

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. _____

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

EXHIBIT

1

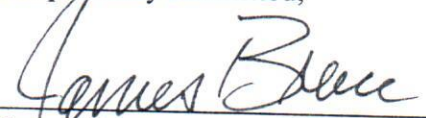
formation underlying the E/2 of Section 31 and the E/2 of Section 6, pursuant to NMSA 1978 §70-2-17.

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 Section 31 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.

EXHIBIT

2

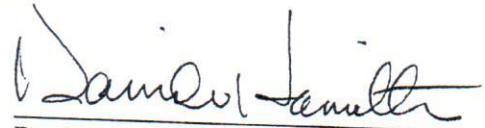
Forms C-102 for the wells are **Attachment B**.

- (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.

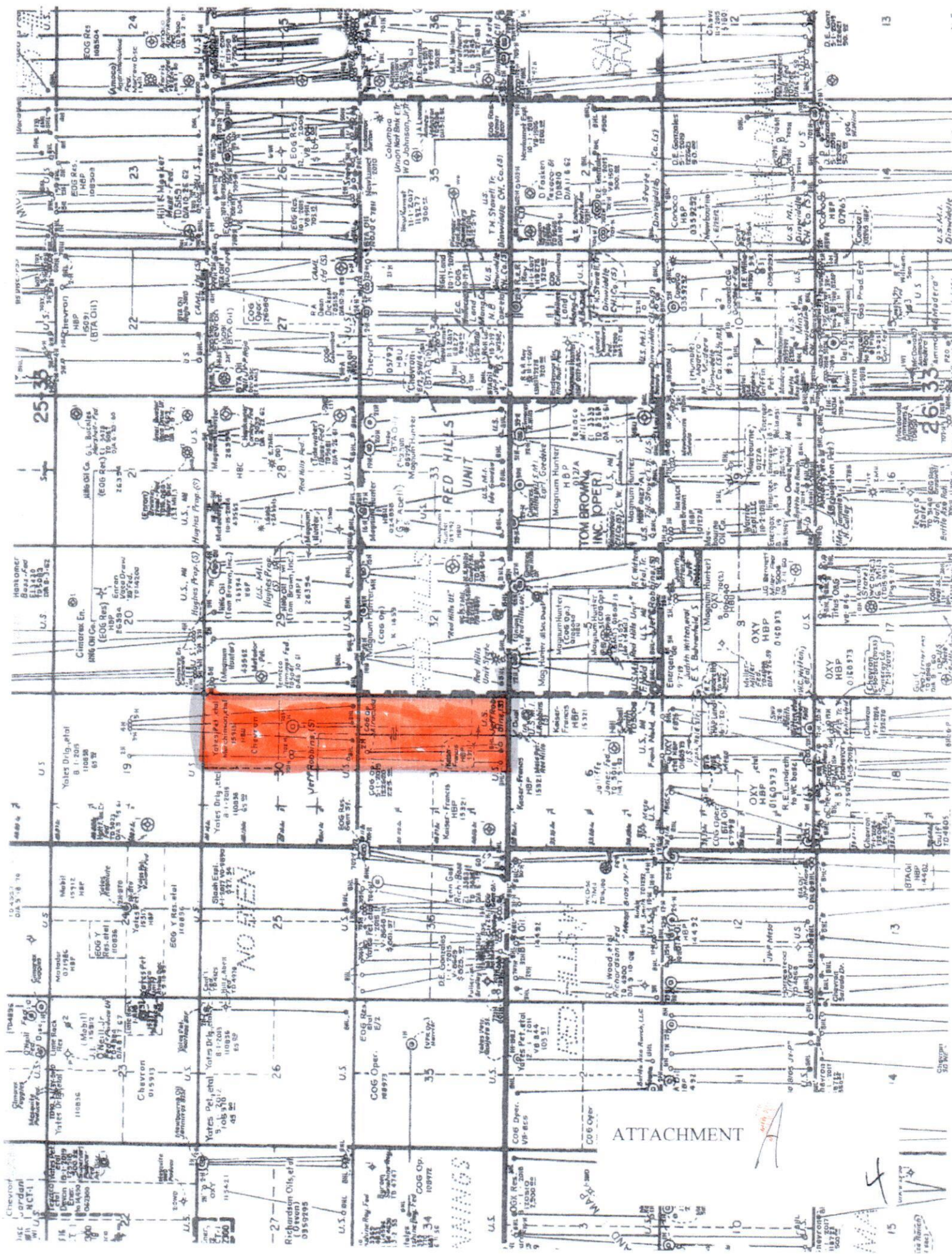
3. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 2(n) above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

10/6/2020



David V. Hamilton



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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 47037	² Pool Code 98158	³ Pool Name WC-025 G-09 S253236A; Upper Wolfcamp
⁴ Property Code	⁵ Property Name RED HILLS FEDERAL	⁶ Well Number 404H
⁷ OGRID No. 12361	⁸ Operator Name KAISER-FRANCIS OIL CO.	⁹ 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	31	25 S	33 E		200	NORTH	2450	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	6	26 S	33 E		100	SOUTH	2240	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW CORNER SEC. 31 LAT. = 32.0943129°N LONG. = 103.6199197°W NMSP EAST (FT) N = 398778.60 E = 762263.04</p> <p>W/4 CORNER SEC. 31 LAT. = 32.0870551°N LONG. = 103.6199216°W NMSP EAST (FT) N = 396138.31 E = 762279.92</p> <p>SECTION CORNER LAT. = 32.0797982°N LONG. = 103.6198947°W NMSP EAST (FT) N = 393498.44 E = 762305.72</p> <p>W/4 CORNER SEC. 6 LAT. = 32.0724791°N LONG. = 103.6198675°W NMSP EAST (FT) N = 390835.89 E = 762331.74</p> <p>SW CORNER SEC. 6 LAT. = 32.0652928°N LONG. = 103.6198397°W NMSP EAST (FT) N = 388221.69 E = 762357.64</p>	<p>S89°33'55"W 2650.63 FT</p> <p>N/4 CORNER SEC. 31 LAT. = 32.0943196°N LONG. = 103.6113623°W NMSP EAST (FT) N = 398798.70 E = 764913.09</p> <p>RED HILLS 404H ELEV. = 3409.5' LAT. = 32.0937703°N (NAD83) LONG. = 103.6107650°W NMSP EAST (FT) N = 398600.08 E = 765099.40</p> <p>FIRST TAKE POINT 100' FNL, 2240' FEL LAT. = 32.0940450°N LONG. = 103.6100869°W</p> <p>QUARTER CORNER LAT. = 32.0797943°N LONG. = 103.6113923°W NMSP EAST (FT) N = 393514.54 E = 764939.16</p> <p>LATITUDE AND LONGITUDE VALUES ARE NAD 83 STATE PLANE VALUES ARE NMSP EAST GRID</p> <p>BOTTOM OF HOLE & LAST TAKE POINT LAT. = 32.0655711°N LONG. = 103.6100793°W NMSP EAST (FT) N = 388343.03 E = 765380.54</p> <p>S/4 CORNER SEC. 6 LAT. = 32.0652928°N LONG. = 103.6198397°W NMSP EAST (FT) N = 388221.69 E = 762357.64</p>	<p>S89°36'15"W 2635.02 FT</p> <p>NE CORNER SEC. 31 LAT. = 32.0943209°N LONG. = 103.6026553°W NMSP EAST (FT) N = 398816.91 E = 767547.55</p> <p>E/4 CORNER SEC. 31 LAT. = 32.0870695°N LONG. = 103.6028547°W NMSP EAST (FT) N = 396178.96 E = 767565.60</p> <p>SECTION CORNER LAT. = 32.0797953°N LONG. = 103.6028596°W NMSP EAST (FT) N = 393532.70 E = 767582.02</p> <p>E/4 CORNER SEC. 6 LAT. = 32.0725247°N LONG. = 103.6028542°W NMSP EAST (FT) N = 390887.75 E = 767601.57</p> <p>SE CORNER SEC. 6 LAT. = 32.0652983°N LONG. = 103.6028496°W NMSP EAST (FT) N = 388258.92 E = 767620.79</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Stormi Davis 1/3/20 Signature Date</p> <p>Stormi Davis Printed Name</p> <p>ssdavis104@gmail.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 1, 2019 Date of Survey</p> <p>Signature and Seal of Professional Surveyor Certificate Number. 12797</p>
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ATTACHMENT

B

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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State of New Mexico
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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 47039	² Pool Code 98158	³ Pool Name WC-025 G-09 S253236A; Upper Wolfcamp
⁴ Property Code 5467	⁵ Property Name RED HILLS FEDERAL	⁶ Well Number 406H
⁷ OGRID No. 12361	⁸ Operator Name KAISER-FRANCIS OIL CO.	⁹ Elevation 3400.1

