

NADEL AND GUSSMAN PERMIAN, L.L.C.
601 N. Marienfeld, Suite 508
Midland, TX 79701
Office: (432) 682-4429
Fax: (432) 682-4325

RECEIVED OGD

Brooks 2013 JUN 10 P 2:20

June 4, 2013

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mary Louise Hubbart
840 Cleveland Road
Bogart, GA 30622

Re: **NOTIFICATION OF ELECTION**

Compulsory Pooling

Well: Long Branch Well No. 2H API #30-015-38519

Dedication: E/2 W/2 of Section 7, T19S, R26E, NMPM

Eddy County, New Mexico

NMOCD Case 14624, Order R-13509

To Whom It May Concern:

On behalf of Nadel and Gussman Permian and in accordance with the terms of the New Mexico Oil Conservation Division Order R-13509, copy enclosed, I am providing for you an itemized schedule of actual well costs pursuant to this order.

If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following the receipt of this schedule, the actual well costs shall be deemed to be reasonable well costs. If there is an objection to the actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

Nadel and Gussman Permian's records indicate that you have either an unleased mineral interest owner or are a working interest owner in this 160-acre spacing unit for all formations from top of the Glorieta to the base of the Yeso formation in this well. Since you have chosen not to participate in this well, Nadel and Gussman Permian has paid your share of the costs of drilling and completing the well and will recover your share of production plus an additional 200 percent.

Sincerely,



Emerald McGinnis
Land Manager

Enc

cc: Director NMOCD-Santa Fe

NADEL AND GUSSMAN PERMIAN, L.L.C.
601 N. Marienfeld, Suite 508
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RECEIVED OCD

2013 JUN 10 P 2: 20

June 4, 2013

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mary Louise Hubbart
17617 Midway Road 155.
Dallas, TX 75287

Re: **NOTIFICATION OF ELECTION**
Compulsory Pooling
Well: Long Branch Well No. 2H API #30-015-38519
Dedication: E/2 W/2 of Section 7; T19S, R26E, NMPM
Eddy County, New Mexico
NMOCD Case 14624, Order R-13509

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June 4, 2013

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mary Louise Hubbart
165 Forrestbrook Dr 906
Lewisville, TX 75067

Re: NOTIFICATION OF ELECTION

Compulsory Pooling

Well: Long Branch Well No. 2H **API #30-015-38519**

Dedication: E/2 W/2 of Section 7, T19S, R26E, NMPM

Eddy County, New Mexico

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June 4, 2013

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mary Louise Hubbart
1125 Prospect Drive
Flower Mound, TX 75028

Re: NOTIFICATION OF ELECTION

Compulsory Pooling

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Dedication: E/2 W/2 of Section 7, T19S, R26E, NMPM

Eddy County, New Mexico

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Mary Louise Hubbart
4100 Morriss Road
Flower Mound, TX 75028

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VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Patsy Madden Carmoney
515 Palmer Mill Road
Monticello, FL 32344

Re: NOTIFICATION OF ELECTION

Compulsory Pooling

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Dedication: E/2 W/2 of Section 7; T19S, R26E, NMPM

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Patsy Madden Carmoney
5080 Vandecar Road
Farewell, MI 48622

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Patsy Madden Carmoney
P.O. Box 510518
Melbourne Beach, FL 32951

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287 Beverly Court
Melbourne, FL 32951

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Gail McClease
1911 Douglas Blvd. Suite 84
Roseville, CA 95661

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Fred Bohannon
14502 Valley View Road
Shawnee, OK 74804

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June 4, 2013

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Marvin J. Bohannon
P.O. Box 82219
Oklahoma City, OK 73148

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JIB BILLED ITEMS DETAIL REPORT

[illegible]

Line: EPC: 03/15/12 11:45 AM

Integrus Energy Management System (www.fuelcellsystems.co.uk)

RECEIVED OGD
2013 JUN 10 P 2: 20

JIB BILLED ITEMS DETAIL REPORT

O	BILL	TRAN	COST		OPERATING	INTANGIBLE			
K	CODE	DATE	CNTR	VENDOR NAME	INVOICE	EXPENSE	EXPENSE	EQUIPMENT	OTHER BILLING DESCRIPTION
	04298-002			LONG BRANCH FEE 7 #2H	(continued)				
A	4-08	11/03/11	0	W & W OILFIELD	INV1984		528.75		Contract Labor
A	4-45	11/03/11	0	SOUTHEAST READI	327879		1,387.43		Miscellaneous I. D. C.
A	4-45	11/03/11	0	SOUTHEAST READI	327980		1,107.25		Miscellaneous I. D. C.
A	4-78	11/03/11	0	YOUNG'S FACTORY	92596		1,804.05		Tree & Upper Run
A	4-82	11/07/11	0	BLAIR TOOL, LLC	26236		3,877.29		Rentals - Subsurface
A	4-78	11/07/11	0	YOUNG'S FACTORY	92600		1,856.80		Transportation
A	6-72	11/08/11	0	KC PIPE, LP	INV0000501			28,398.15	Surface Casing
A	4-85	11/08/11	0	KENT, STEVE TRU	NM21551		2,174.78		Water Disposal
A	4-84	11/08/11	0	KENT, STEVE TRU	NM21580		9,301.30		Water
A	4-85	11/08/11	0	KENT, STEVE TRU	NM21581		7,891.18		Water Disposal
A	6-42	11/08/11	0	ROADRUNNER ENVI	63343			761.40	Flowline
A	6-42	11/08/11	0	ROADRUNNER ENVI	63344			761.40	Flowline
A	4-01	11/09/11	0	O'BRIEN OIL & G	11092011		1,446.86		Legal, Permits & Fees
A	4-78	11/09/11	0	ACME TRUCK LINE	3236431		2,571.03		Transportation
A	4-78	11/09/11	0	ACME TRUCK LINE	3237729		2,571.03		Transportation
A	4-08	11/09/11	0	CROCKETT TRUCKI	300996F		585.00		Contract Labor
A	4-78	11/09/11	0	ACME TRUCK LINE	3236058		961.83		Transportation
A	4-39	11/09/11	0	HALLIBURTON	98139139		25,856.31		Logging (Wireline)
A	4-78	11/10/11	0	KC PIPE, LP	INV0000526		560.44		Transportation
A	4-01	11/10/11	0	CANON & SUMNER	20450		29,886.73		Legal, Permits & Fees
A	4-08	11/10/11	0	CROCKETT TRUCKI	30105F		455.00		Contract Labor
A	4-08	11/10/11	0	BAKER HUGHES BU	901269352		19,787.15		Cement & Cement Services
A	4-88	11/10/11	0	THOMAS PETROLEU	0422263-IN		18,338.11		Rig Fuel
A	4-78	11/10/11	0	HUGHES OILFIELD	57574		552.40		Transportation
A	5-92	11/10/11	0	DCC SERVICES, L	1168		1,869.22		Transportation
A	4-01	11/11/11	0	WOERNLE LAND M	NGP-11-11-2011		1,200.00		Legal, Permits & Fees
A	4-84	11/11/11	0	KENT, STEVE TRU	NM21619		1,227.81		Water
A	4-45	11/13/11	0	DAVIS FLUID CAL	9223		1,408.86		Miscellaneous f. O. C.
A	4-08	11/13/11	0	CHARLIE'S FIELD	8170		848.00		Contract Labor
A	4-16	11/14/11	0	E L FARMER & CO	0146755		1,139.88		Directional Drilling Expe
A	4-01	11/14/11	0	CAPROCK TITLE	39581		94.18		Legal, Permits & Fees
A	4-78	11/14/11	0	PRADON CONSTRU	356854		860.00		Transportation

U.S. ERIC 05/15/13 11:48:38

Integra Energy Management System (www.AvalarSystems.com).

