



**Cody Cole**  
Land Representative  
Mid-Continent Business Unit  
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**Chevron North America Exploration  
and Production Company**  
a division of Chevron U.S.A. Inc.  
1400 Smith St. Room 43192  
Houston, Texas 77002

*VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED*

April 10, 2014

Crown Oil Partners IV, LP  
ATTN: Brian Hall  
P.O. Box 50820  
Midland, Texas 79710

Re; Well Proposal for Gramma Ridge 14-24-34-2H ("Gramma Ridge 2H")  
W/2W/2 of Section 14, T24S, R34E, NMPM Lea County New Mexico

Dear Mr. Hall,

Chevron U.S.A. Inc. ("Chevron") hereby proposes to operate the Gramma Ridge 2H well for oil and gas production from the Second Bone Spring formation. The Gramma Ridge 2H will comprise a one-hundred sixty (160) acre standard unit in the W/2W/2 of Section 14, T24S, R34E, NMPM Lea County, New Mexico.

The Surface location of Gramma Ridge 2H would be 330 feet from the north line and 340 feet from the west line. The bottom hole location would be 330 feet from the South line and 340 feet from the west line. Chevron expects to navigate the Gramma Ridge 2H through the following depths:

- TD Lateral MD (TVD) = 15,415 feet
- Landing MD (TVD) = 11,009 feet

With respect to the W/2W/2 of Section 14, T24S, R34E, public records indicate you own a 4.1667% working interest. I have enclosed an Authorization for Expenditure ("AFE"). The total estimated cost to drill, complete, and equip Gramma Ridge 2H is \$6,367,519 divided as follows:

- Drilling = \$2,978,281
- Completion = \$2,472,363
- Facilities = \$916,878
- Total = \$6,367,519

Please indicate whether you elect to participate in the Gramma Ridge 2H by making your election in the space provided on the next page. Once you have made your election, please sign in the space below and return it to me at your earliest convenience. Chevron's Joint Operating Agreement will be furnished if requested prior to your election. If you elect to not participate, then Chevron would like to make an offer to purchase your working

**BEFORE THE OIL CONVERSION  
DIVISION**  
Santa Fe, New Mexico  
Exhibit No. 3  
Submitted by: **CHEVRON U.S.A. INC.**  
Hearing Date: June 25, 2014

interest. If you are interested in selling your working interest to Chevron or if you have any question about this matter, please contact me at either 713-372-1103 or [ccole@chevron.com](mailto:ccole@chevron.com).

Sincerely,

CHEVRON U.S.A. INC.

\_\_\_\_\_  
Cody Cole, RPL  
Land Representative

Crown Oil Partners IV, LP elects;

