STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF KAISER-FRANCIS OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 20295

VERIFIED STATEMENT OF MITCH SULLIVAN

COUNTY OF <u>TULSA</u>)) ss. STATE OF OKLAHOMA)

Mitch Sullivan, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the geological matters stated herein. I am a geologist for Kaiser-Francis Oil Company ("KFOC").

2. I have been qualified by the Division as an expert petroleum geologist. My area of responsibility at KFOC includes this portion of Southeast New Mexico.

3. The following geological plats are attached hereto:

(a) Attachment A is a structure map on the top of the Lower Avalon A Bone Spring zone. It shows that structure dips gently to the Southeast. It also shows the Lower Avalon A and Lower Avalon D Bone Spring wells in the vicinity of the proposed Red Hills Well Nos. 001H and 101H, and a line of cross-section.

(b) Attachment B is a Gross Sand Isopach map of the Lower Avalon A and Lower Avalon D Bone Spring zones. The Lower Avalon A and Lower Avalon D Bone Spring zones have uniform thickness across the proposed well unit.

(c) Attachment C is a Stratigraphic-Lower Avalon A cross section. The well logs on the cross-section give a representative sample of the Bone Spring formation in this area. The target zones for the wells are the Lower Avalon A and Lower Avalon D Bone Spring zones, and those zones are continuous across the well unit.

4. I conclude from the maps that:

(a) The horizontal spacing unit is justified from a geologic standpoint.

(b) Each quarter section in the well unit will contribute more or less equally to production from the wells.



(c) There is no faulting or other geologic impediment which will adversely affect the drilling of the subject wells.

5. KFOC sees no difference for standup or laydown wells in this area. KFOC chose standup due to our lease configuration.

6. Attachment D contains the proposed horizontal drilling plans for the wells. The producing interval of the wells will be orthodox, and will comply with Division setback requirements.

VERIFICATION

STATE OF OKLAHOMA)) ss. COUNTY OF TULSA)

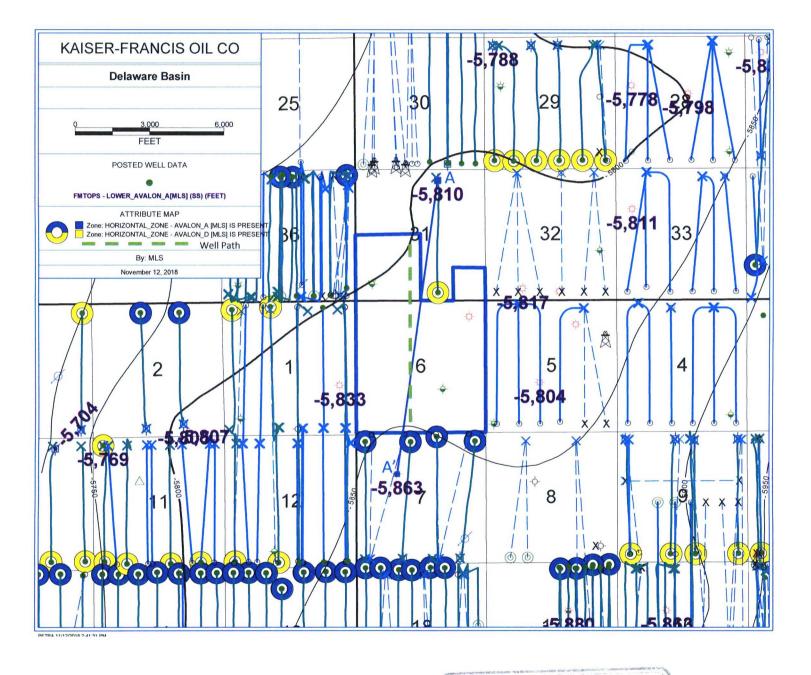
Mitch Sullivan, being duly sworn upon his oath, deposes and states that: He is a geologist for Kaiser-Francis Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

SUBSCRIBED AND SWORN TO before me this $1^{\rm st}$ day of March , 2019 by Mitch Sullivan.

My Commission Expires: 2 - 20 - 2

Notary Public

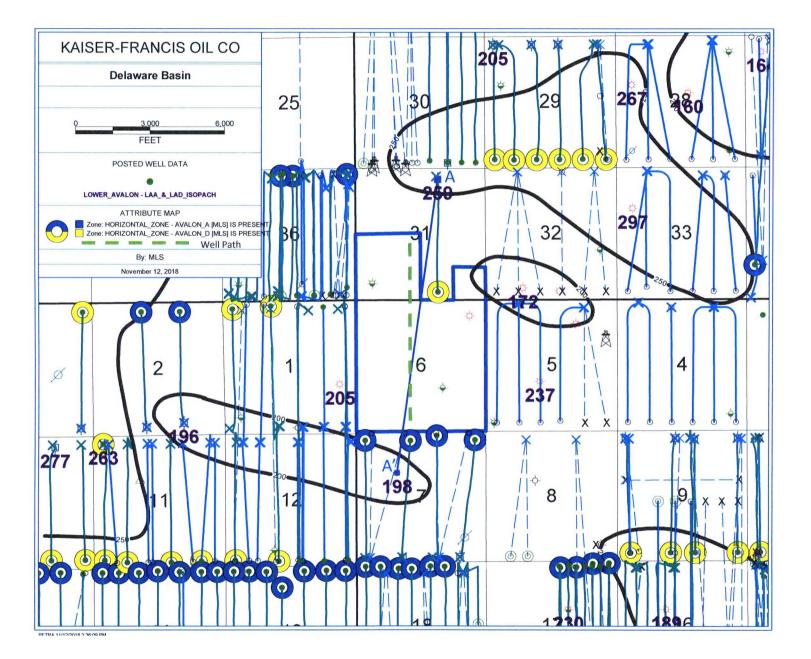




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ATTACHMENT A



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