



May 18, 2017

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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. 15566
Order No. R-14248
Nosler 12 Federal LJ Well No. 7H

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 LJ #7H well. Completion operations on the well were completed March 6, 2017. 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.
3470 River Bend Boulevard, Suite 409
Fort Worth, Texas 76116

Certified mail #70150640000701917853 (OCD)
#70150640000701917860 (Ard)

ACTUAL AFE: A2452

WELL : NOSLER 12 FED LJ 7H

05/17/17

Itemized Statement of Actual Costs of Drilling, Completing an Equipping

Description	ACTUAL	TOTAL		
SURFACE CASING (& CONDUCTOR)	\$14,298.35			
INTERMEDIATE CASING,LINERS,ETC	\$27,724.19			
WELLHEAD TO CASING POINT	\$26,188.04			
PRODUCTION CASING & LINERS	\$125,167.64			
TUBING	\$17,321.80			
PRODUCTION PACKERS	\$232,382.67			
PUMPING (SURFACE) UNIT & EQUIP	\$5,483.47			
MISC. FITTINGS & SUPPLIES	\$9,490.54			
SUBSURFACE PUMP & ACCESSORIES	\$23,574.13			
INSTALLATION AND LABOR EXPENSE	\$8,723.33			
STORAGE TANKS(OIL & GAS WELLS)	\$29,939.60			
PIPE PURCHASE - FLOWLINES	\$8,645.07			
LOC & ROADWY (RAT HOLE,ETC)	\$34,867.26			
LOCATION&ROADWAY RESTORATION	\$66,107.10			
DAYWORK	\$194,953.36			
FUEL	\$31,440.93			
MOVE IN,RIG UP, RIG DOWN	\$50,872.94			
SURFACE EQUIPMENT RENTAL	\$73,771.26			
REAMERS CUTTERS STABILIZERS	\$5,116.32			
DRILLING BITS (MUST DESCRIBE)	\$37,418.56			
PIPE INSPECTION & COATING	\$3,558.36			
DOWNHOLE EQUIPMENT RENTAL	\$1,308.45			
MUD & CHEMICALS	\$107,057.12			
WATER	\$160,085.79			
DIRECTIONAL DRILLING SERVICES	\$88,458.57			
MUD LOGGING	\$30,123.51			
CEMENT & SERVICE	\$95,857.72			
TRUCKING & HAULING	\$46,878.90			
CONTRACT SUPERVISION	\$14,293.08			
DRILLING OVERHEAD-TO CASING PT	\$8,056.26			
CONTRACT LABOR CASING CREWS	\$42,637.19			
PULLING UNIT	\$13,809.95			
OTHER DRILLING COSTS	\$27,201.96			
LOCATION & ROADWAY EXPENSE	\$1,812.49			
ACIDIZING	\$4,054.87			
FRACTURING	\$674,574.32			
CMPLTN RIG (SWAB RIG,W/O RIG)	\$8,443.54			
FUEL & POWER	\$43.24			
SURFACE EQUIPMENT RENTAL	\$140,949.49			
DOWNHOLE EQUIPMENT RENTAL	\$11,759.21			
MUD CHEMICALS & WATER	\$25,849.61			
PERFORATING-CASED-HOLE LOGGING	\$3,712.50			
TRUCKING & HAULING (KILL TRUCK	\$18,907.31			
CONTRACT SUPERVISN AT RIG SITE	\$5,929.00			
CONTRACT LABOR-CASING CREWS	\$2,001.04			
CONTRACT LABOR	\$7,795.45			
OTHER COMPLETION COSTS	\$33.34			
		\$2,568,678.83		
EQUIP - SWD LINE				
INSTALLATION AND LABOR EXPENSE	\$1,388.85			
PIPE PURCHASE - FLOWLINES	\$148,512.37			
LOC & ROADWY (RAT HOLE,ETC)	\$2,805.96			
MUD & CHEMICALS	\$1,799.88			
		\$154,507.06		
TOTAL COST TO DRILL, COMPLETE & EQUIP		\$2,723,185.89		