☐ Not to Participate in Gramma Ridge 2H

☐ To Participate in Gramma Ridge 2H at 4.1667% for \$265,315.41

By: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

| Version 1.4 DRILLING - WELL APPROPRIATION - DETAIL OF COST ESTIMATE |                                                |          |        |              |              | Date       | 04/09/2014   |
|---------------------------------------------------------------------|------------------------------------------------|----------|--------|--------------|--------------|------------|--------------|
| Field / Area                                                        |                                                |          |        |              |              | By         | Kyle Johnson |
| Well Name Gramma Ridge 14-24-34 2H                                  |                                                |          |        |              |              |            |              |
| Cost Element                                                        | Description                                    |          |        |              | Vendor       | Intangible | Tangible     |
| 74400001                                                            | Rig - Daywork                                  | days     | 27.97  | rate         | 75000 \$/day | 599,355    | 599,355      |
| 74400002                                                            | Drilling Rig- Footage/Turnkey                  | feet     |        | rate         | \$/day       | 0          | 0            |
| 74400003                                                            | Rig Up/ Rig Down                               |          |        |              |              | 0          | 0            |
| 71250200                                                            | Fuel- Purchased Natural Gas & Propane          |          |        |              |              | 0          | 0            |
| 71290100                                                            | Fuel - Diesel/ Motor Fuels                     |          |        |              |              | 120,259    | 120,259      |
| 71290300                                                            | Utilities - Other (possible water)             |          |        |              |              | 0          | 0            |
| 74500023                                                            | Mobilization / De-Mobilization                 | Rig Days | 5      | Rig Trucking | 100000       | 725,000    | 725,000      |
|                                                                     | Rig Costs Total - Intangible                   |          |        |              |              | 944,613    | 0            |
| 86010100                                                            | Company Supervision                            | days     | 28.97  | rate         | 4500 \$/day  | 130,364    | 130,364      |
| 70000300                                                            | Contract Project Supervision                   | days     | 28.97  | rate         | 900 \$/day   | 26,077     | 26,077       |
|                                                                     | Supervision Total - Intangible                 |          |        |              |              | 156,461    | 0            |
| 68200100                                                            | Onshore Catering                               |          |        |              |              | 0          | 0            |
| 68250100                                                            | Offshore Catering                              |          |        |              |              | 0          | 0            |
| 68730100                                                            | Employee Personal and Business Expense         |          |        |              |              | 0          | 0            |
| 70000100                                                            | Contract Labor Surface                         |          |        |              |              | 0          | 0            |
| 70000200                                                            | Contract Labor Casual                          |          |        |              |              | 0          | 0            |
| 76150500                                                            | Communications - Radio                         |          |        |              |              | 0          | 0            |
| 76150600                                                            | Communications - Telephone - C/I/C             |          |        |              |              | 0          | 0            |
| 76200100                                                            | Communications - Cellular                      |          |        |              |              | 0          | 0            |
| 76200300                                                            | Communications - Other                         |          |        |              |              | 3,360      | 3,360        |
|                                                                     | Other People Costs Total - Intangible          |          |        |              |              | 3,360      | 0            |
| 74400004                                                            | Drilling Fluids                                |          |        |              |              | 77,923     | 77,923       |
| 71901900                                                            | Drill and Completion Fluids (not Service)      |          |        |              |              | 0          | 0            |
| 71900500                                                            | Materials - Supply - Repair Parts              |          |        |              |              | 10,000     | 10,000       |
|                                                                     | Mud, Materials Total - Intangible              |          |        |              |              | 87,923     | 0            |
| 72300100                                                            | Surface Equipment Rentals                      |          |        |              |              | 330,944    | 330,944      |
| 72300200                                                            | Well Service Equipment Rentals                 |          |        |              |              | 93,535     | 93,535       |
| 72300300                                                            | Motor Vehicle Rentals                          |          |        |              |              | 0          | 0            |
| 73200200                                                            | Marine Transportation-Allocated                |          |        |              |              | 0          | 0            |
| 73400300                                                            | Other Transportation Services                  |          |        |              |              | 75,000     | 75,000       |
| 73400400                                                            | Air Transportation-Allocated Adj               |          |        |              |              | 0          | 0            |
| 73400700                                                            | Hauling Services (Not Flagging)                |          |        |              |              | 0          | 0            |
| 74400006                                                            | Geological Survey and Service Costs            |          |        |              |              | 229,781    | 229,781      |
| 74400007                                                            | Drill String Rentals and Mils                  |          |        |              |              | 12,362     | 12,362       |
| 71901000                                                            | Drill Bits                                     |          |        |              |              | 73,000     | 73,000       |
| 74400509                                                            | Casb Tubing                                    |          |        |              |              | 0          | 0            |
| 74400010                                                            | Stimulation / Gravel Pack Materials & Service  |          |        |              |              | 0          | 0            |
| 74400011                                                            | Pumping Services                               |          |        |              |              | 0          | 0            |
| 74400014                                                            | Perforating & Electric Line Services           |          |        |              |              | 0          | 0            |
| 74400015                                                            | Slickline Services                             |          |        |              |              | 0          | 0            |
| 74500100                                                            | Contract Equipment & Services                  |          |        |              |              | 0          | 0            |
|                                                                     | Contract Rentals & Services Total - Intangible |          |        |              |              | 813,722    | 0            |
| 74500105                                                            | Services - Non Taxable Materials               |          |        |              |              | 0          | 0            |
| 74500200                                                            | Technical Services                             |          |        |              |              | 0          | 0            |
| 75100500                                                            | HES Permit Costs & Fees                        |          |        |              |              | 0          | 0            |
| 75100501                                                            | Surface Regulatory & HES Inspection            |          |        |              |              | 0          | 0            |