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
A	31	25 S	33 E		300	NORTH	1015	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	26 S	33 E		100	SOUTH	400	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW CORNER SEC. 31 LAT. = 32.0943129°N LONG. = 103.6199197°W NMSP EAST (FT) N = 398778.60 E = 762263.04</p>		<p>N89°33'55"E 2650.63 FT N71°35'19"E 646.73 FT N4 CORNER SEC. 31 LAT. = 32.0943196°N LONG. = 103.6113623°W NMSP EAST (FT) N = 398798.70 E = 764913.09</p>		<p>NE CORNER SEC. 31 LAT. = 32.0943209°N LONG. = 103.6028553°W NMSP EAST (FT) N = 398816.91 E = 767547.55</p>	
<p>W/4 CORNER SEC. 31 LAT. = 32.0870551°N LONG. = 103.6199216°W NMSP EAST (FT) N = 396138.31 E = 762279.92</p>		<p>RED HILLS 406H ELEV. = 3400.1 LAT. = 32.0934960°N (NAD83) LONG. = 103.6061321°W NMSP EAST (FT) N = 398509.94 E = 766534.81</p>		<p>E/4 CORNER SEC. 31 LAT. = 32.0870695°N LONG. = 103.6028547°W NMSP EAST (FT) N = 396178.96 E = 767565.60</p>	
<p>SW CORNER SEC. 31 LAT. = 32.0797982°N LONG. = 103.6198947°W NMSP EAST (FT) N = 393498.44 E = 762305.72</p>		<p>S/4 CORNER SEC. 31 LAT. = 32.0797943°N LONG. = 103.6113923°W NMSP EAST (FT) N = 393514.54 E = 764939.16</p>		<p>SE CORNER SEC. 31 LAT. = 32.0797953°N LONG. = 103.6028596°W NMSP EAST (FT) N = 393532.70 E = 767582.02</p>	
<p>W/4 CORNER SEC. 6 LAT. = 32.0724791°N LONG. = 103.6198675°W NMSP EAST (FT) N = 390835.89 E = 762331.74</p>		<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. VERTICAL DATUM NAVD83.</p>		<p>E/4 CORNER SEC. 6 LAT. = 32.0725247°N LONG. = 103.6028542°W NMSP EAST (FT) N = 390887.75 E = 767601.57</p>	
<p>SW CORNER SEC. 6 LAT. = 32.0652928°N LONG. = 103.6198397°W NMSP EAST (FT) N = 388221.69 E = 762357.64</p>		<p>BOTTOM OF HOLE LAT. = 32.0655728°N LONG. = 103.6041408°W NMSP EAST (FT) N = 388356.06 E = 767220.15</p>		<p>SE CORNER SEC. 6 LAT. = 32.0652983°N LONG. = 103.6028496°W NMSP EAST (FT) N = 388258.92 E = 767620.79</p>	

¹⁷ OPERATOR CERTIFICATION

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

Stormi Davis 1/7/20
Signature Date

Stormi Davis
Printed Name

ssdavis104@gmail.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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

OCTOBER 1, 2019
Date of Survey

Signature and Seal of Professional Surveyor:
Certificate Number: 12797
PLS 12797
PROFESS SURVEY NO. 6456B

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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06/15/2020
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47031	² Pool Code 97994	³ Pool Name WC-025 G-06 S253329D Upper Bone Spring
⁴ Property Code 5467	⁵ Property Name RED HILLS Federal	⁶ Well Number 505H
⁷ OGRID No. 12361	⁸ Operator Name KAISER-FRANCIS OIL CO.	⁹ Elevation 3410.3

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	31	25 S	33 E		200	NORTH	2430	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	6	26 S	33 E		100	SOUTH	1790	EAST	LEA

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

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

¹⁶ OPERATOR CERTIFICATION

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

Signature: *Charlotte Van Valkenburg* Date: *6-15-2020*

Printed Name: **Charlotte Van Valkenburg**

E-mail Address: **Charlotv@kfoc.net**

¹⁷ SURVEYOR CERTIFICATION

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

OCTOBER 18, 2019

Date of Survey

Signature and Seal of Professional Surveyor: *William F. Jaramila*

Certificate Number: **PLS 12797**

SURVEY NO. 64478

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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05/22/2020
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025 -47189		² Pool Code 98158		³ Pool Name WC-025 G-08 S253236A;UPR WOLFCAMP	
⁴ Property Code 5467		⁵ Property Name RED HILLS FEDERAL			⁶ Well Number 506H
⁷ OGRID No. 12361		⁸ Operator Name KAISER-FRANCIS OIL CO.			⁹ Elevation 3400.2

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
A	31	25 S	33 E		300	NORTH	1035	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	6	26 S	33 E		100	SOUTH	850	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW CORNER SEC. 31 LAT. = 32.0943129°N LONG. = 103.6199197°W NMSP EAST (FT) N = 398778.60 E = 762263.04</p> <p>W/4 CORNER SEC. 31 LAT. = 32.0870551°N LONG. = 103.6199216°W NMSP EAST (FT) N = 396138.31 E = 762279.92</p> <p>SW CORNER SEC. 31 LAT. = 32.0797982°N LONG. = 103.6198947°W NMSP EAST (FT) N = 393498.44 E = 762305.72</p> <p>W/4 CORNER SEC. 6 LAT. = 32.0724791°N LONG. = 103.6198675°W NMSP EAST (FT) N = 390835.89 E = 762331.74</p> <p>SW CORNER SEC. 6 LAT. = 32.0652928°N LONG. = 103.6198397°W NMSP EAST (FT) N = 388221.69 E = 762357.64</p>		<p>N/4 CORNER SEC. 31 LAT. = 32.0943196°N LONG. = 103.6113623°W NMSP EAST (FT) N = 398798.70 E = 764913.09</p> <p>FIRST TAKE POINT 100' FNL, 850' FEL LAT. = 32.0940457°N LONG. = 103.6055994°W NMSP EAST (FT) N = 398711.06 E = 766698.42</p> <p>S/4 CORNER SEC. 31 LAT. = 32.0797943°N LONG. = 103.6113923°W NMSP EAST (FT) N = 393514.54 E = 764939.16</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83) BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. VERTICAL DATUM NAVD83.</p> <p>BOTTOM OF HOLE LAT. = 32.0655724°N LONG. = 103.6055931°W NMSP EAST (FT) N = 388352.88 E = 766770.24</p>		<p>NE CORNER SEC. 31 LAT. = 32.0943209°N LONG. = 103.6028553°W NMSP EAST (FT) N = 398816.91 E = 767547.55</p> <p>E/4 CORNER SEC. 31 LAT. = 32.0870695°N LONG. = 103.6028547°W NMSP EAST (FT) N = 396178.96 E = 767565.60</p> <p>SE CORNER SEC. 31 LAT. = 32.0797953°N LONG. = 103.6028596°W NMSP EAST (FT) N = 393532.70 E = 767582.02</p> <p>E/4 CORNER SEC. 6 LAT. = 32.0725247°N LONG. = 103.6028542°W NMSP EAST (FT) N = 390887.75 E = 767601.57</p> <p>SE CORNER SEC. 6 LAT. = 32.0652983°N LONG. = 103.6028496°W NMSP EAST (FT) N = 388258.92 E = 767620.79</p>	
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¹⁶ OPERATOR CERTIFICATION

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

Melanie J. Wilson 01/09/2020
Signature Date

Melanie Wilson
Printed Name

mjp1692@gmail.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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

OCTOBER 21, 2019

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number: 12797
SURVEY NO. 6448C

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

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

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

OCD - HOBBS
05/22/2020
RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 47190	² Pool Code 98158	³ Pool Name WC-025 G-09 S253236A; Upper Wolfcamp
⁴ Property Code 5467	⁵ Property Name RED HILLS FEDERAL	⁶ Well Number 604H
⁷ OGRID No. 12361	⁸ Operator Name KAISER-FRANCIS OIL CO.	⁹ Elevation 3412.6

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	31	25 S	33 E		200	NORTH	2490	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	6	26 S	33 E		100	SOUTH	2240	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW CORNER SEC. 31 LAT. = 32.0943129°N LONG. = 103.6199197°W NMSP EAST (FT) N = 398778.60 E = 762263.04</p> <p>W/4 CORNER SEC. 31 LAT. = 32.0870551°N LONG. = 103.6199216°W NMSP EAST (FT) N = 396138.31 E = 762279.92</p> <p>SECTION CORNER LAT. = 32.0797982°N LONG. = 103.6198947°W NMSP EAST (FT) N = 393498.44 E = 762305.72</p> <p>W/4 CORNER SEC. 6 LAT. = 32.0724271°N LONG. = 103.6198673°W NMSP EAST (FT) N = 390816.98 E = 762331.92</p> <p>SW CORNER SEC. 6 LAT. = 32.0652928°N LONG. = 103.6198397°W NMSP EAST (FT) N = 388221.69 E = 762357.64</p>		<p>S89°33'55"W 2650.63 FT</p> <p>N/4 CORNER SEC. 31 LAT. = 32.0943196°N LONG. = 103.6113623°W NMSP EAST (FT) N = 398798.70 E = 764913.09</p> <p>RED HILLS 604H ELEV. = 3412.6' LAT. = 32.0937699°N (NAD83) LONG. = 103.6108940°W NMSP EAST (FT) N = 398599.69 E = 765059.45</p> <p>FIRST TAKE POINT 100' FNL, 2240' FEL LAT. = 32.0940450°N LONG. = 103.6100869°W</p> <p>QUARTER CORNER LAT. = 32.0797943°N LONG. = 103.6113923°W NMSP EAST (FT) N = 393514.54 E = 764939.16</p> <p>LATITUDE AND LONGITUDE VALUES ARE NAD 83 STATE PLANE VALUES ARE NMSP EAST GRID</p> <p>BOTTOM OF HOLE & LAST TAKE POINT LAT. = 32.0655711°N LONG. = 103.6100793°W NMSP EAST (FT) N = 388343.05 E = 765380.54</p> <p>S/4 CORNER SEC. 6 LAT. = 32.0655711°N LONG. = 103.6100793°W NMSP EAST (FT) N = 388343.05 E = 765380.54</p> <p>2490'</p> <p>2240'</p> <p>2632.14 FT</p> <p>2632.14 FT</p>		<p>NE CORNER SEC. 31 LAT. = 32.0943209°N LONG. = 103.6028553°W NMSP EAST (FT) N = 398816.91 E = 767547.55</p> <p>E/4 CORNER SEC. 31 LAT. = 32.0870695°N LONG. = 103.6028547°W NMSP EAST (FT) N = 396178.96 E = 767565.60</p> <p>SECTION CORNER LAT. = 32.0797953°N LONG. = 103.6028596°W NMSP EAST (FT) N = 393532.70 E = 767582.02</p> <p>E/4 CORNER SEC. 6 LAT. = 32.0725247°N LONG. = 103.6028542°W NMSP EAST (FT) N = 390887.75 E = 767601.57</p> <p>SE CORNER SEC. 6 LAT. = 32.0652983°N LONG. = 103.6028496°W NMSP EAST (FT) N = 388258.92 E = 767620.79</p>	
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¹⁷ OPERATOR CERTIFICATION

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

Stormi Davis 1/7/20
Signature Date

Stormi Davis
Printed Name

ssdavis104@gmail.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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

OCTOBER 1, 2019
Date of Survey

Signature and Seal of Professional Surveyor:
Certificate Number: 12797
SURVEY NO. 6450B

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

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

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

OCD - HOBBS
05/15/2020
RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025- 47185	² Pool Code 98158	³ Pool Name ;WC-025 G-08 S253236A;UPR WOLFCAMP
⁴ Property Code 5467	⁵ Property Name RED HILLS	⁶ Well Number 606H
⁷ OGRID No. 12361	⁸ Operator Name KAISER-FRANCIS OIL CO.	⁹ Elevation 3400.2

* Surface Location

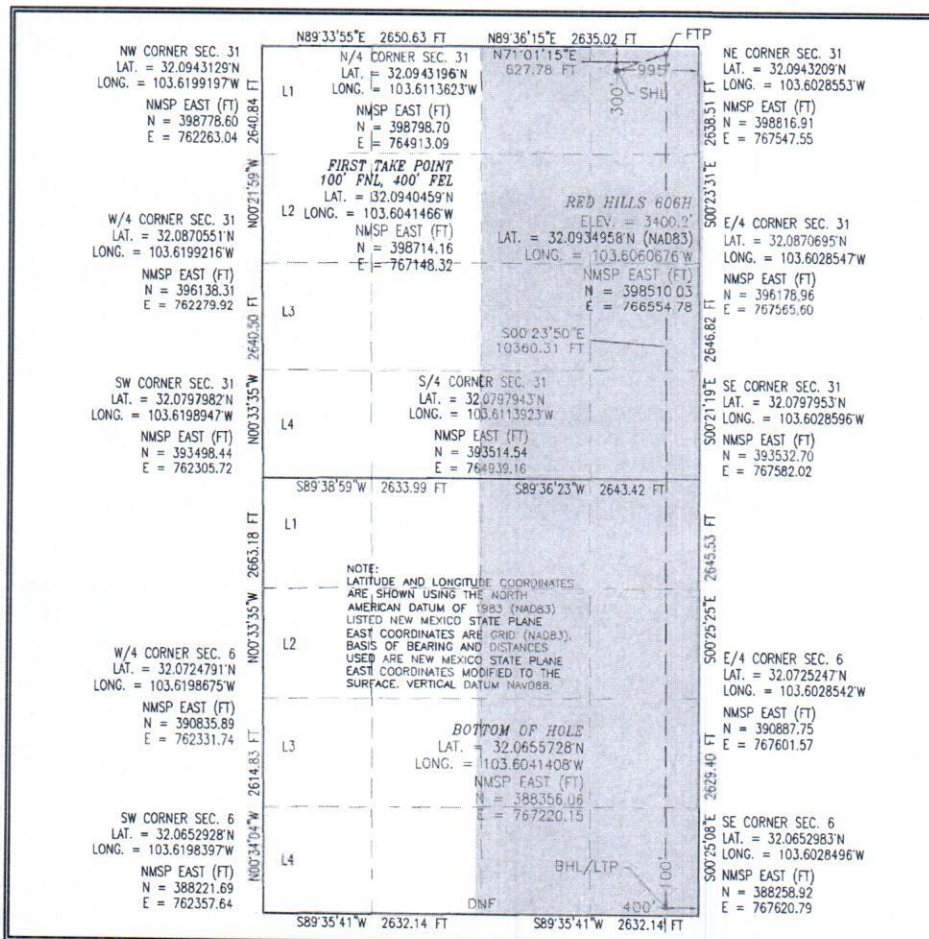
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	25 S	33 E		300	NORTH	995	EAST	LEA

** 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
P	6	26 S	33 E		100	SOUTH	400	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

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

Melanie J. Wilson 01/09/2020
Signature Date

Melanie Wilson

Printed Name

mjp1692@gmail.com

E-mail Address

18 SURVEYOR CERTIFICATION

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

OCTOBER 1, 2019

Date of Survey

William F. Jaramilla
Signature and Seal of Professional Surveyor

Certificate Number: WILLIAM F. JARAMILLA SLS 12797

SURVEY NO. 64578

Kaiser-Francis Oil Company 77.187500%

Atlas OBO Energy, LP 0.937500%

COG Operating LLC 20.781250%

Concho Oil & Gas, LLC 1.093750%

ATTACHMENT **C**

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 LTP 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
Landman

KAISER-FRANCIS OIL COMPANY

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

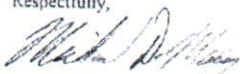
Ladies and Gentlemen:

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 NMOCED soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

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

Respectfully,



Michael D. Maxey
Landman

KAISER-FRANCIS OIL COMPANY

P.O. BOX 31468

TULSA, OKLAHOMA 74111-1468
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 505H
E/2 of Section 31-25S-33E and
E/2 of Section 6-26S-33E
Lea Co., NM

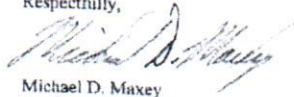
Ladies and Gentlemen:

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 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 NMOCB soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

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

Respectfully,



Michael D. Maxey
Landman

KAISER-FRANCIS OIL COMPANY

P. O. BOX 21468

TULSA, OKLAHOMA 74121-1468

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 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 NMOCDD soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

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

Respectfully,


Michael D. Maxey
Landman

KAISER-FRANCIS OIL COMPANY

P. O. BOX 21468

TULSA, OKLAHOMA 74121-1468

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 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 NMOCB soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

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

Respectfully,


Michael D. Maxey
Landman

KAISER-FRANCIS OIL COMPANY

O. BOX 21468

TULSA, OKLAHOMA 74121-1468

6733 South Yale Avenue, 74136
(918) 404-0000

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 NMOCDD soon, so let us know when you elect to participate whether you want to be supplied a JOA for execution or whether you prefer to be pooled.

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

Respectfully,


Michael D. Maxey
Landman

KAISER-FRANCIS OIL COMPANY

P. O. BOX 71468

TULSA, OKLAHOMA 74121-1468
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 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
Landman

Operator: Kaiser-Francis Oil Company		Date: 7/16/2020	
Well Name: Red Hills 404H		Field: Red Hills	
Prospect: Red Hills		County / Psh: Lea	
Location: FTP: 100' FNL & 1800' FEL of S31 T25S R33E, BHL: 100' FSL & 1800' FEL S6 T26S R33E		State: New Mexico	
Depth: 22500 MD 12250 TVD		Preparer: CJ / DZ / JC / RS / BH	
Horizon: Wolfcamp			
Objective: Drill and complete a 9800' lateral Wolfcamp well			
JIB Code	Intangible Drilling and Completion Costs	Drilling	Completion
500/600	Location / Road Expense / Frac Pit Construction	\$62,500	\$14,000
501/601	Cond, Rat Hole, Mouse Hole Services	\$35,000	
502/602	Location Damages	\$20,000	
503/603	Environmental, Regulatory, and Permitting	\$30,000	
504/604	Turnkey Completion Rig		\$8,000
	Footage @ per foot		\$8,000
	Daywork 27 days at \$19,500	\$526,500	
505/605	Coiled Tubing & Related Services		\$84,000
506/606	Rig Mob / Demob	\$61,200	
507/607	Directional Drilling Services	\$387,800	
508/608	Bits & Reamers	\$122,500	
510/610	Fuel/Power	\$189,000	
512/612	Drilling Water / Completion Fluid	\$60,000	\$611,250
514/614	Mud & Chemicals	\$175,000	\$35,000
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$240,000	\$20,000
516/616	Surface Equipment Rental / Inspection	\$296,080	\$142,265
517/617	Downhole Equipment Rental / Inspection	\$254,000	\$39,500
518/618	Transportation & Loading	\$65,000	\$50,000
520/620	DST, Coring & Analysis		
521/621	Downhole tools: Whipstocks, Uner Hangers, Frac Plugs		\$56,000
522/622	OH Logs / CH Logs / Perforating / Slickline		\$5,000
523/623	Mud Logging / Geosteering / LWD	\$32,400	
524/624	Cementing & Squeezing	\$208,000	
526/626	Casing Crews & Equipment	\$88,500	
528/628	Plug & Abandon		
530/630	Stimulation		\$2,382,429
532/632	Geological & Engineering		
534/634	Supervision	\$119,000	\$46,500
536/636	Miscellaneous Contract Labor	\$55,000	\$48,000
538/638	Prof. Fees & Abstracts	\$10,000	
541/641	Liability Insurance / Bonds		
542/642	Drilling Overhead / Completion Overhead	\$21,600	\$5,250
544/644	Miscellaneous & Unforeseen	\$247,900	\$177,360
	Total Intangible Drilling & Completion	\$3,306,980	\$3,724,554
JIB Code	Tangible Well and Lease Equipment Costs	Drilling	Completion
700	Conductor		
701	Surface Casing 13-3/8" 48.0# J-55 STC 1350	\$63,868	
702	Intermediate Casing 10 3/4" 40.50# J-55 STC 5200	\$222,204	
703	Intermediate Casing 7-5/8" 29.7# P-110 BTC 11000	\$253,420	
704	Drilling Liner (BCP)		
705	Production Liner (ACP)		
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		\$71,160
721/720	Wellhead Equip. BCP/ACP	\$45,000	\$40,000
724	Packers & Downhole Equipment		\$20,000
726	Rods & Pumps		
737	Line Pipe / Fittings / Pipeline		\$40,000
738	Automation/SCADA/Misc Electrical Equipment		\$30,000
747	Valves		\$35,000
752	Tanks & Walkways		\$70,000
765	Heaters / Treaters / Separator / VRU		\$55,000
768	Artificial Lift / Compressor		\$40,000
770	Gas Sales Unit / Dehy / Line Heater / Flare		\$5,000
775/774	Transportation and Freight BCP/ACP		\$2,000
777/776	Inspect/Test Tubulars BCP/ACP	\$24,000	\$5,000
779/778	Non-Controllable Equipment BCP/ACP	\$60,849	\$6,908
	Total Well and Lease Equipment	\$1,302,395	\$145,068
Total Drilling and Completion Cost		\$4,609,375	\$3,869,622
		\$428,550	\$8,907,547
KFOC APPROVALS		PARTNER APPROVAL	
Robert Sanford (918) 491-4201 Drilling		Signature	
Jake Crissup (918) 491-4685 Completion		Printed Name	
David Hamilton (832) 428-2460 Land		Position	
Chris Miller (918) 491-4443 Geology		Company	
Blake Humphries (918) 491-4455 Reservoir		Date	
Mike Raines (918) 491-4658 Asset Manager			
Tom Redman (918) 491-4201 Chief Operating Officer			

ATTACHMENT 

Operator: Kaiser-Francis Oil Company		Date: 7/16/2020	
Well Name: Red Hills 406H		Field: Red Hills	
Prospect: Red Hills		County / Psh: Lee	
Location: FTP: 100' FNL & 850' FEL of S31 T25S R33E, BHL: 100' FSL & 850' FEL S6 T26S R33E		State: New Mexico	
Depth: 22500 MD 12250 TVD		Preparer: CJ / DZ / JC / RS / BH	
Horizon: Wolfcamp			
Objective: 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
501/600	Cond. Rat Hole, Mouse Hole Services	\$62,500	\$14,000
502/602	Location Damages	\$35,000	\$36,000
503/603	Environmental, Regulatory, and Permitting	\$20,000	\$30,000
504/604	Turnkey Completion Rig	\$30,000	\$8,000
	Footage @ per foot		\$8,000
	Daywork 27 days at \$19,500	\$526,500	\$0
505/605	Coiled Tubing & Related Services		\$526,500
506/606	Rig Mob / Demob		\$84,000
507/607	Directional Drilling Services	\$61,200	\$61,200
508/608	Bits & Reamers	\$387,800	\$387,800
510/610	Fuel/Power	\$122,500	\$122,500
512/612	Drilling Water / Completion Fluid	\$189,000	\$189,000
514/614	Mud & Chemicals	\$60,000	\$611,250
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$175,000	\$35,000
516/616	Surface Equipment Rental / Inspection	\$240,000	\$20,000
517/617	Downhole Equipment Rental / Inspection	\$296,080	\$142,265
518/618	Transportation & Loading	\$254,000	\$39,500
520/620	DST, Coring & Analysis	\$65,000	\$50,000
521/621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs		\$0
522/622	OH Logs / CH Logs / Perforating / Slickline		\$56,000
523/623	Mud Logging / Geosteering / LWD		\$5,000
524/624	Cementing & Squeezing	\$32,400	\$32,400
526/626	Casing Crews & Equipment	\$208,000	\$208,000
528/628	Plug & Abandon	\$88,500	\$88,500
530/630	Stimulation		\$0
532/632	Geological & Engineering		\$2,382,429
534/634	Supervision		\$0
536/636	Miscellaneous Contract Labor	\$119,000	\$46,500
538/638	Prof. Fees & Abstracts	\$55,000	\$48,000
541/641	Liability Insurance / Bonds	\$10,000	\$45,000
542/642	Drilling Overhead / Completion Overhead		\$0
544/644	Miscellaneous & Unforeseen	\$21,600	\$5,250
	Total Intangible Drilling & Completion	\$247,900	\$177,360
		\$3,306,980	\$3,724,554
			\$85,050
			\$7,116,584
JIB Code	Tangible Well and Lease Equipment Costs		
700	Conductor	Drilling	Completion
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
703	Intermediate Casing 7-5/8" 29.7# P-110 BTC 11000	\$253,420	\$222,204
704	Drilling Liner (BCP)		\$253,420
705	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 EUE COPAS 12000		\$71,160
721/720	Wellhead Equip. BCP/ACP	\$45,000	\$71,160
724	Packers & Downhole Equipment	\$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
747	Valves		\$30,000
752	Tanks & Walkways		\$35,000
765	Heaters / Treaters / Separator / VRIU		\$70,000
768	Artificial Lift / Compressor		\$55,000
770	Gas Sales Unit / Dehy / Line Heater / Flare		\$40,000
775/774	Transportation and Freight BCP/ACP		\$5,000
777/776	Inspect/Test Tubulars BCP/ACP	\$24,000	\$40,000
779/778	Non-Controllable Equipment BCP/ACP	\$60,849	\$29,000
	Total Well and Lease Equipment	\$1,302,395	\$343,500
		\$1,445,968	\$1,790,963
Total Drilling and Completion Cost		\$4,609,375	\$5,869,622
			\$428,550
			\$8,907,547
KFOC APPROVALS		PARTNER APPROVAL	
Robert Sanford (918) 491-4201 Drilling		Signature	
Jake Crissup (918) 491-4685 Completion		Printed Name	
David Hamilton (832) 428-2460 Land		Position	
Chris Miller (918) 491-4443 Geology		Company	
Blake Humphries (918) 491-4455 Reservoir		Date	
Mike Raines (918) 491-4658 Asset Manager			
Tom Redman (918) 491-4201 Chief Operating Officer			

