703	Production Liner (ACP)				\$0
706	Production Casing (ACP) 5-1/2" P110 HP 23# SFH Eagle 23300	\$633,054			\$0
710	Tubing 2-7/8" 6.5# L-80 FUE COPAS 12000	3033,034	\$71,160		\$633,054
1/720	Wellhead Equip. BCP/ACP	\$45,000	\$40,000		\$71,160
724	Packers & Downhole Equipment	V-5,000	\$20,000		\$85,000
726	Rods & Pumps		320,000		\$20,000
738	Line Pipe / Fittings / Pipeline			\$40,000	\$40,000
747	Automation/SCADA/Misc Electrical Equipment Valves			\$30,000	\$40,000
752	Tanks & Walkways			\$35,000	\$35,000
765	Heaters / Treaters / Separator / VRU			\$70,000	\$70,000
768	Artificial Lift / Compressor			\$55,000	\$55,000
770	Gas Sales Unit / Dehy / Line Heater / Flare			\$40,000	\$40,000
5/774	Tranportation and Freight BCP/ACP		63.000	\$5,000	\$5,000
7/776	Inspect/Test Tubulars BCP/ACP	\$24,000	\$2,000	\$40,000	\$42,000
7778	Non-Controllable Equipment BCP/ACP	\$60,849	\$6,908	\$28,500	\$29,000
	Total Well and Lease Equipment	\$1,302,395	\$145,068	\$343,500	\$96,257 \$1,790,963
	Total Drilling and Completion Cost				
	KFOC APPROVALS	\$4,609,375	\$3,869,622	\$428,550	\$8,907,547
			PARTNER	APPROVAL	
	Robert Sanford (918) 491-4201				
	Robert Sanford (918) 491-4201 Drilling				
	Drilling				
	Drilling  Jake Crissup (918) 491-4685				
	Drilling		Signati	ure	
	Jake Crissup (918) 491-4685 Completion		Signati	ure	
	Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460		Signati	ure	
	Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land		Signati Printed N		
	Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land				
	Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460		Printed N	lame	
	Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology			lame	
	Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455		Printed N	lame	
	Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology		Printed N	lame	
	Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir		Printed N	lame	
	Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658		Printed N Positio	Jame On	
	Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658  Asset Manager		Printed N	Jame On	
	Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658		Printed N Positio	Jame On	

Operator:	Kalser-Francis Oil Company Authority for Expenditu	re			
Well Name:	Red Hills 606H		Date:	7/15/2020	
Prospect:	Red Hills		Field:	7/16/2020	
ocation:	FTP: 100' ENI & SECULES AND			Red Hills	
Depth:	FTP: 100' FNL & 850' FEL of S31 T25S R33E, BHL: 100' FSL & 850' FEL S6 T26S R33E		County / Psh	Lea	
			State:	New Mexico	
	Wolfcamp		Preparer:	CJ / DZ / JC / RS / BI	
Objective:	Drill and complete a 9800' lateral Wolfcamp well			C1/ DZ/ JC/ K2/ BI	H
JIB Code	Intensible Cally				
500/600	Intengible Drilling and Completion Costs Location / Road Expense / Frac Pit Construction	Drilling	Constant		
501/***	Cond, Rat Hole, Mouse Hole Services	\$62,500	Completion	Eqpt/Const	Total
502/602	Location De Mouse Hole Services		\$14,000	\$36,000	\$112,500
-	Location Damages	\$35,000			
503/603	Environmental, Regulatory, and Permitting	\$20,000			\$35,000
504/604	Turnkey	\$30,000			\$20,000
	Completion Ris	430,000			£20.000

\$526,500

\$61,200

\$387,800

\$122,500

\$189,000

\$60,000

\$175,000

\$240,000

\$296,080

\$254,000

\$65,000

\$32,400

\$208,000

\$88,500

\$119,000

\$55,000

\$10,000

\$21,600

\$19,500

\$8,000

\$84,000

\$611,250

\$35,000

\$142,265

\$39,500

\$50,000

\$56,000

\$5,000

\$2,382,429

\$46,500

\$48,000

\$5,250

\$45,000

\$30,000

\$8,000

\$526,500

\$84,000

\$61,200

\$387,800

\$122,500

\$189,000

\$671,250

\$210,000

\$260,000

\$438,345

\$293,500

\$115,000 \$0

\$56,000

\$5,000

\$32,400

\$208,000

\$88,500

\$2,382,429

\$165,500

\$148,000

\$10,000

\$26,850

Footage @

505/605 Coiled Tubing & Related Services

507/\*\*\* Directional Drilling Services
508/608 Bits & Reamers

512/612 Drilling Water / Completion Fluid

517/617 Downhole Equipment Rental / Inspection

515/615 Closed Loop System / Mud & Cuttings Disposal / SWD 516/616 Surface Equipment Rental / Inspection