| 75500200                                                            | Other Professional Services & Fees             |          |        |              |              | 0          | 0            |
| 75500800                                                            | Misc. Services and Fees                        |          |        |              |              | 0          | 0            |
|                                                                     | Other Services Total - Intangible              |          |        |              |              | 0          | 0            |
| 74200300                                                            | Solid Waste Disposal                           |          |        |              |              | 125,000    | 125,000      |
| 74200600                                                            | Waste Water Disposal                           |          |        |              |              | 10,000     | 10,000       |
|                                                                     | Waste Disposal Total - Intangible              |          |        |              |              | 135,000    | 0            |
| 74400017                                                            | Coring                                         |          |        |              |              | 0          | 0            |
| 74400018                                                            | Testing                                        |          |        |              |              | 0          | 0            |
| 74400019                                                            | Logging Wireline                               |          |        |              |              | 0          | 0            |
| 74400020                                                            | LWO (Logging While Drilling)                   |          |        |              |              | 0          | 0            |
| 74400021                                                            | Logging - Mud                                  | 19.62    | days @ | 1250         | \$ per day   | 24,530     | 24,530       |
|                                                                     | Formation Evaluation Total - Intangible        |          |        |              |              | 24,530     | 0            |
| 71900022                                                            | Well Pipe Casing                               | Size     | Feet   |              | \$/foot      |            | 514,672      |
|                                                                     | Conductor                                      |          |        |              |              | 0          | 0            |
|                                                                     | Surface                                        | 13-3/8"  | 1200   |              | 33.50        | 40,200     | 40,200       |
|                                                                     | Intermediate 1                                 | 9-5/8"   | 5200   |              | 27           | 140,400    | 140,400      |
|                                                                     | Intermediate 2                                 |          |        |              |              | 0          | 0            |
|                                                                     | Drilling Liner                                 |          |        |              |              | 0          | 0            |
|                                                                     | Production                                     | 5-1/2"   | 15415  |              | 16.93        | 260,976    | 260,976      |
|                                                                     | Production Liner                               |          |        |              |              | 0          | 0            |
|                                                                     | Centralizers & Float Equipment                 |          |        |              |              |            |              |
|                                                                     | Conductor                                      |          |        |              |              | 0          | 0            |
|                                                                     | Surface                                        |          |        |              |              | 3000       | 3000         |
|                                                                     | Intermediate 1                                 |          |        |              |              | 5000       | 5000         |
|                                                                     | Intermediate 2                                 |          |        |              |              | 0          | 0            |
|                                                                     | Wellsbore                                      |          |        |              |              | 0          | 0            |
|                                                                     | Production                                     |          |        |              |              | 55000      | 55000        |
|                                                                     | Packers/Screens                                |          |        |              |              | 0          | 0            |
| 71900020                                                            | Well Pipe - Tubing Under 2" OD                 | Size     | Feet   |              | \$/foot      |            | 0            |
|                                                                     |                                                |          |        |              |              | 0          | 0            |
|                                                                     |                                                |          |        |              |              | 0          | 0            |
| 71900021                                                            | Well Pipe - Tubing 2" OD and over              | Size     | Feet   |              | \$/foot      |            | 0            |
|                                                                     |                                                |          |        |              |              | 0          | 0            |
|                                                                     |                                                |          |        |              |              | 0          | 0            |
| 71900100                                                            | Well Equipment / Materials                     |          |        |              |              | 0          | 0            |
| 71900110                                                            | Wellhead / Xmas Tree                           | Size     | Cost   |              |              | 110,000    | 110,000      |
|                                                                     | "A"                                            |          | 110000 |              |              | 0          | 0            |
|                                                                     | "B"                                            |          |        |              |              | 0          | 0            |
|                                                                     | "C"                                            |          |        |              |              | 0          | 0            |
|                                                                     | Tubing Head                                    |          |        |              |              | 0          | 0            |
|                                                                     | Xmas Trees                                     |          |        |              |              | 0          | 0            |
| 71900120                                                            | Submersible Pumps & Equipment                  |          |        |              |              | 0          | 0            |
| 71500100                                                            | Surface Lifting Equipment / Materials          |          |        |              |              | 0          | 0            |
|                                                                     | Rod String                                     | Size     | Feet   |              | \$/foot      |            | 0            |
|                                                                     |                                                |          |        |              |              | 0          | 0            |
|                                                                     |                                                |          |        |              |              | 0          | 0            |
|                                                                     | Production Piz                                 |          |        |              |              | 0          | 0            |
|                                                                     | Well Pump                                      |          |        |              |              | 0          | 0            |
|                                                                     | Other                                          |          |        |              |              | 0          | 0            |
|                                                                     | Equipment Total - Tangible                     |          |        |              |              | 0          | 624,672      |
|                                                                     |                                                |          |        |              |              | 0          | 624,672      |

|           |                                             |              |       |            |  |           |           |
|-----------|---------------------------------------------|--------------|-------|------------|--|-----------|-----------|
| 14400024  | Cement & Cementing                          |              |       |            |  |           | 158,000   |
|           | Conductor                                   | Size         | Sacks | Cost       |  | 0         |           |
|           | Surface                                     | Size 13-3/8" | Sacks | Cost 18000 |  | 18000     |           |
|           | Intermediate 1                              | Size 9-5/8"  | Sacks | Cost 45000 |  | 45000     |           |
|           | Intermediate 2                              | Size         | Sacks | Cost       |  | 0         |           |
|           | Pilot Plug Back                             | Size         | Sacks | Cost 0     |  | 0         |           |
|           | Production                                  | Size 5-1/2"  | Sacks | Cost 95000 |  | 95000     |           |
|           | Production Liner                            | Size         | Sacks | Cost       |  | 0         |           |
|           | Squeeze Job                                 | Size         | Sacks | Cost       |  | 0         |           |
|           | Squeeze Job                                 | Size         | Sacks | Cost       |  | 0         |           |
|           | Squeeze Job                                 | Size         | Sacks | Cost       |  | 0         |           |
|           | Cement Total - Intangible                   |              |       |            |  | 158,000   | 0         |
|           |                                             |              |       |            |  |           | 158,000   |
| 14400013  | Equipment Lost in Hole                      |              |       |            |  | 0         | 0         |
| 14400025  | Fishing Costs                               |              |       |            |  | 0         | 0         |
| 14500021  | Site Work / Roads / Location                |              |       |            |  | 30,000    | 30,000    |
|           | Unanticipated & Location Total - Intangible |              |       |            |  | 30,000    | 0         |
|           |                                             |              |       |            |  |           | 30,000    |
|           | Sub Total Cost Estimate                     |              |       |            |  | 2,353,609 | 824,612   |
|           |                                             |              |       |            |  |           | 2,378,281 |
| \$4100700 | Contingency                                 | 0.0%         |       |            |  | 0         | 0         |
|           |                                             |              |       |            |  |           |           |
|           |                                             |              |       |            |  |           |           |
|           |                                             |              |       |            |  |           |           |
|           | TOTAL COST ESTIMATE w/ Contingencies        |              |       |            |  | 2,353,609 | 824,612   |
|           |                                             |              |       |            |  |           | 2,378,281 |