Operator: Kaiser-Francis Oil Company		Date:	7/16/2020	
Well Name: Red Hills 504H		Field:	Red Hills	
Prospect: Red Hills		County / Psh:	LWA	
Location: FTP: 100' FNL & 2290' FEL of S31 T25S R33E, BHL: 100' FSL & 2290' FEL S6 T26S R33E		State:	New Mexico	
Depth:	22725 MD 12475 TVD	Preparer:	CJ / DZ / JC / RS / BH	
Horizon: Wolfcamp				
Objective: 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
501/600	Cond. Rat Hole, Mouse Hole Services	\$62,500	\$14,000	\$36,000
502/602	Location Damages	\$35,000		
503/603	Environmental, Regulatory, and Permitting	\$20,000		
504/604	Turnkey Completion Rig	\$30,000		
	Footage @ per foot		\$8,000	
	Daywork 27 days at			\$0
505/605	Coiled Tubing & Related Services	\$19,500	\$526,500	
506/606	Rig Mob / Demob		\$84,000	
507/607	Directional Drilling Services	\$61,200		
508/608	Bits & Reamers	\$387,800		
510/610	Fuel/Power	\$122,500		
512/612	Drilling Water / Completion Fluid	\$189,000		
514/614	Mud & Chemicals	\$60,000	\$611,250	
515/615	Closed Loop System / Mud & Cuttings Disposal / SWD	\$175,000	\$35,000	
516/616	Surface Equipment Rental / Inspection	\$240,000	\$20,000	
517/617	Downhole Equipment Rental / Inspection	\$296,080	\$142,265	
518/618	Transportation & Loading	\$254,000	\$39,500	
520/620	DST, Coring & Analysis	\$65,000	\$50,000	
521/621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs			\$0
522/622	OH Logs / CH Logs / Perforating / Slickline		\$56,000	
523/623	Mud Logging / Geosteering / LWD		\$5,000	
524/624	Cementing & Squeezing	\$32,400		
526/626	Casing Crews & Equipment	\$208,000		
528/628	Plug & Abandon	\$88,500		
530/630	Stimulation			\$0
532/632	Geological & Engineering		\$2,382,429	
534/634	Supervision			\$0
536/636	Miscellaneous Contract Labor	\$119,000	\$46,500	
538/638	Prof. Fees & Abstracts	\$55,000	\$48,000	\$45,000
541/641	Liability Insurance / Bonds	\$10,000		
542/642	Drilling Overhead / Completion Overhead	\$21,600	\$5,250	
544/644	Miscellaneous & Unforeseen	\$247,900	\$177,360	\$4,050
	Total Intangible Drilling & Completion	\$3,306,980	\$3,724,554	\$85,050
JIB Code	Tangible Well and Lease Equipment Costs			
700	Conductor	Drilling	Completion	Eqpt/Const
701	Surface Casing 13-3/8" 48.0W J-55 STC 1350	\$63,868		
702	Intermediate Casing 10 3/4" 40.50W J-55 STC 5200	\$222,204		
703	Intermediate Casing 7-5/8" 29.7W P-110 BTC 11000	\$253,420		
704	Drilling Liner (BCP)			\$0
705	Production Liner (ACP)			\$0
706	Production Casing (ACP)			\$0
710	Tubing 5-1/2" P110 HP 23W SFH Eagle 23300	\$633,054		
721/720	Wellhead Equip. BCP/ACP 2-7/8" 6.5W L-80 EUE COPAS 12000		\$71,160	
724	Packers & Downhole Equipment	\$45,000	\$40,000	
726	Rods & Pumps		\$20,000	
737	Line Pipe / Fittings / Pipeline			\$0
738	Automation/SCADA/Misc Electrical Equipment			\$40,000
747	Valves			\$30,000
752	Tanks & Walkways			\$35,000
765	Heaters / Treaters / Separator / VRU			\$70,000
768	Artificial Lift / Compressor			\$55,000
770	Gas Sales Unit / Dehy / Line Heater / Flare			\$40,000
775/774	Transportation and Freight BCP/ACP			\$5,000
777/776	Inspect/Test Tubulars BCP/ACP	\$24,000	\$2,000	\$40,000
779/778	Non-Controllable Equipment BCP/ACP	\$60,849	\$5,000	
	Total Well and Lease Equipment	\$1,302,395	\$145,068	\$28,500
Total Drilling and Completion Cost		\$4,609,375	\$3,869,622	\$428,550
				\$8,907,547
KFOC APPROVALS		PARTNER APPROVAL		
Robert Sanford (918) 491-4201 Drilling		Signature		
Jake Crissup (918) 491-4685 Completion		Printed Name		
David Hamilton (832) 428-2460 Land		Position		
Chris Miller (918) 491-4443 Geology		Company		
Blake Humphries (918) 491-4455 Reservoir		Date		
Mike Raines (918) 491-4658 Asset Manager				
Tom Redman (918) 491-4201 Chief Operating Officer				

Operator: Kaiser-Francis Oil Company				Authority for Expenditure		Date: 7/16/2020	
Well Name: Red Hills 505H				Field: Red Hills			
Prospect: Red Hills				County / Psh: Lea			
Location: FTP: 100' FNL & 1300' FEL of S31 T2S5 R33E, BHL: 100' FSL & 1300' FEL S6 T2S5 R33E				State: New Mexico			
Depth: 22725 MD		12475 TVD		Preparer: CJ / DZ / JC / RS / BH			
Horizon: Wolfcamp							
Objective: 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	
501/601	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 days at	\$19,500			\$0	
505/605	Coiled Tubing & Related Services		\$526,500			\$526,500	
506/606	Rig Mob / Demob			\$84,000		\$84,000	
507/607	Directional Drilling Services		\$61,200			\$61,200	
508/608	Bits & Reamers		\$387,800			\$387,800	
510/610	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		\$254,000	\$39,500		\$293,500	
520/620	DST, Coring & Analysis		\$65,000	\$50,000		\$115,000	
521/621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs					\$0	
522/622	OH Logs / CH Logs / Perforating / Slickline			\$56,000		\$56,000	
523/623	Mud Logging / Geosteering / LWD			\$5,000		\$5,000	
524/624	Cementing & Squeezing		\$32,400			\$32,400	
526/626	Casing Crews & Equipment		\$208,000			\$208,000	
528/628	Plug & Abandon		\$88,500			\$88,500	
530/630	Stimulation			\$2,382,429		\$2,382,429	
532/632	Geological & Engineering					\$0	
534/634	Supervision		\$119,000	\$46,500		\$165,500	
536/636	Miscellaneous Contract Labor		\$55,000	\$48,000	\$45,000	\$148,000	
538/638	Prof. Fees & Abstracts		\$10,000			\$10,000	
541/641	Liability Insurance / Bonds					\$0	
542/642	Drilling Overhead / Completion Overhead		\$21,600	\$5,250		\$26,850	
544/644	Miscellaneous & Unforeseen		\$247,900	\$177,360	\$4,050	\$429,310	
	Total Intangible Drilling & Completion		\$3,306,980	\$3,724,554	\$85,050	\$7,116,584	
JIB Code Tangible Well and Lease Equipment Costs							
700	Conductor		Drilling	Completion	Eqpt/Const	Total	
701	Surface Casing	13-3/8" 48.0# J-55 STC 1350	\$63,868			\$63,868	
702	Intermediate Casing	10 3/4" 40.50# J-55 STC 5200	\$222,204			\$222,204	
703	Intermediate Casing	7-5/8" 29.7# P-110 BTC 11000	\$253,420			\$253,420	
704	Drilling Liner (BCP)					\$0	
705	Production Liner (ACP)					\$0	
706	Production Casing (ACP)	5-1/2" P110 HP 23# SFH Eagle 23300	\$633,054			\$633,054	
710	Tubing	2-7/8" 6.5# L-80 EUE COPAS 12000		\$71,160		\$71,160	
721/710	Wellhead Equip. BCP/ACP		\$45,000	\$40,000		\$85,000	
724	Packers & Downhole Equipment			\$20,000		\$20,000	
726	Rods & Pumps					\$0	
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				\$55,000	\$55,000	
770	Gas Sales Unit / Dehy / Line Heater / Flare				\$40,000	\$40,000	
775/774	Transportation and Freight BCP/ACP				\$5,000	\$5,000	
777/776	Inspect/Test Tubulars BCP/ACP		\$24,000	\$2,000	\$40,000	\$66,000	
779/778	Non-Controllable Equipment BCP/ACP		\$60,849	\$6,908	\$78,500	\$146,257	
	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				PARTNER APPROVAL			
Robert Sanford (918) 491-4201 Drilling				Signature			
Jake Crissup (918) 491-4685 Completion				Printed Name			
David Hamilton (832) 428-2460 Land				Position			
Chris Miller (918) 491-4443 Geology				Company			
Blake Humphries (918) 491-4455 Reservoir				Date			
Mike Raines (918) 491-4658 Asset Manager							
Tom Redman (918) 491-4201 Chief Operating Officer							

Operator: Kaiser-Francis Oil Company		Date:	7/16/2020	
Well Name: Red Hills 506H		Field:	Red Hills	
Prospect: Red Hills		County / Psh	Lee	
Location: FTP: 100' FNL & 350' FEL of S31 T25S R33E, BHL: 100' FSL & 350' FEL S6 T26S R33E		State:	New Mexico	
Depth: 22725 MD 12475 TVD		Preparer:	CJ / OZ / JC / RS / BH	
Horizon: Wolfcamp				
Objective: Drill and complete a 9800' lateral Wolfcamp well				

