Merrion Oil & Gas Corporation Authority for Expenditure (AFE) Drilling & Completion Well Cost Estimate

| | 92060 | AFE Type | : 1 | Lease: | Serendipity | | | | Well No: | 1 |
|--------------|--|---|--------------------------|--|---|--|-------------------------------|---|--|--|
| counting | Well No. | | | Project: | Drill a Fruitland | Fest | | | Field: | Basin Fruitland |
| cation: | | | | Lease No: | NM-33031 | | | | TD: | 1,350 ft |
| | | | | Spacing: | 320 acres | | | | Operator: | Merrion Oil & Gas |
| ounty: | San Juan | State: | NM | Prospect: | Serendipity | | | | By: | Steven Dunn, PE |
| ivision of k | | | | | w Share of | | BPO Int | | | Interest |
| | | | | | Estimated Cost | | wi | NRI | WI | NRI |
| n | Gross Working In | terest | | | \$117,343 | 1 | 00.000000% | 85.000000% | 100.000000% | |
| | Overrides | | | | ••••• | | | 2.500000% | | 2.500000% |
| | United States of A | America | | | | | | 12.500000% | I | 12.500000% |
| -, | Total | | | 1 | \$117,343 | 1 | 00.00000% | 100.000000% | 100.000000% | 100.00000% |
| | | | | | | | | | | |
| . SUNK W | ELLBORE CO | OSTS | | | | | | | | EST COST |
| | | | pit liner, trash cage, o | | | | | | | 2,000 |
| | | | | | | | | | | 1,000 500 |
| | Drilling Rig | | Footage cost | | 1,350ft | 8 | | \$6.50 | per foot | 8,775 |
| | Cement & Cemer | tina | Daywork | Surface | | days 🧿 | | - | per day | |
| | Combined Combine | | | | | | | | | , |
| | | | | | | days Q | | | per day | . , |
| | | | | | 0.5 | days 🕲 | | | per day | |
| | Trucking: | | | | | | | | | 1,100 |
| | | - | | | | | | | | |
| | Drilling mud | | | | | | | | | |
| | Casing | | 7", 23 lb/ft good use | | 240 | feet 🕲 | | | per foot | |
| | | Product. | 4 1/2", 10.5 lb/ft g | | | feet @ | | | per foot | |
| | | | . 1" | | 100 | feet @ | | | per foot | |
| | Fittings, valves for | r wellsite hooku | зр | | | | | | | |
| | | | | | ing, accounting, geology | | | | | 3,000 |
| | County tax | | TOTAL SUNK | 5.93% | | | | | | <u>1,740</u> \$43,893 |
| | | | TOTAL SUNK | WELLBUNE | .0313 | | | | | \$43,093 |
| | | | | | | | | | | 1.500 |
| | | | | | | | | | | |
| | | | - | | | | | | | with the second s |
| | Tank, 300 bbl ste | el for water | | | | | | | | 1,800 |
| | Tubing | | 2 3/8" 4.716/ft EUE | | | feet () | | - | per foot | |
| | Sucker Rods | | | | | feet Q | | \$0.97 | per foot | 1,285 |
| | Bottomhole pump | | | | | ····· | | •••••••••••••••••••••••••••• | | 1,350 |
| | County tay | | | | | | | | | |
| | County tax | | | 5.93% | | | | | | 1,450 |
| | | | TOTAL SURF | 5.93% | | | | | | |
| II. COMPL | ETION & TIE | -IN COSTS | TOTAL SURF | 5.93% ACE EQUIPMI | ENT | | | | | 1,450 \$25,920 |
| II. COMPL | ETION & TIE Completion Rig | -IN COSTS | TOTAL SURF | 5.93% ACE EQUIPMI | ENT . | days @ | | | per day | 1,450 \$25,920 . 5,600 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula | -IN COSTS | TOTAL SURF | 5.93% ACE EQUIPMI | ENT | days @ | | \$1,400 | per day | |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation | -IN COSTS | TOTAL SURF | 5.93% ACE EQUIPMI | <u>.</u> | days @ | | \$1,400 | per day | |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log | -IN COSTS Ition (includes t | TOTAL SURF | 5.93% ACE EQUIPMI | ENT4 | days @ | | \$1,400 | per day | 1,450 \$25,920 5,600 1,500 17,500 1,500 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot | -IN COSTS ation (includes to gging. ther services. | TOTAL SURF | 5.93% ACE EQUIPMI | ENT4 | days @ | | \$1,400 | per day | |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot | -IN COSTS Ition (includes b Iging | TOTAL SURF | 5.93% ACE EQUIPMI | ENT 4 | feet Q days Q | | \$1,400 \$3.00 \$400 | per day per foot per day | 1,450 \$25,920 5,600 1,500 17,500 1,500 1,500 1,200 6,000 1,600 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru Company Superv | -IN COSTS ntion (includes t iging | TOTAL SURF | 5.93% ACE EQUIPMI | ENT 4 | days @ feet @ days @ days @ | | \$1,400 \$3.00 \$400 \$400 | per day per foot per day per day | 1,450 \$25,920 5,600 1,500 17,500 1,500 1,500 1,200 6,000 1,600 . 1,600 . 800 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru Company Superv Location cleanup | -IN COSTS ntion (includes t iging | TOTAL SURF | 5.93% ACE EQUIPMI | ENT 4 | days @ feet @ days @ days @ | | \$1,400 \$3.00 \$400 \$400 | per day per foot per day per day | 1,450 \$25,920 5,600 1,500 1,500 1,500 1,500 1,200 6,000 1,600 . 