

U.S. LEGAL SUPPORT

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December 15, 2017

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: RG Exploration LLC (OGRID # 372473)
JADE 19 39 29 STATE COM
API # 30-025-43294

Dear Oil Conservation Division:

As authorized representative of RG Exploration LLC enclosed please find for filing and approval the AFE of the Operator for the above referenced well. This matter is also referenced in Case No. 15621, Order No.14321 under Opal Resources Operating Co., LLC and Opal Resources II, LLC's (prior Operator) Application for Compulsory Pooling.

Per Notice requirements, I hereby certify the enclosed AFE of RG Exploration LLC has been furnished to the following persons/entities:

Noble Energy, Inc.
1001 Noble Energy Way
Houston, Texas 77070-1435

Ms. Carla Leet-Assaf
4160 North Highway A1A
Apt. 1206
Fort Pierce, Florida 34949-8501

Mr. Carl F. Hatch
101 South Front Street
Apartment 9
Rio Vista, California 94571-1812

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Ms. Jeannie H. Collins
101 South Front Street
Apartment 9
Rio Vista, California 94571-1812

Albuquerque National Bank
As Trustee for Kathryn Brandenburg
4243 Terrace Street
Oakland, California 94611-5127

Geronimo Holdings
P.O. Box 804
Midland, Texas 79702-0804

Pogar Petroleum
P.O. Box 10095
Midland, Texas 79702-7095

ConocoPhillips Company
550 Westlake Park Boulevard
Houston, Texas 77079-2661

Ms. Elizabeth A. Ryan
Carson Ryan LLC
P.O. Box 1512
Roswell, New Mexico 88202-1612

If anything further is needed from RG Exploration LLC to accept and approve this filing,
please contact me immediately.

Thank you for your courtesies and assistance regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan L. Castetter", with a long horizontal line extending to the right.

Alan L. Castetter
Regulatory Counsel

Enc.



Drilling Cost Estimate

Operator RG Exploration LLC		Well Name Jade 19 39 29 State Com 0001H		MDTVD 13,500'MD 8,500'TVD		
Surface Location 400'FWL and 400'FNL		Section - Township - Range Sec. 29-19S-39E, PSL		County Lea		
BHL 1,122'FNL & 400'FWL, Sec. 32-19S-39E		Field Nadine; ABO SE		State NM		
Primary Objective Wichita Albany A (WCAB A)		Secondary Objective N/A		API Number TBD		
Project Type		Data Processing Information				
Development <input checked="" type="checkbox"/> Single <input checked="" type="checkbox"/> Workover <input type="checkbox"/> Dual <input type="checkbox"/> Recompletion <input type="checkbox"/> Multiple <input type="checkbox"/>		AFE No. TBD		Original <input checked="" type="checkbox"/> Version # 1 Supplement <input type="checkbox"/>		
Tangible Costs		Case & Suspend		Completion & Equip.		Gross Total
		Drilling	Evaluation	Completion	Facility	
1. Tubulars		Setting Depths				
13 3/8" * OD 0' to 1850'		\$569,054		92,000		661,054
9 5/8" * OD 0' to 6,150'		\$226,860				
5 1/2" * OD 0' to 13,500'		\$240,000				
2 7/8" * OD 0' to 7,600'				92,000		
* OD 0' to						
* OD 0' to						
2. Wellheads, Casinghead, Tubinghead, Christmas Tree		\$26,000		14,600		40,500
3. Tubing Accessories				3,000		3,000
Profile Nipples, Check, Drain				3,000		
4. Artificial Lift				325,000		325,000
5. Capillary System				28,000		28,000
6. Production Equipment				0		662,980
Bsp, Mtr-Tbr, Tanks, Flare						248,100
Facility Connections, Containment						129,800
Scada System, Electric						178,080
Meter Run, Electrical Scada Control						7,600
7. Electrical Lines & Equipment				105,000		105,000
8. Flowline (WH to Production Unit)				0		2,000
Line Pipe (3" Poly) Unit & Mtr Panel						2,000
Valves, Fittings & Couplings						
9. Pipeline (Production Unit to Sales Point)				0		0
Line Pipe						
Valves, Fittings & Couplings						
10. Water Disposal System				0		0
Water Transfer Pump						0
Automation, Electric on location						0
Pipe and fittings						0
Water Transfer Line to SWD						0
11. Casing Accessories		35,000				35,000
Float Equip, Toe Sub, Centralizers		\$35,000				
12. Contingency		0%		0%		0%
TOTAL TANGIBLES		\$620,054		\$0		\$482,600
				\$769,980		\$1,852,634
Intangible Costs		Case & Suspend		Completion & Equip.		Gross Total
		Drilling	Evaluation	Completion	Facility	
13. Contract Field Supervision (2 Reps)		\$144,000		\$64,400		\$15,000
14. Contract Engineering / Technical		\$2,880		\$16,440		\$15,000
15. Superintendent		\$38,000		\$0		\$38,000
16. Legal / Title (permits & contract legal work) / Admins		\$8,000				\$5,000
17. Location & Road Expense		\$310,300		\$28,000		\$19,200
Surveys (ROW & ARC) & Staking		\$5,000				\$0
Damages		\$30,800				\$19,200
Construction		\$230,000				
Conductor, Rat Hole, Mouse Hole		\$26,500				
Drilling PH Lining		\$18,000				
Location Cleanup				\$1,000		
Pit Reclamation				\$27,000		
18. Rig Moving Expense, Mob / Demob, Mods., Stby.		\$218,000				\$216,000
19. Contract Drilling		\$703,000				\$703,000
37 days \$19,000.00 per day		\$703,000				
20. Pulling Unit				\$18,000		\$18,000
4 days \$4,500.00 per day				\$18,000		
21. Power & Fuel (not otherwise included)		\$112,400		\$22,600		\$134,900
22. Onsite Supervisor Headquarters / Housekeeping		\$68,000		\$43,500		\$99,500
Trailer House Rental		\$25,000		\$17,500		
Generator for House Trailer		\$15,000		\$18,000		
Potable Water		\$8,000		\$4,000		

