

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

APPLICATION OF ANSCHUTZ OIL COMPANY,
LLC FOR COMPULSORY POOLING AND
AN UNORTHODOX OIL WELL LOCATION,
RIO ARriba COUNTY, NEW MEXICO.

Case No. 15,234

VERIFIED STATEMENT OF DEIDRE O'CALLAGHAN

Deidre O'Callaghan, being duly sworn, upon her oath, deposes and states:

1. I am a senior landman for Anschutz Oil Company, LLC ("Anschutz") and have personal knowledge of the matters stated herein.

2. I have not previously been qualified as an expert petroleum landman by the Division. My educational and employment background is as follows: I received a bachelor of science degree in Energy Resources Management from Lamar University in Beaumont Texas. I have worked in the energy industry since 1980, in the positions of landman, gas marketing and business development, beginning as a landman with Amoco Production Company in Houston, Texas and later in Amoco's Denver office. I have been most recently employed as a senior landman with Savant Resources, LLC in Denver from 2003 to 2010, and have been employed as senior landman with Anschutz Exploration Corporation and Anschutz Oil Company, LLC since 2010.

3. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the application filed herein:

(a) No opposition is expected because the working interest owners being pooled have been contacted regarding the proposed well and several owners have not yet decided whether to join in the well. In several cases, the working interest owner has elected to participate in the drilling of the well or to farmout its interest, but an Operating Agreement or a Farmout Agreement has not yet been finalized. If working interest owners subsequently decide to join in the well we will notify the Division.

(b) Applicant proposes to drill its Regina Com. 25-2-14-15 Well No. 1H, to a depth sufficient to test the Mancos formation (Gavilan-Mancos Pool), and has dedicated the W/2 of Section 14 and all of Section 15, Township 25 North, Range 2 West, N.M.P.M., to the well to form a non-standard 960 acre spacing and proration unit for any formations and/or pools developed on 640 acre spacing within that vertical extent. The Gavilan-Mancos Pool (pool code 27194) has special pool rules providing for 640 acre well units and wells to be located no closer than 790 feet to a section line.

Oil Conservation Division
Case No. 15234
Exhibit No. 1

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. The non-standard oil well unit (project area) was previously approved by Division Administrative Order NSP-1974.

(d) Anschutz seeks an order pooling all working interest owners in the W/2 of Section 14 and all of Section 15. The well is a horizontal well, to be drilled from a surface location in the NW/4NE/4 of Section 14, with a terminus in the NW/4NW/4 of Section 15. The beginning of the producing interval will be approximately 830 feet from the north line and 2310 feet from the west line of Section 14, to a terminus 830 feet from the north line and 330 feet from the west line of Section 15. The location is unorthodox under the special rules and regulations for the Gavilan-Mancos Pool.

(e) The original location of the well, depicted on Attachment A, has changed. The reason for the location change is to reduce the amount of surface disturbance, at the request of the surface owner and tenant, to improve access to the location and to reduce the surface location costs. Attached hereto as Attachment B are plats showing the surface relief and length of the original access road. Attached hereto as Attachment C are plats depicting the revised surface location and wellbore.

(f) The parties being pooled, their working interests in the well unit, and their last known addresses, are reflected on Attachment D. These addresses are current and correct.

(g) Copies of the proposal letters sent to the uncommitted working interest owners are attached hereto as Attachment E. We have also had telephone discussions and/or e-mails with these parties, but have been unable to reach final agreement with them.

(h) Anschutz is the successor operator to Hunt Oil Company of the well and well unit. Hunt had previously proposed the well to the working interest owners, so they have been aware of the proposed drilling of the well for over 12 months.

(i) Applicant has made a good faith effort to obtain the voluntary joinder of all interest owners in the well.

(j) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against any non-consenting working interest owner.

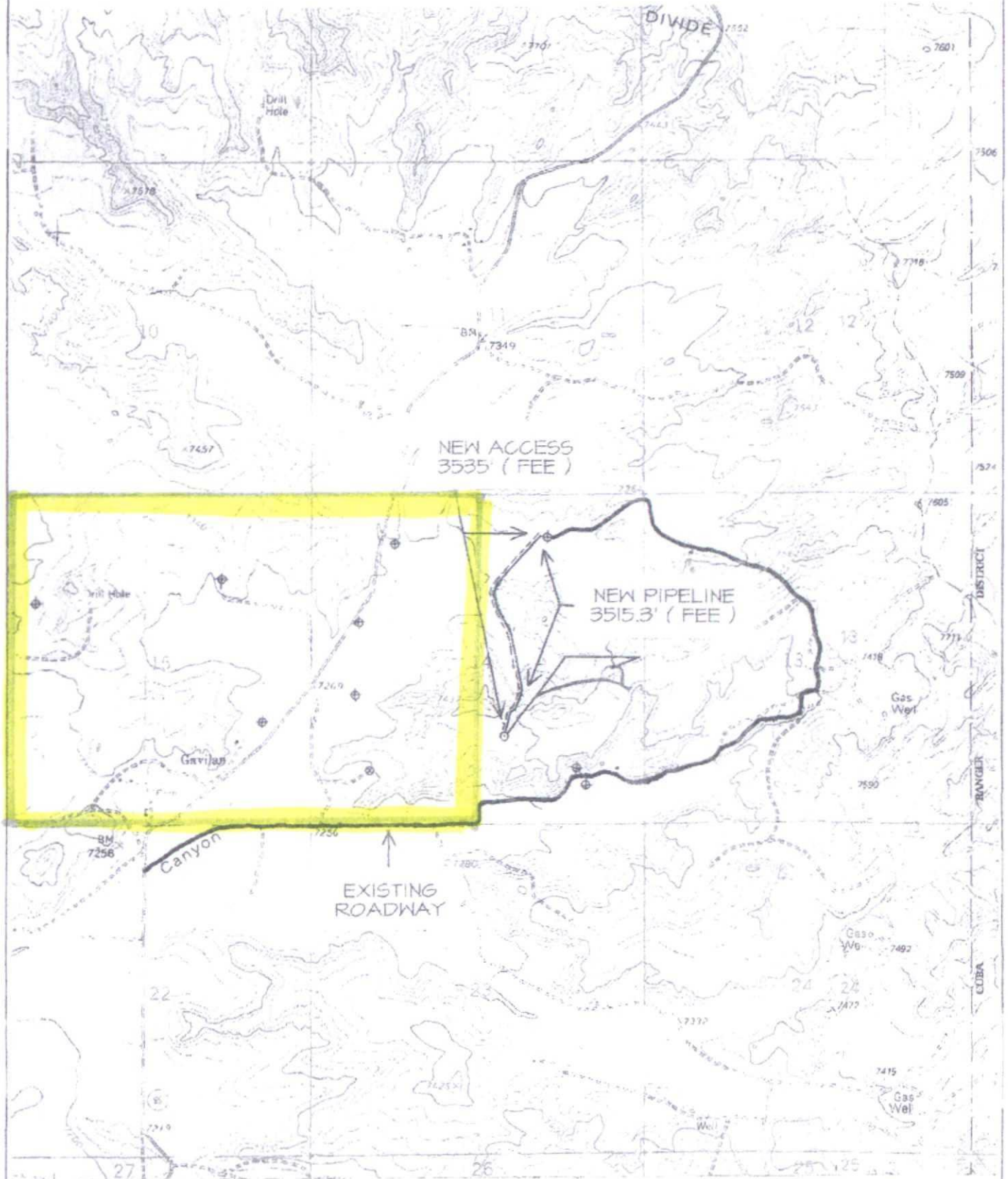
(k) A copy of the Authority for Expenditure for the well is attached hereto as Attachment F. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Rio Arriba County.

