

Case 16177
EXHIBIT



March 21, 2018

Via Certified Mail, Return Receipt Requested

WORKING INTEREST OWNERS LISTED ON ATTACHED EXHIBIT "A"

Re: Golden Wolf State 19-18 #6H
E/2E/2 Section 19, T16S, R35E
E/2SE/4 Section 18, T16S, R35E
Lea County, New Mexico

DGP Energy, LLC ("DGP") hereby proposes the drilling of the above-referenced horizontal well. The Golden Wolf State 19-18 #6H well will be drilled to a depth sufficient to adequately test the Pennsylvanian Shale/Wolfcamp 'D' formation at a total measured depth of approximately 19,200'. The surface location for this well is proposed at a legal location in SE/4SW/4, Section 19, T16S-R35E, with the proposed dedicated project area being the E/2E/2 of Section 19 and the E/2SE/4 Section 18 of Township 16 South, Range 35 East, Lea County, New Mexico.

Included herewith is our Authority for Expenditure ("AFE") for the Golden Wolf State 19-18 #6H in the gross amount of \$11,038,839.00 being the total estimated cost to drill and complete said well. An Operating Agreement will follow upon election to participate.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs and a copy of your geologic requirements, to my attention at the letterhead address or by email to brandonfinks@dgpetro.com. Should you have any questions, please contact me directly at (817)995-8759.

If we do not reach an agreement within thirty (30) consecutive days of this letter, DGP will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well.

Sincerely,

DGP Energy, LLC.

Brandon Finks
Vice President



March 21, 2018

_____ I/We hereby elect to participate in the Golden Wolf State 19-18 #6H

_____ I/We hereby elect **NOT** to participate in the Golden Wolf State 19-18 #6H

Company: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"
WORKING INTEREST OWNERS

March 21, 2018

Golden Wolf State 19-18 #6H
E/2E/2 Section 19, T16S, R35E
E/2SE/4Section 18, T16S, R35E
Lea County, New Mexico

Via Certified Mail, Return Receipt Requested

Cimarex Energy

1700 Lincoln Street, Suite 3700
Denver, Colorado 80203-4537

Via Certified Mail, Return Receipt Requested

Apache Corporation

2000 Post Oak Boulevard, Suite 100
Houston, Texas 77056-4400

COMPANY	DGP Energy, LLC	DATE:	3/1/2018
WELL NAME:		FIELD:	
PROPOSED TD:	19,200'	COUNTY, STATE:	Lea County, NM
LOCATION:	Gold Wolf Unit	OBJECTIVE HORIZ:	Wolfcamp D (Penn Shale)
API	30-025-XXXXX	MUD LOGGER:	
PREPARED BY:		AFE No.:	