Delaware Basin - Lea County  
Phase 3 - Facilities Cost Estimate

|                                    | Gramma Ridge 2H |                      |
|------------------------------------|-----------------|----------------------|
|                                    | Quant           | Cost                 |
| <b>GRAND TOTAL (for all items)</b> |                 | <b>\$ 916,877.50</b> |
| <b>SUB-TOTAL (for all items)</b>   | ---             | <b>\$ 770,000.00</b> |
| Contingency                        | 10%             | \$ 77,000.00         |
| Tax                                | 8.25%           | \$ 69,877.50         |
| Battery                            | 1               | \$ -                 |
| - Civil                            | ---             | \$ -                 |
| - Equipment                        | ---             | \$ -                 |
| - Installation                     | ---             | \$ -                 |
| - Electrical (EDS)                 | ---             | \$ -                 |
| Site Work                          | 1               | \$ 597,000.00        |
| - Commingle Mods                   | ---             | \$ 300,000.00        |
| - Supervision                      | ---             | \$ 30,000.00         |
| - Well Pad                         | ---             | \$ 70,000.00         |
| - Roads                            | ---             | \$ 25,000.00         |
| - Cattleguards                     | ---             | \$ 25,000.00         |
| - Frac Pond                        | ---             | \$ 60,000.00         |
| - Land Damages                     | ---             | \$ 40,000.00         |
| - Mechanical                       | ---             | \$ 20,000.00         |
| - Flowline                         | ---             | \$ 15,000.00         |
| - POC/Well Kill                    | ---             | \$ 12,000.00         |
|                                    |                 |                      |
|                                    |                 |                      |
|                                    |                 |                      |
|                                    |                 |                      |
| Electrical Distribution            | ---             | \$ 173,000.00        |
| - Feed to Sections                 | 1               | \$ 108,000.00        |
| - Transformer Bank                 | 1               | \$ 15,000.00         |
| - Generator Contingency            | 1               | \$ 50,000.00         |