(l) Overhead charges of \$10,500.00/month for a drilling well, and \$1,500.00/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. Applicant also

— ORIGINAL PERMITTED LOCATION —

ATTACHMENT B

HUNT OIL COMPANY REGINA COM 25-2-15 #1H
1443' FSL & 2262' FEL, SECTION 14, T25N, R2W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



NAME OF TOPO MAP : OJITO

⊕ PRODUCING WELL

⊗ PLUGGED & ABANDONED WELL

960 acre spacing unit

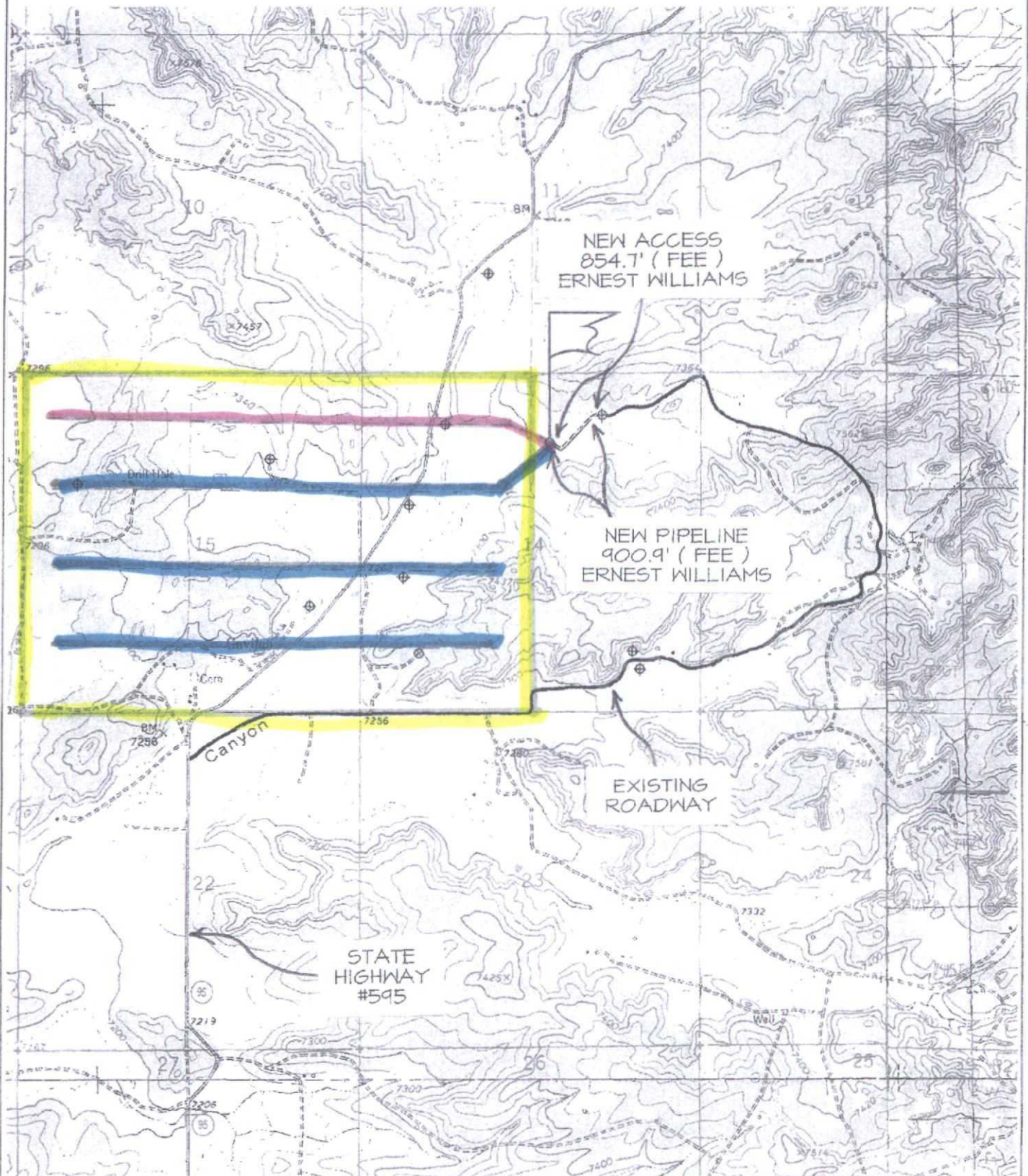
— ORIGINAL PERMITTED LOCATION —

**HUNT OIL COMPANY REGINA COM 25-2-14-15 #1H
PROPOSED PIPELINE SURVEY LOCATED IN THE
W/2 E/2 OF SECTION 14, T25N, R2W, NMPM
RIO ARriba COUNTY, NEW MEXICO**



ATTACHMENT C

ANSCHUTZ EXPLORATION CORPORATION
REGINA COM 25-2-14-15 #1H
1070' FNL & 2383' FEL, SECTION 14, T25N, R2W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



NAME OF TOPO MAP : OJITO

⊕ PRODUCING WELL

⊙ PLUGGED & ABANDONED WELL



960ac Spacing Unit



Regina Com 25-2-14-15-1H
well bore - REVISER



Potential Infill
wellbores

ATTACHMENT C-1 (cont.)

District I
1625 N. Franch Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720

District II
811 S. First Street, 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 Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Drive
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code 27194	*Pool Name GAVILAN MANCOS
*Property Code	*Property Name REGINA COM 25-2-14-15	*Well Number 1H
*GRID No.	*Operator Name ANSCHUTZ EXPLORATION CORPORATION	*Elevation 7306'

10 Surface Location

U. or Lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	14	25N	2W		1070	NORTH	2383	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

U. or Lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	25N	2W		830	NORTH	330	WEST	RIO ARriba

*Dedicated Acres 960.0 Acres W/2 Section 14 & Entire Section 15	*Joint or Infill	*Consolidation Code	*Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SND-OF-LATERAL
830' FNL 330' FNL
SECTION 15, T25N, R2W
LAT: 36.40293°N
LONG: 107.04474°W
DATUM: NAD1983

LAT: 36.40293°N
LONG: 107.04533°W
DATUM: NAD1983

POINT-OF-ENTRY
830' FNL 2312' FNL
SECTION 14, T25N, R2W
LAT: 36.40289°N
LONG: 107.02005°W
DATUM: NAD1983

LAT: 36.40290°N
LONG: 107.02065°W
DATUM: NAD1983

SURFACE LOCATION
1070' FNL 2383' FNL
SECTION 14, T25N, R2W
LAT: 36.40223°N
LONG: 107.01808°W
DATUM: NAD1983

LAT: 36.40224°N
LONG: 107.01867°W
DATUM: NAD1983

17 OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

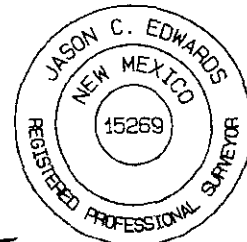
18 SURVEYOR CERTIFICATION

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

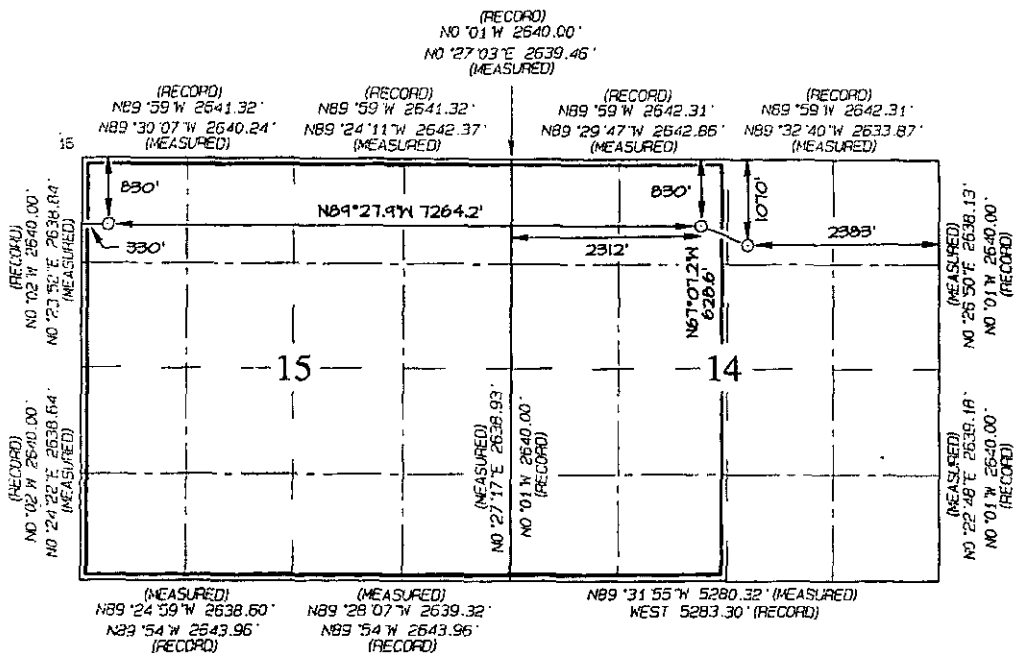
Date Revised: OCTOBER 24, 2014

Survey Date: OCTOBER 15, 2014

Signature and Seal of Professional Surveyor



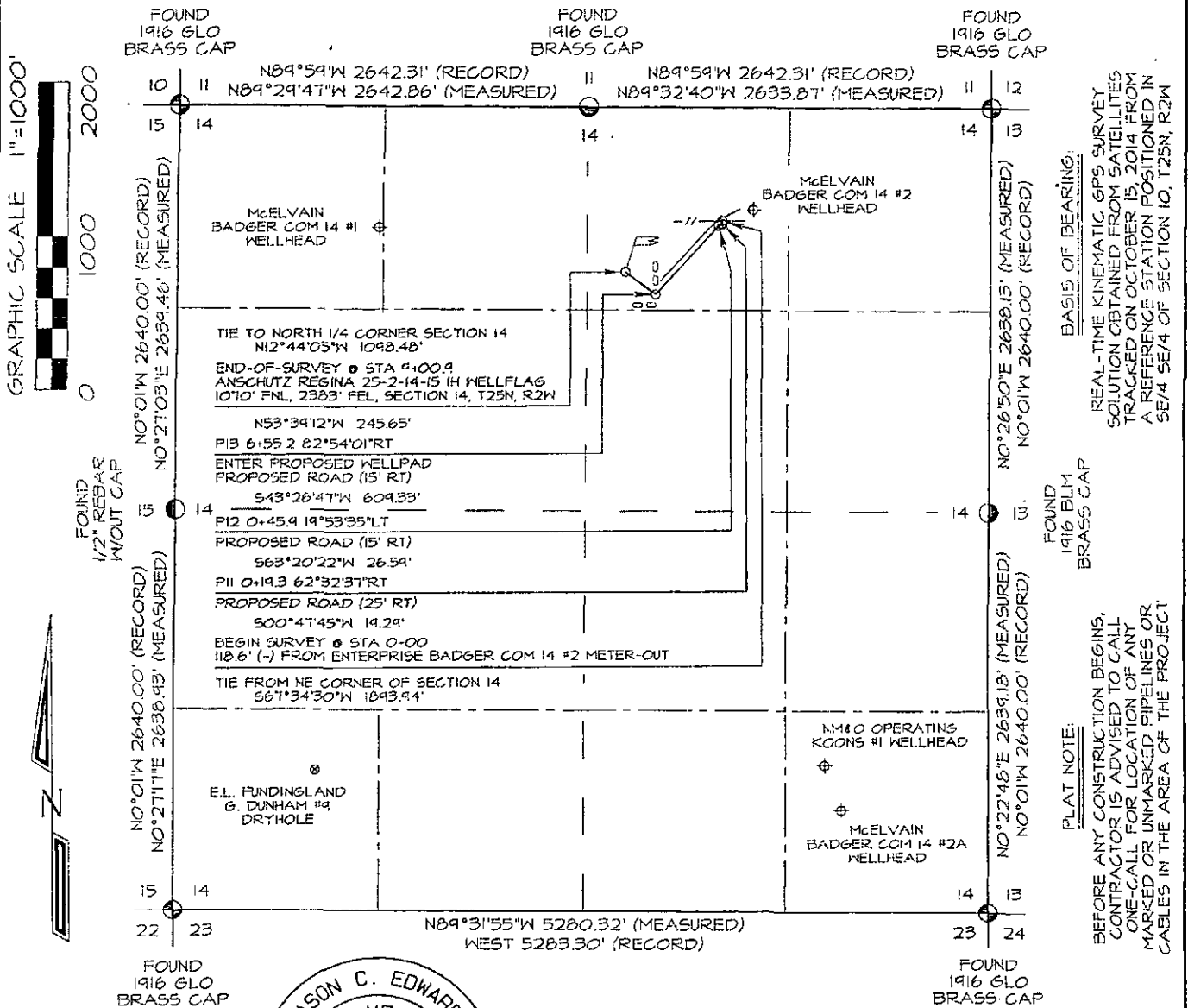
JASON C. EDWARDS
Certificate Number 15269



REVISED WELL LOCATION & WELLBORE

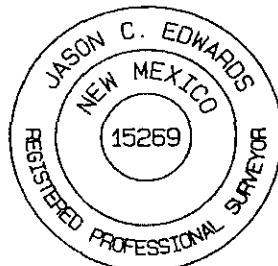
ATTACHMENT C2(cont.)

ANSCHUTZ EXPLORATION REGINA COM 25-2-14-15 #1H PROPOSED PIPELINE SURVEY LOCATED IN THE NW/4 NE/4 OF SECTION 14, T25N, R2W, NMPM RIO ARriba COUNTY, NEW MEXICO



REAL-TIME KINEMATIC GPS SURVEY
SOLUTION OBTAINED FROM SATELLITES
TRACKED ON OCTOBER 15, 2014 FROM
A REFERENCE STATION POSITIONED IN
SE/4 SE/4 OF SECTION 10, T25N, R2W

BEFORE ANY CONSTRUCTION BEGINS,
CONTRACTOR IS ADVISED TO CALL
ONE-CALL FOR LOCATION OF ANY
MARKED OR UNMARKED PIPELINES OR
CABLES IN THE AREA OF THE PROJECT

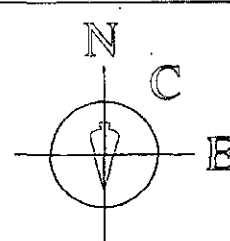


FEE SURFACE OWNER: Ernest Williams	
0+00 TO 9+00.9	900.9 FT / 54.6 RODS

I, Jason C. Edwards, a registered Professional Surveyor under the laws of the State of New Mexico, hereby certify that this plat was prepared from field notes of an actual survey meeting the minimum requirements of the standards for easement surveys and is true and correct to the best of my knowledge and belief.