D BILL	TRAN	COST				OPERATING	INTANGIBLE						
K CODE	DATE	CNTR	VENDOR NAME	INVOICE		EXPENSE	EXPENSE	EQUIPMENT	OTHER				BILLING DESCRIPTION
04299-002 LONG BRANCH FEE 7 #2H (continued)													
A 4-09	11/14/11	0	WEATHERFORD LAB	7638679RI			4,588.82						Conn & Core Analysis
A 4-08	11/14/11	0	AFS ENERGY SERV	1111022WH			460.90						Contract Labor
A 6-84	11/14/11	0	AFS ENERGY SERV	1111022WH				1,018.29					Wellhead
A 4-84	11/14/11	0	KENT, STEVE TRU	NM21672			5,218.03						Water
A 4-23	11/14/11	0	WEATH GEMOCO	7639613RI			6,549.80						Float Equipment & Central
A 4-05	11/15/11	0	GABES CASING &	36670			5,831.50						Casing Crews
A 4-05	11/15/11	0	GABES CASING &	37261			6,815.90						Casing Crews
A 4-85	11/15/11	0	KENT, STEVE TRU	NM21673			11,105.88						Water Disposal
A 4-78	11/15/11	0	E L FARMER & CO	0147296			6,097.07						Transportation
A 4-36	11/16/11	0	WEINMANN, VIRGI	11162011			32,479.00						Location & Road Expense
A 4-06	11/16/11	0	PAR FIVE ENERGY	100001118			15,472.78						Cement & Cement Services
A 4-78	11/16/11	0	ACME TRUCK LINE	3245664			1,912.88						Transportation
A 4-05	11/16/11	0	GABES CASING &	37338			3,563.10						Casing Crews
A 4-66	11/17/11	0	THOMAS PETROLEU	0427338-IN			11,202.04						Rig Fuel
A 4-84	11/17/11	0	KENT, STEVE TRU	NM21683			300.04						Water
A 4-85	11/17/11	0	KENT, STEVE TRU	NM21684			1,883.18						Water Disposal
A 6-72	11/18/11	0	NEW MEXICO-TAX	11182011				1,434.25					Surface Casing
A 6-32	11/18/11	0	KC PIPE, LP	INV0000568				57,657.54					Intermediate casing
A 4-01	11/18/11	0	WOERNLE LAND M	NGP-11-18-2011			800.00						Legal, Permits & Fees
A 4-01	11/18/11	0	WOERNLE LAND M	NGP-12-02-2011			600.00						Legal, Permits & Fees
A 4-03	11/18/11	0	BAKER HUGHES BU	901298343			22,411.72						Bits & Reamers
A 4-84	11/18/11	0	B&L SATELLITE R	49153			213.83						Water
A 4-78	11/19/11	0	CROWN OF THORNS	1563			920.00						Transportation
A 4-78	11/20/11	0	CROCKETT TRUCKI	30141F			455.00						Transportation
A 4-78	11/20/11	0	CROWN OF THORNS	1564			920.00						Transportation
A 4-08	11/20/11	0	CHARLIE'S FIELD	8215			909.45						Contract Labor
A 6-56	11/20/11	0	PACKERS PLUS EN	SIU003683				304,240.13					Packers & Hold Down
A 4-78	11/21/11	0	PRADON CONSTRU	356986			960.00						Transportation
A 4-78	11/21/11	0	PRADON CONSTRU	356986			795.00						Transportation
A 4-18	11/21/11	0	DIRECTIONAL DRI	1111273			143,661.72						Directional Drilling Expe
A 4-31	11/21/11	0	CONNECTION INSP	11020			1,545.79						Inspection - Tubular Good
A 6-80	11/22/11	0	STEMCOR AG	S2011-11554				87,951.92					Production Casing

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Integra Energy Management System (www.AvalarSystems.net)

D BILL	TRAN	COST				OPERATING	INTANGIBLE						
K CODE	DATE	CNTR	VENDOR NAME	INVOICE		EXPENSE	EXPENSE	EQUIPMENT	OTHER				BILLING DESCRIPTION
04299-002 LONG BRANCH FEE 7 #2H (continued)													
A 4-78	11/22/11	0	SAN JAN HOT SHO	3810			795.00						Transportation
A 6-84	11/22/11	0	AFS ENERGY SERV	1111041WH				4,918.83					Wellhead
A 6-84	11/22/11	0	AFS ENERGY SERV	1111042WH				2,844.76					Wellhead
A 4-84	11/22/11	0	KENT, STEVE TRU	NM21742			5,100.71						Water
A 4-85	11/22/11	0	KENT, STEVE TRU	NM21744			2,152.20						Water Disposal
A 4-78	11/22/11	0	CROWN OF THORNS	1565			920.00						Transportation
A 4-05	11/22/11	0	LEWIS CASING CR	NM3216			8,747.94						Casing Crews
A 4-85	11/22/11	0	JWS OF NEW MEXI	218965			666.23						Water Disposal
A 4-85	11/22/11	0	JWS OF NEW MEXI	218967			2,189.06						Water Disposal
A 4-61	11/23/11	0	INDIAN FIRE & S	83628			2,276.17						Rentals - Surface
A 4-03	11/23/11	0	BAKER HUGHES BU	901314348			17,926.48						Bits & Reamers
A 4-61	11/24/11	0	LENCO INDUSTRIA	WV09223			3,627.20						Rentals - Surface
A 4-01	11/25/11	0	WOERNLE LAND M	NGP-11-25-2011			600.00						Legal, Permits & Fees
A 5-28	11/28/11	0	YOUNG, GEORGE S	60183			191.28						Location & Road Expense
A 4-39	11/28/11	0	SCIENTIFIC DRIL	375514			7,621.57						Logging (Wireline)
A 4-14	11/28/11	0	PATRIOT DRILLIN	730			14,276.25						Mobilization/Demobilizati
A 4-15	11/28/11	0	PATRIOT DRILLIN	730			339,543.74						Daywork
A 4-61	11/28/11	0	YOUNG'S FACTORY	92855			3,481.50						Rentals - Surface
A 4-05	11/29/11	0	ALLEN'S CASING	96014365			4,430.58						Casing Crews
A 4-04	11/29/11	0	IRON HORSE TEST	12848			1,481.22						WELL CONTROL & TESTING
A 4-04	11/29/11	0	IRON HORSE TEST	12868			1,483.33						WELL CONTROL & TESTING
A 4-61	11/30/11	0	PORTABLE MUD SY	891			48,581.16						Rentals - Surface
A 6-42	11/30/11	0	ROADRUNNER ENVI	63624				781.40					Flowline
A 6-42	11/30/11	0	ROADRUNNER ENVI	63627				1,453.01					Flowline
A 5-77	11/30/11	0	ROADRUNNER ENVI	63636			891.81						Roustabout Service
A 4-84	11/30/11	0	KENT, STEVE TRU	NM21861			5,700.80						Water
A 4-85	11/30/11	0	KENT, STEVE TRU	NM21862			4,463.75						Water Disposal
A 4-84	11/30/11	0	KENT, STEVE TRU	NM21880			1,234.35						Water
A 4-84	11/30/11	0	KENT, STEVE TRU	NM21891			1,234.35						Water
A 4-85	11/30/11	0	CRI HOLDINGS, L	93033			41,979.18						Water Disposal
A 4-61	11/30/11	0	YOUNG'S FACTORY	92739			4,351.88						Rentals - Surface
A 4-18	11/30/11	0	NG PERMIAN, LLC				3,960.00						Drilling/Completion Overh

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Integra Energy Management System (www.AvalarSystems.net)

D BILL	TRAN	COST			OPERATING	INTANGIBLE					BILLING DESCRIPTION
K CODE	DATE	CNTR	VENDOR NAME	INVOICE	EXPENSE	EXPENSE	EQUIPMENT	OTHER			
04299-002 LONG BRANCH FEE 7 #2H (continued)											
A 4-45	11/30/11	0	NG HEYCO LLC	JIB11110149		164.02					Miscellaneous I. D. C.
A 8-80	11/30/11	0	NG HEYCO LLC	JIB11110149			16.65				Tubing
A 4-73	11/30/11	0	NG HEYCO LLC	JIB11110149		12,470.07					Engineering
A 4-73	11/30/11	0				750.00					Engineering
A 8-42	11/30/11	0	YOUNG, GEORGE S	81164			1,306.01				Flowline
A 5-40	11/30/11	0	ARTESIA BUILDIN	107640		28.88					Miscellaneous I. D. C.
A 4-38	12/01/11	0	DIAMONDBACK DIS	3257		720.98					Location & Road Expense
A 4-39	12/01/11	0	TRANS PECOS WEL	1088		21,214.23					Logging (Wireline)
A 4-39	12/01/11	0	TRANS PECOS WEL	1085		14,125.12					Logging (Wireline)
A 4-12	12/03/11	0	CORROSION LTD.	45232		3,678.62					Corrosion Control & Safet
A 4-81	12/05/11	0	PASON SYSTEMS U	204500		3,972.16					Rentals - Surface
A 4-01	12/10/11	0	WOERNLE LAND M	NGP-12-10-2011		800.00					Legal, Permits & Fees
A 8-78	12/13/11	0	ENERTECH INDUST	11465			119,634.56				Tanks & Accessory Equipme
A 4-01	12/18/11	0	WOERNLE LAND M	NGP-12-16-2011		400.00					Legal, Permits & Fees
A 4-02	12/18/11	0	WEATHERFORD US	7743957RI		10,428.48					Rentals - Subsurface
A 5-28	12/20/11	0	SOUTHEAST READI	329244		1,432.26					Location & Road Expense
A 5-28	12/21/11	0	SOUTHEAST READI	329294		1,438.11					Location & Road Expense
A 4-82	12/21/11	0	COUGAR DRILLING	21065940		3,994.75					Rentals - Subsurface
A 5-28	12/25/11	0	JADE CONSTRUCTI	22567		762.99					Location & Road Expense
A 5-28	12/25/11	0	JADE CONSTRUCTI	22582		885.13					Location & Road Expense
A 5-28	12/25/11	0	JADE CONSTRUCTI	22584		885.13					Location & Road Expense
A 8-42	12/25/11	0	JADE CONSTRUCTI	24678			761.40				Flowline
A 8-42	12/25/11	0	JADE CONSTRUCTI	24677			761.40				Flowline
A 8-42	12/25/11	0	JADE CONSTRUCTI	24678			761.40				Flowline
A 8-42	12/25/11	0	JADE CONSTRUCTI	24679			761.40				Flowline
A 5-40	12/28/11	0	CAPROCK TITLE	39973		126.85					Miscellaneous I. D. C.
A 8-42	12/29/11	0	ROADRUNNER ENVI	63959			761.40				Flowline
A 8-42	12/29/11	0	ROADRUNNER ENVI	63969			761.40				Flowline
A 8-42	12/29/11	0	ROADRUNNER ENVI	63970			761.40				Flowline
A 4-45	12/29/11	0	M-I L.L.C.	4268284		1,839.70					Miscellaneous I. D. C.
A 4-01	12/30/11	0	WOERNLE LAND M	NGP-12-30-2011		400.00					Legal, Permits & Fees
A 8-42	12/31/11	0	JADE CONSTRUCTI	24681			761.40				Flowline

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Integra Energy Management System (www.AvalarSystems.net)

D BILL	TRAN	COST			OPERATING	INTANGIBLE					BILLING DESCRIPTION
K CODE	DATE	CNTR	VENDOR NAME	INVOICE	EXPENSE	EXPENSE	EQUIPMENT	OTHER			
04299-002 LONG BRANCH FEE 7 #2H (continued)											
A 8-42	12/31/11	0	JADE CONSTRUCTI	24682			761.40				Flowline
A 8-42	12/31/11	0	JADE CONSTRUCTI	24684			856.58				Flowline
A 5-73	12/31/11	0	NG PERMIAN, LLC			375.00					Engineering
A 8-80	12/31/11	0					-22,009.32				Production Casing
A 4-81	12/31/11	0	YOUNGS FACTORY	92861		1,582.50					Rentals - Surface
A 4-01	01/01/12	0				233.33					T & S Petro Inv#PER616
A 4-51	01/02/12	0	PORTABLE MUD SY	709		83,179.81					Mud & Chemicals
A 5-28	01/03/12	0	HOBBS ANCHOR, I	39873		1,362.32					Location & Road Expense
A 5-77	01/04/12	0	K&G RENTAL SERV	10460		3,570.00					Roustabout Service
A 5-40	01/04/12	0	STEEL DEPOT - C	0155645		493.31					Miscellaneous I. D. C.
A 5-77	01/06/12	0	ROADRUNNER ENVI	64050		1,267.94					Roustabout Service
A 5-77	01/08/12	0	ROADRUNNER ENVI	64051		461.07					Roustabout Service
A 4-01	01/08/12	0	KELLAHIN & KELL	688		3,424.13					Legal, Permits & Fees
A 8-42	01/08/12	0	JADE CONSTRUCTI	24689			380.70				Flowline
A 5-28	01/09/12	0	WILBANKS TRUCKI	97-12381		1,258.43					Location & Road Expense
A 4-08	01/10/12	0	W & W OILFIELD	INV2082		359.55					Contract Labor
A 5-77	01/10/12	0	ROADRUNNER ENVI	64105		1,267.94					Roustabout Service
A 5-77	01/10/12	0	ROADRUNNER ENVI	64107		923.20					Roustabout Service
A 5-66	01/10/12	0	ROADRUNNER ENVI	64108		376.03					Water Hauling
A 5-82	01/10/12	0	TRINITY ENERGY	13295		816.53					Transportation
A 5-77	01/11/12	0	ROADRUNNER ENVI	64111		1,128.35					Roustabout Service
A 5-92	01/11/12	0	TRINITY ENERGY	13296		3,722.71					Transportation
A 5-92	01/12/12	0	TRINITY ENERGY	13297		3,384.28					Transportation
A 5-77	01/13/12	0	ROADRUNNER ENVI	64139		2,154.13					Roustabout Service
A 5-92	01/13/12	0	TRINITY ENERGY	13298		3,384.28					Transportation
A 5-28	01/18/12	0	ROADRUNNER ENVI	64150		761.40					Location & Road Expense
A 5-77	01/18/12	0	ROADRUNNER ENVI	64151		1,230.93					Roustabout Service
A 4-61	01/17/12	0	WEATHERFORD US	7822922RI		8,958.91					Rentals - Surface
A 5-77	01/18/12	0	K&G RENTAL SERV	17634		5,460.00					Roustabout Service
A 5-28	01/19/12	0	SOUTHEAST READI	330046		1,460.75					Location & Road Expense
A 5-92	01/19/12	0	TRINITY ENERGY	13337		1,122.72					Transportation
A 5-77	01/24/12	0	ROADRUNNER ENVI	64246		1,332.45					Roustabout Service

