

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF APACHE CORPORATION
FOR A COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15217

VERIFIED STATEMENT OF CHASE BRADLEY

Chase Bradley, being duly sworn upon his oath, deposes and states:

1. I am a landman for Apache Corporation, and have personal knowledge of the matters stated herein.
2. Pursuant to Division Rule NMAC 19.15.4.12.A(1)(b), the following information is submitted in support of the application filed herein:
 - a) No opposition to this application is expected because the mineral interest owners being pooled are (i) unlocatable, or (ii) have not responded to lease offers or well proposals.
 - b) A plat outlining the spacing unit being pooled, and marking the location of the proposed well, is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interest from the surface to the base of the Abo formation underlying the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the House-Blinbry Pool, House-Tubb Pool, House-Drinkard Pool, and House-Abo Pool. The unit will be dedicated to Pinot Well Nos. 3 and 6, to be drilled at an orthodox oil well location in the SE/4NW/4 of Section 2.
 - c) The parties being pooled, their interests in the SE/4NW/4 of Section 2, and their last known addresses, are listed on Exhibit B.
 - d) Copies of the proposal letters sent to the locatable, uncommitted mineral interest owners are attached hereto as Exhibit C.
 - e) Interest owners who are not locatable are highlighted in yellow on Exhibit B. To attempt to locate these interest owners, Apache Corporation examined the Lea County records, telephone directories, records in counties of the last known

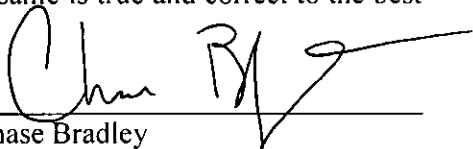
residences of the out-of-state owners, and internet directories. Correspondence to the last known addresses of these interest owners was returned to sender. Apache Corporation has been trying to locate these persons for several years for the proposed well and other wells operated by Apache in the immediate area.

- f) Apache Corporation has made a good faith effort to obtain the voluntary joinder of interest owners in the well, or to locate the interest owners.
- g) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against non-consenting interest owners.
- h) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit D. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Lea County.
- i) Overhead charges of \$7,500/month for a drilling well, and \$750/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Apache Corporation requests that the rates be adjusted under the COPAS accounting procedure.
- j) Applicant requests that it be designated operator of the well.

VERIFICATION

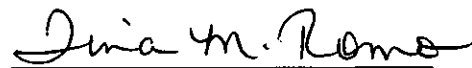
STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Chase Bradley, being duly sworn upon his oath, deposes and states that: he is a landman for Apache Corporation; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


Chase Bradley

SUBSCRIBED AND SWORN TO before me this 9th day of October, 2014 by Chase Bradley.

My Commission Expires: 5/3/2018


Notary Public



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 Rio Huerfano Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 332 10 33250 332.30 78760	House; House; Pool Name Blinchry, Tubb, Drinkard, ABO
Property Code 39779	Property Name PINOT	Well Number 3
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3577'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	20-S	38-E		1650	NORTH	2310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4 39.73 AC.	LOT 3 39.77 AC.	LOT 2 39.79 AC.	LOT 1 39.83 AC.
		<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=585867.5 N X=873686.8 E</p> <p>LAT.=32.604792° N LONG.=103.119877° W</p> <p>LAT.=32° 36' 17" N LONG.=103° 07' 12" W</p> <p>GEODETIC COORDINATES NAD 83 NME</p> <p>SURFACE LOCATION Y=585926.5 N X=914868.6 E</p> <p>LAT.=32.604906° N LONG.=103.120355° W</p> <p>LAT.=32° 36' 18" N LONG.=103° 07' 13" W</p>	

OPERATOR CERTIFICATION

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

Michelle Cooper 5-22-14
Signature Date

Michelle Cooper
Printed Name

michelle.cooper@apachecorp.com
E-mail Address

SURVEYOR CERTIFICATION

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

APRIL 18, 2014

Date of Survey

Signature of Registered Professional Surveyor:

Ronald J. Eidson 03/16/2014
Certificate Number 3239

ACK JWSC W.O. 14.11.0397

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 33230 78760	33250 33210	House; Blinabry	House; Tubb	Pool Name House; Drinkard	House; ABO
Property Code 39779	Property Name PINOT					Well Number 6
OGRID No. 873	Operator Name APACHE CORPORATION					Elevation 3571'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	20-S	38-E		2310	NORTH	1650	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4 39.73 AC.	LOT 3 39.77 AC.	LOT 2 39.79 AC.	LOT 1 39.83 AC.
		<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=585199.2 N X=873034.4 E</p> <p>LAT.=32.602976° N LONG.=103.122020° W</p> <p>LAT.=32° 36' 11" N LONG.=103° 07' 19" W</p> <p>GEODETIC COORDINATES NAD 83 NME</p> <p>SURFACE LOCATION Y=585258.3 N X=914216.2 E</p> <p>LAT.=32.603091° N LONG.=103.122498° W</p> <p>LAT.=32° 36' 11" N LONG.=103° 07' 21" W</p>	

OPERATOR CERTIFICATION

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

Michelle Cooper 5-22-14
Signature Date

Michelle Cooper
Printed Name

michelle.cooper@apachescorp.com
E-mail Address

SURVEYOR CERTIFICATION

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

APRIL 18, 2014

Date of Survey

Signature & Seal of Professional Surveyor:

RONALD J. EIDSON
3239
Certificate Number
Ronald J. Eidson 12641
3239
ACK JWSC W.O.: 14.11.0394

EXHIBIT B
PINOT # 3 & #6, SE/4NW/4

Royalty Holding Company* 3535 NW 58 th , Ste. 720 Oklahoma City, OK 73112	0.20312500	Elects to participate – currently negotiating JOA
TWL Investments, L.L.C.* 1001 Fannin, Suite 2020 Houston, TX 77002 Office: (713) 929-1619	0.02500000	
Max W. Coll, III *	0.00022344	Executed lease for SE/4NW/4 received
Burlington Resources Oil & Gas Company, L.P.* c/o ConocoPhillips Company Attn: Ashley Manning-Dyke 600 N. Dairy Ashford, 2WL-15060 Houston, TX 77252-2197	0.03472222	Currently negotiating Lease form
A&P Family Limited Partnership* P.O. Box 1046 Eunice, NM 88231	0.03125000	Currently negotiating Lease form
The Allar Company* P.O. Box 1567 Graham, TX 76450 (940)549-0077	0.00694444	
Sally Rogers* 152b Arroyo Hondo Road Santa Fe, NM 87508	0.00625000	
Bank of America, N.A., Trustee of the Myrtle L. Davis Trust* P.O. Box 830308 Dallas, TX 85283-0308	0.00062500	B. of A. was non-responsive to Apache's counter-proposal to B. of A.'s proposed lease terms
Pat Alston Ward*	0.03125000	Cannot locate
John Lutrell*	0.00017361	Cannot locate
The Colorado Corporation, or its successors*	0.00016276	Cannot locate
Robert Joe Reichert*	0.00004883	Cannot locate
Pat Farris*	0.00004883	Cannot locate
Cheryl Menz*	0.00004883	Cannot locate
Douglas Menz*	0.00004883	Cannot locate
Joseph Nelson*	0.00078125	Cannot locate
Gertrude Soper *	0.00052083	Cannot locate
Bernice Wade*	0.00052083	Cannot locate
C.S. Daley*	0.00039063	Cannot locate
The Heirs or Devisees of J. Kenneth Fasken*	0.00039063	Cannot locate
The Heirs or Devisees of Harry Levy*	0.00039063	Cannot locate
Beverly B. Nelson*	0.00039063	Cannot locate

* Unleased Mineral Owner



August 1, 2014

WORKING INTEREST OWNERS

RE: Proposal to Drill Pinot #3, 4, 5 and 6
Section 2, T20S, R38E,
Lea County, New Mexico

Dear Interest Owner:

Apache Corporation ("Apache") hereby proposes the drilling of the Pinot #3, #4, #5 and #6 wells to a total depth of 7,800', or a depth sufficient to test the Blinbry, Tubb, Drinkard and Abo formation. Enclosed for your review and further handling are two (2) copies of Apache's drilling and completion AFE for each well. The AFE's contain an itemized breakdown of the estimated cost for the drilling and completion work for each well.

Please evidence your election of Apache's well proposals starting on Page 2 of this letter and should you elect to participate please execute one (1) copy of the enclosed AFE and return same, along with your election pages, to the undersigned within 30-days from your receipt of this letter. I have enclosed a postage paid envelope for your convenience.

Also enclosed is a letter agreement amending that certain Joint Operating Agreement dated effective March 1, 2013 by and between Apache, as Operator, and The Salient Zarvona Energy Fund, L.P., et al., as Non-Operator (the "JOA"). The letter details several amendments needed to the JOA. Please review and provide your election regarding same.

Should you have any questions concerning this matter, please contact Jamie Soto, our Reservoir Engineer at (432) 818-1842, or the undersigned at (432) 818-1097.

Yours truly,
APACHE CORPORATION

Dylan C. Park
Landman
dylan.park@apachecorp.com

Exhibit C

Proposal to Drill Pinot #3, #4, #5 and #6
August 1, 2014

Pinot #3, SE/4NW/4, Section 2, T20S-R38E:

_____ The undersigned elects to **PARTICIPATE** in the drilling of the **Pinot #3** well as proposed above. Attached is an executed copy of Apache's AFE #11-14-1177.

_____ The undersigned elects **NOT** to participate in the drilling and completing of the **Pinot #3** well as proposed above.

By: _____

Name: _____

Title: _____

Date: _____

Pinot #4, NE/4NW/4, Section 2, T20S-R38E:

_____ The undersigned elects to **PARTICIPATE** in the drilling of the **Pinot #4** well as proposed above. Attached is an executed copy of Apache's AFE #11-14-1178.

_____ The undersigned elects **NOT** to participate in the drilling and completing of the **Pinot #4** well as proposed above.

By: _____
Name: _____
Title: _____
Date: _____

Page 2 – Proposal to Drill Pinot #3, #4, #5 and #6
August 1, 2014

Pinot #5, SW/4NW/4, Section 2, T20S-R38E:

_____ The undersigned elects to **PARTICIPATE** in the drilling of the **Pinot #5** well as proposed above. Attached is an executed copy of Apache's AFE #11-14-1179.

_____ The undersigned elects **NOT** to participate in the drilling and completing of the **Pinot #5** well as proposed above.

By: _____
Name: _____
Title: _____
Date: _____

Page 2 – Proposal to Drill Pinot #3, #4, #5 and #6
August 1, 2014

Pinot #6, SE/4NW/4, Section 2, T20S-R38E:

_____ The undersigned elects to **PARTICIPATE** in the drilling of the **Pinot #6** well as proposed above. Attached is an executed copy of Apache's AFE #11-14-1181.

_____ The undersigned elects **NOT** to participate in the drilling and completing of the **Pinot #6** well as proposed above.

By: _____

Name: _____

Title: _____

Date: _____



August 1, 2014

MINERAL INTEREST OWNERS

RE: Proposal to Drill Pinot #3, #5, #6 Wells
Lot 3, S/2NW/4, Section 2, T20S, R38E
Lea County, New Mexico

Dear Interest Owner,

Apache Corporation ("Apache") hereby proposes the drilling of the Pinot #3, #5 and #6 wells to a total depth of 7,800', or a depth sufficient to test the Blinberry, Tubb, Drinkard and Abo formation. Enclosed for your review and further handling are two (2) copies each of Apache's drilling and completion AFE's for each well. The AFE's contain an itemized breakdown of the estimated cost for the drilling and completion work for each well.

Should you elect to participate in the referenced wells as proposed above, a mutually acceptable Joint Operating Agreement will be forwarded for your review and execution.

However, should you elect not to participate, please consider leasing your mineral interest to Apache by contacting the undersigned at (432) 818-1097 or 303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705. Should you consider leasing, Apache is offering a bonus of \$250 per net acre or \$50 minimum, whichever is greater, for a 3 year lease, with option to extend for an additional 2 years at \$250 per net acre, delivering 1/4 oil and gas royalty.

Please evidence your election of Apache's well proposals starting on the second page of this letter and should you elect to participate please execute one (1) copy of each of the enclosed AFE's and return same, along with your election on Page 2, to the undersigned within 30 days from your receipt of this letter. I have enclosed a postage paid envelope for your convenience. Should you have any questions concerning this matter, please contact Jamie Soto, our Reservoir Engineer at (432) 818-1842, or the undersigned at (432) 818-1097.