Phone / Internet / Satellite	\$3,000	\$0.000	
Waste Water Service	14,000	12,000	
23. Safety - Site Security / Equipment & Services	\$12,000	\$19,000	\$31,000
Site Security			
H2S Monitoring	15,000	14,000	
Contract Safety Supervision	\$0.000	\$15,000	

Well Name: Jade 19 39 29 State Com 0001H	Date Processing Information
Location: 400'FWL and 400'FNL Sec. 29-19S-39E, PSL Lea	AFE No. TBD
	Original <input checked="" type="checkbox"/> Supplement <input type="checkbox"/>
	Version # 1

Intangible Costs (continued)	Case & Suspend		Completion & Equip.		Gross Total
	Drilling	Evaluation	Completion	Facility	
24. Safety Incentive & Performance Bonus					
25. Rig Monitoring Equipment (EDR)	\$26,000		\$0		\$26,000
26. Water	\$54,000		\$152,250	\$0	\$206,250
Fresh Water	\$20,000				
Brine Water	\$10,000				
Water Well Rental Equipment					
Water Well Usage			\$132,250		
Water Hauling to Location	\$3,000				
Frac or Rental Storage Tanks/ PreMix Pit	\$8,000		\$20,000		
27. Mud Materials & Services	\$73,000		\$0		\$73,000
Mud Products & Chemicals	\$65,000				
Mud Cleaning Equipment and Services	\$8,000				
Mud / Gas Separator					
28. Bits, Underreamers & Hole Openers	\$80,000				\$80,000
29. Directional Drilling Equipment & Services	\$487,000				\$487,000
30. Fishing Tools & Services				\$0	
31. Rental Equipment	\$89,000		\$37,000	\$0	\$126,000
Forklift / Manlift / Light Plants / Generators	\$18,000				
Reverse Unit / Matting Boards / Racks			\$3,000		
Well Control Equipment	\$28,000		\$25,000		
Drilling - DH Tools, Comp-Packers, Plugs	\$21,000		\$5,000		
BHA, Drill Pipe & Motors + DP Inspection	\$12,000		\$4,000		
32. Tubular Inspection & Testing	\$9,000				\$9,000
33. Casing Crews - NUL/D Services - BOPE Testing	\$40,000		\$7,500		\$47,500
34. Trucking (misc not otherwise included)	\$40,000		\$16,000		\$56,000
35. Mud Logging	\$62,630				\$62,630
36. Conventional Coring & Analysis	\$178,000	\$617,000			\$795,000
37. Drill Stem Test Equipment & Services					
38. DH Production - ESP 30 Day Rental			\$7,000		\$7,000
39. Logging, Wireline / Slickline & Associated Rentals	\$268,000	\$200,000	\$221,000	\$0	\$689,000
Electrical Logs	\$268,000				
RFT / Sidewall Coring		\$200,000			
Cased Hole Logs & CBL			\$8,000		
Temperature Surveys					
Gyro, Multi-Shot, Single Shot					
Perforating, Plug / Packer Setting			\$213,000		
40. Cementing Services	\$181,000		\$0		\$181,000
13 3/8" * OD _____ Sacks	\$30,000				
9-5/8" * OD _____ Sacks	\$35,000				
5-1/2" * OD _____ Sacks	\$81,000				
_____ * OD _____ Sacks					
_____ * OD _____ Sacks					
Bottom Hole Plug	\$15,000				
Cement Whipstock	\$20,000				
41. Coiled Tubing Service			\$140,000		\$140,000
CT and N2 Service			\$120,000		
Rental Crane, Lubricator, Flanges			\$20,000		
42. Stimulation Materials & Services			\$1,843,000		\$1,843,000
43. Pump Truck (not otherwise included)			\$10,000		\$10,000
44. Production Testing Equipment & Services			\$65,000		\$65,000
45. Water Haul off and Cuttings Disposal			\$189,000		\$189,000
46. Chemicals (Corrosion Control / Packer Fluid)	\$8,500		\$20,000		\$28,500
47. Roustabout Service (Labor not otherwise included)	\$4,000		\$10,000	\$206,300	\$220,300
48. Miscellaneous	\$10,000		\$518,000	\$10,000	\$538,000
49. Meter Calibration & Repair					
50. Frac Catering					
51. Repair Downhole Equipment			\$10,000		\$10,000
52. Flowback Equipment Services					
53. Insurance - New Drill	\$25,000				\$25,000
54. Contingency	0%	0%	0%	0%	
TOTAL INTANGIBLES	\$3,232,610	\$817,000	\$3,248,590	\$265,500	\$7,561,700

Cost Summary				
TOTAL COST (Tangibles + Intangibles)	\$3,852,664	\$817,000	\$3,709,090	\$1,035,480
EVALUATED COST	\$4,669,664			Estimated By: Davie Minyard
TOTAL DRILL & COMPLETION COSTS	\$9,414,234			Date: 11/9/17