Classification of Account	LOC & FACILITIES	DRILLING	COMPLETION	TOTAL
INTANGIBLE EXPENSES				
ADMINISTRATIVE OVERHEAD	\$0	\$0	\$0	\$0
CASING CREW & EQPT	\$0	\$28,452	\$0	\$28,452
CASED HOLE LOGS & SURVEYS	\$0	\$0	\$8,280	\$8,280
CEMENTING INTERMEDIATE CASING	\$0	\$277,099.00	\$0	\$277,099
CEMENTING SUFACE CASING	\$0	\$37,129	\$0	\$37,129
COILED TUBING/SNUBBING UNIT	\$0	\$0	\$9,315	\$9,315
COMMUNICATIONS	\$0	\$35,008	\$0	\$35,008
FRAC WATER/COMPLETION FLUID	\$0	\$0	\$268,065	\$268,065
COMPANY DIRECT LABOR	\$0	\$0	\$0	\$0
CONTINGENCY 5%	\$0	\$0	\$0	\$0
COMPLETION/WORKOVER RIG	\$0	\$0	\$66,758	\$66,758
CONTRACT LABOR	\$53,706	\$86,604	\$0	\$140,310
DAMAGES	\$0	\$0	\$0	\$0
DAYWORK CONTRACT	\$0	\$888,949	\$0	\$888,949
DRILLING - DIRECTIONAL	\$0	\$325,337	\$0	\$325,337
DISPOSAL SOLIDS	\$0	\$0	\$0	\$0
DRILLING - FOOTAGE	\$0	\$0	\$0	\$0
DRILLING BITS	\$0	\$148,760	\$2,464	\$151,244
ENVIRONMENTAL/CLEANUP	\$0	\$0	\$0	\$0
ELECTRICAL POWER/GENERATION	\$18,560	\$0	\$0	\$18,560
ENGINEERING	\$18,823	\$53,500	\$18,000	\$90,323
FUEL, POWER/DIESEL	\$0	\$0	\$0	\$0
ENVIRONMENTAL SERVICES	\$1,035	\$0	\$0	\$1,035
EQUIPMENT RENTAL	\$0	\$225,817	\$0	\$225,817
FISHING TOOLS/SERVICES	\$0	\$98,914	\$0	\$98,914
HEALTH & SAFETY	\$0	\$4,089	\$0	\$4,089
HOUSING AND SUPPORT SERVICES	\$0	\$41,147	\$0	\$41,147
INSURANCE	\$0	\$34,400	\$0	\$34,400
LEGAL, TITLE SERVICES	\$0	\$0	\$0	\$0
P&A/TA COSTS	\$0	\$0	\$0	\$0
MATERIALS & SUPPLIES	\$0	\$50,959	\$0	\$50,959
PERFORATING/WIRELINE SERVICE	\$0	\$0	\$131,963	\$131,963
MISCELLANEOUS	\$0	\$0	\$0	\$0
PIPE INSPECTION	\$0	\$0	\$0	\$0
MOUSE/RATHOLE/CONDUCT PIPE	\$0	\$21,107	\$0	\$21,107
ROAD, LOCATIONS REPAIRS	\$0	\$0	\$0	\$0
MUD & CHEMICALS	\$0	\$285,883	\$7,659	\$293,542
STIMULATION	\$0	\$0	\$4,516,308	\$4,516,308
SUBSURFACE EQUIPMENTAL RENTAL	\$0	\$0	\$26,466	\$26,466
OPENHOLE LOGGING	\$0	\$0	\$0	\$0
PERMITS, LICENSES, ETC	\$0	\$2,018	\$0	\$2,018
SURFACE EQUIP RENTAL	\$5,693	\$0	\$63,772	\$69,464
POWER FUEL & WATER HAULING	\$0	\$252,130	\$0	\$252,130
RIG MOVE & RACKING COSTS	\$0	\$250,988	\$0	\$250,988
RIG UP TEAR OUT & STANDBY	\$0	\$52,085	\$0	\$52,085
STAKING & SURVEYING	\$0	\$2,923	\$0	\$2,923
SUPERVISION	\$0	\$135,000	\$37,800	\$172,800
SUPERVISION - GEOLOGICAL	\$0	\$68,569	\$0	\$68,569
TRANSPORTATION/TRUCKING	\$17,440	\$319,646	\$0	\$337,086
WATER HEATING	\$0	\$0	\$0	\$0
WELDING SERVICES	\$0	\$0	\$0	\$0
WELL TESTING/FLOWBACK	\$0	\$0	\$60,030	\$60,030
SUBTOTAL	\$113,256	\$3,726,511	\$5,216,898	\$9,056,665
TANGIBLE EXPENSES				
CONSTRUCTION/LOCATION & ROAD	\$426,289	\$15,525	\$0	\$441,814
INTERMEDIATE CASING & ATTCHMNT	\$0	\$366,195	\$0	\$366,195
PACKERS/SLEEVES/PLUGS	\$0	\$0	\$0	\$0
PRODUCTION CASING & ATTCHMNT	\$0	\$396,785	\$0	\$396,785
SITE RESTORATION	\$0	\$0	\$0	\$0
SURFACE CASING & ATTACHMENTS	\$0	\$69,001	\$0	\$69,001
TAXES	\$0	\$0	\$0	\$0
WELLHEAD EQUIPMENT/CASING BOWL	\$0	\$55,210	\$0	\$55,210
ARTIFICIAL LIFT	\$0	\$0	\$41,400	\$41,400
FLOWLINES	\$0	\$0	\$0	\$0
FLUIDS/HAULING/DISPOSAL	\$0	\$0	\$0	\$0
FRAC STRING	\$0	\$0	\$0	\$0
PRODUCTION LINER	\$0	\$0	\$0	\$0
PRODUCTION PROCESSING FACILITY	\$505,950	\$0	\$0	\$505,950
PRODUCTION TUBING	\$0	\$0	\$60,796	\$60,796
RODS/PUMPS	\$0	\$0	\$0	\$0
SUBSURFACE EQUIPMENT	\$0	\$0	\$0	\$0
WELLHEAD EQUIPMENT	\$0	\$0	\$45,023	\$45,023
MISCELLANEOUS	\$0	\$0	\$0	\$0
SUBTOTAL	\$932,239	\$902,717	\$147,218	\$1,982,174
TOTAL AFE	\$1,045,495	\$4,629,228	\$5,364,116	\$11,038,839