Yours truly,
APACHE CORPORATION

Dylan C. Park
Landman
dylan.park@apachecorp.com

Proposal to Drill Pinot #3, #5, #6
August 1, 2014

Pinot #3, SE/4NW/4, Section 2, T20S-R38E:

_____ The undersigned elects to **PARTICIPATE** in the drilling of the **Pinot #3** well as proposed above. Attached is an executed copy of Apache's AFE #11-14-1177. Please forward a mutually acceptable Joint Operating Agreement for my review and execution.

_____ The undersigned elects **NOT** to participate in the drilling and completing of the **Pinot #3** well as proposed above.

_____ The undersigned agrees to **LEASE** its mineral interest to Apache pursuant to the terms previously stated on Page 1 of this letter. Please forward a mutually acceptable lease form for my review and execution.

By: _____

Name: _____

Title: _____

Date: _____

Proposal to Drill Pinot #3, #5, #6
August 1, 2014

Pinot #5, SW/4NW/4, Section 2, T20S-R38E:

_____ The undersigned elects to **PARTICIPATE** in the drilling of the **Pinot #5** well as proposed above. Attached is an executed copy of Apache's AFE #11-14-1179. Please forward a mutually acceptable Joint Operating Agreement for my review and execution.

_____ The undersigned elects **NOT** to participate in the drilling and completing of the **Pinot #5** well as proposed above.

_____ The undersigned agrees to **LEASE** its mineral interest to Apache pursuant to the terms previously stated on Page 1 of this letter. Please forward a mutually acceptable lease form for my review and execution.

By: _____

Name: _____

Title: _____

Date: _____

Proposal to Drill Pinot #3, #5 and #6
August 1, 2014

Pinot #6, SE/4NW/4, Section 2, T20S-R38E:

_____ The undersigned elects to **PARTICIPATE** in the drilling of the **Pinot #6** well as proposed above. Attached is an executed copy of Apache's AFE #11-14-1181. Please forward a mutually acceptable Joint Operating Agreement for my review and execution.

_____ The undersigned elects **NOT** to participate in the drilling and completing of the **Pinot #6** well as proposed above.

_____ The undersigned agrees to **LEASE** its mineral interest to Apache pursuant to the terms previously stated on Page 1 of this letter. Please forward a mutually acceptable lease form for my review and execution.

By: _____

Name: _____

Title: _____

Date: _____

7013 1090 0000 5648 2846

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Restricted Delivery Fee (Endorsement Required)	

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Total

A&P Family Partnership
P.O. Box 1046
Eunice, NM 88231-1046
DP-Pinot 3, 5, 6 Prop-MIOs

 Sent To
 Street
 or PO
 City, State

PS Form 3800, August 2006

See Reverse for Instructions

7013 1090 0000 5642 7809

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Total

Sally Rodgers
152 B Arroyo Hondo Rd.
Santa Fe, NM 87508
DP-Pinot 3, 5, 6 Prop-MIOs

 Sent To
 Street
 or PO
 City, State

PS Form 3800, August 2006

See Reverse for Instructions

7013 1090 0000 5642 7830

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Total

Wells Fargo Bank, NA
c/o Mr. Robert Sykes
500 West Texas Ave., Suite 760
Midland, TX 79702
DP-Pinot 3, 5, 6 Prop-MIOs

 Sent To
 Street
 or PO
 City, State

PS Form 3800, August 2006

See Reverse for Instructions

7013 1090 0000 5642 7796

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1

The Allar Company
P.O. Box 1567
Graham, TX 76450
DP-Pinot 3, 5, 6 Prop-MIOs

 Sent To
 Street
 or PO
 City, State

PS Form 3800, August 2006

See Reverse for Instructions

7013 1090 0000 5642 7816

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Postmark
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Pat Alston Ward
207 Porr Drive
Ruidoso, NM 88345
DP-Pinot 3, 5, 6 Prop-MIOs

City, State

PS Form 3800, August 2006

See Reverse for Instructions

7013 1090 0000 5642 7823

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
Here
Royalty Holding Company
3535 NW 58th, Suite 720
Oklahoma City, OK 73112
DP-Pinot 3, 5, 6 Prop-MIOs