531/617 | Downhole Equipment Rental / Inspection
518/618 | Transportation & Loading
520/\*\*\* | OST, Coring & Analysis
521/621 | Downhole tools: Whipstocks, Liner Hangers, Frac Plugs
522/622 | OH Logs / CH Logs / Perforating / Sikckline
Mud Logging / Geosteering / LWD
524/624 | Cementing & Squeezing
526/626 | Casing Crews & Equipment
528/628 | Plug & Abandon

Daywork

506/606 Rig Mob / Demob

514/614 Mud & Chemicals

528/628 Plug & Abandon

534/634 Supervision 536/636 Miscellaneous Contract Labor

544/644 Miscellaneous & Unforeseen

541/641 Liability Insurance / Bonds 542/642 Drilling Overhead / Competion Overhead

538/638 Prof. Fees & Abstracts

\*\*\*/630 Stimulation 532/632 Geological & Engineering

510/610 Fuel/Power

Completion Rig

per foot

27 days at

544/644	Miscellaneous & Unforeseen	\$21,600	\$5,250		\$26,850
	Total Intangible Drilling & Completion	\$247,900	\$177,360	\$4,050	\$429,310
JIB Code		\$3,306,980	\$3,724,554	\$85,050	\$7,116,584
700	Tangible Well and Lease Equipment Costs	Drilling			37,110,384
701	Surface Casing	Drining	Completion	Eqpt/Const	Total
702	Intermediate Casing 13-3/8" 48.0# J-55 STC 1350	662.060			\$0
702		\$63,868			\$63,868
704	7.5/8° 20 7H 0 110 070	\$222,204			\$222,204
	priming chief (BCP)	\$253,420			\$253,420
703	Production Liner (ACP)				\$0
706	Production Casing (ACP) 5-1/2" P110 HP 23# 5FH Eagle 23300				SO
710		\$633,054			\$633,054
721/720			\$71,160		\$71,160
724	Packers & Downhole Equipment	\$45,000	\$40,000		\$85,000
726	Rods & Pumps		\$20,000		\$20,000
737	Line Pipe / Fittings / Pipeline				
738	Automation/SCADA/Misc Electrical Equipment			\$40,000	\$0
747	Valves			\$30,000	\$40,000
752	Tanks & Walkways			\$35,000	\$30,000
765	Heaters / Treaters / Separator / VRU			\$70,000	\$35,000
768	Artificial Lift / Compressor				\$70,000
770	Gas Sales Unit / Dehy / Line Heater / Flare			\$55,000	\$55,000
75/774	Tranportation and Freight BCP/ACP			\$40,000	\$40,000
77/776	Inspect/Test Tubulars BCP/ACP		£2.000	\$5,000	\$5,000
	Non-Controllable Equipment BCP/ACP	\$24,000	\$2,000	\$40,000	\$42,000
	TOTA CONTA ON ADDIE EQUIPMENT BCP/ACP	\$60,849	\$5,000		\$29,000
19/1/8			\$6,908		
79/118	Total Well and Lease Equipment			\$28,500	\$96,257
19/1/8	Total Well and Lease Equipment  Total Drilling and Completion Cost	\$1,302,395	\$145,068	\$343,500	\$96,257
79/1/8	Total Drilling and Completion Cost			\$343,500	\$1,790,963
79/118	Total Well and Lease Equipment  Total Drilling and Completion Cost  KFOC APPROVALS	\$1,302,395	\$145,068 \$3,869,622	\$343,500 \$428,550	
19/118	Total Drilling and Completion Cost  KFOC APPROVALS	\$1,302,395	\$145,068	\$343,500 \$428,550	\$1,790,963
19/118	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201	\$1,302,395	\$145,068 \$3,869,622	\$343,500 \$428,550	\$1,790,963
19/118	Total Drilling and Completion Cost  KFOC APPROVALS	\$1,302,395	\$145,068 \$3,869,622	\$343,500 \$428,550	\$1,790,963
19/18	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling	\$1,302,395	\$145,068 \$3,869,622	\$343,500 \$428,550	\$1,790,963
19/18	RFOC APPROVALS  RObert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685	\$1,302,395	\$145,068 \$3,869,622	\$343,500 \$428,550	\$1,790,963
19/18	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling	\$1,302,395	\$145,068 \$3,869,622 PARTNER A	\$343,500 \$428,550 PPROVAL	\$1,790,963
19/18	Robert Sanford (918) 491-4201 Drilling  Jake Crissup (918) 491-4685 Completion	\$1,302,395	\$145,068 \$3,869,622	\$343,500 \$428,550 PPROVAL	\$1,790,963
19/18	Robert Sanford (918) 491-4201 Drilling  Jake Crissup (918) 491-4685 Completion  David Hamilton (832) 428-2460	\$1,302,395	\$145,068 \$3,869,622 PARTNER A	\$343,500 \$428,550 PPROVAL	\$1,790,963
79/78	Robert Sanford (918) 491-4201 Drilling  Jake Crissup (918) 491-4685 Completion	\$1,302,395	\$145,068 \$3,869,622 PARTNER A Signatu	\$343,500 \$428,550 PPROVAL	\$1,790,963
79/78	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land	\$1,302,395	\$145,068 \$3,869,622 PARTNER A	\$343,500 \$428,550 PPROVAL	\$1,790,963
77///8	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443	\$1,302,395	\$145,068 \$3,869,622 PARTNER A Signatu	\$343,500 \$428,550 PPROVAL	\$1,790,963
-	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu	\$343,500 \$428,550 PPROVAL	\$1,790,963
-	Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology	\$1,302,395	\$145,068 \$3,869,622 PARTNER A Signatu	\$343,500 \$428,550 PPROVAL	\$1,790,963
-	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu	\$343,500 \$428,550 PPROVAL	\$1,790,963
	Robert Sanford (918) 491-4201 Drilling Jake Crissup (918) 491-4685 Completion David Hamilton (832) 428-2460 Land Chris Miller (918) 491-4443 Geology	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio	\$343,500 \$428,550 PPROVAL	\$1,790,963
-	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu	\$343,500 \$428,550 PPROVAL	\$1,790,963
-	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio	\$343,500 \$428,550 PPROVAL	\$1,790,963
-	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio	\$343,500 \$428,550 PPROVAL	\$1,790,963
-	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658  Asset Manager	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio	\$343,500 \$428,550 PPROVAL	\$1,790,963
13/118	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658  Asset Manager  Tom Redman (918) 491-4201	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio  Compar	\$343,500 \$428,550 PPROVAL	\$1,790,963
13/118	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658  Asset Manager  Tom Redman (918) 491-4201	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio  Compar	\$343,500 \$428,550 PPROVAL	\$1,790,963
	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658  Asset Manager	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio  Compar	\$343,500 \$428,550 PPROVAL	\$1,790,963
	Total Drilling and Completion Cost  KFOC APPROVALS  Robert Sanford (918) 491-4201  Drilling  Jake Crissup (918) 491-4685  Completion  David Hamilton (832) 428-2460  Land  Chris Miller (918) 491-4443  Geology  Blake Humphries (918) 491-4455  Reservoir  Mike Raines (918) 491-4658  Asset Manager  Tom Redman (918) 491-4201	\$1,302,395	\$145,068 \$3,869,622  PARTNER A  Signatu  Printed N  Positio  Compar	\$343,500 \$428,550 PPROVAL	\$1,790,963