3
EXHIBIT

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 8, 2018

CERTIFIED MAIL

To: Persons on Exhibit A

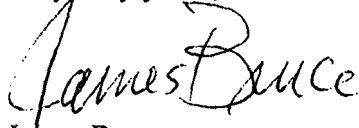
Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard spacing and proration unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by DGP Energy, LLC, regarding a Wolfcamp well in the E/2E/2 of Section 19 and the E/2SE/4 of Section 18, Township 16 South, Range 35 East, N.M.P.M., Eddy County, New Mexico.

This matter is for hearing at 8:15 a.m. on Thursday, May 31, 2018, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 21, 2018. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for DGP Energy, LLC

EXHIBIT 4

Exhibit A

Apache Corporation
Suite 3000
300 Veterans Airpark Lane
Midland, Texas 79705

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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OFFICIAL USE

Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
Here

Postage

\$

Total Postage and Fees

\$

Sent To Apache Corporation
Suite 3000
300 Veterans Airpark Lane
Street and Apt. No., or P.O. Box
Midland, Texas 79705

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047-1-1 See Reverse for Instructions

7017 2680 0000 1763 6264

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Apache Corporation
Suite 3000
300 Veterans Airpark Lane
Midland, Texas 79705

9590 9402 3866 8060 2724 95

2. Article

7017 2680 0000 1763 6264

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

DGP-GW Domestic Return Receipt

Offset Operators and Working Interest Owners

Section 18

Apache Corporation

Section 17

COG Operating LLC

N/2 Section 20

COG Operating LLC

SW/4 Section 20

Abo Empire LLC

NW/4 Section 29

DGP Energy, LLC

NE/4 Section 30

Vanguard Operating, LLC

W/2 Section 19

DGP Energy, LLC

EXHIBIT

5

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 8, 2018

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

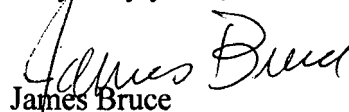
To: Persons on Exhibit A:

Enclosed is a copy of an application for a non-standard oil spacing and proration unit *etc.*, filed with the New Mexico Oil Conservation Division by DGP Energy, LLC, regarding a Wolfcamp well in the E/2E/2 of Section 19 and the E/2SE/4 of Section 18, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, May 31, 2018, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but **as an offset operator or working interest owner** who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

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Very truly yours,


James Bruce

Attorney for DGP Energy, LLC

EXHIBIT

6

EXHIBIT A

COG Operating LLC
600 West Illinois Avenue
Midland, Texas 79701

Abo Empire, LLC
P.O. Box 900
Artesia, New Mexico 88211

Vanguard Operating, LLC
Suite 3000
5847 San Felipe
Houston, Texas 77057

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Vanguard Operating, LLC
Suite 3000
5847 San Felipe
Houston, Texas 77057

9590 9402 3866 8060 2724 57

7017 2680 0000 1763 6271

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Shea Shelling*

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Shea Shelling

C. Date of Delivery

5/14/18

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ On Delivery Restricted Delivery
☐ Mail
☐ Restricted Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

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- ☐ Return Receipt (electronic) \$ _____
- ☐ Certified Mail Restricted Delivery \$ _____
- ☐ Adult Signature Required \$ _____
- ☐ Adult Signature Restricted Delivery \$ _____