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Integra Energy Management System (www.AvalarSystems.net)

D	BILL	TRAN	COST	K	CODE	DATE	CNTR	VENDOR NAME	INVOICE	OPERATING	EXPENSE	EXPENSE	EQUIPMENT	OTHER	BILLING DESCRIPTION
	04299-002	LONG BRANCH FEE 7 #2H						(continued)							
A	5-28	01/24/12	0	ROADRUNNER ENVI	64249							1,205.55			Location & Road Expense
A	5-77	01/24/12	0	ROADRUNNER ENVI	64250							1,383.21			Roustabout Service
A	5-77	01/24/12	0	MADRON SERVICES	118855							1,380.03			Roustabout Service
A	5-28	01/24/12	0	BASIC ENERGY SZ	1206-90810175							3,061.97			Location & Road Expense
A	5-61	01/24/12	0	MICO RENTALS	3933							2,965.78			Rentals - Surface
A	5-61	01/24/12	0	MICO RENTALS	3934							4,942.97			Rentals - Surface
A	5-66	01/25/12	0	ARAPAHOE OILFIE	12720A							2,614.77			Water Hauling
A	5-66	01/25/12	0	ARAPAHOE OILFIE	12722A							2,614.77			Water Hauling
A	5-77	01/26/12	0	ROADRUNNER ENVI	64253							345.80			Roustabout Service
A	5-28	01/26/12	0	ROADRUNNER ENVI	64255							1,205.55			Location & Road Expense
A	5-28	01/26/12	0	ROADRUNNER ENVI	64256							1,205.55			Location & Road Expense
A	5-28	01/26/12	0	ROADRUNNER ENVI	64264							1,004.63			Location & Road Expense
A	5-77	01/26/12	0	ROADRUNNER ENVI	64265							1,152.68			Roustabout Service
A	6-42	01/26/12	0	ROADRUNNER ENVI	64268								380.70		Flowline
A	5-77	01/26/12	0	ROADRUNNER ENVI	64275							806.87			Roustabout Service
A	5-77	01/26/12	0	ROADRUNNER ENVI	64277							1,383.21			Roustabout Service
A	5-28	01/26/12	0	ROADRUNNER ENVI	64278							1,004.63			Location & Road Expense
A	5-66	01/26/12	0	ARAPAHOE OILFIE	12719A							2,037.98			Water Hauling
A	5-66	01/26/12	0	ARAPAHOE OILFIE	12721A							2,037.98			Water Hauling
A	5-77	01/26/12	0	MADRON SERVICES	117718							2,138.08			Roustabout Service
A	5-77	01/27/12	0	MADRON SERVICES	117719							2,138.08			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10657							1,260.00			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10662							630.00			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10664							1,260.00			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10666							1,155.00			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10667							840.00			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10669							1,260.00			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10674							1,155.00			Roustabout Service
A	5-77	01/28/12	0	K&G RENTAL SERV	10678							1,260.00			Roustabout Service
A	5-92	01/30/12	0	MICO RENTALS	3825							4,039.88			Transportation
A	5-77	01/31/12	0	ROADRUNNER ENVI	64415							1,383.21			Roustabout Service
A	5-77	01/31/12	0	ROADRUNNER ENVI	64418							1,383.21			Roustabout Service

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Integra Energy Management System (www.AvalarSystems.net)

D	BILL	TRAN	COST	K	CODE	DATE	CNTR	VENDOR NAME	INVOICE	OPERATING	EXPENSE	EXPENSE	EQUIPMENT	OTHER	BILLING DESCRIPTION
	04299-002	LONG BRANCH FEE 7 #2H						(continued)							
A	5-77	01/31/12	0	ROADRUNNER ENVI	64417							1,152.68			Roustabout Service
A	6-42	01/31/12	0	ROADRUNNER ENVI	64422								761.40		Flowline
A	5-73	01/31/12	0	NG PERMIAN, LLC								3,562.50			Engineering
A	5-73	01/31/12	0									450.00			Engineering
A	6-44	02/01/12	0	GAS WELL SERVIC	068-2511								1,260.33		Other Controllable Equipm
A	5-92	02/01/12	0	MICO RENTALS	4062							8,011.72			Transportation
A	5-61	02/01/12	0	MICO RENTALS	4063							3,607.03			Rentals - Surface
A	5-28	02/04/12	0	DIAMONDBACK DIS	3365							3,583.56			Location & Road Expense
A	5-28	02/07/12	0	TRINITY ENERGY	13477							507.64			Location & Road Expense
A	6-14	02/07/12	0	CENTRAL VALLEY	WO#36833C								9,679.00		Electrical System
A	5-77	02/08/12	0	ROADRUNNER ENVI	64427							691.61			Roustabout Service
A	5-77	02/08/12	0	ROADRUNNER ENVI	64428							1,152.68			Roustabout Service
A	5-77	02/08/12	0	ROADRUNNER ENVI	64430							806.87			Roustabout Service
A	5-77	02/08/12	0	ROADRUNNER ENVI	64431							1,383.21			Roustabout Service
A	5-77	02/09/12	0	ROADRUNNER ENVI	64444							806.87			Roustabout Service
A	5-77	02/09/12	0	ROADRUNNER ENVI	64449							1,383.21			Roustabout Service
A	5-77	02/09/12	0	K&G RENTAL SERV	10961							1,260.00			Roustabout Service
A	5-77	02/09/12	0	K&G RENTAL SERV	10962							1,260.00			Roustabout Service
A	5-77	02/09/12	0	K&G RENTAL SERV	10963							1,260.00			Roustabout Service
A	5-77	02/09/12	0	K&G RENTAL SERV	10964							1,260.00			Roustabout Service
A	5-28	02/14/12	0	ROADRUNNER ENVI	64496							1,004.63			Location & Road Expense
A	5-61	02/16/12	0	MICO RENTALS	4126							374.06			Rentals - Surface
A	5-61	02/16/12	0	MICO RENTALS	4168							3,366.58			Rentals - Surface
A	5-61	02/16/12	0	MICO RENTALS	4165							5,610.94			Rentals - Surface
A	5-77	02/20/12	0	ROADRUNNER ENVI	64546							1,152.68			Roustabout Service
A	5-48	02/20/12	0	WADECO SPECIALT	429979							7,045.50			Mud & Chemicals
A	5-84	02/21/12	0	PACKERS PLUS EN	SIU004343							5,956.53			Supervision
A	4-78	02/22/12	0	KC PIPE, LP	INV0001115							103.61			Transportation
A	5-61	02/22/12	0	SD SERVICES	1871							3,508.67			Rentals - Surface
A	5-21	02/22/12	0	SD SERVICES	1882							11,075.20			Testing
A	5-61	02/22/12	0	SD SERVICES	1883							6,452.34			Rentals - Surface
A	6-42	02/22/12	0	YOUNG, GEORGE S	61926								58,325.13		Flowline

