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December 5, 2016

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Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention Mr. David R. Catanach, Director

RE: Application of Burnett Oil Co., Inc. for a Non-Standard Oil Spacing
and Proration Unit and Compulsory Pooling, Eddy County, NM
Case No. 15405
Order No. R-14098
Nosler 12 Federal EG Well No. 6H

Dear Mr. Catanach:

Pursuant to the captioned Order, please find enclosed an itemized schedule of the actual costs to drill, complete, and equip the Nosler 12 Fed EG #6H well. Pursuant to ordering Paragraph 11, non-consenting working interest owners have forty five (45) days from receipt hereof to object. Should you have any questions, please feel free to contact me at (817) 583-8761 or via email at cmeans@burnettoil.com.

Regards,
BURNETT OIL CO., INC.

Coley Means
Land Manager

Enclosure: Itemized Schedule of Actual Well Costs

cc:
Ard Oil, Ltd., and Ard Energy Partners, Ltd.
222 West 4th Street, Suite PH5
Fort Worth, Texas 76102

AFE - ACTUAL		
AFE: A2429		
WELL : NOSLER 12 FED EG 6H		
10/31/2016		
Itemized Statement of Actual Costs of Drilling, Completing, and Equipping		
Description	Actual	Total
Drill and Complete		
SURFACE CASING (& CONDUCTOR)	\$14,766.45	
INTERMEDIATE CASING, LINERS, ETC	\$27,145.07	
WELLHEAD TO CASING POINT	\$40,431.74	
PRODUCTION CASING & LINERS	\$349,784.79	
TUBING	\$15,111.07	
XMAS TREE ASSEMBLY-COMPLETION	\$3,093.10	
PUMPING (SURFACE) UNIT & EQUIP	\$3,596.39	
MISC. FITTINGS & SUPPLIES	\$936.07	
SUBSURFACE PUMP & ACCESSORIES	\$3,974.78	
INSTALLATION AND LABOR EXPENSE	\$12,312.98	
LOC & ROADWY (RAT HOLE, ETC)	\$122,796.45	
DAYWORK	\$179,788.98	
FUEL	\$21,126.38	
MOVE IN, RIG UP, RIG DOWN	\$1,586.25	
SURFACE EQUIPMENT RENTAL	\$89,744.06	
DRILLING BITS (MUST DESCRIBE)	\$18,394.61	
PIPE INSPECTION & COATING	\$4,637.56	
DOWNHOLE EQUIPMENT RENTAL	\$5,265.57	
MUD & CHEMICALS	\$52,472.27	
WATER	\$30,552.43	
DIRECTIONAL DRILLING SERVICES	\$81,565.51	
MUD LOGGING	\$18,950.75	
CEMENT & SERVICE	\$84,722.27	
TRUCKING & HAULING	\$62,573.42	
CONTRACT SUPERVISION	\$21,175.04	
DRILLING OVERHEAD-TO CASING PT	\$8,287.33	
CONTRACT LABOR CASING CREWS	\$36,461.98	
OTHER DRILLING COSTS	\$341.69	
LOCATION & ROADWAY EXPENSE	\$17,629.81	
FRACTURING	\$487,111.66	
CMPLTN RIG (SWAB RIG, W/O RIG)	\$24,557.75	
FUEL & POWER	\$116,739.79	
SURFACE EQUIPMENT RENTAL	\$64,828.00	
COMPLETION BITS	\$2,997.82	
PIPE INSPECTIONS & COATING	\$4,448.00	
MUD CHEMICALS & WATER	\$73,760.29	
PERFORATING: CASED-HOLE LOGGING	\$35,389.78	
TRUCKING & HAULING (KILL TRUCK	\$48,061.75	
CONTRACT SUPERVISN AT RIG SITE	\$7,146.55	
CONTRACT LABOR-CASING CREWS	\$5,012.11	
CONTRACT LABOR	\$786.12	
OTHER COMPLETION COSTS	\$100.42	
TOTAL COST TO DRILL, COMPLETE & EQUIP		\$2,200,164.84