Postage

\$ _____

Total Postage and Fees

\$ _____

Sent To

Abo Empire, LLC

P.O. Box 900

Street and Apt. No., or PO Box

Artesia, New Mexico 88211

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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5629 6295 1763 0000 2680 7017

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- ☐ Return Receipt (hardcopy) \$ _____
- ☐ Return Receipt (electronic) \$ _____
- ☐ Certified Mail Restricted Delivery \$ _____
- ☐ Adult Signature Required \$ _____
- ☐ Adult Signature Restricted Delivery \$ _____

Postage

\$ _____

Total Postage and Fees

\$ _____

Sent To

Vanguard Operating, LLC

Suite 3000

Street and Apt. No., or PO Box

5847 San Felipe

City, State, ZIP+4®

Houston, Texas 77057

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark
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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Abo Empire, LLC
P.O. Box 900
Artesia, New Mexico 88211

9590 9402 3866 8060 2724 71

2. Article

7017 2680 0000 1763 6295

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *CSO*

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

CSO

C. Date of Delivery

5-17-18

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type


- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Delivery

Domestic Return Receipt

7017 2680 0000 1763 6271

DGP

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>COG Operating LLC 600 West Illinois Avenue Midland, Texas 79701</p>		<p>B. Received by (Printed Name) _____ C. Date of Delivery <u>6/19/18</u></p>	
<p>2. Article Number <u>7017 2680 0000 1763 6301</u></p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below: _____</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>			
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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☐ Return Receipt (electronic) \$ _____

☐ Certified Mail Restricted Delivery \$ _____

☐ Adult Signature Required \$ _____

☐ Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To COG Operating LLC

600 West Illinois Avenue

Midland, Texas 79701

Street and Apt. No., or PO Box _____

City, State, ZIP+4® _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark Here

Gold Wolf- Top of Strawn Structure Map
(Underlies Wolfcamp D/Penn Shale)