6733 South Yale Avenue, 74136 (918) 494-0000 Fax: (918) 491-4383

September 14, 2020

West Texas Gas, Inc.
D/B/A WTG Exploration Inc.
401 West Wadley Avenue
Midland, Texas 79705-5339
Attention: David Davis

Atlas OBO Energy, LP 3501 Allen Parkway Houston, TX 77019 Attn: Mr. Ijaz Rehman

Re:

Applications for Amended Pooling Orders Section 6-26S-33E and Section 31-25S-33E

Lea County, New Mexico

#### Gentlemen:

Please be advised Kaiser-Francis will be making application to amend Pooling Order R-21151 (West half Bone Spring wells) and Pooling Order R-21152 (East half Wolfcamp wells) for minor discrepancies in first and last take point location calls and other technical information, so that the orders will coincide with the wells as proposed and ultimately drilled. Since the issuance of the orders, some of the technical data had changed from what was included under the orders versus what was shown under the AFEs which were provided under the well proposals.

Each party will be receiving notice of these applications and no action is needed by you. This letter is provided for your information and clarification purposes only. Should you have questions please feel free to contact me at my email of <a href="mailto:davidh@kfoc.net">davidh@kfoc.net</a>.

Sincerely,

David V. Hamilton

Senior Project Landman

# 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. 21464

#### SELF-AFFIRMED STATEMENT OF CHRIS MILLER

Chris Miller, 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.
- 2. I am a geologist for Kaiser-Francis Oil Company ("KFOC"). I have been qualified by the Division as an expert petroleum geologist. My area of responsibility at KFOC includes this portion of Southeast New Mexico.
  - 3. The following geological plats are attached hereto:
  - (a) Attachment A is a structure map on the top of the Wolfcamp formation. It shows that structure dips gently to the southeast and a nose develops in the east half of the well unit. It also displays other Wolfcamp wells in the vicinity of the well unit, and a line of cross-section.
  - **(b)** Attachment B is an isopach map of the Wolfcamp A sand to the base of the Wolfcamp B. The contour displayed on the map shows realatively constant thickness across the proposed well paths.
  - (c) Attachment C is a stratigraphic Wolfcamp type log, which provides a representative sample of the Wolfcamp formation in this area. The target zone for the well is continuous across the well unit.
  - 4. 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.