 Sent To
 Street
 or PO
 City, State

PS Form 3800, August 2006

See Reverse for Instructions

7013 1090 0000 5642 7847

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
Here

Heirs or Devisee of Harry Levy
5715 N. Western Ave., Suite C
Oklahoma City, OK 73118
DP-Pinot 3, 5, 6 Prop-MIOs

PS Form 3800, August 2006 See Reverse for Instructions

7013 1090 0000 5642 7854

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Burlington Resources O&G
Company L.P.
600 N. Dairy Ashford
Houston, TX 77079
DP-Pinot 3, 5, 6 Prop-MIOs

PS Form 3800, August 2006 See Reverse for Instructions

7013 1090 0000 5642 7861

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
Here

Myrtle L. Davis Trust
c/o Bank of America NA
P.O. Box 830308
Dallas, Texas 85283-0308
DP-Pinot 3, 5, 6 Prop-MIOs

PS Form 3800, August 2006 See Reverse for Instructions

7013 1090 0000 5642 7878

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
Here

Gertrude Soper
c/o Barbara Watts
413 Indiana Ave., Apt. 2
Cour D'Alene, ID 83814
DP-Pinot 3, 5, 6 Prop-MIOs

PS Form 3800, August 2006 See Reverse for Instructions

7013 1090 0000 5642 7885

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Postage	\$
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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
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Bernice Wade
P.O. Box 226
Clondcroft, NM 88317
DP-Pinot 3, 5, 6 Prop-MIOs

PS Form 3800, August 2006 See Reverse for Instructions

7013 1090 0000 5642 7892

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Restricted Delivery Fee (Endorsement Required)	

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Heirs or Devisees of J. Kenneth
Fasken
1535 S. Gillette
Tulsa, OK 74104
DP-Pinot 3, 5, 6 Prop-MIOs

PS Form 3800, August 2006 See Reverse for Instructions

7013 1090 0000 5642 7908

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Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total F		
Robert Joe Reichert 2800 NW 34th St. Oklahoma City, OK DP-Pinot 3, 5, 6 Prop-MIOs		
Sent To Street, or PO Box City, State		
PS Form 3800, August 2006 See Reverse for Instructions		

7013 1090 0000 5642 7915

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OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total		
Douglas Menz Rt. 1, Box 366 Shawnee, OK 74801 DP-Pinot 3, 5, 6 Prop-MIOs		
Sent To Street, or PO Box City, State		
PS Form 3800, August 2006 See Reverse for Instructions		



AFE Summary

AFE #	11-14-1177	WELL NAME	Pinot	WELL NUMBER 3
WELL/LEASE NAME	Pinot	PROPERTY #	PENDING1	OPERATOR Apache Corp
WELL NUMBER	3	LEASE NUMBERS	68014	EST. START DATE
PROSPECT NAME	HOUSE	PROSPECT #	NM4022	EST FINISH DATE
COUNTY/STATE	LEA / NEW MEXICO	DISTRICT	NW DISTRICT	API #
ESTIMATED SIZE		APACHE FIELD NAME		JOA # 004101
		FOCUS AREA		BUDGETED Yes

LEGAL DESCRIPTION

SE/4NW/4, Sec 2, T20S-R38E

PROJECTS

Type	AFE #	WI %	Objective	Description
Drilling	11-14-1177-OH	60.240000	BDT/Abo	Drill a vertical well to 7800' as follows: Drill a 12.25" hole to ~1600'. Run 8-5/8" casing and cement to surface. Drill a 7-7/8" hole to 7800'. Log well as per geology.
Completion	11-14-1177-CP	60.240000	Complete	Complete and fracture stimulate Blinberry, Tubb, and Drinkard Zones. Acidize Abo if present.
Equipping	11-14-1177-EQ	60.240000	Equip new well	Equip with a 640 unit. A new separator, 500 barrel water tank, and heater treater will be purchased to support the new wells.