JASON C. EDWARDS Date: October 24, 2014
Jason C. Edwards, P.L.S.
New Mexico L.S. #15269

Prepared for:
ANSCHUTZ EXPLORATION
555 17th St, Suite 2400
DENVER, CO 80202



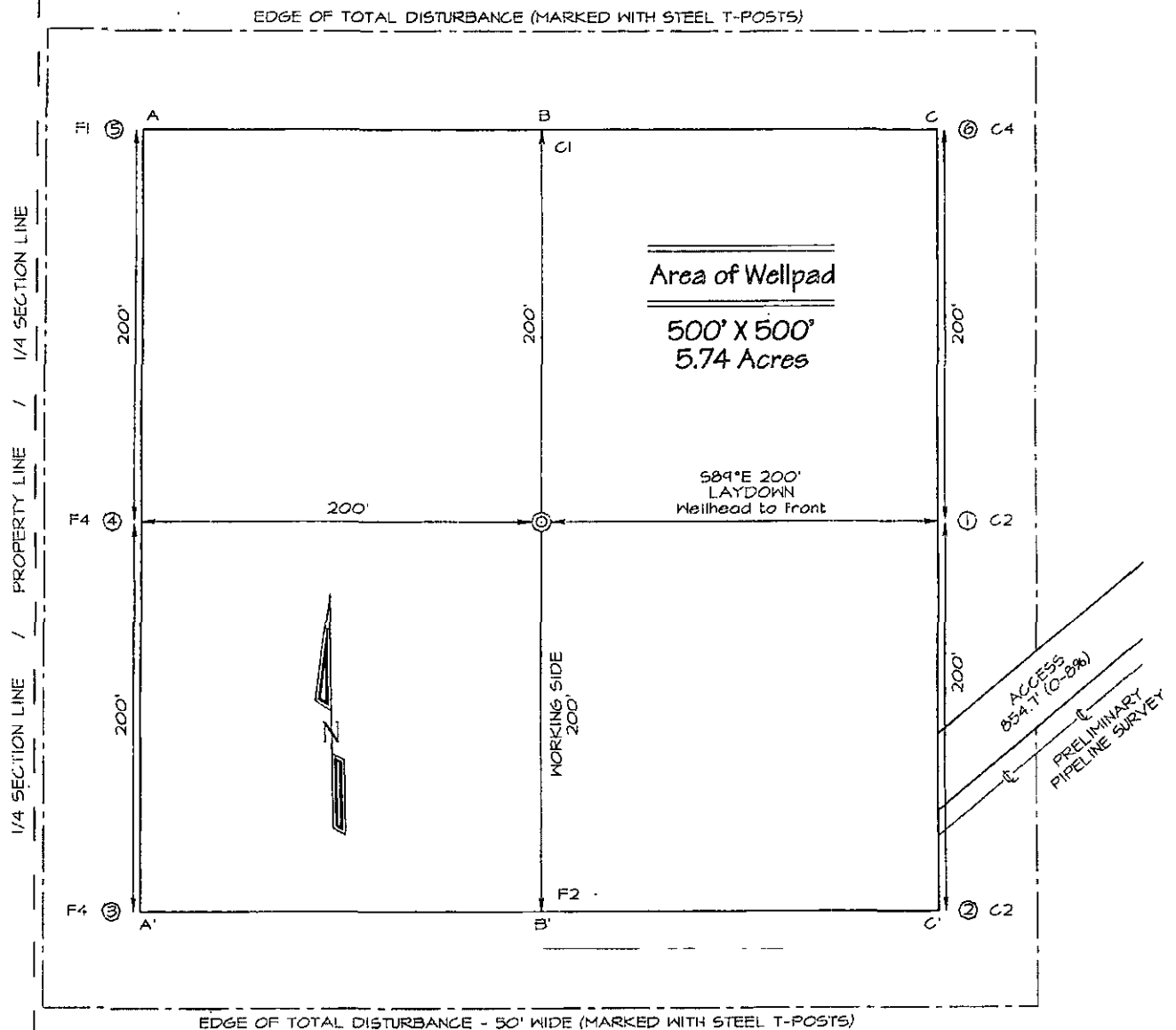
SURVEYS, INC.

Land Surveyor:
Jason C. Edwards
Mailing Address:
Post Office Box 6612
Farmington, NM 87499
Business Address:
111 East Pinon Street
Farmington, NM 87402
(505) 325-2654 (Office)
(505) 326-5650 (Fax)

SHEET 4 OF 6
FILENAME: 25214003
CHECKED BY: JCE
DRAWN BY: SLE

REVISED WELL LOCATION

ANSCHUTZ EXPLORATION REGINA COM 25-2-14-15 #1H
 1070' FNL & 2383' FEL, SECTION 14, T25N, R2W, NMPM
 RIO ARriba COUNTY, NEW MEXICO ELEVATION: 7306'
 LAT: 36.40224°N LONG: 107.01867°W DATUM: NAD1983



Steel T-Posts have been set to define Edge of Disturbance limits which are 50' offset from edge of wellpad.

WELL PAD - REVISED WELL LOCATION

Attachment D

Samson Resources Company
370 17th Street, Suite 3000
Denver, CO 80202
Attn: Lauren Ross
Working Interest: 1.041667%

Brazos Limited Partnership
P.O. Box 911
Breckenridge, TX 76424-0911
Attn: Lorie Hill
Working Interest: 1.951091%

Ibex Partnership
P.O. Box 911
Breckenridge, TX 76424-0911
Attn: Lorie Hill
Working Interest: 1.951091%

Pikes Peak Resources, LLC
2961 S. Fillmore Way
Denver, CO 80210
Attn: Hunt Walker
Working Interest: 0.173611%

Riva Oil and Gas, LLC
621 17th Street, Suite 1040
Denver, CO 80293
Attn: Jim Fullerton
Working Interest: 0.173611%

Chevron North America Exploration and
Production Company
1400 Smith Street
Houston, TX 77002
Attn: Brian Derr
Working Interest: 4.166667%

Williams Production Company
1 Williams Center, Mail Drop 44
Tulsa, OK 74172
Attn: Chuck Bassett
Working Interest: 2.343750%

KAB Acquisitions LLLP, VIII
410 17th Street, Suite 1151
Denver, CO 80202
Attn: Ken Breighenbach
Working Interest: 3.591330%

Attachment E



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

November 5, 2014

Brazos Limited Partnership
Ibex Partnership Ltd.
c/o Breck Operating Corp.
P.O. Box 911
Breckenridge, TX 76424-0911
Attn: Ms. Lorie Hill

Re: Operating Agreement
Regina Com 25-2-14-15-1H Well
Rio Arriba County, NM

Dear Lorie:

Thank you for your prompt response to Anschutz's well proposal dated October 17, 2014. As discussed in the well proposal letters, I have prepared an operating agreement to govern the drilling of the above referenced well. Enclosed for your review are two originals of the proposed Operating Agreement. If this agreement meets with your approval, please execute it and have it acknowledged in the spaces tagged on the attached, retain a fully executed original for your files and return one fully executed original to my attention.

Please note that the working interest percentages on Exhibit A to the JOA have not been filled in, pending receipt of elections from all uncommitted working interest owners. According to our records, however, Brazos and Ibex each own a 1.951091% working interest in the spacing unit for the above reference well.

We are working now to bring a rig in to drill the well, and hope to commence operations on or before December 1, 2014, with the goal of avoiding drilling during the teeth of the winter!

Thank you,

A handwritten signature in black ink, appearing to read "Deidre O'Callaghan".

Deidre O'Callaghan
Senior Landman

Enclosures

RECEIVED

NOV 3 2014

BRAZOS LIMITED PARTNERSHIP

P.O. BOX 911
BRECKENRIDGE, TEXAS 76424-0911

254-559-3355

October 30, 2014

Anschutz Exploration Corporation
555 Seventeenth Street, Suite 2400
Denver, CO 80202

Attn: Deidre O'Callaghan

Re: Regina 25-2-14-15-1H
Rio Arriba Co., NM

Dear Ms. O'Callaghan:

Enclosed please find executed Letter Agreements, A.F.E.s and Well Data Requirement sheets for the drilling and completion of the above captioned well. There are documents for both Ibex Partnership, Ltd. and Brazos Limited Partnership. Hard copies will follow.

Please let us know whether Anschutz's well control insurance covers interest owners. If not we will put it on our policy.

Sincerely,



Belinda Lawler
Production Clerk

BL/s
Enclosures
Cc: Land File #25450



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 17, 2014

Ibex Partnership
P.O. Box 911
Breckenridge, TX 76424-0911
Attn: Lorie Hill
254-559-3355

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to you, and that you indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, Ibex Partnership owns a working interest of approximately 1.951091% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the

enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.

Sincerely,

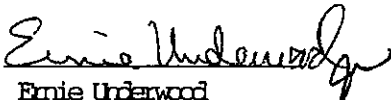


Deidre O'Callaghan
Senior Landman

 X I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

 I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

Ibex Partnership, Ltd. by: Breck Operating Corp./ General Partner

Signature: 
Name: Emie Underwood
Title: V.P. Operations
Date: 10/28/2014



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1618
October 30, 2014

KAB Acquisitions LLLP, VIII
410 17th Street, Suite 1151
Denver, CO 80202
Attn: Mr. Ken Breighenbach

Re: Operating Agreement
Regina Com 25-2-14-15-1H Well
Rio Arriba County, NM

Dear Ken:

Thank you for your prompt response to Anschutz's well proposal dated October 17, 2014. As discussed in the well proposal letters, I have prepared an operating agreement to govern the drilling of the above referenced well. Enclosed for your review are two originals of the proposed Operating Agreement. If this agreement meets with your approval, please execute it and have it acknowledged in the spaces tagged on the attached, retain a fully executed original for your files and return one fully executed original to my attention.

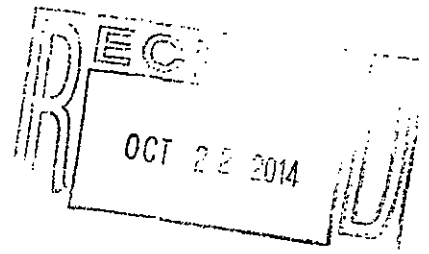
Please note that the working interest percentages on Exhibit A to the JOA have not been filled in, pending receipt of elections from all uncommitted working interest owners. After crediting the Margaret Hill Marital Trust interest to KAB, our title information indicates that KAB owns a 3.59583% working interest in the spacing unit for the above reference well.

We are working now to bring a rig in to drill the well, and hope to commence operations before the end of November, with the goal of avoiding drilling during the teeth of the winter!

Thank you,

Deidre O'Callaghan
Senior Landman

Enclosures



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • FAX 303/298-1000

October 17, 2014

KAB Acquisitions LLLP, VIII
410 17th Street, Suite 1151
Denver, CO 80202
Attn: Ken Breighenbach
303-534-4919

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to you, and that you indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

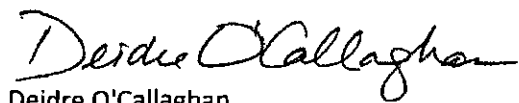
The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, KAB Acquisitions LLLP, VIII owns a working interest of approximately 1.217214% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the

enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.


Sincerely,


Deidre O'Callaghan
Senior Landman

☒ I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

☐ I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

KAB Acquisitions LLLP, VIII

Signature: 
Name: Kenneth Brantford
Title: General Partner
Date: 10/21/17



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303 298-1000 • FAX 303 299-1518

October 31, 2014

To: Working Interest Owners
See attached list for names, addresses and interests

VIA CERTIFIED MAIL

Re: Regina Com 25-2-14-15-1H Well
Spacing Unit: W/2 Section 14, All Section 15, T25N-R2W
Surface location: 1070' FNL and 2383' FEL, Section 14
Bottom hole location: 830' FNL and 330' FWL Section 15
T25N-R2W, Rio Arriba County, New Mexico

Ladies and Gentlemen:

As noted in previous correspondence with each of the unleased minerals owners and uncommitted working interest owners listed on the attached ("WI Owners"), Anschutz Oil Company, LLC ("AOC") has entered into an agreement with Hunt Oil Company ("HOC") under which AOC will drill and operate the above referenced well (the "Well"). Earlier this month, AOC provided each of the WI owners with an AFE and a proposal to drill the Well. Several of the WI Owners have indicated that they wish to participate in the drilling of the Well, and have been or will shortly be provided with a proposed Operating Agreement for their review and signature. Several of the WI Owners have not yet provided an election to participate, or have indicated an interest in entering into an alternate agreement in connection with the Well, such as a farmout or term assignment, and negotiations for such alternate agreements are ongoing.

AOC is working under a tight deadline, due to the timing requirements of various agreements affecting the acreage in the spacing unit described above, and is in the process of contracting for a rig which may be on location as early as November 21, 2014. AOC has filed an application for an order pooling all interests in the Gavilan Mancos Pool underlying the above described spacing unit, a copy of which will be mailed to you by separate letter. The hearing has been docketed for the November 20, 2014 hearing of the New Mexico Oil Conservation Division.

While we anticipate that AOC will be able to reach an agreement with each of the WI Owners to either participate in the drilling of the Well (and execute a mutually acceptable Operating Agreement governing the drilling of the Well) or to negotiate an acceptable alternate agreement with non-participating WI Owners, due to the tight deadlines associated with the drilling of the Well, AOC wants

all of the WI Owners to be aware of the compulsory pooling hearing scheduled for November 20, 2014. We would like all of you to indicate your election, in writing, whether you desire to join in the well as soon as possible.

Please feel free to call me at 303-299-1478 if you have any questions about this matter, or if I can be of assistance to you in any way.

Sincerely,

A handwritten signature in black ink, reading "Deidre O'Callaghan". The signature is fluid and cursive, with the first name "Deidre" and last name "O'Callaghan" clearly distinguishable.

Deidre O'Callaghan
Senior Landman

CC: Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Samson Resources Company
370 17th Street, Suite 3000
Denver, CO 80202
Attn: Lauren Ross

Williams Production Company
1 Williams Center, Mail Drop 44
Tulsa, OK 74172
Attn: Chuck Bassett

Brazos Limited Partnership
P.O. Box 911
Breckenridge, TX 76424-0911
Attn: Lorie Hill

KAB Acquisitions LLLP, VIII
410 17th Street, Suite 1151
Denver, CO 80202
Attn: Ken Breighenbach

Ibex Partnership
P.O. Box 911
Breckenridge, TX 76424-0911
Attn: Lorie Hill

Legacy Trust Company, Trustee, Margaret Hunt Hill -
Michael Bush Wisenbaker, Jr. Trust
2101 Cedar Springs, Suite 1800
Dallas, TX 75201
Attn: Susan Van Eaton

Pikes Peak Resources, LLC
2961 S. Fillmore Way
Denver, CO 80210
Attn: Hunt Walker

Legacy Trust Company, Trustee, Margaret Hunt Hill -
Wesley Hill Wisenbaker Trust
2101 Cedar Springs, Suite 1800
Dallas, TX 75201
Attn: Susan Van Eaton

Riva Oil and Gas, LLC
621 17th Street, Suite 1040
Denver, CO 80293
Attn: Jim Fullerton

Legacy Trust Company, Trustee, Margaret Hunt Hill -
Margretta Hill Wikert Trust
2101 Cedar Springs, Suite 1800
Dallas, TX 75201
Attn: Susan Van Eaton

Chevron North America Exploration and
Production Company
1400 Smith Street
Houston, TX 77002
Attn: Brian Derr

Legacy Trust Company, Trustee, Margaret Hunt Hill -
Cody McArthur Wikert Trust
2101 Cedar Springs, Suite 1800
Dallas, TX 75201
Attn: Susan Van Eaton



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 28, 2014

Chevron North America Exploration and Production Company
1400 Smith Street
Houston, TX 77002
Attn: Mr. Brian Derr
Landman

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Dear Brian:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to Chevron, and that Chevron indicated a desire to enter into a term assignment of its interest in the SW of Section 14, T25N-R2W. It is our understanding that Hunt and Chevron were unable to reach agreement on the form and substance of a term assignment after lengthy negotiations. Anschutz and Hunt have recently entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,895' (7,151' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.9 million, as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, Chevron owns a working interest of approximately 4.1667%% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below. In the event that you are not interested in participating in the

drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by November 15, 2014 if at all possible.

Sincerely,



Deidre O'Callaghan
Senior Landman

_____ Chevron North America Exploration and Production Company elects to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

_____ Chevron North America Exploration and Production Company elects not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. Chevron North America Exploration and Production Company would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with its interest in the well and associated spacing unit.

Chevron North America Exploration and Production Company

Signature: _____

Name: _____

Title: _____

Date: _____



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 28, 2014

A. Kimbrough Davis, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III Trust
Abrams, Davis, Mason, Long LLC
1100 Peachtree Street, Suite 1600
Atlanta, GA 30309

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to Margaret Hunt Hill - Albert G. Hill III Trust, ("the Trust") and that the Trust indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well. It is Anschutz's understanding that you are the new Administrator of the Trust.

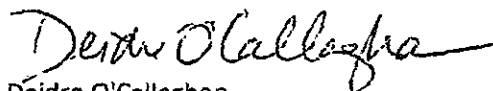
Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, A. Kimbrough Davis, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III Trust owns a working interest of approximately 0.513826% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan
Senior Landman

_____ I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

_____ I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

A. Kimbrough Davis, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III Trust

Signature: _____

Name: _____

Title: _____

Date: _____



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 17, 2014

Regions Bank, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III Trust
c/o NRRE Ops Group, P.O. Box 11566
Birmingham, AL 35202
Attn: Trust Department

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to you, and that you indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, Regions Bank, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III Trust owns a working interest of approximately 0.513826% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the

enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan
Senior Landman

_____ I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

_____ I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

Regions Bank, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III Trust

Signature: _____

Name: _____

Title: _____

Date: _____



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 17, 2014

Pikes Peak Resources, LLC
2961 S. Fillmore Way
Denver, CO 80210
Attn: Hunt Walker
720-746-5015

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to you, and that you indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, Pikes Peak Resources, LLC owns a working interest of approximately 0.173611% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the

enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.

Sincerely,


Deidre O'Callaghan
Senior Landman

_____ I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

_____ I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

Pikes Peak Resources, LLC

Signature: _____

Name: _____

Title: _____

Date: _____



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 17, 2014

Williams Production Company
1 Williams Center, Mail Drop 44
Tulsa, OK 74172
Attn: Chuck Bassett
539-573-6575

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to you, and that you indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, Williams Production Company owns a working interest of approximately 2.343750% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the

enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan
Senior Landman

_____ I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

_____ I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

Williams Production Company

Signature: _____

Name: _____

Title: _____

Date: _____



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 17, 2014

Samson Resources Company
370 17th Street, Suite 3000
Denver, CO 80202
Attn: Lauren Ross
720-239-4378

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to you, and that you indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

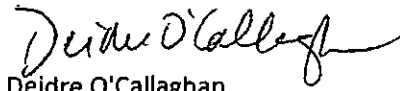
The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, Samson Resources Company owns a working interest of approximately 1.041667% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the

enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan
Senior Landman

_____ I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

_____ I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

Samson Resources Company

Signature: _____

Name: _____

Title: _____

Date: _____



555 Seventeenth Street • Suite 2400 • Denver, Colorado 80202 • Telephone 303/298-1000 • Fax 303/299-1518

October 17, 2014

Riva Oil and Gas, LLC
621 17th Street, Suite 1040
Denver, CO 80293
Attn: Jim Fullerton
303-534-4502

Re: Regina 25-2-14-15-1H Well
T25N-R2W, W/2 Section 14 and All Section 15
Rio Arriba County, NM

Ladies and Gentlemen:

It is Anschutz's understanding that Hunt Oil Company has previously proposed the drilling of the subject well to you, and that you indicated a desire to participate in the drilling of the well. Subsequently, Anschutz and Hunt have entered into an Exploration Agreement under which Anschutz will now operate the well.

Therefore, Anschutz Oil Company hereby proposes the drilling and completion of the above referenced horizontal well (the "Well") to an approximate total measured depth of 14,714' (7,534' total vertical depth) to test the Ojito Formation within the Mancos Group. Completion is designed as a multi-stage frac in the target formation. The estimated completed well cost is \$9.99 million as detailed within the attached Authority for Expenditure ("AFE"). The costs set forth in the attached AFE are estimates and actual costs may be higher or lower.

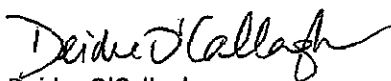
The spacing unit for this well is 960 acres, comprised of the W/2 Section 14 and all of Section 15, T25N-R2W. This spacing unit is a non-standard proration unit approved under the State of New Mexico Energy, Minerals and Natural Resources Department Administrative Order NSP-1974, Administrative Application Reference No. pPRG1329162766 dated January 31, 2014. According to our title information, Riva Oil and Gas, LLC owns a working interest of approximately 0.173611% in the 960 acre spacing unit.

Please indicate your election to participate or not participate in the drilling of this well, by signing and dating the appropriate space below, and if your election is to participate, please also sign and return the

enclosed AFE. If your election is to participate, we will provide you with a JOA on the AAPL 1989 model form with Horizontal Modifications for your review and signature. In the event that you are not interested in participating in the drilling of this well, please contact the undersigned to discuss other options in connection with your interest in the spacing unit and well (i.e., farmout, term assignment, or entering into a JOA providing for a 300% non-consent penalty). Anschutz is working under a tight deadline to drill this well, and hopes to keep costs down by commencing operations as soon as possible to avoid winter conditions to the greatest extent possible, therefore, we will appreciate your prompt response to this notice. Please respond by October 31, 2014 if at all possible.

Please feel free to call me if you should have any questions, or if I can be of assistance to you in any way.

Sincerely,



Deidre O'Callaghan

Senior Landman

_____ I/We elect to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well, enclosed is the executed AFE.

_____ I/We elect not to participate in the drilling and completion of the Regina Com 25-2-14-15-1H Well. I/We would like to consider an option to farmout or enter into a term assignment or joint operating agreement in connection with my/our interest in the well and associated spacing unit.

Riva Oil and Gas, LLC

Signature: _____

Name: _____

Title: _____

Date: _____

ANSCHUTZ Oil Company

AUTHORITY FOR EXPENDITURE

DRILLING, COMPLETION, EQUIPMENT

BU/Job #: _____ BU/Job Name: Regina Com 25-2-14-15

Parent BU#: 2967 Date: October 15, 2014

Description: Drill, complete and equip a 14,714' Ojito test (7180' lateral).
Regina Com 25-2-14-15
Rio Arriba, NM


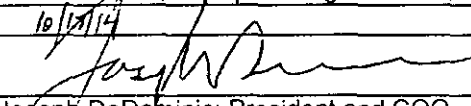
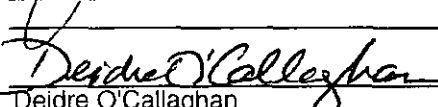
ANSCHUTZ EXPLORATION CORPORATION EXPENDITURES

	Previously Approved	Currently Requested	Total
Drilling	0	4,821,451	4,821,451
Completion	0	3,901,747	3,901,747
Total Costs	\$0	\$8,723,198	\$8,723,198

REASON FOR RECOMMENDATION

Costs above reflect Anschutz Oil Company W/ share of the well.
 Gross estimated costs to drill, complete and equip well total \$9,999M