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Integra Energy Management System (www.AvalarSystems.net)

JIB BILLED ITEMS DETAIL REPORT

D BILL	TRAN	COST				OPERATING	INTANGIBLE							
K CODE	DATE	CNTR	VENDOR NAME	INVOICE		EXPENSE	EXPENSE	EQUIPMENT	OTHER					BILLING DESCRIPTION
04289-002 LONG BRANCH FEE 7 #2H (continued)														
A	5-28	02/23/12	0 ROADRUNNER ENVI	64610			1,004.63							Location & Road Expense
A	5-77	02/23/12	0 KODIAK OILFIELD	12126			709.09							Roustabout Service
A	5-77	02/23/12	0 KODIAK OILFIELD	12128			709.09							Roustabout Service
A	5-77	02/24/12	0 KODIAK OILFIELD	12135			1,181.81							Roustabout Service
A	4-85	02/24/12	0 AMERICAN SAFETY	89170927			9,984.39							Water Disposal
A	5-09	02/25/12	0 ALLIANCE WELL S	2012-AW071			15,857.21							Completion Unit (SERVICE
A	5-80	02/27/12	0 BAKER HUGHES	901614123			679,537.26							Stimulation
A	5-66	02/27/12	0 PRESTIGE EQUIPM	0074			7,976.63							Water Hauling
A	5-66	02/27/12	0 PRESTIGE EQUIPM	0074			-7,976.63							Water Hauling
A	5-61	02/27/12	0 PRESTIGE EQUIPM	0074			7,976.63							Rentals - Surface
A	5-77	02/28/12	0 KODIAK OILFIELD	12139			2,127.26							Roustabout Service
A	5-73	02/28/12	0				2,700.00							Engineering
A	5-28	02/29/12	0 ROADRUNNER ENVI	64690			1,004.63							Location & Road Expense
A	5-77	02/29/12	0 ROADRUNNER ENVI	64693			922.14							Roustabout Service
A	4-84	02/29/12	0 GREGORY ROCKHOU	7277			50,675.40							Water
A	5-61	02/29/12	0 TWO STATE OILFI	9093			4,013.48							Rentals - Surface
A	5-61	03/01/12	0 MICO RENTALS	4235			213.75							Rentals - Surface
A	5-61	03/01/12	0 MICO RENTALS	4314			3,206.25							Rentals - Surface
A	5-61	03/01/12	0 MICO RENTALS	4315			1,923.75							Rentals - Surface
A	6-80	03/05/12	0 YOUNG, GEORGE S	A64989				18,479.35						Tubing
A	5-84	03/07/12	0 T & S PETROLEUM	PER779			5,200.00							Supervision
A	5-62	03/07/12	0 THRU TUBING SOL	4000051133			26,801.70							Rentals - Subsurface
A	6-14	03/08/12	0 A.R.C. POWER-LI	403				62,061.56						Electrical System
A	5-92	03/09/12	0 WRIGHT WAY EXPR	5467			562.24							Transportation
A	5-61	03/12/12	0 OIL STATES ENER	133929			13,765.88							Rentals - Surface
A	5-66	03/12/12	0 TFH RENTAL TOOL	59769			2,161.35							Water Hauling
A	5-61	03/13/12	0 TFH RENTAL TOOL	59807			1,526.35							Rentals - Surface
A	5-77	03/15/12	0 ROADRUNNER ENVI	64630			1,383.21							Roustabout Service
A	5-77	03/15/12	0 ROADRUNNER ENVI	64631			691.61							Roustabout Service
A	5-61	03/15/12	0 DOUBLE D SALES	PT-845			1,259.45							Rentals - Surface
A	5-61	03/15/12	0 DOUBLE D SALES	T-470			578.81							Rentals - Surface
A	5-61	03/15/12	0 GRADY RENTALS	20226			5,335.00							Rentals - Surface

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JIB BILLED ITEMS DETAIL REPORT

D BILL	TRAN	COST				OPERATING	INTANGIBLE							
K CODE	DATE	CNTR	VENDOR NAME	INVOICE		EXPENSE	EXPENSE	EQUIPMENT	OTHER					BILLING DESCRIPTION
04289-002 LONG BRANCH FEE 7 #2H (continued)														
A	6-76	03/15/12	0 YOUNG, GEORGE S	61583				3,567.53						Tanks & Accessory Equipme
A	5-61	03/16/12	0 MICO RENTALS	4565			2,565.00							Rentals - Surface
A	5-61	03/16/12	0 MICO RENTALS	4410			2,308.50							Rentals - Surface
A	5-61	03/16/12	0 MICO RENTALS	4562			2,565.00							Rentals - Surface
A	5-61	03/16/12	0 MICO OILFIELD S	V-4115			447.06							Rentals - Surface
A	5-21	03/19/12	0 SD SERVICES	1913			7,858.28							Testing
A	5-61	03/19/12	0 MICO RENTALS	4406			1,154.25							Rentals - Surface
A	5-53	03/20/12	0 CUDO PRESSURE C	41111573			76,086.21							Nitrogen Service & Coil T
A	5-77	03/20/12	0 KODIAK OILFIELD	13676			236.36							Roustabout Service
A	6-56	03/21/12	0 QUINN PUMPS	402461				1,500.63						Packers & Hold Down
A	5-32	03/22/12	0 CORE LABORATORI	5012030222			33,274.16							Logging, Perforations,Wlr
A	5-32	03/22/12	0 CORE LABORATORI	5012030656			10,509.59							Logging, Perforations,Wlr
A	5-61	03/22/12	0 MICO RENTALS	3317			1,154.25							Rentals - Surface
A	5-21	03/26/12	0 SD SERVICES	1922			5,089.75							Testing
A	5-61	03/26/12	0 PRESTIGE EQUIPM	0182-1			6,757.88							Rentals - Surface
A	4-01	03/28/12	0 CAPROCK TITLE	40958			81.19							Legal, Permits & Fees
A	6-68	03/28/12	0 YOUNG, GEORGE S	D65272				17,833.87						Rods & Pump
A	5-61	03/27/12	0 DOUBLE D SALES	PT-866			1,296.97							Rentals - Surface
A	5-61	03/27/12	0 DOUBLE D SALES	T-476			766.39							Rentals - Surface
A	5-66	03/27/12	0 BLUE PANTHER TR	063			4,472.72							Water Hauling
A	5-66	03/27/12	0 BLUE PANTHER TR	064			2,404.69							Water Hauling
A	6-68	03/28/12	0 QUINN PUMPS	403338				44,663.39						Rods & Pump
A	5-77	03/31/12	0 ROADRUNNER ENVI	65060			461.07							Roustabout Service
A	5-61	03/31/12	0 OIL STATES ENER	56862			2,677.33							Rentals - Surface
A	5-61	03/31/12	0 OIL STATES ENER	56812			964.69							Rentals - Surface
A	5-73	03/31/12	0 NG PERMIAN, LLC				6,187.50							Engineering
A	5-61	03/31/12	0 OIL STATES ENER	55812ADJ			28.94							ADJ/USE OF MASTER CARD
A	6-28	04/03/12	0 BES RENTALS & S	120005				104.22						I. D. C. Beyond Wellhead
A	5-77	04/03/12	0 BLUE PANTHER TR	070			2,019.94							Roustabout Service
A	6-76	04/06/12	0 TRI R SERVICES	2154				5,164.13						Tanks & Accessory Equipme
A	6-42	04/12/12	0 ROADRUNNER ENVI	65139				380.70						Flowline
A	6-42	04/30/12	0 ROADRUNNER ENVI	65375				781.40						Flowline

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D K	BILL CODE	TRAN DATE	COST CNTR	VENDOR NAME	INVOICE	OPERATING EXPENSE	INTANGIBLE EXPENSE	EQUIPMENT	OTHER	BILLING DESCRIPTION
	04299-002			LONG BRANCH FEE 7 #2H	(continued)					
A	6-14	04/30/12	0	K & S ELECTRIC	115036			7,237.09		Electrical System
A	5-40	04/30/12	0	ASSURANCE FIRE	14437		6,886.47			Miscellaneous I. D. C.
A	5-77	05/01/12	0	TRINITY ENERGY	15030		1,443.96			Roustabout Service
A	5-77	05/01/12	0	TRINITY ENERGY	15031		1,323.63			Roustabout Service
A	5-77	05/01/12	0	TRINITY ENERGY	15032		1,443.96			Roustabout Service
A	5-77	05/02/12	0	KODIAK OILFIELD	12889		590.91			Roustabout Service
A	5-28	05/04/12	0	DIAMONDBACK DIS	3500		8,718.51			Location & Road Expense
A	5-40	05/07/12	0	ASSURANCE FIRE	14553		1,527.90			Miscellaneous I. D. C.
A	6-14	05/08/12	0	CMO, LLC	2796-87			14,203.74		Electrical System
A	5-77	05/15/12	0	KODIAK OILFIELD	13017		709.09			Roustabout Service
A	6-14	05/17/12	0	CMO, LLC	2983-84			3,008.29		Electrical System
A	5-77	05/28/12	0	KODIAK OILFIELD	13013		1,418.18			Roustabout Service
A	5-77	05/28/12	0	KODIAK OILFIELD	13015		1,418.18			Roustabout Service
A	5-77	05/28/12	0	KODIAK OILFIELD	13016		1,418.18			Roustabout Service
A	6-44	05/29/12	0	ASSURANCE FIRE	14648			11,831.31		Other Controllable Equipm
A	5-61	05/29/12	0	PRESTIGE EQUIPM	0738		15,153.98			Rentals - Surface
A	5-61	05/30/12	0	POSEIDON CONCEP	RNT000730		179,763.75			Rentals - Surface
A	5-61	05/30/12	0	POSEIDON CONCEP	RNT000730A		97,167.62			Rentals - Surface
A	5-73	05/31/12	0	NG PERMIAN, LLC			1,875.00			Engineering
A	5-61	06/25/12	0	UNITED FUEL & E	09298RR-IN		214.38			Rentals - Surface
A	5-61	06/25/12	0	UNITED FUEL & E	09298RR-IN		-214.38			Rentals - Surface
A	5-73	06/30/12	0	NG PERMIAN, LLC			750.00			Engineering
A	6-42	07/02/12	0	ROADRUNNER ENVI	65899			761.40		Flowline
A	6-42	07/02/12	0	ROADRUNNER ENVI	65899			761.40		Flowline
A	5-77	07/18/12	0	KODIAK OILFIELD	14694		1,063.63			Roustabout Service
A	5-77	07/18/12	0	KODIAK OILFIELD	14694		1,063.63			Roustabout Service
A	6-42	07/20/12	0	ROADRUNNER ENVI	66156			380.70		Flowline
A	6-42	07/20/12	0	ROADRUNNER ENVI	66156			380.70		Flowline
A	5-61	07/30/12	0	MCJUNKIN RED MA	5998632001		27.17			Rentals - Surface
A	5-61	07/30/12	0	MCJUNKIN RED MA	5998632001		27.17			Rentals - Surface
A	6-42	07/31/12	0	ROADRUNNER ENVI	66300			761.40		Flowline
A	5-28	07/31/12	0	L&R WELL SERVIC	28061		824.85			Location & Road Expense

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Integra Energy Management System (www.AvalarSystems.net)