- 5. Based on production from wells in this area, KFOC sees a preference for standup wells in this area.
- 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: 10/7/20

Chris Miller





Pilot well location

Well location



\*

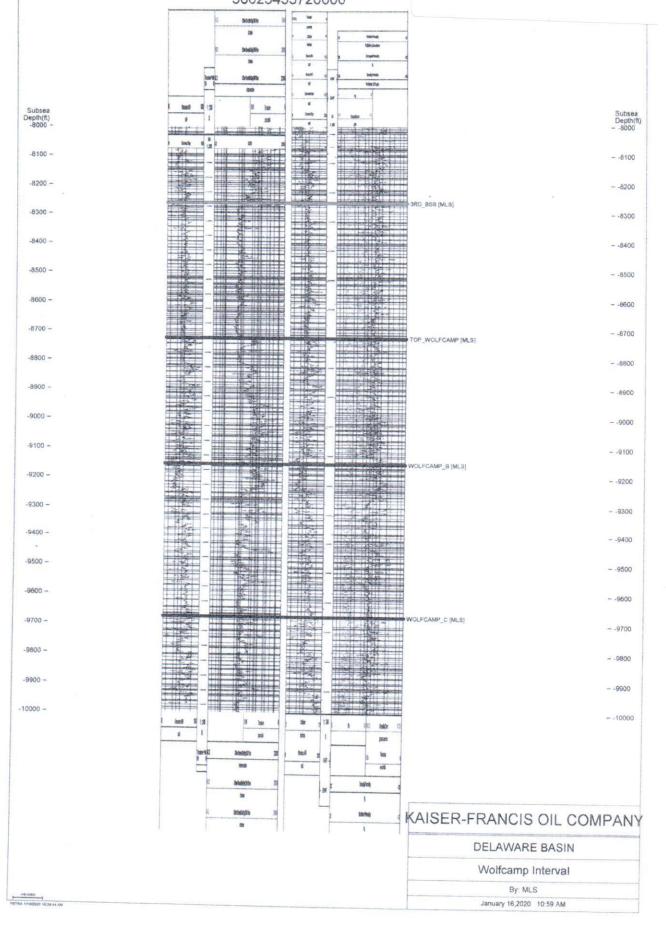
Pilot well location

Well location

#### (AISER-FRANCIS OIL RED HILLS 卓401H 30025455720000

## ATTACHMENT





# 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 Nos. 21464

## SELF-AFFIRMED STATEMENT OF NOTICE

	SELF-AFFIRMED STATEMENT OF NOTICE
COUNTY OF	
STATE OF N	EW MEXICO ) ss.
James	Bruce deposes and states:
1.	I am over the age of 18, and have personal knowledge of the matters stated herein
2.	I am an attorney for Kaiser-Francis Oil Company.
3. names and co filed herein.	Kaiser-Francis Oil Company has conducted a good faith, diligent effort to find the errect addresses of the interest owners entitled to receive notice of the application
4. address, by ce hereto as Atta	Notice of the application was provided to the interest owner, at its last known ertified mail. Copies of the notice letters and certified return receipts are attached chment A.
5.	Applicant has complied with the notice provisions of Division Rules.
made under pe as of the date	I understand that this Self-Affirmed Statement will be used as written testimony affirm that my testimony in paragraphs 1 through 5 above is true and correct and is enalty of perjury under the laws of the State of New Mexico. My testimony is made handwritten next to my signature below.
Date: 10	20/20 James Delice
`	James Bruce
	EXHIBIT 4

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

September 16, 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 Wolfcamp wells in the E/2 of Section 31, Township 25 South, Range 33 East, NMPM and the E/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, October 8, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to <a href="mailto:emmrd.state.nm.us/OCD/hearings">emmrd.state.nm.us/OCD/hearings</a> or see the instructions posted on the Division's website, <a href="http://emnrd.state.nm.us/OCD/announcements.html">http://emnrd.state.nm.us/OCD/announcements.html</a>.

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, October 1, 2020. This statement may be filed online with the Division at <u>ocd.hearings@state.nm.us</u>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned

Very truly yours,

Attorney for Kaiser-Francis Oil Company

**ATTACHMENT** 

### EXHIBIT A

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



SENDER: COMPLETE LIS SECTION  Complete items 1, 2, and 3.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  Attach Addressed to:  Attas OBO Energy, LP 3501 Allen Parkway Houston, Texas 77019	A. Signature  X  B. Received by (Panted Name)  D. Is delivery address different from If YES, enter delivery address	Agent Addressee C. Date of Delivery mitem 1? Yes below: No
9590 9402 5941 0062 9942 87  2. Arti - Manager from service label) 7019 2970 0000 7642	3. Service Type  Adult Signature  Certified Mail®  Certified Mail Restricted Delivery  Cortified Mail Restricted Delivery  Collect on Delivery  Collect on Delivery  Insurad Mail	□ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricted Delivery □ Return Receipt for Merchandise □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery

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

October 1, 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 Wolfcamp wells in the E/2 of Section 31, Township 25 South, Range 33 East, NMPM and the E/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, October 22, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to <a href="mailto:emmrd.state.nm.us.OCD/hearings">emmrd.state.nm.us.OCD/hearings</a> or see the instructions posted on the Division's website, <a href="http://emnrd.state.nm.us/OCD/announcements.html">http://emnrd.state.nm.us/OCD/announcements.html</a>.