JIB Code	Intangible Drilling and Completion Costs	Drilling	Completion	Eqpt/Const	Total
500/600	Location / Road Expense / Frac Pit Construction	\$62,500	\$14,000	\$36,000	\$112,500
501/***	Cond, Rat Hole, Mouse Hole Services	\$35,000			\$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				\$0
	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
508/608	Bits & Reamers	\$122,500			\$122,500
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
518/618	Transportation & Loading	\$65,000	\$50,000		\$115,000
520/***	DST, Coring & Analysis				\$0
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	Cementing & Squeezing	\$208,000			\$208,000
526/626	Casing Crews & Equipment	\$88,500			\$88,500
528/628	Plug & Abandon				\$0
***/630	Stimulation		\$2,382,429		\$2,382,429
532/632	Geological & Engineering				\$0
534/634	Supervision	\$119,000	\$46,500		\$165,500
536/636	Miscellaneous Contract Labor	\$55,000	\$48,000	\$45,000	\$148,000
538/638	Prof. Fees & Abstracts	\$10,000			\$10,000
541/641	Liability Insurance / Bonds				\$0
542/642	Drilling Overhead / Completion Overhead	\$21,600	\$5,250		\$26,850
544/644	Miscellaneous & Unforeseen	\$247,900	\$177,360	\$4,050	\$429,310
	Total Intangible Drilling & Completion	\$3,308,980	\$3,724,554	\$85,050	\$7,116,584

JIB Code	Tangible Well and Lease Equipment Costs	Drilling	Completion	Eqpt/Const	Total
700	Conductor				\$0
701	Surface Casing 13-3/8" 48.0# J-55 STC 1350	\$63,868			\$63,868
702	Intermediate Casing 10 3/4" 40.50# J-55 STC 5200	\$222,204			\$222,204
702	Intermediate Casing 7-5/8" 29.7# P-110 BTC 11000	\$253,420			\$253,420
704	Drilling Liner (BCP)				\$0
703	Production Liner (ACP)				\$0
706	Production Casing (ACP) 5-1/2" P110 HP 13# SFH Eagle 23300	\$633,054			\$633,054
710	Tubing 2-7/8" 6.5# L-80 EUE COPAS 12000		\$71,160		\$71,160
721/720	Wellhead Equip. BCP/ACP	\$45,000	\$40,000		\$85,000
724	Packers & Downhole Equipment		\$20,000		\$20,000
725	Rods & Pumps				\$0
737	Line Pipe / Fittings / Pipeline			\$40,000	\$40,000
738	Automation/SCADA/Misc Electrical Equipment			\$30,000	\$30,000
747	Valves			\$35,000	\$35,000
752	Tanks & Walkways			\$70,000	\$70,000
765	Heaters / Treaters / Separator / VRU			\$55,000	\$55,000
768	Artificial Lift / Compressor			\$40,000	\$40,000
770	Gas Sales Unit / Dehy / Line Heater / Flare			\$5,000	\$5,000
775/774	Transportation and Freight BCP/ACP		\$2,000	\$40,000	\$42,000
777/776	Inspect/Test Tubulars BCP/ACP	\$24,000	\$5,000		\$29,000
779/778	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	PARTNER APPROVAL
Robert Sanford (918) 491-4201 Drilling	
Jake Crissup (918) 491-4685 Completion	Signature
David Hamilton (832) 428-2460 Land	Printed Name
Chris Miller (918) 491-4443 Geology	Position
Blake Humphries (918) 491-4455 Reservoir	Company
Mike Raines (918) 491-4658 Asset Manager	Date
Tom Redman (918) 491-4201 Chief Operating Officer	

Operator: Kaiser-Francis Oil Company		Date: 7/16/2020			
Well Name: Red Hills 604H		Field: Red Hills			
Prospect: Red Hills		County / Psh: Lea			
Location: FTP: 100' FNL & 1800' FEL OF 531 T255 R33E, BHL: 100' FSL & 1800' FEL S6 T265 R33E		State: New Mexico			
Depth: 23100 MD 12850 TYD		Preparer: CJ / DZ / JC / RS / BH			
Horizon: Wolfcamp					
Objective: Drill and complete a 9800' lateral Wolfcamp well					
JIB Code	Intangible Drilling and Completion Costs	Drilling	Completion	Eqpt/Const	Total
500/600	Location / Road Expense / Frac Pit Construction	\$62,500	\$14,000	\$36,000	\$112,500
501/601	Cond, Rat Hole, Mouse Hole Services	\$35,000			\$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	\$19,500			\$0
505/605	Coiled Tubing & Related Services	\$526,500			\$526,500
506/606	Rig Mob / Demob		\$84,000		\$84,000
507/607	Directional Drilling Services	\$61,200			\$61,200
508/608	Bits & Reamers	\$387,800			\$387,800
510/610	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	\$254,000	\$39,500		\$293,500
520/620	DST, Coring & Analysis	\$65,000	\$50,000		\$115,000
521/621	Downhole tools: Whipstocks, Liner Hangers, Frac Plugs				\$0
522/622	OH Logs / CH Logs / Perforating / Slickline		\$56,000		\$56,000
523/623	Mud Logging / Geosteering / LWD		\$5,000		\$5,000
524/624	Cementing & Squeezing	\$32,400			\$32,400
526/626	Casing Crews & Equipment	\$208,000			\$208,000
528/628	Plug & Abandon	\$88,500			\$88,500
530/630	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	\$48,000	\$45,000	\$148,000
541/641	Liability Insurance / Bonds	\$10,000			\$10,000
542/642	Drilling Overhead / Completion Overhead				\$0
544/644	Miscellaneous & Unforeseen	\$21,600	\$5,250		\$26,850
		\$247,900	\$177,360	\$4,050	\$429,310
	Total Intangible Drilling & Completion	\$3,306,980	\$3,724,554	\$85,050	\$7,116,584
JIB Code	Tangible Well and Lease Equipment Costs	Drilling	Completion	Eqpt/Const	Total
700	Conductor				\$0
701	Surface Casing 13-3/8" 48.0W J-55 STC 1350	\$63,868			\$63,868
702	Intermediate Casing 10 3/4" 40.50W J-55 STC 5200	\$222,204			\$222,204
703	Intermediate Casing 7-5/8" 29.7W P-110 BTC 11000	\$253,420			\$253,420
704	Drilling Liner (BCP)				\$0
705	Production Liner (ACP)				\$0
706	Production Casing (ACP) 5-1/2" P110 HP 23W SFH Eagle 23300	\$633,054			\$633,054
710	Tubing 2-7/8" 6.5W L-80 EUE COPAS 12000		\$71,160		\$71,160
721/720	Wellhead Equip. BCP/ACP	\$45,000	\$40,000		\$85,000
724	Packers & Downhole Equipment		\$20,000		\$20,000
726	Rods & Pumps				\$0
737	Line Pipe / Fittings / Pipeline			\$40,000	\$40,000
738	Automation/SCADA/Misc Electrical Equipment			\$30,000	\$30,000
747	Valves			\$35,000	\$35,000
752	Tanks & Walkways			\$70,000	\$70,000
765	Heaters / Treaters / Separator / VRU			\$55,000	\$55,000
768	Artificial Lift / Compressor			\$40,000	\$40,000
770	Gas Sales Unit / Dehy / Line Heater / Flare			\$5,000	\$5,000
775/774	Transportation and Freight BCP/ACP		\$2,000	\$40,000	\$42,000
777/776	Inspect/Test Tubulars BCP/ACP	\$24,000	\$5,000		\$29,000
779/778	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	PARTNER APPROVAL
Robert Sanford (918) 491-4201 Drilling	Signature _____
Jake Crissup (918) 491-4685 Completion	Printed Name _____
David Hamilton (832) 428-2460 Land	Position _____
Chris Miller (918) 491-4443 Geology	Company _____
Blake Humphries (918) 491-4455 Reservoir	Date _____
Mike Raines (918) 491-4658 Asset Manager	
Tom Redman (918) 491-4201 Chief Operating Officer	