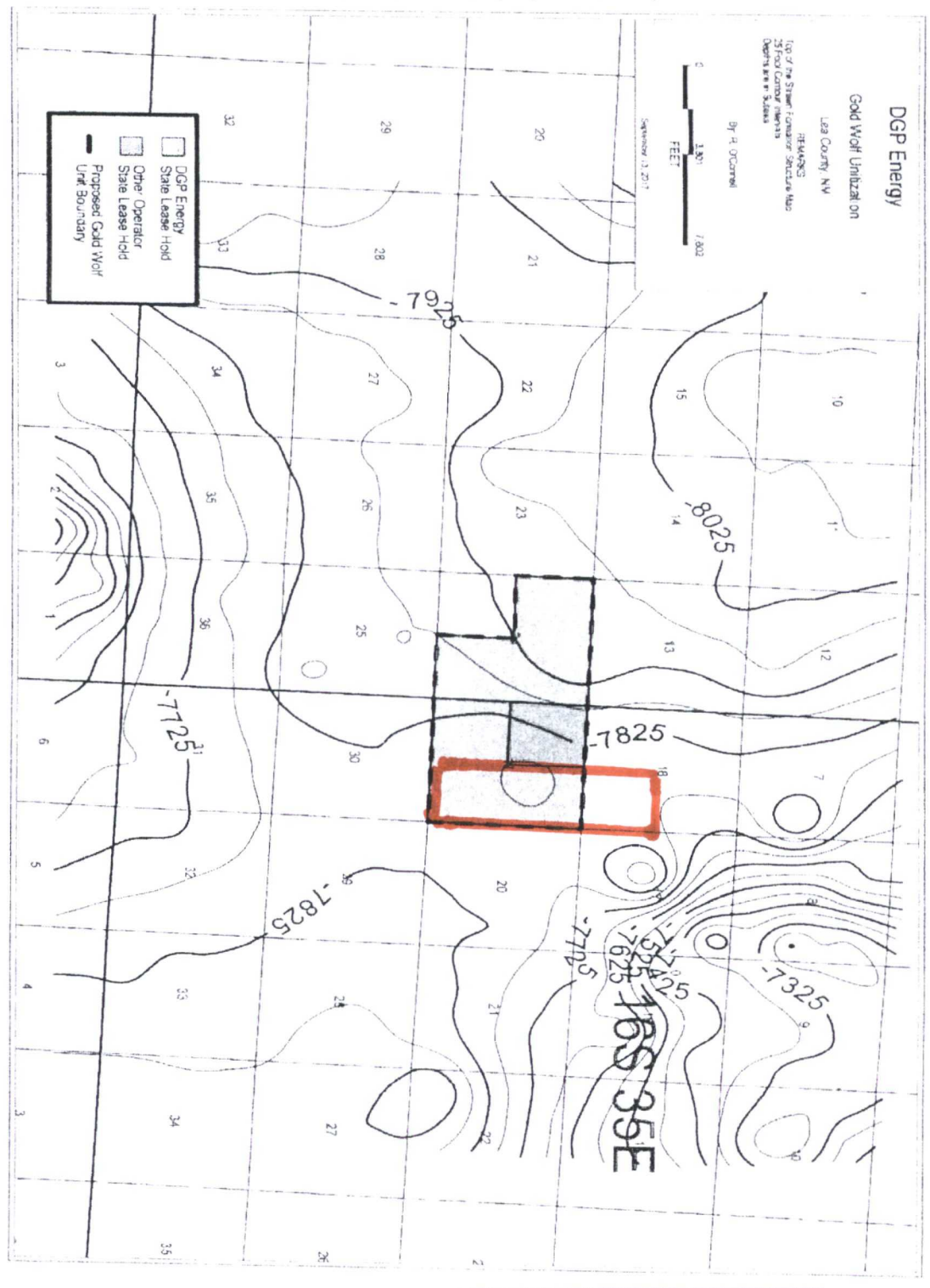
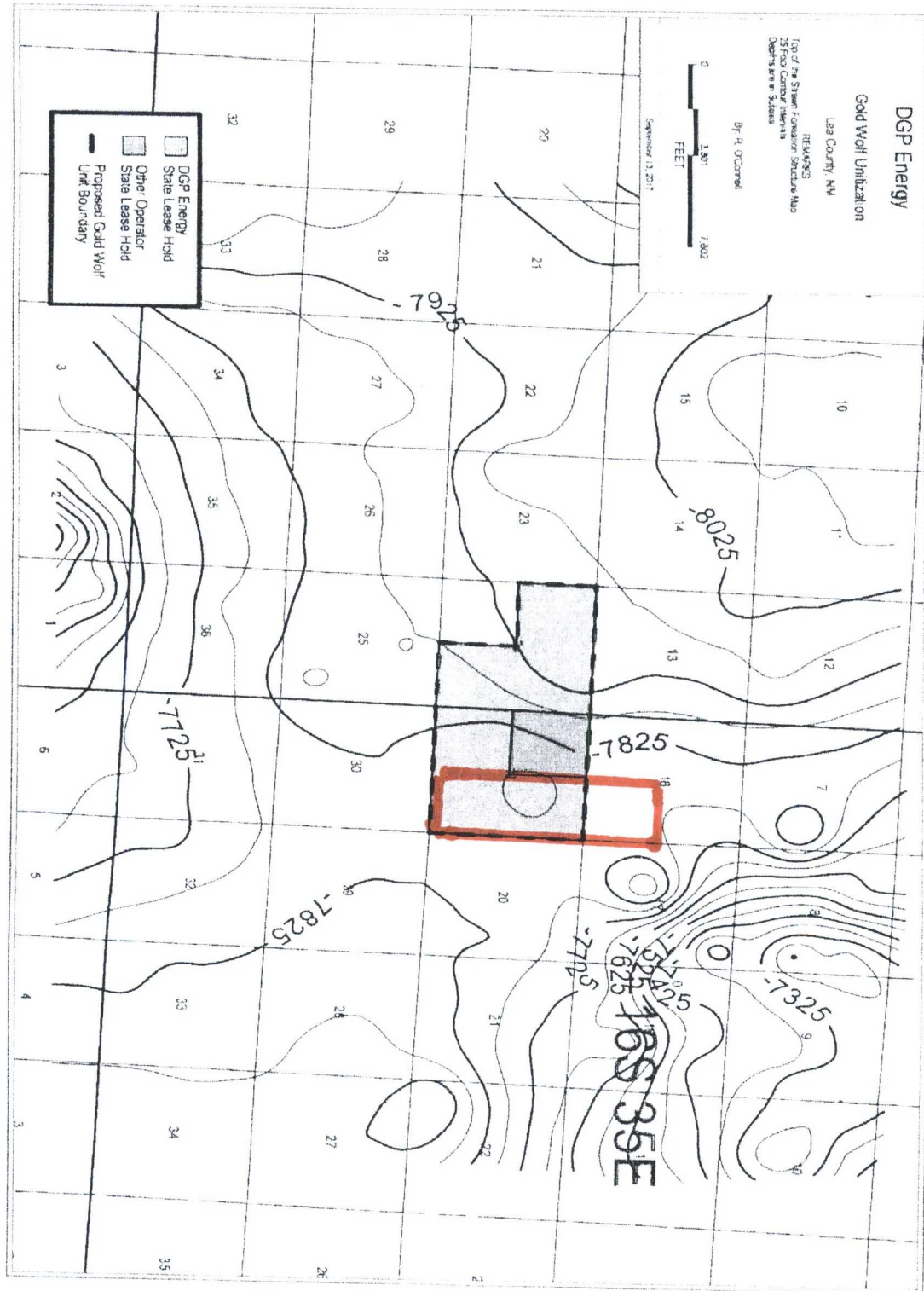