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, October 15, 2020. This statement may be filed online with the Division at <u>ocd.hearings@state.nm.us</u>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned

Very truly yours,

ames Bruce

Attorney for Kaiser-Francis Oil Company

## EXHIBIT A

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

	U.S. Postal Service™ CERTIFIED MAIL® RECEI	PTC NO
7	Domestic Mail Only	11 00
9607	For delivery information, visit our website at w	ww.usts.com®.
П	OFFICIAL	UZE
764	Certified Mail Fee \$	TABLE STATE
0000	Extra Services & Fees (check box, add fee as appropriate)  Return Roceipt (hardcopy)  Return Receipt (electronic)  Certified Mail Restricted Delivery  Adult Signature Required  Adult Signature Restricted Delivery \$	Postmark Here
2970	Postage \$ Total Postage and Fees	
7019	\$ West Texas Gas, Inc.  d/b/a WTG Exploration Inc.  Street and Apt. No., or PC 401 West Wadley Avenue Midland, Texas 79705	z
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See	Reverse for Instructions

<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> </ul>	A. Signature  B. Received by (Printed Name)  L. Gonzal C2  D. Is delivery address different from If YES, enter delivery address by	Agent Addressee C. Date of Delivery 10-5-30 Item 1? Yes
West Texas Gas, Inc. d/b/a WTG Exploration Inc. 401 West Wadley Avenue Midland, Texas 79705	II TES, eliter delivery decision	
9590 9402 5941 0062 9674 34	3. Service Type  Adult Signature  Actult Signature Restricted Delivery  Certified Mail®  Certified Mail Restricted Delivery  Collect on Delivery  Collect on Delivery Restricted Delivery	□ Priority Mail Express®     □ Registered Mail™     □ Registered Mail Restricter     □ Priority     □ Return Receipt for     □ Merchandise     □ Signature Confirmation™
2. Article 1 7019 2970 0000 764	+2 9607 Delivery	☐ Signature Confirmation Restricted Delivery