Operator: Kaiser-Francis Oil Company		Authority for Expenditure			
Well Name: Red Hills 606H	Date: 7/16/2020				
Prospect: Red Hills	Field: Red Hills				
Location: FTP: 100' FNL & 850' FEL of S31 T25S R33E, BHL: 100' FSL & 850' FEL S6 T26S R33E	County / Psh: Lea				
Depth: 23100 MD 12850 TVD	State: New Mexico				
Horizon: Wolfcamp	Preparer: CJ / DZ / JC / RS / BH				
Objective: 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	\$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 days at				\$0
505/605	Coiled Tubing & Related Services	\$19,500	\$526,500		\$526,500
506/606	Rig Mob / Demob		\$84,000		\$84,000
507/***	Directional Drilling Services	\$61,200			\$61,200
508/608	Bits & Reamers	\$387,800			\$387,800
510/610	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	\$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				\$0
522/622	OH Logs / CH Logs / Perforating / Slickline		\$56,000		\$56,000
523/***	Mud Logging / Geosteering / LWD		\$5,000		\$5,000
524/624	Cementing & Squeezing	\$32,400			\$32,400
526/626	Casing Crews & Equipment	\$208,000			\$208,000
528/628	Plug & Abandon	\$88,500			\$88,500
***/630	Stimulation				\$0
532/632	Geological & Engineering		\$2,382,429		\$2,382,429
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536/636	Miscellaneous Contract Labor	\$119,000	\$46,500		\$165,500
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775/774	Transportation and Freight BCP/ACP		\$2,000	\$40,000	\$42,000
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779/778	Non-Controllable Equipment BCP/ACP	\$60,849	\$6,908		\$67,757
	Total Well and Lease Equipment	\$1,302,395	\$145,068	\$343,500	\$1,790,963
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KFOC APPROVALS		PARTNER APPROVAL			
Robert Sanford (918) 491-4201 Drilling		Signature			
Jake Crissup (918) 491-4685 Completion		Printed Name			
David Hamilton (832) 428-2460 Land		Position			
Chris Miller (918) 491-4443 Geology		Company			
Blake Humphries (918) 491-4455 Reservoir		Date			
Mike Raines (918) 491-4658 Asset Manager					
Tom Redman (918) 491-4201 Chief Operating Officer					

KAISER-FRANCIS OIL COMPANY

P.O. BOX 21468 TULSA, OKLAHOMA 74121-1468

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

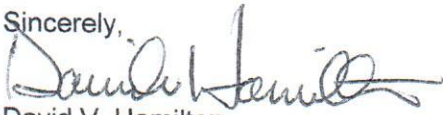
Re: Applications for Amended Pooling Orders
Section 6-26S-33E and Section 31-25S-33E
Lea County, New Mexico

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 davidh@kfoc.net.

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 relatively 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.

EXHIBIT

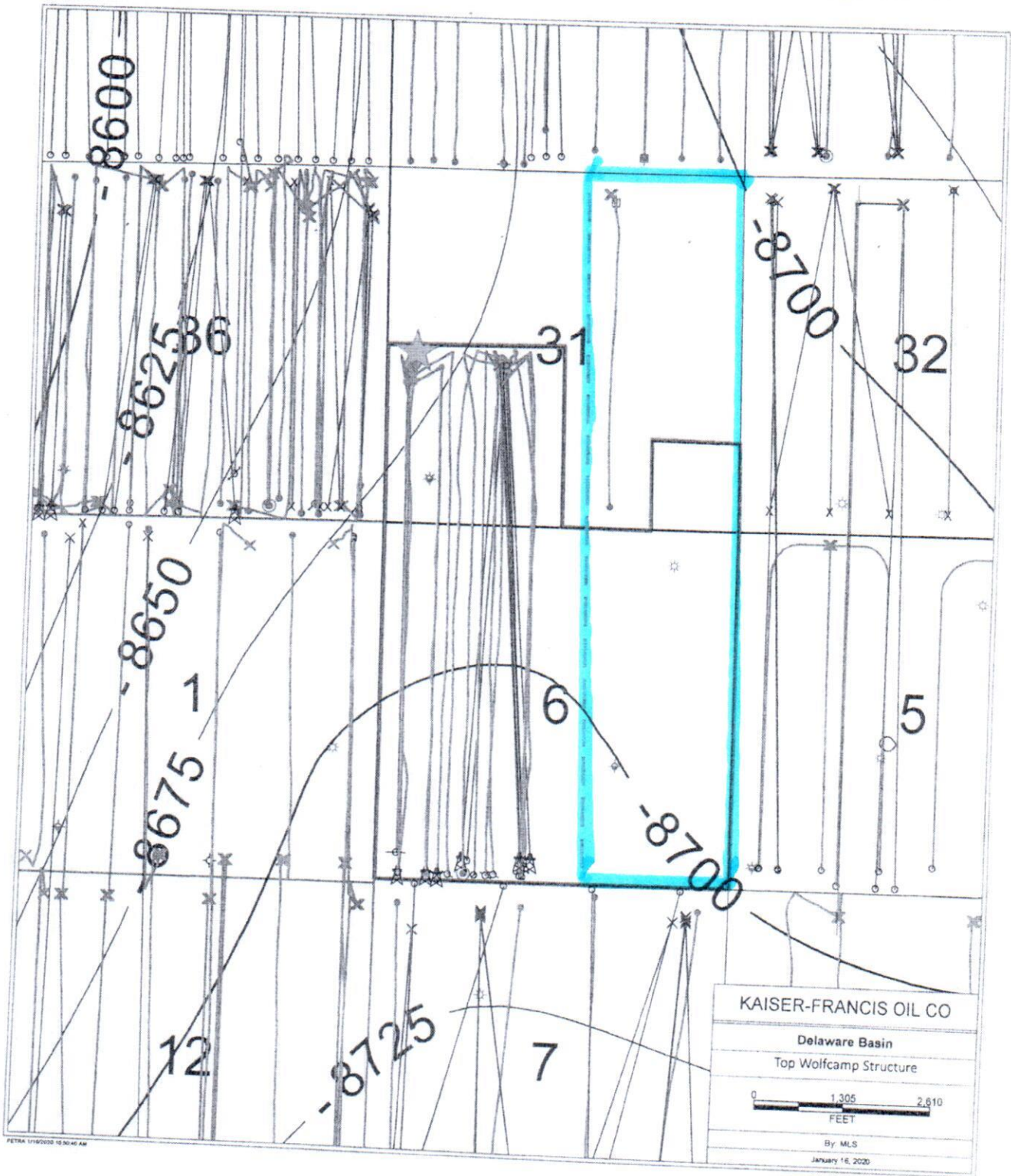
3

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.

