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

DATE:	8/30/2016	LEASE: Nosler 12 Fed		WELL #: 1-3 7H	AFE # 2652
OPERATOR:	Burnett Oil Co., Inc.	LOCATION			PROPERTY # GJK002L.16-3035
COUNTY/STATE:	Eddy County, NM	SL: Unit L, 2,080' FSL, 152' FWL, Sec 12, T17S, R31E			FED LEASE #: NMLC0284138
PROSPECT/FIELD:	FREN (Glor. Yeso)	BHL: Unit J, 1,651' FSL, 1,651' FEL, Sec 12, T17S, R31E			FORMATION Paddock
RECOMMENDATION:	Drill & complete a 3,300' horizontal well in the Paddock		TD: MD: 9,100'	TVD: 5,400'	

Surface location dictated by Sand Dune Lizard habitat, existing infrastructure and offset operator activity

INTANGIBLE COSTS:

DRILL	COMPL				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			75,000	4,500	79,500
5830.20	5850.21	CONTRACT RATE-FTG/TURNKEY	FEET @	PER FOOT			0
5830.21	5850.21	CONTRACT RATE/DAYWORK	DAYS @	PER DAY	172,500	0	172,500
	5850.20	COMPLETION, WORKOVER UNIT	DAYS @	PER DAY		21,600	21,600
5830.26	5850.26	BITS AND STABILIZERS			25,500	2,500	28,000
5830.22	5850.22	FUEL, LUBRICANTS, WATER			34,000	6,000	40,000
5830.80	5850.80	TRUCKING AND TRANSPORTATION (Water)			19,000	15,500	34,500
5830.30	5850.30	MUD AND CHEMICALS & COMPLETION FLUIDS & CUTTINGS DISPOSAL			103,000	0	103,000
5830.50	5850.50	PRIMARY CEMENTING (incl. Equip.)	No KO plug		54,400	49,000	103,400
5830.50	5850.50	SQUEEZE CEMENTING					0
5830.44		CORING AND CORE ANALYSIS					0
5830.40		MUD LOGGING	DAYS @	PER DAY	15,600		15,600
5830.42		DRILL STEM TESTING					0
5830.40		OPEN HOLE LOGGING					0
	5850.40	PERFORATING AND CASED HOLE LOGS				0	0
5830.70	5850.76	CASING CREWS, TONGS, HANDLING TOOLS			11,900	9,300	21,200
5830.24	5850.24	SURFACE EQUIPMENT RENTALS			49,800	107,600	157,400
5830.29	5850.29	DOWNHOLE EQUIPMENT RENTALS			9,300	72,000	81,300
5830.76	5850.76	MISCELLANEOUS LABOR			19,600	2,600	22,200
	5850.10	ACIDIZING				4,000	4,000
	5850.15	FRACTURING				551,500	551,500
	5850.65	WELL TESTING (FLWBCK, BHP, ETC)				0	0
	5850.78	CONTRACT LABOR					0
5830.37		DIRECTIONAL DRILLING			76,600		76,600
5830.27	5830.27	FISHING RENTAL AND SERVICES					0
5830.71	5850.71	SUPERVISION	DAYS @	PER DAY	17,500	13,700	31,200
5830.72	5830.72	OPERATING OVERHEAD			7,300		7,300
5830.80	5850.80	OTHER / CONTINGENCIES	Drill	Completion	91,000	78,600	169,600
5830.58		PLUGGING EXPENSE			8,000		8,000
5830.84	5850.84	INSURANCE			4,200		4,200
TOTAL DRILLING AND COMPLETION INTANGIBLE COSTS:					$910,800	$974,400	1,885,200

TANGIBLE COSTS:

		FEET	SIZE OD	WEIGHT / GRADE	DRILL	COMPL	TOTAL
840.10	CASING, DRIVE / CONDUCTOR	90	20"	Included in Location Cost			0
840.10	CASING, SURFACE	850	13-3/8"	48# J-55 STAC	20,400		20,400
840.15	CASING, PROTECTION/INTERMED	2200	9-5/8"	36# J-55 LTAC	40,700		40,700
860.10	CASING, PROD, PACKER COMPLETION	9100	7" x 5-1/2	23# L & 17# L-80 BT		360,400	360,400
860.15	TUBING	5000	2-7/8"	6.5# J-55		25,000	25,000
840.20	WELL HEAD TO CASING POINT				29,500		29,500
860.20	CHRISTMAS TREE ASSEMBLY - COMPLETION					10,000	10,000
TOTAL DRILLING AND COMPLETION TANGIBLE COSTS:					$90,600	$401,400	$492,000
TOTAL DRILLING AND COMPLETION COSTS:					$1,001,400	$1,375,800	$2,377,200

LEASE EQUIPMENT COSTS:

		FEET	SIZE	GRADE		DRILL	COMPL	TOTAL
870.20	TANKS, HEATERS, TREATING FACILITIES						0	0
870.22	SEPARATOR & HEATER TREATER						0	0
870.23	COMPRESSOR & DEHYDRATOR						0	0
870.53	FLOW LINE AND INSTALLATION	2500	2-7/8"	6.5# J-55	$ 5.00		12,500	12,500
870.25	PERM. IMPROVEMENTS (GATES, FENCES, ETC.)						0	0
870.13	RODS	5000	3/4", 7/8" & 1"	Grade D	$ 4.50		22,500	22,500
870.15	SUBSURFACE PRODUCTION EQUIPMENT						4,600	4,600
870.10	PUMPING (SURFACE) UNIT & EQUIP						111,500	111,500
870.11	PUMP BASE & TIE DOWNS						6,000	6,000
870.14	MISCELLANEOUS VALVES, FITTINGS, SAFETY EQUIPMENT						5,000	5,000
870.17	INSTALLATION COSTS						17,200	17,200
870.70	SUPERVISION							0
	OTHER						9,000	9,000
TOTAL LEASE EQUIPMENT COSTS:						$0	$188,300	$188,300

LEASEHOLD COSTS:

		DRILL	COMPL	TOTAL
810.35	TITLE FEES	0		0
TOTAL LEASEHOLD COSTS:		$0	$0	$0
		$1,001,400	$1,564,100	$2,565,500

TOTAL WELL COST: $2,565,500

TOTAL DRY HOLE COST: $1,001,400

PREPARED BY: wmg/bas

DIVISION OF INTEREST:

Burnett Oil Company	36.48658%
Chase Oil Corporation	33.33000%
Javelina Partners	15.11612%
Ard Oil Ltd. & Ard Energy Ltd	10.83438%
Zorro Partners, Ltd	4.00000%
CMC Oil and Gas, Ltd	0.12546%
Rose Anne Cranz, Individually, and as Trustee of the Cranz Credit Shelter Trust	0.12546%
	100.00000%

APPROVED BY BURNETT OIL CO., INC.

SIGNATURE: Charles S Nagel
CHARLES S. NAGEL III, PRESIDENT

DATE: 8-31-16

APPROVED:

COMPANY:

NAME:

TITLE:

DATE:

EXHIBIT 4