AUTHORIZATION AND APPROVAL

Recommended by: <u>Mark Amundson</u> <u>Ashley Tolbert</u> <u>Gregg Randall AKR</u> Date: _____	Approved by: <u></u> Name: <u>Gerald Brenize, VP Ops & Eng</u> Date: <u>10/17/14</u>												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">Election</td><td style="width: 50px;"></td></tr> <tr><td style="padding: 2px;">Approved by:</td><td></td></tr> <tr><td style="padding: 2px;">Print Name</td><td></td></tr> <tr><td style="padding: 2px;">Title</td><td></td></tr> <tr><td style="padding: 2px;">Company</td><td></td></tr> <tr><td style="padding: 2px;">Date</td><td></td></tr> </table>	Election		Approved by:		Print Name		Title		Company		Date		Approved by: <u></u> Name: <u>Joseph DeDominic; President and COO</u> Date: _____
Election													
Approved by:													
Print Name													
Title													
Company													
Date													
	Approved by: <u></u> Name: <u>Deidre O'Callaghan</u> Date: <u>10-17-14</u>												

ANSCHUTZ Oil Company

AUTHORITY FOR EXPENDITURE

DRILLING AND COMPLETION

BU/Job #: _____

BU/Job Name: Regina Com 25-2-14-15

Parent BU#: _____ 2967

Date: October 15, 2014

DETAIL COSTS

ACCOUNT #	DESCRIPTION	PREVIOUSLY APPROVED	CURRENTLY REQUESTED	TOTAL
Intangible Drilling Costs				
3530.00200	IDC- Allocated Labor	-	-	-
3530.00210	IDC- Alloc. Labor Burden	-	-	-
3530.00220	IDC- Drill Bits	-	139,932	139,932
3530.00230	IDC- Casing Crews, Too	-	210,863	210,863
3530.00240	IDC- Cement, Cementing	-	200,797	200,797
3530.00250	IDC- Communications	-	2,250	2,250
3530.00260	IDC- Contract Drilling	-	1,029,000	1,029,000
3530.00270	IDC- Coring, Coreheads	-	-	-
3530.00280	IDC- Directional Drill	-	448,784	448,784
3530.00290	IDC- Drillstem Testing	-	-	-
3530.00300	IDC- Equipment Rental	-	503,770	503,770
3530.00310	IDC- Fuels, Lubricants	-	263,471	263,471
3530.00320	IDC- Inspect - Tubular	-	59,174	59,174
3530.00330	IDC- Insurance	-	317	317
3530.00340	IDC- Location, Road	-	350,000	350,000
3530.00350	IDC- Logging Downhole	-	85,000	85,000
3530.00360	IDC- Mobilization, Demobilization	-	300,000	300,000
3530.00370	IDC- Mud logging	-	110,088	110,088
3530.00380	IDC- Mud, Chemicals	-	501,108	501,108
3530.00390	IDC- Other Intangible	-	293,869	293,869
3530.00400	IDC- Outside Operated	-	-	-
3530.00410	IDC- Overhead	-	7,375	7,375
3530.00420	IDC- Plug & Abandonment	-	-	-
3530.00430	IDC- Product, Test	-	-	-
3530.00440	IDC- Surv, Prmts, Surf DMG	102,000	-	102,000
3530.00450	IDC- Taxes	-	-	-
3530.00460	IDC- Third Party Supervision	-	221,127	221,127
3530.00470	IDC- Transportation	-	108,661	108,661
3530.00480	IDC- Vehicle Charges	-	-	-
3530.00490	IDC- Water	-	12,162	12,162
3530.00500	IDC- Year End Well	-	-	-
Intangible Drilling Subtotal		\$102,000	\$4,847,748	\$4,949,748

ANSCHUTZ Oil Company

AUTHORITY FOR EXPENDITURE

DRILLING AND COMPLETION

BU/Job #: _____ BU/Job Name: Regina Com 25-2-14-15

Parent BU#: 2967 Date: October 15, 2014

Location: Regina Com 25-2-14-15 County, State: Rio Arriba, NM

DETAILS COSTS

ACCOUNT #	DESCRIPTION	PREVIOUSLY APPROVED	CURRENTLY REQUESTED	TOTAL
Tangible Drilling Costs				
3540.00600	TDC- Surface Casing		10,622	10,622
3540.00610	TDC- Intermediate Casing		284,714	284,714
3540.00620	TDC- Well Head Equipment		42,000	42,000
3540.00630	TDC- Casing Head		-	-
3540.00640	TDC- Production Casing		239,409	239,409
3540.00650	TDC- Outside Operated LW		-	-
Tangible Drilling Subtotal		\$0	\$576,745	\$576,745
TOTAL		\$102,000	\$5,424,493	\$5,526,493

STATUS

Preliminary ☒ Revised ☐ Final ☐

DIVISION OF INTEREST

WORKING INTEREST OWNER(S)	BCP %	ACP%	Post comp %
Anschutz Oil Company	87.242514%	87.242514%	43.621257%
Hunt Oil Company	0.000000%	0.000000%	43.621257%
Petco Limited	1.951091%	1.951091%	1.951091%
Ibex Partnership	1.951091%	1.951091%	1.951091%
Pikes Peak Resources, LLC	0.173611%	0.173611%	0.173611%
Riva Oil and Gas, LLC	0.173611%	0.173611%	0.173611%
Williams Production	2.343750%	2.343750%	2.343750%
KAB Acquisitions LLLP, VIII	1.217214%	1.217214%	1.217214%
Margaret Hill Marital Trust	2.378620%	2.378620%	2.378620%
Regions Bank, Successor	0.513826%	0.513826%	0.513826%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Michael Bush Wisenbaker, Jr. Trust	0.513668%	0.513668%	0.513668%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Wesley Hill Wisenbaker Trust	0.513668%	0.513668%	0.513668%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Margretta Hill Wikert Trust	0.513668%	0.513668%	0.513668%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Cody McArthur Wikert Trust	0.513668%	0.513668%	0.513668%
TOTAL	100.000000%	100.000000%	100.000000%

AUTHORIZATION AND APPROVAL

Recommended by: Mark Amundson Approved by: *Galen Brenize*
Ashley Tolbert Name: Galen Brenize, VP Ops & Eng
Gregg Randall Date: 10/15/14

Date: _____

Approved by: *Joseph DeDominic*
Name: Joseph DeDominic, President and COO
Date: _____

Approved by: *Deirdre O'Callaghan*
Name: Deirdre O'Callaghan
Date: _____

Election _____
Approved by: _____
Print Name _____
Title _____
Company _____
Date _____

ANSCHUTZ Oil Company
AUTHORITY FOR EXPENDITURE
DRILLING AND COMPLETION

BU/Job #: _____

BU/Job Name: Regina Com 25-2-14-15

Parent BU#: 2967

Date: October 15, 2014

DETAIL COSTS

<u>ACCOUNT #</u>	<u>DESCRIPTION</u>	<u>PREVIOUSLY APPROVED</u>	<u>CURRENTLY REQUESTED</u>	<u>TOTAL</u>
Intangible Completion Costs				
3550.00700	Allocated Labor	-	-	-
3550.00710	Allocated Labor Burden	-	-	-
3550.00720	Bits & Reamers	-	70,000	70,000
3550.00730	Casing Crews, Tools	-	40,000	40,000
3550.00740	Cement, Cementing	-	-	-
3550.00750	Communications	-	-	-
3550.00760	Contract Drilling	-	213,000	213,000
3550.00770	Drillstem Testing	-	-	-
3550.00780	Equipment Rental	-	185,000	185,000
3550.00790	Fuels, Lubricants	-	15,000	15,000
3550.00800	Inspect - Tubular	-	10,000	10,000
3550.00810	Insurance	-	-	-
3550.00820	Locations, Road	-	15,000	15,000
3550.00830	Logging, Downhole	-	242,000	242,000
3550.00840	Mobilization, Demobilization	-	14,000	14,000
3550.00850	Mud, Chemicals	-	30,000	30,000
3550.00860	Other Intangible	-	210,000	210,000
3550.00870	Outside Operated	-	-	-
3550.00880	Overhead	-	4,300	4,300
3550.00890	Plug & Abandonment	-	-	-
3550.00900	Production Test, Pressure Survey	-	75,000	75,000
3550.00910	Stimulation	-	2,600,000	2,600,000
3550.00920	Surv, Prmts, Surf DMG	-	-	-
3550.00930	Taxes	-	-	-
3550.00940	Third Party Supervision	-	57,000	57,000
3550.00950	Transportation	-	36,000	36,000
3550.00960	Vehicle Charges	-	-	-
3550.00970	Water	-	120,000	120,000
Intangible Completion Subtotal		\$0	\$3,936,300	\$3,936,300