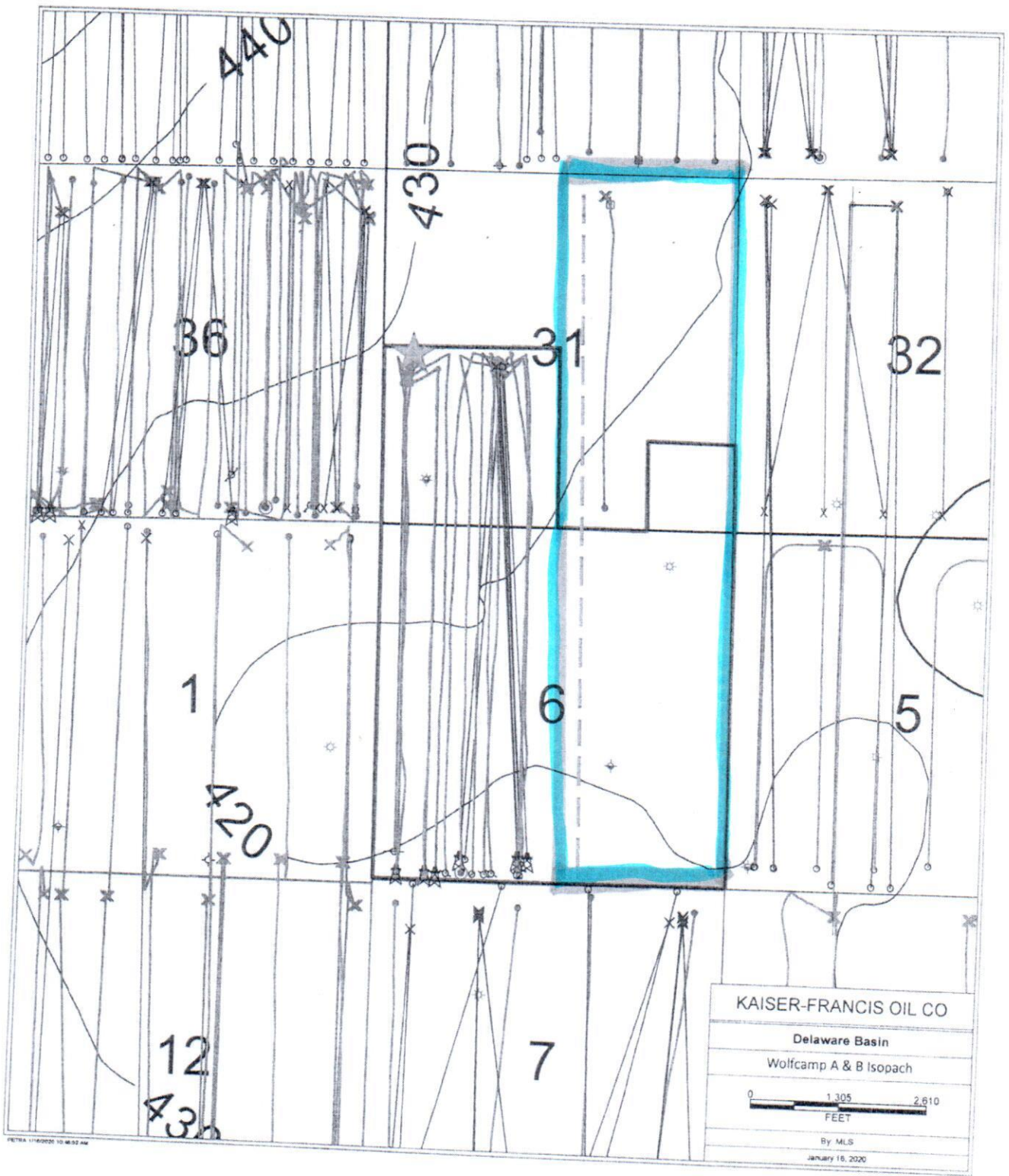
Date: 10/7/20

Chris Miller
Chris Miller



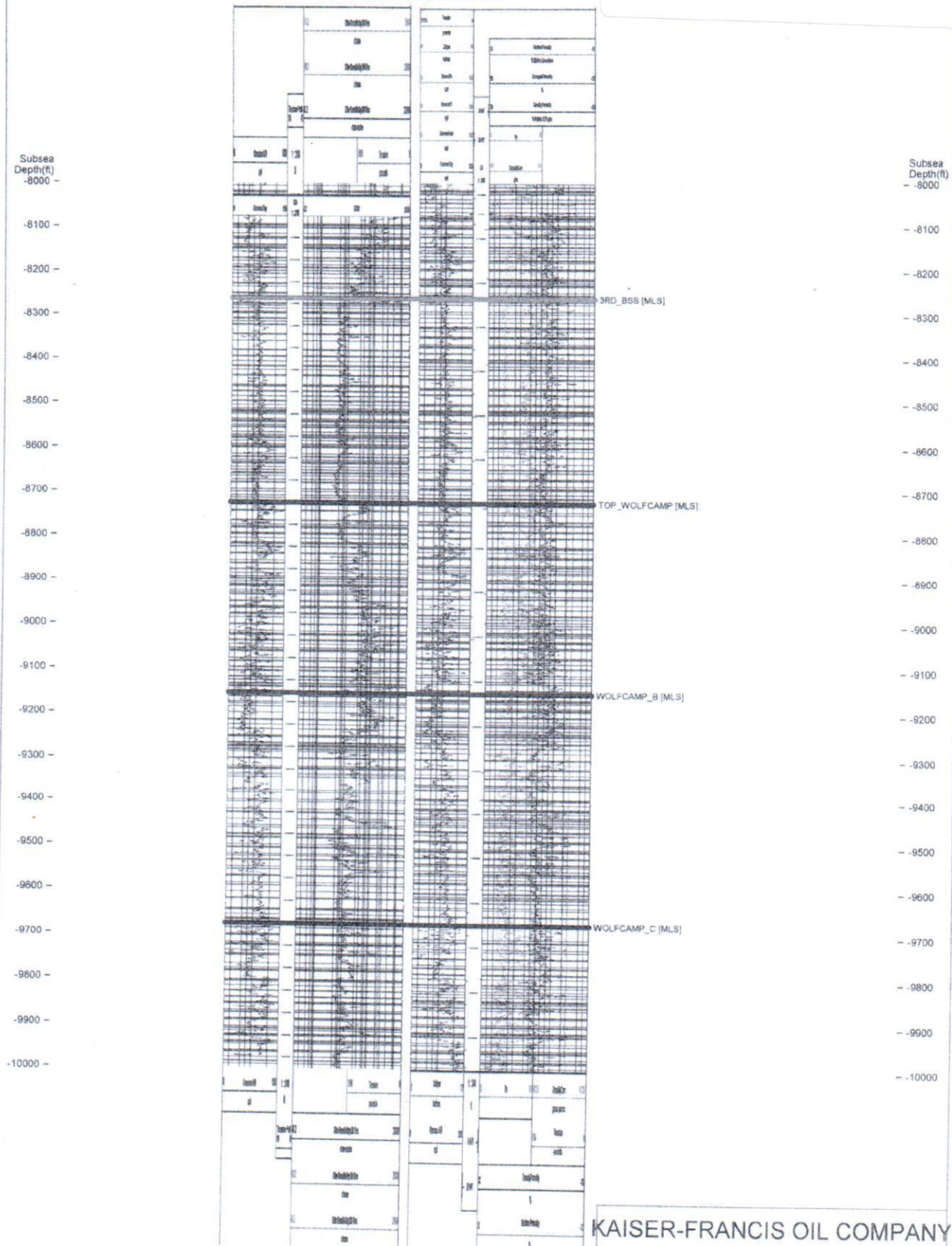
★ Pilot well location

Well location



KAISER-FRANCIS OIL
RED HILLS
401H
30025455720000

ATTACHMENT



KAISER-FRANCIS OIL COMPANY

DELAWARE BASIN

Wolfcamp Interval

By: MLS

January 16, 2020 10:59 AM

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


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

James Bruce deposes and states:

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

Date: _____

10/20/20



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)
jamesbruce@aol.com

September 16, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

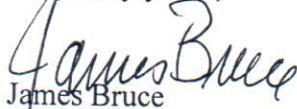
Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Kaiser-Francis Oil Company, regarding Wolfcamp wells in the E/2 of Section 31, Township 25 South, Range 33 East, NMPM and the E/2 of Section 6, Township 26 South, Range 33 East, NMPM, Lea 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 emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>.

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 ocd.hearings@state.nm.us, 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,


James Bruce

Attorney for Kaiser-Francis Oil Company

ATTACHMENT

A

EXHIBIT A

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

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.
 Houston, TX 77019

Certified Mail Fee \$3.55
 \$
 Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$0.00
☐ Return Receipt (electronic) \$0.00
☐ Certified Mail Restricted Delivery \$0.00
☐ Adult Signature Required \$0.00
☐ Adult Signature Restricted Delivery \$0.00
 Postage \$0.55
 Total Postage and Fees \$4.10

Postmark Here
 16 2020
 09/16/2020
 OFFICE 10501

Sent To Atlas OBO Energy, LP
 Street and Apt. No., or PO Box 3501 Allen Parkway
 City, State, ZIP+4® Houston, Texas 77019

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS 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.

1. Article Addressed to:

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



9590 9402 5941 0062 9942 87

2. Article Number (Transfer from service label)

7019 2970 0000 7642 9232

COMPLETE THIS SECTION ON DELIVERY

A. Signature *C19* ☐ Agent ☐ Addressee
 X
 B. Received by (Printed Name) *C19* C. Date of Delivery *10-5*
 D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☒ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise
☐ Collect on Delivery ☐ Signature Confirmation™
☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery
☐ Insured Mail

PS Form 3811, July 2015 PSN 7530-02-000-9053

K-F RH WC - Domestic Return Receipt

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:

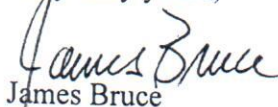
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This matter is scheduled for hearing at 8:15 a.m. on Thursday, October 22, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>.

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.

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Very truly yours,


James 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

7019 2970 0000 7642 9607

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

Certified Mail Fee
\$ _____

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Adult Signature Required	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____

Postage
\$ _____

Total Postage and Fees
\$ _____

Postmark
Here

Sent To
West Texas Gas, Inc.
d/b/a WTG Exploration Inc.
Street and Apt. No., or P.O. Box
401 West Wadley Avenue
City, State, ZIP+4[®]
Midland, Texas 79705

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS 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.

1. Article Addressed to:

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



9590 9402 5941 0062 9674 34

2. Article from

7019 2970 0000 7642 9607

Delivery

COMPLETE THIS SECTION ON DELIVERY

A. Signature
Kelli Gonzalez ☐ Agent ☐ Addressee

B. Received by (Printed Name)
Kelli Gonzalez

C. Date of Delivery
10-5-20

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express [®]
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail TM
<input checked="" type="checkbox"/> Certified Mail [®]	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation TM
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21464
Date	October 22, 2020
Applicant	Kaiser-Francis Oil Company
Designated Operator & OGRID (affiliation if applicable)	Kaiser-Francis Oil Company/OGRID No. 12361
Applicant's Counsel:	James Bruce
Case Title:	Application of Kaiser-Francis Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
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	
Type (Horizontal/Vertical)	Vertical
Size (Acres)	640 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2 §31-25S-33E and E/2 §6-26S-33E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Red Hills Well No. 505H
Applicant's Ownership in Each Tract	Exhibit 2-C
Well(s)	
Name & API (if assigned), surface and bottom 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 §31 LTP: 100 FSL & 1800 FEL §6 Upper Wolfcamp/TVD 12250 feet/MD 22500 feet

EXHIBIT

5

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
Upper Wolfcamp/TVD 12850 feet/MD 23100 feet

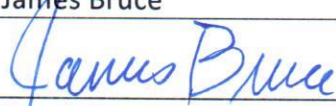
Horizontal Well First and Last Take
Points

See above

Completion Target (Formation, TVD and
MD)

See above

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 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	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-C
Pooled Parties (including ownership type)	Exhibit 2-C
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (<i>i.e.</i> Exhibit A of 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	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	October 20, 2020