# **COMPULSORY POOLING APPLICATION CHECKLIST**

Case:  Date  October 22, 2020  Applicant  Designated Operator & OGRID (affiliation if applicable)  Applicant's Counsel:  Case Title:  Applicant of Kaiser-Francis Oil Company/OGRID No. 12361  Applicant's Counsel:  Case Title:  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Entries of Appearance/Intervenors:  Well Family  Red Hills Wells  Formation Name(s) or Vertical Extent:  Primary Product (Oil or Gas):  Pooling this vertical extent:  Prol Name and Pool Code:  WC-025 G-08 \$253236A;Upper Wolfcamp/Pool Code 98158  Statewide rules and current horizontal well rules  Spacing Unit Size:  Spacing Unit Size:  Quarter-quarter Section/40 acre  Spacing Unit  Type (Horizontal/Vertical)  Size (Acres)  Building Blocks:  Orientation:  Description: TRS/County  Standard Horizontal Well Spacing Unit (YN), if No, describe  Other Situations  Depth Severance: Y/N. If yes, description  Applicant's Ownership in Each Tract  Well(s)  Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)  Fire 100 FNL & 1800 FEL §6  Upper Wolfcamp/TVD 12250 feet/MD 22500 feet		ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Applicant Designated Operator & OGRID (affiliation if applicable) Applicant's Counsel: James Bruce Case Title: Application of Kaiser-Francis Oil Company/OGRID No. 12361 Applicant's Counsel: Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Entries of Appearance/Intervenors: Well Family Red Hills Wells Formation Name(s) or Vertical Extent: Primary Product (Oil or Gas): Oil Pooling this vertical extent: Pool Name and Pool Code: WC-025 G-08 \$2553236A;Upper Wolfcamp/Pool Code 98158 Well Location Setback Rules: Spacing Unit Size: Quarter-quarter Section/40 acre Spacing Unit Spacing Unit Spacing Unit Vertical Size (Acres) Building Blocks: Orientation: North-South Description: TRS/County Standard Horizontal Well Spacing Unit (Y/N), If No, describe Other Situations Depth Severance: Y/N. If yes, description Proximity Defining Well: if yes, description Applicant's Ownership in Each Tract Well(s) Name & API (if assigned), surface and 20ttom hole location, footages, 20mpletion target, orientation, 20mpletion status (standard or non-standard) ETC 100 FSL & 1800 FEL §31 LTP: 100 FSL & 1800 FEL §31 LTP: 100 FSL & 1800 FEL §36		
Designated Operator & OGRID (affiliation if applicable)  Applicant's Counsel:  Case Title:  Applicant's Counsel:  Applicant's Counsel:  Applicant's Counsel:  Applicant's Counsel:  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Entries of Appearance/Intervenors:  Well Family  Red Hills Wells  Formation Name(s) or Vertical Extent:  Primary Product (Oil or Gas):  Pooling this vertical extent:  Pool Name and Pool Code:  WC-025 G-08 S253236A; Upper Wolfcamp/Pool Code 98158  Statewide rules and current horizontal well rules  Quarter-quarter Section/40 acre  Spacing Unit  Yee (Horizontal/Vertical)  Size (Acres)  Building Blocks:  Orientation:  North-South Description: TRS/County  Standard Horizontal Well Spacing Unit  Y/N), If No, describe  Other Situations  Depth Severance: YN. If yes, description Proximity Tracts: If yes, description Proximity Tracts: If yes, description  Proximity Defining Well: if yes, Description  Applicant's Ownership in Each Tract  Well(s)  Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-tandard)  Extending Severances of Company (Octomany Francis Oil Company for Compulsory County, New Mexico  Wolfcamp Formation Wolfcamp Formation  W	· · · · · · · · · · · · · · · · · · ·	
Applicant's Counsel:  Applicant's Counsel:  Case Title:  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory County Mexico  Application of Kaiser-Francis Oil Company for Compulsory Oil County Mexico  Application of Kaiser-Francis Oil Company for Compulsory Oil County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory Oil County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory Oil County, New Mexico  Application of Kaiser-Francis Oil Company for Compulsory Oil County, New Mexico  Application of Kaiser-Francis Oil Company for County, New Mexico  Application of Kaiser-Francis Oil Company for County, New Mexico  Application of Kaiser-Francis Oil County, New Mexico  Application of Kaiser-Francis Oil County, New Mexico  Application of Kaiser-Francis Oil County, New		Kaiser-Francis Oil Company
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Application of Kaiser-Francis Oil Company for Compulsory County, New Mexico  Entries of Appearance/Intervenors: Well Family Red Hills Wells  Formation Name(s) or Vertical Extent: Primary Product (Oil or Gas): Pooling this vertical extent: Pool Name and Pool Code: WC-025 G-08 S253236A; Upper Wolfcamp/Pool Code 98158 Well Location Setback Rules: Spacing Unit Size: Quarter-quarter Section/40 acre Spacing Unit Size: Quarter-quarter Section/40 acre Spacing Unit Size: Applicantly Vertical Size (Acres) Building Blocks: Orientation: Description: TRS/County E/2 §31-255-33E and E/2 §6-265-33E, NMPM, Lea County Standard Horizontal Well Spacing Unit Y/N), If No, describe Other Situations Depth Severance: Y/N. If yes, description Proximity Tracts: If yes, description Proximity Defining Well: if yes, description Applicant's Ownership in Each Tract Mell(s) Well(s) Wame & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-tandard) Entire Wolfcamp Formation Wolfc	(affiliation if applicable)	Kaiser-Francis Oil Company/OGRID No. 12361
Entries of Appearance/Intervenors:  Well Family  Red Hills Wells  Formation/Pool  Formation Name(s) or Vertical Extent:  Primary Product (Oil or Gas):  Pooling this vertical extent:  Pool Name and Pool Code:  Well Location Setback Rules:  Spacing Unit Size:  Spacing	Applicant's Counsel:	James Bruce
County, New Mexico  Entries of Appearance/Intervenors:  Well Family  Red Hills Wells  Formation/Pool  Formation Name(s) or Vertical Extent:  Primary Product (Oil or Gas):  Pooling this vertical extent:  Pool Name and Pool Code:  Well Location Setback Rules:  Spacing Unit Size:  Spacing Unit Size:  Quarter-quarter Section/40 acre  Spacing Unit  Type (Horizontal/Vertical)  Size (Acres)  Building Blocks:  Orientation:  Description: TRS/County  Standard Horizontal Well Spacing Unit  (Y/N), If No, describe)  Other Situations  Depth Severance: Y/N. If yes, description  Proximity Tracts: If yes, description  Proximity Defining Well: if yes, description  Applicant's Ownership in Each Tract  Wolfcamp Formation  Wo-025 G-08 \$253236A; Upper Wolfcamp/Pool Code 98158  Wet-025 G-08 \$253236A; Upper Wolfcamp/Pool Code 98158  Well (s)  Vertical  Statewide rules and current horizontal well rules  Quarter-quarter Section/40 acre  940 acres  040 acres  Orientation:  North-South  E/2 §31-255-33E and E/2 §6-26S-33E, NMPM, Lea County  Yes  Proximity Tracts: If yes, description  Proximity Tracts: If yes, description  Proximity Tracts: If yes, description  Proximity Defining Well: if yes, description  Proximity Tracts: If yes, descr	Case Title:	Application of Kaiser-Francis Oil Company for Compulsory Pooling, Lea
Formation/Pool Formation Name(s) or Vertical Extent: Wolfcamp Formation Primary Product (Oil or Gas): Oil Pooling this vertical extent: Entire Wolfcamp formation Pool Name and Pool Code: WC-025 G-08 S253236A;Upper Wolfcamp/Pool Code 98158 Well Location Setback Rules: Statewide rules and current horizontal well rules Spacing Unit Size: Quarter-quarter Section/40 acre  Spacing Unit Size: Quarter-quarter Section/40 acre  Spacing Unit Type (Horizontal/Vertical) Size (Acres) 640 acres Building Blocks: 40 acres Orientation: North-South Description: TRS/County F/2 §31-255-33E and E/2 §6-265-33E, NMPM, Lea County Standard Horizontal Well Spacing Unit (Y/N), If No, describe  Other Situations Depth Severance: Y/N. If yes, description Yes Proximity Tracts: If yes, description Yes Description: Red Hills Well No. 505H Description Applicant's Ownership in Each Tract Well(s) Name & API (if assigned), surface and 200 FIL §31 Description status (standard or non-trandard)  Red Hills Well No. 404H API No. 30-015-47037 SHL: 200 FNL & 2450 FEL §31 BHL: 100 FSL & 1800 FEL §6 FTP: 100 FNL & 1800 FEL §6 FTP: 100 FNL & 1800 FEL §6 FTP: 100 FNL & 1800 FEL §6	1986	
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Well Family Red Hills Wells  Formation/Pool  Formation Name(s) or Vertical Extent: Wolfcamp Formation  Primary Product (Oil or Gas): Oil  Pooling this vertical extent: Entire Wolfcamp formation  Pool Name and Pool Code: WC-025 G-08 S253236A;Upper Wolfcamp/Pool Code 98158  Well Location Setback Rules: Statewide rules and current horizontal well rules  Spacing Unit Size: Quarter-quarter Section/40 acre  Spacing Unit Size: Quarter-quarter Section/40 acre  Spacing Unit  Type (Horizontal/Vertical) Vertical  Size (Acres) 640 acres  Building Blocks: 40 acres  Orientation: North-South  E/2 §31-255-33E and E/2 §6-265-33E, NMPM, Lea County  Standard Horizontal Well Spacing Unit  Y(N), If No, describe  Other Situations  Depth Severance: Y/N. If yes, description Yes  Proximity Tracts: If yes, description Yes  Peroximity Teats: If yes, description Yes  Peroximity Teating Well: if yes,  description  Applicant's Ownership in Each Tract  Mell(s)  Name & API (if assigned), surface and 20 point target, orientation, 20 point target, 20 point target, 20 point	Entries of Appearance/Intervenors	
Formation/Pool Formation Name(s) or Vertical Extent: Wolfcamp Formation Primary Product (Oil or Gas): Oil Pooling this vertical extent: Entire Wolfcamp formation Pool Name and Pool Code: WC-025 G-08 \$253236A;Upper Wolfcamp/Pool Code 98158 Well Location Setback Rules: Statewide rules and current horizontal well rules Spacing Unit Size: Quarter-quarter Section/40 acre  Spacing Unit Type (Horizontal/Vertical) Vertical Size (Acres) 640 acres Building Blocks: 40 acres Orientation: North-South Description: TRS/County F/2 §31-25S-33E and E/2 §6-26S-33E, NMPM, Lea County Yes  Description Stations Depth Severance: Y/N. If yes, description Yes Depth Severance: Y/N. If yes, description Yes Proximity Defining Well: if yes, Description Red Hills Well No. 505H Description Applicant's Ownership in Each Tract Exhibit 2-C  Nell(s) Name & API (if assigned), surface and cottom hole location, footages, completion target, orientation, completion status (standard or non-trandard)  No FIX & 1800 FEL §6  FTP: 100 FNL & 1800 FEL §6  TPP: 100 FNL & 1800 FEL §6		Red Hills Wells
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Primary Product (Oil or Gas):  Pooling this vertical extent:  Pool Name and Pool Code:  WC-025 G-08 \$253236A;Upper Wolfcamp/Pool Code 98158  Well Location Setback Rules:  Statewide rules and current horizontal well rules  Spacing Unit Size:  Quarter-quarter Section/40 acre  Spacing Unit  Type (Horizontal/Vertical)  Size (Acres)  Building Blocks:  Orientation:  Description: TRS/County  Standard Horizontal Well Spacing Unit (Y/N), If No, describe  Other Situations  Depth Severance: Y/N. If yes, description  Proximity Tracts: If yes, description  Proximity Defining Well: if yes, description  Applicant's Ownership in Each Tract  Well(s)  Name & API (if assigned), surface and bottom hole location, footages, completion status (standard or non-standard)  Standard)  Oil  Entire Wolfcamp formation  WC-025 G-08 \$2532326A;Upper Wolfcamp/Pool Code 98158  WC-025 G-08 \$2532326A;Upper Wolfcamp/Pool Code 98158  WC-025 G-08 \$2532326A;Upper Wolfcamp/Pool Code 98158  Statewide rules and current horizontal well rules  Statewide ru		Wolfcamp Formation
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Red Hills Well No. 505H  Exhibit 2-C  Well(s)  Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or non-standard)  Red Hills Well No. 404H  API No. 30-015-47037  SHL: 200 FNL & 2450 FEL §31  BHL: 100 FSL & 1800 FEL §6  FTP: 100 FNL & 1800 FEL §6		
Applicant's Ownership in Each Tract  Well(s)  Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or non-standard)  Red Hills Well No. 404H  API No. 30-015-47037  SHL: 200 FNL & 2450 FEL §31  BHL: 100 FSL & 1800 FEL §6  FTP: 100 FNL & 1800 FEL §6		
Applicant's Ownership in Each Tract  Well(s)  Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or non-standard)  Exhibit 2-C  Red Hills Well No. 404H  API No. 30-015-47037  SHL: 200 FNL & 2450 FEL §31  BHL: 100 FSL & 1800 FEL §6  FTP: 100 FNL & 1800 FEL §6		Red Hills Well No. 505H
Well(s) Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or non-standard)  Red Hills Well No. 404H API No. 30-015-47037 SHL: 200 FNL & 2450 FEL §31 BHL: 100 FSL & 1800 FEL §6 FTP: 100 FNL & 1800 FEL §6	·	Exhibit 2-C
Name & API (if assigned), surface and pottom hole location, footages, completion target, orientation, completion status (standard or non-standard)  Red Hills Well No. 404H  API No. 30-015-47037  SHL: 200 FNL & 2450 FEL §31  BHL: 100 FSL & 1800 FEL §6  FTP: 100 FNL & 1800 FEL §6		EXHIBIT 2-C
API No. 30-015-47037  Sompletion target, orientation, completion status (standard or non-standard)  API No. 30-015-47037  SHL: 200 FNL & 2450 FEL §31  BHL: 100 FSL & 1800 FEL §6  FTP: 100 FNL & 1800 FEL §31  LTP: 100 FSL & 1800 FEL §6	1000 1000 1000 1000 1000 1000 1000 100	Red Hills Well No. 404H
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BHL: 100 FSL & 1800 FEL §6 FTP: 100 FNL & 1800 FEL §31 LTP: 100 FSL & 1800 FEL §6		The state of the s
tandard) FTP: 100 FNL & 1800 FEL §31 LTP: 100 FSL & 1800 FEL §6		
LTP: 100 FSL & 1800 FEL §6		
opper workeampy IVD 12230 feet/MD 22500 feet		
		abber wouldnib) two 15520 teet/two 55200 teet
EXHIBIT 5		EXHIBIT 6