		Intangible Development Costs				
	Description	Dry Hole	Completion	Equipping	Additional Cost	Total Well Cost
65506	Drilling/Percentage Development Overhead	\$4,500	\$0	\$0	\$0	\$4,500
70003	Bits Coreheads and Reamers	\$25,000	\$0	\$0	\$0	\$25,000
70004	Casing Crews	\$5,000	\$7,500	\$0	\$0	\$12,500
70006	Cement and Cementing Services	\$35,000	\$60,000	\$0	\$0	\$95,000
70011	Company Supervision	\$1,500	\$6,000	\$0	\$0	\$7,500
70012	Company Vehicle and/or Boat	\$500	\$1,000	\$0	\$0	\$1,500
70017	Contract Labor	\$10,000	\$40,000	\$0	\$0	\$50,000
70019	Contract Rigs - Daywork	\$115,200	\$74,400	\$0	\$0	\$189,600
70021	Contract Supervision	\$16,000	\$6,000	\$0	\$0	\$22,000
70025	Drilling Fluids	\$20,000	\$0	\$0	\$0	\$20,000
70026	Electrical Contract	\$0	\$30,000	\$0	\$0	\$30,000
70030	Environmental/Safety Remediation	\$0	\$10,000	\$0	\$0	\$10,000
70031	Equipment Rental	\$70,000	\$60,000	\$0	\$0	\$130,000
70034	Formation and Well Stimulation	\$0	\$350,000	\$0	\$0	\$350,000
70037	Fuel	\$30,000	\$0	\$0	\$0	\$30,000
70046	Land and Site Reclamation	\$45,000	\$0	\$0	\$0	\$45,000
70049	Logging	\$20,000	\$65,000	\$0	\$0	\$85,000
70054	LOE-Other	\$25,000	\$0	\$0	\$0	\$25,000
70061	Repair and Maintenance Materials-Sub-Surface	\$0	\$5,000	\$0	\$0	\$5,000
70062	Repair and Maintenance Materials-Surface	\$0	\$5,000	\$0	\$0	\$5,000
70064	Rig Mobilization	\$35,000	\$0	\$0	\$0	\$35,000
70065	Road and Site Preparation	\$55,000	\$5,000	\$0	\$0	\$60,000
70067	Salt Water Disposal	\$0	\$10,000	\$0	\$0	\$10,000
70074	Trucking and Hauling	\$5,000	\$35,000	\$0	\$0	\$40,000
70076	Tubular Inspection/Testing	\$5,000	\$2,000	\$0	\$0	\$7,000
70077	Water	\$40,000	\$4,000	\$0	\$0	\$44,000
70078	Wellsite Damages, Loss, Right-of-Way	\$10,000	\$0	\$0	\$0	\$10,000

AFE#: 11-14-1177 | Well Name: Pinot | Well Number: 3

Date Printed: 7/28/2014 | Page 1 of 2

Exhibit D

		Intangible Development Costs				
	Description	Dry Hole	Completion	Equipping	Additional Cost	Total Well Cost
70121	Automation	\$0	\$0	\$10,000	\$0	\$10,000
Subtotal Intangible Development Costs		\$572,700	\$775,900	\$10,000	\$0	\$1,358,600

		Tangible Development Costs				
	Description	Dry Hole	Completion	Equipping	Additional Cost	Total Well Cost
71001	Artificial Lift Equipment	\$0	\$0	\$120,000	\$0	\$120,000
71006	Conductor Casing	\$13,000	\$0	\$0	\$0	\$13,000
71012	Flow Lines	\$0	\$0	\$15,000	\$0	\$15,000
71018	Instrumentation	\$0	\$0	\$30,000	\$0	\$30,000
71026	Electrical Materials	\$0	\$0	\$25,000	\$0	\$25,000
71032	Other Subsurface Equipment	\$0	\$10,000	\$0	\$0	\$10,000
71036	Pipe, Valves, Fittings and Anodes	\$0	\$0	\$60,000	\$0	\$60,000
71040	Production Casing	\$0	\$135,000	\$0	\$0	\$135,000
71043	Pumps	\$0	\$0	\$7,500	\$0	\$7,500
71046	Separators	\$0	\$0	\$13,000	\$0	\$13,000
71048	Sucker Rods	\$0	\$30,000	\$0	\$0	\$30,000
71050	Surface Casing	\$35,000	\$0	\$0	\$0	\$35,000
71051	Tanks	\$0	\$0	\$16,000	\$0	\$16,000
71052	Treaters	\$0	\$0	\$21,000	\$0	\$21,000
71053	Tubing	\$0	\$40,000	\$0	\$0	\$40,000
71056	Wellhead Assembly	\$5,000	\$8,000	\$0	\$0	\$13,000
Subtotal Tangible Materials Cost		\$53,000	\$223,000	\$307,500	\$0	\$583,500