ANSCHUTZ Oil Company
AUTHORITY FOR EXPENDITURE
DRILLING AND COMPLETION

BU/Job #: _____ BU/Job Name: Regina Com 25-2-14-15
 Parent BU#: _____ 2967 Date: October 15, 2014
 Location: Regina Com 25-2-14-15 County, State: Rio Arriba, NM

DETAIL COSTS

ACCOUNT #	DESCRIPTION	PREVIOUSLY APPROVED	CURRENTLY REQUESTED	TOTAL
Tangible Completion Costs				
3560.01100	Artificial lift Equipment		182,500	182,500
3560.01110	Battery & Production		165,000	165,000
3560.01120	Buildings		25,000	25,000
3560.01130	Flowlines, Fittings		25,000	25,000
3560.01140	Gas Sales Facility & Comp.		-	-
3560.01150	Install, Trans of Lease		35,000	35,000
3560.01160	Miscellaneous Equipment		10,000	10,000
3560.01170	Outside Operated Comp.		-	-
3560.01180	Pipelines		-	-
3560.01190	Production Casing		-	-
3560.01200	Tubing, Subsurface Prod.		60,500	60,500
3560.01210	Wellhead Equipment		33,000	33,000
Tangible Completion Subtotal		\$0	\$536,000	\$536,000
TOTAL		\$0	\$4,472,300	\$4,472,300

STATUS

Preliminary ☒ Revised ☐ Final ☐

DIVISION OF INTEREST

WORKING INTEREST OWNER(S)	BCP %	ACP%	Post comp %
Anschutz Oil Company	87.242514%	87.242514%	43.621257%
Hunt Oil Company	0.000000%	0.000000%	43.621257%
Petco Limited	1.951091%	1.951091%	1.951091%
Ibex Partnership	1.951091%	1.951091%	1.951091%
Pikes Peak Resources, LLC	0.173611%	0.173611%	0.173611%
Riva Oil and Gas, LLC	0.173611%	0.173611%	0.173611%
Williams Production Company	2.343750%	2.343750%	2.343750%
KAB Acquisitions LLLP, VIII	1.217214%	1.217214%	1.217214%
Margaret Hill Marital Trust	2.378620%	2.378620%	2.378620%
Regions Bank, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III Trust	0.513826%	0.513826%	0.513826%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Michael Bush Wisenbaker,	0.513668%	0.513668%	0.513668%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Wesley Hill Wisenbaker Tru	0.513668%	0.513668%	0.513668%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Margretta Hill Wikert Trust	0.513668%	0.513668%	0.513668%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Cody McArthur Wikert Trust	0.513668%	0.513668%	0.513668%
TOTAL	100.000000%	100.000000%	100.000000%

AUTHORIZATION AND APPROVAL

Recommended by: <u>Mark Amundson</u>	Approved by: <u></u>
<u>Ashley Tolbert</u>	Name: <u>Galen Breaize, VP Ops & Eng</u>
<u>Gregg Randall</u>	Date: <u>10/17/14</u>
Date: _____	Approved by: <u></u>
Election _____	Name: <u>Joseph DeDominic, President and COO</u>
Approved by: _____	Date: _____
Print Name _____	Approved by: <u></u>
Title _____	Name: <u>Deidre O'Callaghan</u>
Company _____	Date: _____
Date _____	

ANSCHUTZ OIL COMPANY ACCOUNTING DATA SHEET DRILLING AND COMPLETION

BU/Job #: 0 BU/Job Name: Regina Com 25-2-14-15
Parent BU#: 2967 Date: 10/15/2014

Well Name: Regina Com 25-2-14-15 County, State: Rio Arriba, NM
Prospect Name: SJB Basin/Trend Ojito
Estimated Spud Date: Location:
Estimated Completion Date: Operating Agt Dated:
Operator: AEC

COSTS AND EXPENSES (to be determined)	NON CONSENT PENALTY (to be determined)	EXPENDITURE LIMIT (to be determined)
Prebidding Allowed n/a	n/a % Surface	W/O Approval n/a
Interest Rate n/a	n/a % Subsurface	A/E Approval n/a

OVERHEAD \$/MO: (to be determined)	CONSTRUCTION OH: (to be determined)
Drilling: \$ 10,000.00	Percent: Total Cost MS: Percent of:
Production: \$ 1,000.00	5.00% \$100,000.00
	3.00% \$100,000.00+
EFFECTIVE:	2.00% \$1,000,000.00+

STATUS

PRELIMINARY ☒ REVISED ☐ FINAL ☐
EFFECTIVE DATE (Must be Completed) - SPUD DATE

DIVISION OF INTEREST			
WI OWNER(S)/BILLING ADDRESS	BCP%	ACP%	Post comp %
Anschutz Oil Company	87.242514%	87.242514%	43.621257%
Hunt Oil Company 1900 N. Akard Street, Dallas, TX 75201-2300	0.000000%	0.000000%	43.621257%
Petco Limited Breckenridge, TX 76424-0911	1.9510910%	1.9510910%	1.9510910%
Ibex Partnership Breckenridge, TX 76424-0911	1.9510910%	1.9510910%	1.9510910%
Pikes Peak Resources, LLC 2961 S. Fillmore Way, Denver, CO 80210	0.1736110%	0.1736110%	0.1736110%
Riva Oil and Gas, LLC Suite 1040, Denver, CO 80293	0.1736110%	0.1736110%	0.1736110%
Williams Production Company	2.3437500%	2.3437500%	2.3437500%
KAB Acquisitions LLLP, VIII Suite 1151, Denver, CO 80202	1.2172140%	1.2172140%	1.2172140%
Margaret Hill Marital Trust Suite 1151, Denver, CO 80202	2.3786200%	2.3786200%	2.3786200%
Regions Bank, Successor Trustee, Margaret Hunt Hill - Albert G. Hill III c/o NRRE Ops Group, P.O. Box 11566, Birmingham, AL 35202	0.5138260%	0.5138260%	0.5138260%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Michael Bush 2101 Cedar Springs, Suite 1800, Dallas, TX 75201	0.5136680%	0.5136680%	0.5136680%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Wesley Hill 2101 Cedar Springs, Suite 1800, Dallas, TX 75201	0.5136680%	0.5136680%	0.5136680%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Margretta Hill 2101 Cedar Springs, Suite 1800, Dallas, TX 75201	0.5136680%	0.5136680%	0.5136680%
Legacy Trust Company, Trustee, Margaret Hunt Hill - Cody McArthur 2101 Cedar Springs, Suite 1800, Dallas, TX 75201	0.5136680%	0.5136680%	0.5136680%
	100.000000%	100.000000%	100.000000%

SPECIAL PROVISIONS

Is Well in a Tax Partnership? Yes Why: HOC carried interest
Accounting Procedure: Employee Benefits Limit:
Other Special Provisions:

AUTHORIZATION AND APPROVAL

Prepared by: Deidre O'Callaghan Approved by: _____
Date: 10/16/2014 Name: _____
JDE Input by: _____ Date: _____
Date: _____ Approved by: _____
Date: _____ Name: _____
Date: _____

Offset Operators

Section 16

McElvain Energy, Inc.

Section 9

McElvain Energy, Inc.

Section 11

McElvain Energy, Inc.

E/2 Section 28

Williams Production Company

WPX Energy, LLC

Arriba Company LLC

Attachment

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