EXHIBIT 7

Gold Wolf- Top of Strawn Structure Map

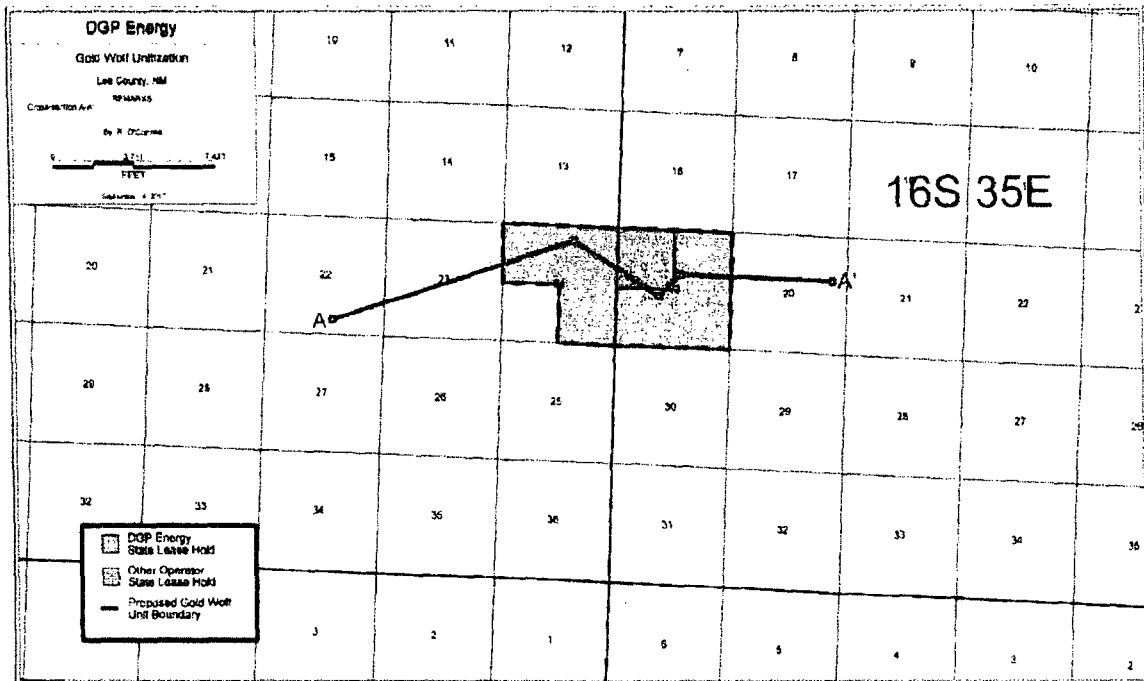
(Underlies Wolfcamp D/Penn Shale)



EXHIBIT

7

Gold Wolf- Wolfcamp D/Penn Shale Cross-Section Map



Gold Wolf- Wolfcamp D/Penn Shale Cross-Section