| COMPLETION - WELL APPROPRIATION - DETAIL OF COST ESTIMATE |                                                |          |          |            | Date     |        | 03/26/2011 |
|-----------------------------------------------------------|------------------------------------------------|----------|----------|------------|----------|--------|------------|
| Well Name PHASE 2 PACKAGE 2                               |                                                |          |          |            | By       |        | AS         |
| Cost Item                                                 | Description                                    | UNIT     | QUANTITY | UNIT PRICE | Amount   | Amount | Amount     |
| 74400001                                                  | Log - Daywork                                  | days     | 4.000000 | rate 8000  | \$32,000 |        | \$32,000   |
| 74400002                                                  | Drilling Rig Fuel/Generator Fuel               | hour     |          | rate       |          |        |            |
| 74400003                                                  | Log Log/Rig Deck                               | hour     |          | rate       |          |        |            |
| 71050000                                                  | Fuel - Purchased Natural Gas & Propane         |          |          |            |          |        |            |
| 71200100                                                  | Fuel - Diesel / Motor Fuel                     |          |          |            |          |        |            |
| 71240000                                                  | Oil - Other (Industrial)                       |          |          |            |          |        |            |
| 74500073                                                  | Mobilization / De Mobilization                 | Rig Days |          | Rate       |          |        |            |
|                                                           | Rig Costs Total - Intangible                   |          |          |            |          |        |            |
| 80010100                                                  | Company Supervision                            | days     | 0.000000 | rate       | \$0.00   |        | \$0.00     |
| 90000000                                                  | Contract Project Supervision                   | days     | 0.000000 | rate       | \$0.00   |        | \$0.00     |
|                                                           | Supervision Total - Intangible                 |          |          |            |          |        |            |
| 80000100                                                  | Onshore Catering                               |          |          |            |          |        |            |
| 80000100                                                  | Onshore Catering                               |          |          |            |          |        |            |
| 80730100                                                  | Employee Personal and Business Expense         |          |          |            |          |        |            |
| 70000100                                                  | Contract Labor Surface                         |          |          |            |          |        |            |
| 70000200                                                  | Contract Labor Central                         |          |          |            |          |        |            |
| 70150000                                                  | Communications - Radio                         |          |          |            |          |        |            |
| 70150000                                                  | Communications - Telephone / CTC               |          |          |            |          |        |            |
| 70200100                                                  | Communications - Cellular                      |          |          |            |          |        |            |
| 70200000                                                  | Communications Other                           |          |          |            |          |        |            |
|                                                           | Other People Costs Total - Intangible          |          |          |            |          |        |            |
| 74400004                                                  | Under Fluct                                    |          |          |            |          |        |            |
| 71900100                                                  | Drill and Completion Fluids (not Service)      |          |          |            |          |        |            |
| 71900500                                                  | Materials, Supply, Repair Parts                |          |          |            |          |        |            |
|                                                           | Mat. Materials Total - Intangible              |          |          |            |          |        |            |
| 72300100                                                  | Surface Equipment Rentals                      |          |          |            |          |        |            |
| 72300200                                                  | Well Service Equipment Rentals                 |          |          |            |          |        |            |
| 72300300                                                  | Motor Vehicle Rentals                          |          |          |            |          |        |            |
| 73000000                                                  | Marine Transportation Allocated                |          |          |            |          |        |            |
| 73000000                                                  | Other Transportation Services                  |          |          |            |          |        |            |
| 73000000                                                  | Air Transportation Allocated Adj               |          |          |            |          |        |            |
| 73000000                                                  | Hauling Services (not Freight)                 |          |          |            |          |        |            |
| 74400005                                                  | Directional Survey and Service Costs           |          |          |            |          |        |            |
| 74400007                                                  | Drill Site Rental and Misc                     |          |          |            |          |        |            |
| 71900100                                                  | Drill Bit                                      |          |          |            |          |        |            |
| 74400008                                                  | Coil Tubing                                    |          |          |            |          |        |            |
| 74400010                                                  | Simulation / Cover Park Materials & Service    |          |          |            |          |        |            |
| 74400011                                                  | Pumping Services                               |          |          |            |          |        |            |
| 74400014                                                  | Perforating & Electric Log Services            |          |          |            |          |        |            |
| 74400015                                                  | Scale Services                                 |          |          |            |          |        |            |
| 74400016                                                  | Contract Equipment & Services                  |          |          |            |          |        |            |
|                                                           | Contract Rentals & Services Total - Intangible |          |          |            |          |        |            |
| 74500000                                                  | Services - Non Tangible Materials              |          |          |            |          |        |            |
| 74500000                                                  | Electrical Services                            |          |          |            |          |        |            |
| 75100000                                                  | HEI Pattern Costs & Fees                       |          |          |            |          |        |            |
| 75100000                                                  | Surface Regulatory & HEI Inspection            |          |          |            |          |        |            |
| 75600000                                                  | Other Professional Services & Fees             |          |          |            |          |        |            |
| 75600000                                                  | Misc. Services and Fees                        |          |          |            |          |        |            |
|                                                           | Other Services Total - Intangible              |          |          |            |          |        |            |
| 74200000                                                  | Solid Waste Disposal                           |          |          |            |          |        |            |
| 74200000                                                  | Waste Water Disposal                           |          |          |            |          |        |            |
|                                                           | Waste Disposal Total - Intangible              |          |          |            |          |        |            |
| 74400017                                                  | Comp                                           |          |          |            |          |        |            |
| 74400018                                                  | Testing                                        |          |          |            |          |        |            |
| 74400019                                                  | Logging Wireline                               |          |          |            |          |        |            |
| 74400020                                                  | LWD Logging While Drilling                     |          |          |            |          |        |            |
| 74400021                                                  | Logging - Mud                                  | days @   |          | \$ per day |          |        |            |
|                                                           | Formation Evaluation Total - Intangible        |          |          |            |          |        |            |
| 71000022                                                  | Well Pipe Casing                               | Size     |          | Feet       |          |        |            |
|                                                           | Conductor                                      |          |          |            |          |        |            |
|                                                           | Surface                                        |          |          |            |          |        |            |
|                                                           | Intermediate 1                                 |          |          |            |          |        |            |
|                                                           | Intermediate 2                                 |          |          |            |          |        |            |
|                                                           | Drilling Liner                                 |          |          |            |          |        |            |
|                                                           | Production                                     |          |          |            |          |        |            |
|                                                           | Production Liner                               |          |          |            |          |        |            |
|                                                           | Conductors & Pipe Equipment                    |          |          |            |          |        |            |
|                                                           | Conductor                                      |          |          |            |          |        |            |
|                                                           | Surface                                        |          |          |            |          |        |            |
|                                                           | Intermediate 1                                 |          |          |            |          |        |            |
|                                                           | Intermediate 2                                 |          |          |            |          |        |            |
|                                                           | Drilling Liner                                 |          |          |            |          |        |            |
|                                                           | Production                                     |          |          |            |          |        |            |
|                                                           | Production Liner                               |          |          |            |          |        |            |
| 71000020                                                  | Well Pipe - Tubing Under 2" OD                 | Size     |          | Feet       |          |        |            |
|                                                           |                                                |          |          |            |          |        |            |
|                                                           |                                                |          |          |            |          |        |            |
| 71000021                                                  | Well Pipe - Tubing 2" OD and over              | Size     |          | Feet       |          |        |            |
|                                                           |                                                |          |          |            |          |        |            |
|                                                           |                                                |          |          |            |          |        |            |
| 71000020                                                  | Well Equipment / Materials                     |          |          |            |          |        |            |
| 71000110                                                  | Wellhead / Xmas Tree                           | Size     |          | Cost       |          |        |            |
|                                                           | 14"                                            |          |          |            |          |        |            |
|                                                           | 16"                                            |          |          |            |          |        |            |
|                                                           | 18"                                            |          |          |            |          |        |            |
|                                                           | Tubing Head                                    |          |          |            |          |        |            |
|                                                           | Xmas Tree                                      |          |          |            |          |        |            |
|                                                           | Riser                                          |          |          |            |          |        |            |
| 71000120                                                  | Submersible Pumps & Equipment                  |          |          |            |          |        |            |
| 71000100                                                  | Surface Lifting Equipment / Materials          |          |          |            |          |        |            |
|                                                           | Road Buggy                                     | Size     |          | Feet       |          |        |            |
|                                                           |                                                |          |          |            |          |        |            |
|                                                           |                                                |          |          |            |          |        |            |
|                                                           | Production Pot                                 |          |          |            |          |        |            |
|                                                           | Well Pump                                      |          |          |            |          |        |            |
|                                                           | Other                                          |          |          |            |          |        |            |
|                                                           | Equipment Total - Tangible                     |          |          |            |          |        |            |
| 74400024                                                  | Cement & Cementing                             |          |          |            |          |        |            |
|                                                           | Conductor                                      | Size     |          | Cost       |          |        |            |
|                                                           | Surface                                        | Size     |          | Cost       |          |        |            |
|                                                           | Intermediate 1                                 | Size     |          | Cost       |          |        |            |
|                                                           | Intermediate 2                                 | Size     |          | Cost       |          |        |            |
|                                                           | Drilling Liner                                 | Size     |          | Cost       |          |        |            |
|                                                           | Production                                     | Size     |          | Cost       |          |        |            |
|                                                           | Production Liner                               | Size     |          | Cost       |          |        |            |
|                                                           | Squeeze Jaws                                   | Size     |          | Cost       |          |        |            |
|                                                           | Squeeze Jaws                                   | Size     |          | Cost       |          |        |            |
|                                                           | Squeeze Jaws                                   | Size     |          | Cost       |          |        |            |
|                                                           | Cement Total - Intangible                      |          |          |            |          |        |            |
| 74400013                                                  | Equipment Lost in Hole                         |          |          |            |          |        |            |
| 74400025                                                  | Logging Costs                                  |          |          |            |          |        |            |
| 74500021                                                  | See Work / Rovers / Location                   |          |          |            |          |        |            |
|                                                           | Unanticipated & Location Total - Intangible    |          |          |            |          |        |            |
|                                                           | Sub Total Cost Estimate                        |          |          |            |          |        |            |
| 84100000                                                  | Contingency 5.0%                               |          |          |            |          |        |            |
| TOTAL COST ESTIMATE w/ Contingencies                      |                                                |          |          |            |          |        |            |