800 500 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru Company Superv Location cleanup Flowline | -IN COSTS ation (includes t iging ther services tion | TOTAL SURF/ rucking) | 5.93% ACE EQUIPMI | ENT 4 | feet @ feet @ | | \$1,400 \$3.00 \$400 \$400 \$1.33 | per day per foot. per day per day per day | 1,450 \$25,920 5,600 1,500 17,500 1,500 1,200 6,000 1,600 1,600 500 2,660 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru Company Superv Location cleanup Flowline | -IN COSTS ation (includes t liging ther services ction er Run | TOTAL SURF/ rucking) | 5.93% ACE EQUIPMI | ENT 4 | days @ feet @ days @ days @ | | \$1,400 \$3.00 \$400 \$400 \$1.33 | per day per foot per day per foot | 1,450 \$25,920 5,600 1,500 17,500 1,500 1,200 6,000 1,600 500 2,660 3,800 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru- Company Superv Location cleanup Flowline Gas Meter & Mete Fittings, valves fo | -IN COSTS ation (includes t pging ther services ction er Run r flowline | TOTAL SURF/ rucking) | 5.93% ACE EQUIPMI | ENT 4 | days @ feet @ days @ days @ | | \$1,400 \$3.00 \$400 \$400 \$1.33 | per day per foot per day per foot | 1,450 \$25,920 5,600 1,500 17,500 1,200 6,000 1,200 6,000 1,600 500 2,660 3,800 500 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line construi Company Superv Location cleanup Flowline Gas Meter & Met Fittings, valves fo Perf sub & misc s Trucking, Rig Mor | -IN COSTS ation (includes t liging | TOTAL SURF/ rucking) | 5.93% ACE EQUIPMI | ENT 4 | days @ feet @ days @ days @ | | \$1,400 \$3.00 \$400 \$400 \$1.33 | per day per foot per day per foot | 1,450 \$25,920 5,600 1,500 17,500 1,500 1,200 6,000 1,600 800 500 2,660 3,800 500 2,500 500 |
| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru Company Superv Location cleanup Flowline Gas Meter & Met Fittings, valves fo Perf sub & misc s Trucking, Rig Mor Frac Tank rentals | -IN COSTS ation (includes t liging | TOTAL SURF/ rucking) | 5.93% ACE EQUIPMI | ENT 4 | feet Q days Q days Q days Q | | \$1,400 \$3.00 \$400 \$400 \$1.33 | per day per foot per day per foot | 1,450 \$25,920 5,600 1,500 17,500 1,500 1,200 6,000 1,600 800 500 2,660 3,800 500 2,500 250 |
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| II. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru Company Superv Location cleanup Flowline Gas Meter & Mett Fittings, valves fo Perf sub & misc s Trucking, Rig Mot Frac Tank rentals County tax | -IN COSTS ation (includes to Iging | TOTAL SURF | 5.93% ACE EQUIPMI Completion Flow Line 5.93% | ENT 4 | days @ feet @ days @ feet @ | | \$1,400 \$3.00 \$400 \$400 \$1.33 | per day per foot per day per foot | 1,450 \$25,920 5,600 1,500 1,500 1,500 1,200 6,000 1,600 800 500 2,680 3,800 500 2,500 250 250 2,620 750 |
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| | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru Company Superv Location cleanup Flowline Gas Meter & Mett Fittings, valves fo Perf sub & misc s Trucking, Rig Mot Frac Tank rentals County tax | -IN COSTS ation (includes to Iging | TOTAL SURF | 5.93% ACE EQUIPMI Completion Flow Line 5.93% | ENT4 | feet Q feet Q feet Q feet Q | OCD Exe | \$1,400 \$3.00 \$400 \$400 \$1.33 aminer He | per day per foot per day per day per foot | 1,450 \$25,920 5,600 1,500 17,500 1,200 6,000 1,600 800 2,660 3,800 2,660 3,800 2,50 2,50 500 2,50 500 2,50 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 500 2,50 500 500 500 500 500 500 500 500 500 |
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| | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru- Company Superv Location cleanup Flowline Gas Meter & Met Fittings, valves fo Perf sub & misc s Trucking, Rig Mo Frac Tank rentals County tax Administrative & d | -IN COSTS ation (includes to Iging | TOTAL SURF | 5.93% ACE EQUIPMI Completion Flow Line 5.93% | ENT 2,000 2 2,000 2 2 2 2 2 2 2 2 2 2 2 2 2 | days @ feet @ days @ feet @ NMC Aug Apj | OCD Exa gust 26 plicati | \$1,400 \$3.00 \$400 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.400 | per day per foot per day per day per foot | 1,450 \$25,920 5,600 1,500 1,500 1,500 1,200 6,000 1,600 800 500 2,680 3,800 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 2,50 500 500 2,50 500 3,800 500 500 500 500 500 500 500 500 500 |
| I. COMPL | ETION & TIE Completion Rig Water for Stimula Stimulation Perforating & Log Roustabouts & ot Flow line constru- Company Superv Location cleanup Flowline Gas Meter & Met Fittings, valves fo Perf sub & misc s Trucking, Rig Mo Frac Tank rentals County tax Administrative & d | -IN COSTS ation (includes to Iging | TOTAL SURF | 5.93% ACE EQUIPMI Completion Flow Line 5.93% | ENT4 | days @ feet @ days @ feet @ feet @ NMC Aug Apj Cas | OCD Exa gust 26 plicati | \$1,400 \$3.00 \$400 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 \$1.33 | per day per foot per day per day per foot ear ing | 1,450 \$25,920 5,600 1,500 1,500 1,500 1,200 6,000 1,600 500 2,680 3,800 500 2,680 3,800 500 2,680 3,800 500 2,50 2,620 750 500 2,500 2,620 750 500 2,5 |

Exhibit #____5

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