Red Hills Well No. 406H API No. 30-015-47309

SHL: 300 FNL & 1015 FEL §31 BHL: 100 FSL & 850 FEL §6 FTP: 100 FNL & 850 FEL §31 LTP: 100 FSL & 850 FEL §6

Upper Wolfcamp/TVD 12250 feet/MD 22500 feet

Red Hills Well No. 504H API No. 30-015-Pending

SHL: 200 FNL & 1055 FEL §31 BHL: 100 FSL & 2290 FEL §6 FTP: 100 FNL & 2290 FEL §31 LTP: 100 FSL & 2290 FEL §6

Upper Wolfcamp/TVD 12475 feet/MD 22725 feet

Red Hills Well No. 505H API No. 30-015-47031

SHL: 200 FNL & 2430 FEL §31 BHL: 100 FSL & 1300 FEL §6 FTP: 100 FNL & 1300 FEL §31 LTP: 100 FSL & 1300 FEL §6

Upper Wolfcamp/TVD 12475 feet/MD 22725 feet

Red Hills Well No. 506H API No. 30-015-47189

SHL: 300 FNL & 1035 FEL §31 BHL: 100 FSL & 350 FEL §6 FTP: 100 FNL & 350 FEL §31 LTP: 100 FSL & 350 FEL §6

Upper Wolfcamp/TVD 12475 feet/MD 22725 feet

Red Hills Well No. 604H API No. 30-015-47190

SHL: 200 FNL & 2490 FEL §31 BHL: 100 FSL & 1800 FEL §6 FTP: 100 FNL & 1800 FEL §31 LTP: 100 FSL & 1800 FEL §6

Upper Wolfcamp/TVD 12850 feet/MD 23100 feet

Red Hills Well No. 606H API No. 30-015-Pending SHL: 300 FNL & 995 FEL §31 BHL: 100 FSL & 850 FEL §6 FTP: 100 FNL & 850 FEL §31 LTP: 100 FSL & 850 FEL §6

See above

See above

Upper Wolfcamp/TVD 12850 feet/MD 23100 feet

Horizontal Well First and Last Take **Points** 

Completion Target (Formation, TVD and MD)

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 1 page 2
Requested Risk Charge	Cost + 200%/Exhibit 1 page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20	
days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10	
days before hearing)	Not necessary
Ownership Determination	The trice of the t
Land Ownership Schematic of the	
Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and	
owners)	Exhibit 2-C
Pooled Parties (including ownership	Eximple 2.0
type)	Exhibit 2-C
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including	110t applicable
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of	Exilibre 2 C
JOA)	Exhibit 2-C
Chronology of Contact with Non-Joined Working Interests	Exhibit 2, page 2
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special	
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-B
Gunbarrel/Lateral Trajectory Schematic	Exhibit 2
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-B
Tracts	Exhibit 2-A
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 2-C
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-B
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including	Exhibit 3-C

wells)	
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	EXHIBIT 5-C
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Jam/es Bruce
Signed Name (Attorney or Party Representative):	Janus Bruce
Date:	October 20, 2020

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