

BURNETT OIL CO., INC.
AUTHORITY FOR EXPENDITURE - COST ESTIMATE

DATE: 1/30/2016 LEASE: Noster 12 Fed WELL #: 1-3 7H AFE #: 2482
 OPERATOR: Burnett Oil Co., Inc. LOCATION: SL: Unit L, 2,080' FSL, 152' FWL, Sec 12, T17S, R31E PROPERTY #: GJN002L10-3835
 COUNTY/STATE: Eddy County, NM BHL: Unit J, 1,661' FSL, 1,661' FEL, Sec 12, T17S, R31E FED LEASE #: NML00284138
 PROSPECT/FIELD: FREN (Glor. Yaso) TD: MD: 9,100' TVD: 5,400' FORMATION: Paddock
 RECOMMENDATION: Drill & complete a 3,300' horizontal well in the Paddock
 Surface location dictated by Sand Dune Lizard habitat, existing infrastructure and offset operator activity

INTANGIBLE COSTS:				DRILL	COMPL	TOTAL
5830.10	5850.08	LOCATION & ROADWAY (RAT HOLE, ETC)		118,000	24,000	142,000
5830.15		LOCATION & ROADWAY RESTORATION		10,000		10,000
5830.23	5850.23	RIG MOVE-RIG UP, RIG DOWN		10,000	4,500	14,500
5830.20	5850.21	CONTRACT RATE-FTG/TURNKEY	FFET @			0
5830.21	5850.21	CONTRACT RATE/DAYWORK	DAYS @			0
	5850.20	COMPLETION, WORKOVER UNIT	DAYS @			0
5830.26	5850.28	BITS AND STABILIZERS				0
5830.22	5850.22	FUEL, LUBRICANTS, WATER				0
5830.80	5850.80	TRUCKING AND TRANSPORTATION (Water)				0
5830.30	5850.30	MUD AND CHEMICALS & COMPLETION FLUIDS & CUTTINGS DISPOSAL				0
5830.50	5850.50	PRIMARY CEMENTING (incl. Equip.)	No KO plug			0
5830.50	5850.50	SQUEEZE CEMENTING				0
5830.44		CORING AND CORE ANALYSIS				0
5830.40		MUD LOGGING	DAYS @			0
5830.42		DRILL STEM TESTING				0
5830.40		OPEN HOLE LOGGING				0
5830.78	5850.40	PERFORATING AND Cased Hole Logs				0
5830.24	5850.76	CASING CREWS, TONGS, HANDLING TOOLS				0
5830.28	5850.24	SURFACE EQUIPMENT RENTALS				0
5830.76	5850.28	DOWNHOLE EQUIPMENT RENTALS				0
	5850.76	MISCELLANEOUS LABOR				0
	5850.10	ACIDIZING				0
	5850.15	FRACTURING				0
	5850.65	WELL TESTING (L-Work, BHP, ETC)				0
5830.37	5850.78	CONTRACT LABOR				0
5830.77		DIRECTIONAL DRILLING				0
5830.71	5850.27	FISHING RENTAL AND SERVICES				0
5830.72	5850.71	SUPERVISION	DAYS @			0
5830.80	5850.72	OPERATING OVERHEAD				0
5830.56	5850.80	OTHER / CONTINGENCIES	Drill			0
5830.84		PLUGGING EXPENSE	Completion			0
	5850.84	INSURANCE				0
TOTAL DRILLING AND COMPLETION INTANGIBLE COSTS:				\$910,000	\$974,400	\$1,884,400
TANGIBLE COSTS:				DRILL	COMPL	TOTAL
840.10		CASING, DRIVE / CONDUCTOR	90			0
840.10		CASING, SURFACE	850			0
840.15		CASING, PROTECTION/INTERMED	2200			0
860.10		CASING, PROD. PACKER COMPLETION	9100			0
860.15		TUBING	5070			0
840.20		WELL HEAD TO CASING POINT				0
860.20		CHRISTMAS TREE ASSEMBLY - COMPLETION				0
TOTAL DRILLING AND COMPLETION TANGIBLE COSTS:				\$50,600	\$601,400	\$652,000
TOTAL DRILLING AND COMPLETION COSTS:				\$1,001,400	\$1,575,800	\$2,577,200
LEASE EQUIPMENT COSTS:				DRILL	COMPL	TOTAL
870.20		TANKS, HEATERS, TREATING FACILITIES				0
870.22		SEPARATOR & HEATER TREATER				0
870.23		COMPRESSOR & DEHYDRATOR				0
870.53		FLOW LINE AND INSTALLATION	2500			0
870.25		PERM. IMPROVEMENTS (GATES, FENCES, ETC)				0
870.13		RODS	5000			0
870.15		SUBSURFACE PRODUCTION EQUIPMENT				0
870.10		PUMPING (SURFACE) UNIT & EQUIP				0
870.11		PUMP BASE & TIE DOWNS				0
870.14		MISCELLANEOUS VALVES, FITTINGS, SAFETY EQUIPMENT				0
870.17		INSTALLATION COSTS				0
870.70		SUPERVISION				0
		OTHER				0
TOTAL LEASE EQUIPMENT COSTS:				\$0	\$9,000	\$9,000
LEASEHOLD COSTS:				\$0	\$188,300	\$188,300
810.35		TITLE FEES		\$0	\$0	\$0
TOTAL LEASEHOLD COSTS:				\$0	\$0	\$0
TOTAL WELL COST:				\$1,001,400	\$1,584,100	\$2,585,500
TOTAL DRY HOLE COST:				\$1,001,400	\$0	\$1,001,400

DIVISION OF INTEREST:
 Burnett Oil Company 38.4858%
 Chas. E. Nagel, Jr. 33.3300%
 Javelina Partners 15.1161%
 And Oil Ltd. & And Energy Ltd 10.6343%
 Zoro Partners, Ltd 4.0000%
 CMC Oil and Gas, Ltd 0.1254%
 Russ Anna Grant, Individually 0.1254%
 and as Trustee of the Grant Credit Shelter Trust 100.0000%

APPROVED BY BURNETT OIL CO., INC.

SIGNATURE: *Charles E. Nagel, Jr.*
 CHARLES E. NAGEL, JR., PRESIDENT

DATE: 3-31-16

EXHIBIT 4

APPROVED:

COMPANY:

NAME:

TITLE:

DATE: