

Summary of Communications
Hoss 2/11 W2BO Fed Com #1H

Panhandle Royalty Company

- 1 Called Spencer Simon on 10/5/2016 to discuss prospect
- 2 Emailed Spencer Simon our lease offer by email dated 10/5/2016
- 3 Received email dated 10/6/2016 from Spencer Simon stating that they are reviewing our offer and will get back with me
- 4 Followed up with Spencer Simon by email dated 10/17/2016 regarding our Oil and Gas Lease offer
- 5 Received email dated 10/17/2016 from Spencer Simon stating that they are still evaluating the offer
- 6 Emailed Spencer Simon on 10/18/2016 regarding our offer
- 7 Received email dated 10/27/2016 regarding our offer
- 8 Emailed Spencer Simon on 10/28/2016 regarding offer
- 9 Followed up with Spencer Simon regarding our offer
- 10 Received counter offer from Spencer Simon by email dated 11/8/2016
- 11 Emailed Spencer Simon on 11/9/2016 accepting the terms of their counter offer and sent a copy of our lease form
- 12 Received email dated 11/9/2016 from Spencer Simon regarding our lease form
- 13 Followed up with Spencer Simon by email dated 11/29/2016 regarding our offer
- 14 Received email dated 11/30/2016 from Spencer Simon informing me that they have not made a decision and will let me know once they have
- 15 Emailed Spencer Simon on 11/30/2016 letting him know that I will check back in a few weeks if I have not heard anything back
- 16 Received email dated 12/5/2017 from Spencer Simon stating that they are going to hold on to their interest If a well proposal is sent then they will reevaluate
- 17 Emailed Spencer Simon a well proposal on 12/5/2017 He informed me that emailing them would be acceptable
- 18 Received 2 emails dated 12/6/2017 confirming receipt of well proposal and discussing prospect
- 19 Emailed Spencer Simon on 12/6/2017 discussing prospect
- 20 Followed up with Spencer Simon on 1/17/2017 regarding our offer
- 21 Received email dated 1/17/2017 from Spencer Simon stating that there was a strong chance that they will participate but we should still add them to the pooling
- 22 Talked with Spencer Simon on 1/17/2017 regarding the pooling
- 23 Received email dated 1/18/2017 from Spencer Simon concerning their name change
- 24 Emailed Spencer Simon the C102s and JOA on 1/19/2017
- 25 Received email dated 1/19/2017 from Spencer Simon stating that they will review the JOA and get back with me
- 26 Talked with Spencer Simon on 1/24/2017 regarding the JOA and well proposals
- 27 Received email dated 1/30/2017 from Spencer Simon regarding water disposal costs
- 28 Emailed Spencer Simon on 1/30/2017 answering his questions regarding water disposal costs

- 29 Received email dated 1/30/2017 from Spencer Simon regarding the water disposal costs
- 30 Received email dated 2/3/2017 from Spencer Simon regarding the JOA
- 31 Emailed Spencer Simon on 2/6/2017 regarding the JOA
- 32 Talked with Spencer Simon 2/14/2017 regarding the well proposals and he informed me that they had received an offer for lease and would get back with me
- 33 Have not heard back from Panhandle Royalty Company

EOG Resources, Inc

- 1 Mailed well proposal and JOA to Wendy Dalton on 12/7/2016 via certified mail
- 2 Talked with Paul Boland on 12/20/2016 discussing the well proposal
- 3 Followed up with Paul Boland on 1/24/2017 regarding the well proposals and JOA and left a voicemail message
- 4 Followed up with Paul Boland on 2/23/2017 regarding the well proposals and JOA and left a voicemail message
- 5 Have not heard back from EOG Resources, Inc

Re Offer Oil and Gas Lease

Mitchell Robb

Mon 2/6/2017 9 04 AM

To Spencer Simon <ssimon@panhandleoilandgas.com>

Spencer,

We are still planning on drilling the Bone Spring well first, so the only change would be the surface location being 1 650' FEL instead of 1,700' FEL I was planning on waiting to hear back from everyone and then sending out the amended JOA

If you need me to send you a new page that reflects the above, then I can get with our analyst and have her make the change

Thanks,

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>

Sent Friday, February 3, 2017 9 05 31 AM

To Mitchell Robb

Subject RE Offer Oil and Gas Lease

Morning Mitch

Any word on the updated JOA?

Spencer Simon

office (405) 945 6134

From Spencer Simon

Sent Monday, January 30, 2017 9 57 AM

To Mitchell Robb

Subject RE Offer Oil and Gas Lease

Thank you sir

Spencer Simon

office (405) 945 6134

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]

Sent Monday, January 30, 2017 9 52 AM

To Spencer Simon

Subject Re Offer Oil and Gas Lease

Spencer,

I believe the water disposal costs will be between \$0.75 and \$1.00 per barrel

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>

Sent Monday, January 30, 2017 9:46:54 AM

To Mitchell Robb

Subject RE: Offer Oil and Gas Lease

Mitch

Would you mind giving me an estimate fee/cost for the water disposal?

Spencer Simon

office (405) 945 6134

From Spencer Simon

Sent Thursday, January 19, 2017 1:26 PM

To Mitchell Robb

Subject RE: Offer Oil and Gas Lease

Thank you Mitch we will review and I will be in contact soon

Spencer Simon

office (405) 945 6134

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]

Sent Thursday, January 19, 2017 1:24 PM

To Spencer Simon

Subject Re: Offer Oil and Gas Lease

Spencer

I have attached the C102 documents that we spoke about. You won't be able to find these on the NMOCD website yet since they are still going through the approval process. I highlighted the proration units that each well will be dedicated to since they were not denoted yet.

Also, I have attached the JOA that I referenced in the well proposals.

I have not prepared a Communitization Agreement yet but in the next few months, I will also be sending that out. It's essentially a designation of pooled unit but is required in lieu of the designation of pooled unit when State or Federal lands are involved.

Please let me know if you have any questions or if the JOA doesn't go through. Thanks

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>

Sent Wednesday, January 18, 2017 8:59:14 AM

To Mitchell Robb

Subject RE: Offer Oil and Gas Lease

Mitch

Please see attached Name Change Certificate Let me know if you have any questions

Spencer

From Spencer Simon
Sent Tuesday, January 17, 2017 10 57 AM
To 'Mitchell Robb'
Subject RE Offer Oil and Gas Lease

Mitch

Thank you for your email There is a strong chance that we will want to participate Would you mind sending an updated AFE, I know that you stated you will send them certified mail but we have yet to receive that Email is fine by us With that said, I believe you will have to add us to the pooling Please let me know

Thank you sir

Spencer Simon
office (405) 945 6134

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]
Sent Tuesday, January 17, 2017 10 40 AM
To Spencer Simon
Subject Re Offer Oil and Gas Lease

Hey Spencer,

I was seeing if Panhandle had made a decision on Mewbourne's lease offer I am going start preparing to get on the forced pooling docket and I'll need to know if I should include Panhandle or not

Thanks,

Mitch Robb
Landman
Mewbourne Oil Company
Office (432) 682 3715
Cell (405) 394-8583
Email mrobb@mewbourne.com

From Mitchell Robb
Sent Tuesday December 6 2016 10 29 32 AM
To Spencer Simon
Subject Re Offer Oil and Gas Lease

Spencer,

Our drilling schedule is always subject to change, but as of right now, we have the first well to spud in June of 2017 Also, if you are agreeable to the lease that I sent you, then yes the \$2,000/acre & a 1/4 royalty is still the

offer

We plan on pooling the unit (E/2 of 2 and E/2 of 11) but the matter of forced pooling will only come up out of necessity

Please let me know if you have any additional questions or if there is anything I can do

Thanks,

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>

Sent Tuesday December 6 2016 9 35 43 AM

To Mitchell Robb

Subject RE Offer Oil and Gas Lease

Also will you all be pooling this section?

SS

From Spencer Simon

Sent Tuesday, December 06, 2016 9 33 AM

To 'Mitchell Robb

Subject RE Offer Oil and Gas Lease

Thank you for sending this my way Do you all have a spud date in mind? Also is the \$2 000/acre & 1/4 royalty the offer?

Thank you

Spencer

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]

Sent Monday, December 05, 2016 5 33 PM

To Spencer Simon

Subject Re Offer Oil and Gas Lease

Spencer,

We currently have 2 wells planned in the first half of 2017 that would cover your interest I have attached two well proposals for your to evaluation I will be sending these out via certified mail sometime this week

Please let me know if you have any questions

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>

Sent Monday December 5 2016 3 07 06 PM

To Mitchell Robb

Subject RE Offer Oil and Gas Lease

Mitch,

At this time we are going to hold onto this interest We feel that we do not want to tie up this interest if it is not going to be drilled upon If a well proposal is submitted than we will reevaluate at that time

Thank you for your offer and time on this matter

Spencer

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]
Sent Wednesday, November 30, 2016 10 04 AM
To Spencer Simon
Subject Re Offer Oil and Gas Lease

All is well I'll check back with you in a couple weeks if I haven't heard anything back

We all have those mornings haha

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>
Sent Wednesday November 30 2016 9 04 53 AM
To Mitchell Robb
Subject RE Offer Oil and Gas Lease

One of those mornings

Thank you for your patience

Spencer

From Spencer Simon
Sent Wednesday, November 30, 2016 9 01 AM
To Mitchell Robb
Subject RE Offer Oil and Gas Lease

Mitch

I am sorry that I do not have an answer for you just yet Once I know something I will let you know right away and hopefully the offer will still be on the table

Thank you for your patients

Spencer Simon
office (405) 945 6134

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]
Sent Tuesday, November 29, 2016 2 00 PM
To Spencer Simon
Subject Re Offer Oil and Gas Lease

Hey Spencer,

I was just checking in to see what the status of our offer was

Thanks,

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>
Sent Wednesday November 9 2016 4 53 19 PM
To Mitchell Robb
Subject RE Offer Oil and Gas Lease

Thank you Mitch I will send up the ladder and let you know something as soon as I do

Spencer

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]
Sent Wednesday, November 09, 2016 4 15 PM
To Spencer Simon
Subject Re Offer Oil and Gas Lease

Spencer,

I have attached an Oil and Gas Lease that I prepared If you are acceptable to the terms provided in the lease, then we are willing to accept the \$2,000 and 1/4 royalty

Please let me know your thoughts

Thanks,

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>
Sent Tuesday November 8 2016 10 40 32 AM
To Mitchell Robb
Subject RE Offer Oil and Gas Lease

Mitch

\$2000 & ¼ royalty would get the ball moving Thank you for reaching out

Spencer

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]
Sent Monday, November 07, 2016 3 46 PM
To Spencer Simon
Subject Re Offer Oil and Gas Lease

Hey Spencer,

I've got management coming in this week so I was seeing if you all had a price per acre that you would want me to run by them

Mitch

From Mitchell Robb
Sent Friday October 28 2016 1 55 32 PM
To Spencer Simon
Subject Re Offer Oil and Gas Lease

Spencer

Since this is what we have been paying in the area I will need approval to go any higher Is there a price per acre that you are looking for? If so I can run it up the flagpole and see what my management says

Thanks,

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>

Sent Thursday, October 27, 2016 3:13:26 PM

To Mitchell Robb

Subject RE: Offer Oil and Gas Lease

Mitch

\$1 000/ac will not move the needle on this Is this your best offer that you are able to provide?

Spencer Simon

office (405) 945 6134

From Mitchell Robb [<mailto:mrobb@mewbourne.com>]

Sent Tuesday, October 18, 2016 8:40 AM

To Spencer Simon

Subject Re: Offer Oil and Gas Lease

Spencer

Thank you for getting back to me I've been authorized up to \$1 000 since that's what we've been paying in this area So, once you make your decision, just let me know and we can work something out

Thanks,

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>

Sent Monday, October 17, 2016 2:40:49 PM

To Mitchell Robb

Subject RE: Offer Oil and Gas Lease

Mitch

We are still in the evaluation process, we have been fielding multiple offers in Eddy/Lea the past couple of weeks I will let you know something as soon as a decision has been made I will tell you that in 24S 28E we have received a couple offers of \$2k/ac & 1/4th royalty

Spencer Simon

office (405) 945 6134

From Mitchell Robb [[mailto: mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)]
Sent Monday, October 17, 2016 11:09 AM
To Spencer Simon
Subject Re: Offer Oil and Gas Lease

Hey Spencer

I was just checking in to see if you had a chance to evaluate our offer yet. Please let me know if there is anything I can assist with.

Thanks,

Mitch

From Spencer Simon <ssimon@panhandleoilandgas.com>
Sent Thursday, October 6, 2016 9:29:24 AM
To Mitchell Robb
Subject RE: Offer Oil and Gas Lease

Mitch

Thank you for your offer. We will review and get back with you.

Spencer Simon

office (405) 945 6134
fax (405) 945 6184
5400 N. Grand Blvd.
Grande Centre Bldg Ste #300
Oklahoma City, Oklahoma 73112
ssimon@panhandleoilandgas.com
www.panhandleoilandgas.com

From Mitchell Robb [[mailto: mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)]
Sent Wednesday, October 05, 2016 4:22 PM
To Spencer Simon
Subject Offer Oil and Gas Lease

Spencer,

Pursuant to our conversation on the phone today, I have listed below our offer for an Oil and Gas Lease from Panhandle in the SE/4NE/4 of Section 11 T25S R28E Eddy County, NM

- \$1,000/acre or \$15,000 total consideration (\$1,000/acre * 15 acres)
- Panhandle delivering 75% NRI to Mewbourne
- 3 Year Primary Term

Once you get a chance to review, please let me know your thoughts and we can move forward from there.

Thanks,

Mitch Robb

Petroleum Landman

Mewbourne Oil Company

Office (432) 682-3715

Cell (405) 394-8583

Email mrobb@mewbourne.com

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS SUITE 1020
MIDLAND TX 79701

TELEPHONE (432) 682 3715
FACSIMILE (432) 685 4170

December 5 2016

Via Certified Mail

Panhandle Royalty Company
Grande Centre Bldg Ste #300
Oklahoma City Oklahoma 73112
Attn Spencer Simon

Re Hoss 2/11 W2BO Fed Com #1H
185 FNL & 1 700 FEL (SL Section 2)
330 FSL & 1 650 FEL (BHL Section 11)
Section 2/11 T25S R28E
Eddy County New Mexico

Gentlemen

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640 00 acre Working Interest Unit ("WIU") covering the E/2 of the captioned Section 2 and the E/2 of the captioned Section 11 for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. Apparently Panhandle Royalty Company ("Panhandle") owns 37 50% interest in the SE/4NE/4 (40 00 gross acres) of the above captioned Section 11. Accordingly Panhandle would own 2.341664% working interest in the proposed WIU ($(37.50\% \text{ interest} \times 40.00 \text{ gross acres} = 15.00 \text{ net acres}) (15.00 / 640.57 \text{ gross acres} = 2.341664\% \text{ interest in the WIU})$).


Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 10 725 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 20 547 feet. The E/2 of the captioned Section 2 and the E/2 of Section 11 will be dedicated to the well as the proration unit.

Regarding the above enclosed for your further handling is our AFE dated November 9 2016 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. A JOA will follow.

Should you have any questions regarding the above please email me at mrobb@mewbourne.com or call me at (432) 682 3715.

Sincerely

MEWBOURNE OIL COMPANY



Mitch Robb
Petroleum Landman

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS SUITE 1020
MIDLAND TX 79701

TELEPHONE (432) 682 3715
FACSIMILE (432) 685 4170

December 7, 2016

Via Certified Mail

EOG Resources, Inc
5509 Champions Drive
Midland, TX 79706
Attn Wendy Dalton

Re Hoss 2/11 W2BO Fed Com #1H
185 FNL & 1 700' FEL (SL Section 2)
330' FSL & 1 650 FEL (BHL Section 11)
Section 2/11 T25S, R28E
Eddy County New Mexico

Ladies and Gentlemen

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640 57 acre Working Interest Unit ("WIU") covering the E/2 of the captioned Section 2 and the E/2 of the captioned Section 11 for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. Apparently EOG Resources, Inc ("EOG") owns 5 078125% interest in the N/2SE/4 and SW/4NE/4 (120 00 gross acres) of the above captioned Section 11. Accordingly EOG would own 0 951301% working interest in the proposed WIU ((5 078125% interest X 120 00 gross acres = 6 09375 net acres) (6 09375 net acres / 640 57 gross acres = 0 951301% interest in the WIU))

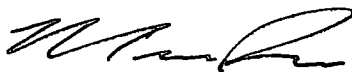
Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,725 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 20 547 feet. The E/2 of the captioned Section 2 and the E/2 of Section 11 will be dedicated to the well as the proration unit.

Regarding the above enclosed for your further handling is our AFE dated November 9 2016 for the captioned proposed well. Also enclosed are our Operating Agreement dated November 15 2016 and an extra set of signature pages. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely

MEWBOURNE OIL COMPANY



Mitch Robb
Petroleum Landman

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name Hoss 2/11 W2BO Fed Com #1H Prospect
 Location SL 185 FNL & 1700 FEL (2) BHL 330 FSL & 1650 FEL (11) County Eddy ST NM
 Sec. Blk. Survey TWP 25S RNG 28E Prop. TVD 10725' TMD 20547'

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$12,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$45,000	0180-0205	\$136,500
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling 36 days drlg & 4 days comp @ \$16250/day		0180-0110	\$625,000	0180-0210	\$70,000
Fuel 1500 gal/day @ \$1.70/gal		0180-0114	\$102,000		
Mud, Chemical & Additives		0180-0120	\$225,000	0180-0220	
Horizontal Drillout Services Coil Tbg Drillout				0180-0222	\$170,000
Cementing 2 Stg 7" w/ ECP		0180-0125	\$90,000	0180-0225	\$25,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$289,800
Casing / Tubing / Snubbing Service		0180-0134	\$35,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$30,000		
Stimulation 59 Stg 17 8 MM gal/14 1 MM lb				0180-0241	\$3,057,500
Stimulation Rentals & Other				0180-0242	\$212,500
Water & Other		0180-0145	\$35,000	0180-0245	\$478,200
Bits		0180-0148	\$110,000	0180-0248	\$4,000
Inspection & Repair Services		0180-0150	\$45,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$26,500
Completion / Workover Rig 4 days @ \$3500/day Toe Prep				0180-0260	\$15,000
Rig Mobilization		0180-0164	\$160,000		
Transportation		0180-0165	\$25,000	0180-0265	\$15,000
Welding Services		0180-0168	\$5,000	0180-0268	\$5,000
Contract Services & Supervision		0180-0170		0180-0270	
Directional Services Inc. Vert. Control		0180-0175	\$205,000		
Equipment Rental		0180-0180	\$250,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$6,200	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$5,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$180,000	0180-0295	\$95,000
Overhead Fixed Rate		0180-0198	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$244,500	0180-0299	\$235,800
TOTAL			\$2,689,700		\$4,951,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (10 1 30")		0181-0793			
Casing (10 1 19 0") 450 13 3/8 54 5# J55 STC @ \$25.87/r + GRT		0181-0794	\$12,500		
Casing (8 1 10 0) 2500 9 5/8 40# N80 LTC @ \$22.20/ft + GRT		0181-0795	\$60,000		
Casing (6 1 8 0) 10650' 7" 29# P110 LTC @ \$18.60/ft + GRT		0181-0796	\$211,600		
Casing (4 1 6 0) 10370 4 1/2 13 5# P110 LTC @ \$9.28/ft + GRT				0181-0797	\$103,000
Tubing (2 4")				0181-0798	
Drilling Head		0181-0860	\$30,000		
Tubing Head & Upper Section Includes 10K Frac Valve & Tree				0181-0870	\$40,000
Horizontal Completion Tools Resource Completion Liner Hanger				0181-0871	\$27,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems				0181-0884	
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers VRU/SWD transfer pump				0181-0886	\$50,000
Tanks Oil 4 500 bbl steel				0181-0890	\$38,000
Tanks Water 4 500 bbl steel coated				0181-0891	\$44,000
Separation / Treating Equipment 36"x15"x1k# Hor 3ph/30"x10"x1k# 3ph/GB				0181-0895	\$55,000
Heater Treaters, Line Heaters 6"x20"x75# HT				0181-0897	\$13,000
Metering Equipment				0181-0898	\$7,000
Line Pipe & Valves Gathering (1/2) 2 miles 6" SWD and 4 gas line				0181-0900	\$50,000
Fittings / Valves & Accessories				0181-0906	\$65,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$55,000
Pipeline Construction (1/2) 2 miles 6" SWD and 4 gas line				0181-0920	\$100,000
TOTAL			\$314,100		\$702,000

SUBTOTAL		\$3,003,800	\$5,653,800
TOTAL WELL COST		\$8,657,600	

Prepared by J Nave Date 11/8/2016

Co Approval *m white* Date 11/9/2016

Joint Owner Interest: _____ Amount: _____

Joint Owner Name _____ Signature _____

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185. Non Operator may elect NOT to be covered by this Operator's Extra Expense Insurance only by signing below. The undersigned elects NOT to be covered by Operator's Extra Expense Insurance for their well.

Joint Owner Name _____ Signature _____ Form Rev 9/01/2015

EXHIBIT 4