Description	Dry Hole	Completion	Equipping	Additional Cost	Total Well Cost
Sub-Total Intangible Material Costs	\$572,700	\$775,900	\$10,000	\$0	\$1,358,600
Sub-Total Tangible Material Costs	\$53,000	\$223,000	\$307,500	\$0	\$583,500
Grand Total	\$625,700	\$998,900	\$317,500	\$0	\$1,942,100
Less Outside Interests	\$248,778	\$397,163	\$126,238	\$0	\$772,179
Total Net Costs	\$376,922	\$601,737	\$191,262	\$0	\$1,169,921

External Partner Response:

Company	Working Interest	Approved By	Date
Comments			

Approved By		
AFE	michael.bose	06/26/2014
Completion	michael.bose	06/26/2014
Completion	sheldon.plahn	06/16/2014
Drilling	bobby.smith	06/16/2014
Drilling	michael.bose	06/26/2014
Equipping	michael.bose	06/26/2014
Equipping	sheldon.plahn	06/16/2014
Geology	jay.hightower	06/16/2014
Region Land	t/m.custer	06/24/2014
Region Reservoir	breezi.province	06/15/2014
Region Reservoir	ken.neupert	06/15/2014



AFE Summary

AFE #	11-14-1181	WELL NAME	Pinot	WELL NUMBER 6
WELL/LEASE NAME	Pinot	PROPERTY #	PENDING1	OPERATOR Apache Corp
WELL NUMBER	6	LEASE NUMBERS	68014	EST. START DATE
PROSPECT NAME	HOUSE	PROSPECT #	NM4022	EST FINISH DATE
COUNTY/STATE	LEA / NEW MEXICO	DISTRICT	NW DISTRICT	API #
ESTIMATED SIZE		APACHE FIELD NAME		JOA # 004101
		FOCUS AREA		BUDGETED Yes

LEGAL DESCRIPTION

SE/4NW/4, Sec 2, T20S-R38E

PROJECTS

Type	AFE #	WI %	Objective	Description
Drilling	11-14-1181-DH	60.240000	BDT/Abo	Drill a vertical well to 7800' as follows: Drill a 12.25" hole to ~1600'. Run 8-5/8" casing and cement to surface. Drill a 7-7/8" hole to 7800'. Log well as per geology.
Completion	11-14-1181-CP	60.240000	Complete new well	Complete and fracture stimulate Blinberry, Tubb, and Drinkard Zones. Acidize Abo if present.
Equipping	11-14-1181-EQ	60.240000	Equip Well	Equip with a 640 unit.

		Intangible Development Costs					Total Well Cost
	Description	Dry Hole	Completion	Equipping	Additional Cost		
65506	Drilling/Percentage Development Overhead	\$4,500	\$0	\$0	\$0		\$4,500
70003	Bits Coreheads and Reamers	\$25,000	\$0	\$0	\$0		\$25,000
70004	Casing Crews	\$5,000	\$7,500	\$0	\$0		\$12,500
70006	Cement and Cementing Services	\$35,000	\$60,000	\$0	\$0		\$95,000
70011	Company Supervision	\$1,500	\$6,000	\$0	\$0		\$7,500
70012	Company Vehicle and/or Boat	\$500	\$1,000	\$0	\$0		\$1,500
70017	Contract Labor	\$10,000	\$40,000	\$0	\$0		\$50,000
70019	Contract Rigs - Daywork	\$115,200	\$74,400	\$0	\$0		\$189,600
70021	Contract Supervision	\$16,000	\$6,000	\$0	\$0		\$22,000
70025	Drilling Fluids	\$20,000	\$0	\$0	\$0		\$20,000
70026	Electrical Contract	\$0	\$30,000	\$0	\$0		\$30,000
70030	Environmental/Safety Remediation	\$0	\$10,000	\$0	\$0		\$10,000
70031	Equipment Rental	\$70,000	\$60,000	\$0	\$0		\$130,000
70034	Formation and Well Stimulation	\$0	\$350,000	\$0	\$0		\$350,000
70037	Fuel	\$30,000	\$0	\$0	\$0		\$30,000
70046	Land and Site Reclamation	\$45,000	\$0	\$0	\$0		\$45,000
70049	Logging	\$20,000	\$65,000	\$0	\$0		\$85,000
70054	LOE-Other	\$25,000	\$0	\$0	\$0		\$25,000
70061	Repair and Maintenance Materials-Sub-Surface	\$0	\$5,000	\$0	\$0		\$5,000
70062	Repair and Maintenance Materials-Surface	\$0	\$5,000	\$0	\$0		\$5,000
70064	Rig Mobilization	\$35,000	\$0	\$0	\$0		\$35,000
70065	Road and Site Preparation	\$55,000	\$5,000	\$0	\$0		\$60,000
70067	Salt Water Disposal	\$0	\$10,000	\$0	\$0		\$10,000
70074	Trucking and Hauling	\$5,000	\$35,000	\$0	\$0		\$40,000
70076	Tubular Inspection/Testing	\$5,000	\$2,000	\$0	\$0		\$7,000
70077	Water	\$40,000	\$4,000	\$0	\$0		\$44,000
70078	Wellsite Damages, Loss, Right-of-Way	\$10,000	\$0	\$0	\$0		\$10,000
70121	Automation	\$0	\$0	\$10,000	\$0		\$10,000

AFE#: 11-14-1181 | Well Name: Pinot | Well Number: 6

Date Printed: 7/28/2014 | Page 1 of 2

Subtotal Intangible Development Costs \$572,700 \$775,900 \$10,000 \$0 \$1,358,600

		Tangible Development Costs				Total Well Cost
Acct	Description	Dry Hole	Completion	Equipping	Additional Cost	
71001	Artificial Lift Equipment	\$0	\$0	\$120,000	\$0	\$120,000
71006	Conductor Casing	\$13,000	\$0	\$0	\$0	\$13,000
71012	Flow Lines	\$0	\$0	\$15,000	\$0	\$15,000
71018	Instrumentation	\$0	\$0	\$30,000	\$0	\$30,000
71026	Electrical Materials	\$0	\$0	\$25,000	\$0	\$25,000
71032	Other Subsurface Equipment	\$0	\$10,000	\$0	\$0	\$10,000
71036	Pipe, Valves, Fittings and Anodes	\$0	\$0	\$60,000	\$0	\$60,000
71040	Production Casing	\$0	\$135,000	\$0	\$0	\$135,000
71043	Pumps	\$0	\$0	\$7,500	\$0	\$7,500
71048	Sucker Rods	\$0	\$30,000	\$0	\$0	\$30,000
71050	Surface Casing	\$35,000	\$0	\$0	\$0	\$35,000
71053	Tubing	\$0	\$40,000	\$0	\$0	\$40,000
71056	Wellhead Assembly	\$5,000	\$8,000	\$0	\$0	\$13,000
Subtotal Tangible Materials Cost		\$53,000	\$223,000	\$257,500	\$0	\$533,500

Description	Dry Hole	Completion	Equipping	Additional Cost	Total Well Cost
Sub-Total Intangible Material Costs	\$572,700	\$775,900	\$10,000	\$0	\$1,358,600
Sub-Total Tangible Material Costs	\$53,000	\$223,000	\$257,500	\$0	\$533,500
Grand Total	\$625,700	\$998,900	\$267,500	\$0	\$1,892,100
Less Outside Interests	\$248,778	\$397,163	\$106,358	\$0	\$752,299
Total Net Costs	\$376,922	\$601,737	\$161,142	\$0	\$1,139,801

External Partner Response:

Company	Working Interest	Approved By	Date

Comments

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Approved By

AFE	michael.bose	06/19/2014
Completion	michael.bose	06/19/2014
Completion	sheldon.plahn	06/16/2014
Drilling	bobby.smith	06/16/2014
Drilling	michael.bose	06/19/2014
Equipping	michael.bose	06/19/2014
Equipping	sheldon.plahn	06/16/2014
Geology	jay.hightower	06/16/2014
Region Land	tim.custer	06/17/2014
Region Reservoir	breezi.province	06/15/2014
Region Reservoir	ken.neupert	06/16/2014