D K	BILL CODE	TRAN DATE	COST CNTR	VENDOR NAME	INVOICE	OPERATING EXPENSE	INTANGIBLE EXPENSE	EQUIPMENT	OTHER	BILLING DESCRIPTION
	04299-002			LONG BRANCH FEE 7 #2H	(continued)					
A	5-28	07/31/12	0	L&R WELL SERVIC	28062		444.15			Location & Road Expense
A	5-61	07/31/12	0	TWO STATE OILFI	9985		9,060.37			Rentals - Surface
A	5-73	07/31/12	0	NG PERMIAN, LLC			3,000.00			Engineering
A	5-73	07/31/12	0				900.00			Engineering
A	5-28	07/31/12	0	L&R WELL SERVIC	28061		824.85			Location & Road Expense
A	5-28	07/31/12	0	L&R WELL SERVIC	28062		444.15			Location & Road Expense
A	5-61	07/31/12	0	TWO STATE OILFI	9985		9,060.37			Rentals - Surface
A	5-73	07/31/12	0	NG PERMIAN, LLC			3,000.00			Engineering
A	5-73	07/31/12	0				900.00			Engineering
A	6-42	07/31/12	0	ROADRUNNER ENVI	66300			761.40		Flowline
A	5-53	08/02/12	0	PROPETRO SERVIC	29980		46,868.04			Nitrogen Service & Coil T
A	5-66	08/02/12	0	PRESTIGE OILFIE	428		2,468.81			Water Hauling
A	5-66	08/02/12	0	PRESTIGE OILFIE	429		2,329.87			Water Hauling
A	5-53	08/02/12	0	PROPETRO SERVIC	29980		46,868.04			Nitrogen Service & Coil T
A	5-66	08/02/12	0	PRESTIGE OILFIE	428		2,468.81			Water Hauling
A	5-66	08/02/12	0	PRESTIGE OILFIE	429		2,329.87			Water Hauling
A	5-92	08/03/12	0	CROCKETT TRUCKI	31696F		536.68			Transportation
A	5-53	08/03/12	0	OLD SCHOOL SERV	9485		16,160.29			Nitrogen Service & Coil T
A	5-66	08/03/12	0	PRESTIGE OILFIE	441		2,845.55			Water Hauling
A	5-53	08/03/12	0	OLD SCHOOL SERV	9485		16,160.29			Nitrogen Service & Coil T
A	5-66	08/03/12	0	PRESTIGE OILFIE	441		2,845.55			Water Hauling
A	5-82	08/03/12	0	CROCKETT TRUCKI	31698F		536.68			Transportation
A	5-61	08/08/12	0	AFS ENERGY SERV	120810RE		2,270.69			Rentals - Surface
A	5-61	08/08/12	0	AFS ENERGY SERV	120810RE		2,270.69			Rentals - Surface
A	6-76	08/07/12	0	ASSURANCE FIRE	15013			927.14		Tanks & Accessory Equipme
A	6-76	08/07/12	0	ASSURANCE FIRE	15013			927.14		Tanks & Accessory Equipme
A	5-66	08/08/12	0	PRESTIGE OILFIE	449		2,426.06			Water Hauling
A	5-66	08/08/12	0	PRESTIGE OILFIE	449		2,426.06			Water Hauling
A	6-42	08/13/12	0	ROADRUNNER ENVI	66401			666.23		Flowline
A	6-42	08/13/12	0	ROADRUNNER ENVI	66401			666.23		Flowline
A	5-84	08/15/12	0	GRACO OILFIELD	097920101		5,857.81			Supervision
A	5-92	08/15/12	0	GRACO OILFIELD	097908901		589.10			Transportation

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D BILL	TRAN	COST			OPERATING	INTANGIBLE				
K CODE	DATE	CNTR	VENDOR NAME	INVOICE	EXPENSE	EXPENSE	EQUIPMENT	OTHER		BILLING DESCRIPTION
04299-002 LONG BRANCH FEE 7 #2H (continued)										
A	5-84	08/15/12	0 GRACO OILFIELD	097920101		5,657.81				Supervision
A	5-92	08/15/12	0 GRACO OILFIELD	097908901		589.10				Transportation
A	5-61	08/21/12	0 BASIC ENERGY S2	1906-90982200		1,490.16				Rentals - Surface
A	5-61	08/21/12	0 BASIC ENERGY S2	1906-90982200		1,490.16				Rentals - Surface
A	5-61	08/22/12	0 PRESTIGE EQUIPM	2164		5,343.06				Rentals - Surface
A	5-61	08/22/12	0 PRESTIGE EQUIPM	2164		5,343.06				Rentals - Surface
A	5-53	08/31/12	0 HALLIBURTON	98860926		68,140.41				Nitrogen Service & Coil T
A	5-84	09/05/12	0 GRACO OILFIELD	097964701		3,713.44				Supervision
A	5-66	09/06/12	0 PRESTIGE OILFIE	587		605.25				Water Hauling
A	5-53	09/06/12	0 HALLIBURTON	98871810		120,641.21				Nitrogen Service & Coil T
A	5-53	09/07/12	0 HALLIBURTON	98873736		14,135.81				Nitrogen Service & Coil T
A	5-81	09/24/12	0 DOUBLE D SALES	PT-1082		2,448.58				Rentals - Surface
A	5-77	10/08/12	0 ROADRUNNER ENVI	66839		345.80				Roustabout Service
A	6-76	10/25/12	0 ASSURANCE FIRE	15464			956.53			Tanks & Accessory Equipme
A	5-77	10/26/12	0 ROADRUNNER ENVI	67142		576.34				Roustabout Service
A	6-42	10/31/12	0 ROADRUNNER ENVI	67174			475.88			Flowline
A	4-87	12/31/12	0			-48.96				Well Control Insurance
I	4-87	04/30/12	0			1,410.60				Well Control Insurance
V	8-42	07/02/12	0 ROADRUNNER ENVI	65899			-761.40			Flowline
V	5-77	07/18/12	0 KODIAK OILFIELD	14894		-1,063.83				Roustabout Service
V	6-42	07/20/12	0 ROADRUNNER ENVI	66156			-380.70			Flowline
V	5-61	07/30/12	0 MCJUNKIN RED MA	5986832001		-27.17				Rentals - Surface
V	5-28	07/31/12	0 L&R WELL SERVIC	28061		-824.85				Location & Road Expense
V	5-28	07/31/12	0 L&R WELL SERVIC	28062		-444.15				Location & Road Expense
V	5-61	07/31/12	0 TWO STATE OILFI	9985		-9,060.37				Rentals - Surface
V	5-73	07/31/12	0 NG PERMIAN, LLC			-3,000.00				Engineering
V	5-73	07/31/12	0			-900.00				Engineering
V	6-42	07/31/12	0 ROADRUNNER ENVI	66300			-761.40			Flowline
V	5-53	08/02/12	0 PROPETRO SERVIC	29980		-46,868.04				Nitrogen Service & Coil T
V	5-66	08/02/12	0 PRESTIGE OILFIE	428		-2,468.81				Water Hauling
V	5-66	08/02/12	0 PRESTIGE OILFIE	429		-2,329.87				Water Hauling
V	5-53	08/03/12	0 OLD SCHOOL SERV	9485		-16,160.29				Nitrogen Service & Coil T

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D BILL	TRAN	COST			OPERATING	INTANGIBLE				
K CODE	DATE	CNTR	VENDOR NAME	INVOICE	EXPENSE	EXPENSE	EQUIPMENT	OTHER		BILLING DESCRIPTION
04299-002 LONG BRANCH FEE 7 #2H (continued)										
V	5-66	08/03/12	0 PRESTIGE OILFIE	441		-2,845.55				Water Hauling
V	5-92	08/03/12	0 CROCKETT TRUCKI	31698F		-536.68				Transportation
V	5-61	08/06/12	0 AFS ENERGY SERV	120810RE		-2,270.69				Rentals - Surface
V	6-76	08/07/12	0 ASSURANCE FIRE	15013			-927.14			Tanks & Accessory Equipme
V	5-66	08/08/12	0 PRESTIGE OILFIE	449		-2,426.06				Water Hauling
V	6-42	08/13/12	0 ROADRUNNER ENVI	66401			-666.23			Flowline
V	5-84	08/15/12	0 GRACO OILFIELD	097920101		-5,657.81				Supervision
V	5-92	08/15/12	0 GRACO OILFIELD	097908901		-589.10				Transportation
V	5-61	08/21/12	0 BASIC ENERGY S2	1906-90982200		-1,490.16				Rentals - Surface
V	5-61	08/22/12	0 PRESTIGE EQUIPM	2164		-5,343.06				Rentals - Surface
PROPERTY TOTALS					0.00	3,172,988.52	848,206.54	0.00	4,021,195.06	
RECAP TOTALS					0.00	3,172,988.52	848,206.54	0.00	4,021,195.06	

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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:

CASE NO: 14624
ORDER NO. R-13509

APPLICATION OF NADEL AND GUSSMAN PERMIAN, L.L.C., FOR
APPROVAL OF A NON-STANDARD OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 10 and December 1, 2011 at Santa Fe, New Mexico, before Examiner David K. Brooks.

NOW, on this 30th day of January, 2012, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.

(2) Nadel and Gussman Permian, L.L.C. ("Applicant"), seeks approval of a non-standard 160-acre oil spacing and proration unit and project area ("the Unit") in the Glorieta and Yeso formations consisting of the E/2 of the W/2 of Section 7, Township 19 South, Range 26 East, NMPM, in Eddy County, New Mexico. Applicant further seeks an order pooling all uncommitted interests in the Unit in the Glorieta and Yeso formations. Applicant also seeks compulsory pooling of a 40-acre unit comprising the NE/4 NW/4 of Section 7 for all pools and formations spaced on 40 acres from the surface to the top of the Glorieta; however, that request is denied in this Order, as indicated below.

(3) The Unit is to be dedicated to Applicant's Long Branch Well No. 2H ("the proposed well"), a horizontal well to be drilled from a standard surface location 330 feet from the North line and 2310 feet from the West line (Unit C) of Section 7. The well will penetrate the Glorieta formation at approximately the surface location and continue

horizontally in the Glorieta-Yeso to a standard terminus, or bottomhole location, 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 7.

(4) This is a wildcat area in the Glorieta and Yeso formations. Accordingly, spacing is governed by statewide Rule 19.15.15.9.A NMAC, which provides for standard 40-acre units, each comprising a governmental quarter-quarter section. The Unit consists of four adjacent quarter-quarter sections.

(5) Applicant appeared at the hearing through counsel and presented geologic evidence by affidavit to the effect that:

(a) this area is suitable for development by horizontal drilling;

(b) all quarter-quarter sections to be included in the Unit are expected to be productive in the Glorieta-Yeso, so that formation of the Unit as requested will not impair correlative rights.

(6) DHA Oil and Gas Operators appeared at the hearing through counsel but did not present evidence and did not oppose the granting of this application.

The Division concludes that:

(7) Approval of the proposed non-standard unit will enable Applicant to drill a horizontal well that will efficiently produce the reserves underlying the Unit, thereby preventing waste, and will not impair correlative rights.

(8) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(9) Applicant is an owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed well to a common source of supply within the Unit at the proposed location.

(10) There are interest owners in the Unit that have not agreed to pool their interests. There are unlocated interest owners. Hence, a need may arise to escrow funds.

(11) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Unit.

(12) Nadel and Gussman Permian, L.L.C. should be designated the operator of the proposed well and of the Unit.

(13) Any pooled working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the well.

(14) Reasonable charges for supervision (combined fixed rates) should be fixed at \$6,000 per month while drilling and \$600 per month while producing, provided that these rates should be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations."

(15) Applicant's request for compulsory pooling of a 40-acre unit comprising the NE/4 of the NW/4 of Section 7 for pools or formations from the surface to the top of the Glorieta should be denied because Applicant did not show that it intends to complete the well within that depth range, and did not demonstrate a reasonable method of allocating well costs to owners of the proposed 40-acre unit.

IT IS THEREFORE ORDERED THAT:

(1) A non-standard 160-acre wildcat oil spacing and proration unit (the Unit) is hereby established in the Glorieta and Yeso formations, consisting of the E/2 W/2 of Section 7, Township 19 South, Range 26 East, NMPM, in Eddy County, New Mexico.

(2) Pursuant to the application of Nadel and Gussman Permian, L.L.C., all uncommitted interests, whatever they may be, in the oil and gas in the Glorieta and Yeso formations underlying the Unit, are hereby pooled.

(3) The Unit shall be dedicated to Applicant's Long Branch Well No. 2H ("the proposed well"), a horizontal well to be drilled from a standard surface location 330 feet from the North line and 2310 feet from the West line (Unit C) of Section 7. The proposed well will penetrate the Glorieta formation at approximately the surface location and continue horizontally in the Glorieta-Yeso to a standard terminus, or bottomhole location, 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 7.

(4) The operator of the Unit shall commence drilling the proposed well on or before January 31, 2013, and shall thereafter continue drilling the well with due diligence to test the Yeso formation.

(5) In the event the operator does not commence drilling the proposed well on or before January 31, 2013, Ordering Paragraphs (1) and (2) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.

(6) Should the proposed well not be drilled and completed within 120 days after commencement thereof, then Ordering Paragraphs (1) and (2) shall be of no further effect, and the unit and project area created by this order shall terminate, unless operator

appears before the Division Director and obtains an extension of the time for completion of the proposed well for good cause shown by satisfactory evidence. If the proposed well is not completed in all of the quarter-quarter sections included in the proposed unit within 120 days after commencement of drilling, then the operator shall apply to the Division for an amendment to this Order to contract the Unit so that it includes only those quarter-quarter sections in which the well is completed.

(7) Upon final plugging and abandonment of the proposed well and any other well drilled on the Unit pursuant to Division Rule 13.9, the pooled unit created by this Order shall terminate, unless this order has been amended to authorize further operations.

(8) Nadel and Gussman Permian, L.L.C. is hereby designated the operator of the well and of the Unit.

(9) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit an itemized schedule of estimated costs of drilling, completing and equipping the proposed well ("well costs").

(10) Within 30 days from the date the schedule of estimated well costs is furnished, any pooled working interest owner shall have the right to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(11) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs within 90 days following completion of the proposed well. If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

(12) Within 60 days following determination of reasonable well costs, any pooled working interest owner who has paid its share of estimated costs in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid exceed its share of reasonable well costs.

(13) The operator is hereby authorized to withhold the following costs and charges from production:

- (a) the proportionate share of reasonable well costs attributable to each non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(14) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.

(15) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$6,000 per month while drilling and \$600 per month while producing, provided that these rates shall be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well, not in excess of what are reasonable, attributable to pooled working interest owners.

(16) Except as provided in Paragraphs (13) and (15) above, all proceeds from production from the well that are not disbursed for any reason shall be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The operator shall notify the Division (Attention: Records Clerk) of the name and address of the escrow agent not later than one year from the date of issuance of this Order.

(17) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under this order. Any well costs or charges that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

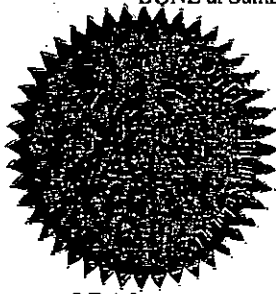
(18) Should all the parties to this compulsory pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(19) The operator of the well and Unit shall notify the Division in writing of the subsequent voluntary agreement of all parties subject to the compulsory pooling provisions of this order.

(20) Applicant's request for compulsory pooling of a 40-acre unit comprising the NE/4 NW/4 of Section 7, Township 19 South, Range 26 East, for depths from the surface to the top of the Glorieta is hereby denied.

(21) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Jami Bailey".

JAMI BAILEY
Director