

Oxbow 23/24 W1LI Fed Com #2 H

Oxbow 23/24 W2LI Fed Com #1 H

**TRACT OWNERSHIP**  
**Oxbow 23/24 W2LI #1H**  
**Oxbow 23/24 W1LI #2H**  
**S/2 of Section 23 & S/2 of Section 24**  
**Township 25 South, Range 28 East**  
**Eddy County, New Mexico**

**S/2 of Section 23 and S/2 of Section 24:**  
**Wolfcamp formation:**

	<u>% Leasehold Interest</u>
*OXY USA Inc. P.O. Box 4294 Houston, TX 77210	45.238095%
Mewbourne Oil Company, et al 500 W. Texas Ave., Suite 1020 Midland, TX 79701	37.127975%
*Gebiano Oil & Gas Company P.O. Box 1782 Midland, TX 79702	3.571430%
*ConocoPhillips Company P.O. Box 2197 Houston, TX 77252	7.812500%
*EOG Resources Company 5509 Champions Drive Midland, TX 79706	6.250000%
	<hr/> <b>100.000000%</b>

**\* Total interest being pooled: 62.872025%**

EXHIBIT 2

**Summary of Communications**  
Oxbow 23/24 W2LI Fed Com #1H  
Oxbow 23/24 W1LI Fed Com #2H

EXHIBIT

3

OXY USA Inc.

1. Mailed well proposal with AFE via certified mail dated 11-8-2017.
2. Email conversation on 11-15-2017 with Matthew Cole discussing Mewbourne's drilling plan and the interest credited to OXY. Matthew provided me with a previously unknown JOA that altered the interest credited to OXY. Mewbourne agreed on new ownership interests.
3. Phone call on 12-14-2017 with my land manager and Matthew Cole. Discussed possible surface locations and Matthew requested limitation of the JOA to the Wolfcamp formation only – Mewbourne agreed.
4. Email with Matthew Cole on 1-31-2017 in which Mewbourne agreed to the requested JOA revisions of OXY.
5. Email with Matthew Cole on 2-1-2017 in which he states he is still waiting to hear from his team for approval of the Gas Balancing Agreement in the JOA. This is the last point of negotiation to be agreed upon before OXY signs the JOA.

ConocoPhillips Company

1. Mailed well proposal with AFE via certified mail dated 11-8-2017.
2. Email conversation with Judy Webb on 12-5-2017 regarding Conoco's lease burdens. I asked Judy if Conoco planned on joining in the unit but she did not have an answer.
3. Email with Laura Hanagarne on 12-7-2017 specifying the estimated spud dates of the proposed wells.
4. Conoco sent signed AFEs for the proposed wells on 12-18-2017 and email from Laura Hanagarne on same date stated JOA will follow.
5. Emailed Laura Hanagarne on 1-5-2018 inquiring about signature pages for the proposed JOA.
6. Received email on 2-6-2018 from Judy Webb informing me that Conoco was preparing a conditional letter of acceptance with proposed changed to the JOA.
7. Emailed Judy Webb on 2-14-2018 inquiring as to the status of the conditional letter of acceptance, since I had not received it yet.
8. Received Conoco's conditional letter of acceptance on 2-15-2018 with 23 requested revisions to the JOA.

EOG Resources Company

1. Mailed well proposal with AFE via certified mail dated 11-8-2017.
2. Called Charles Moran on 11-29-17. He was out of the office and I left a voicemail.
3. Called Clay Haggard on 12-13-17. No answer and I left a voicemail.

4. Emailed Clay Haggard on 1-16-2018 and said I had not received any feedback from anyone at EOG. I asked him to please forward my inquiry to whoever was handling the project area.
5. Emailed Clay Haggard on 1-17-2018 to inform him of revisions to the initial JOA.
6. Called Charles Moran 1-25-2018. He was out of the office and I left a voicemail.
7. Received voicemail from Charles Moran on 1-25-2018 stating that he has spoken to Mewbourne's district exploration manager, Drew Robison, about finding a possible trade target for EOG's interest.
8. Sent email to Charles Moran on 1-26-2018 to confirm I received his message regarding possible trades. Informed him we would work to evaluate targets and encouraged him to send any ideas he had over for evaluation.

#### Gebiano Oil & Gas Company

1. Mailed well proposal with AFE via certified mail dated 11-8-2017.
2. Emailed Barr Bolger on 11-28-2017 to inform him of the discovery of a previously unknown JOA, brought to our attention by OXY. This JOA would reduce Gebiano's interest in the unit and I gave him our new calculated interests.
3. Phone call on 12-13-2017 to Barr Bolger. No answer and left voicemail.
4. Received email on 2-2-2018 from Taylor Craighead informing me that Colgate Production had acquired Gebiano's interest in the unit.
5. Emailed Taylor Craighead on 2-5-2018 and sent her copies of the most current proposed JOA form and AFEs.
6. Received email from Taylor Craighead on 2-6-2018 proposing a possible trade for Colgate's interest in the unit.
7. Currently evaluating and negotiating possible trade opportunities with Colgate.

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

November 8, 2017

*Via Certified Mail*

OXY USA, Inc.  
P.O. Box 4294  
Houston, TX 77210  
Attn: John Schneider

Re: Oxbow 23/24 W2LI Fed Com #1H  
2150' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 2,560.00 acre Working Interest Unit ("WIU") covering the referenced Sections 23 & 24, as well as Sections 25 & 26, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, OXY USA Inc. ("OXY") owns a 75% interest in the S/2 of Sec. 23, W/2 SW/4 of Sec. 24, SW/4, and W/2 SE/4 of Sec. 25, and All of Sec. 26. Accordingly, OXY would own 37.500000% working interest in the proposed WIU (75% interest X 1,280 gross acres = 960 net acres/ 2560 unit acres = 37.500000% WIU acres).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,785 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 20,410 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 26, 2017 for the above referenced proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated October 1, 2017 and an extra set of signature pages. In the event OXY elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

November 8, 2017

*Via Certified Mail*

OXY USA, Inc.  
P.O. Box 4294  
Houston, TX 77210  
Attn: John Schneider

Re: Oxbow 23/24 W1LI Fed Com #2H  
2200' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 2,560.00 acre Working Interest Unit ("WIU") covering the referenced Sections 23 & 24, as well as Sections 25 & 26, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, OXY USA Inc. ("OXY") owns a 75% interest in the S/2 of Sec. 23, W/2 SW/4 of Sec. 24, SW/4, and W/2 SE/4 of Sec. 25, and All of Sec. 26. Accordingly, OXY would own 37.500000% working interest in the proposed WIU (75% interest X 1,280 gross acres = 960 net acres/ 2560 unit acres = 37.500000% WIU acres).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,985 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,661 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 26, 2017 for the above referenced proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated October 1, 2017 and an extra set of signature pages. In the event OXY elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

## Trace Dilliner

---

**From:** Matthew\_Cole@oxy.com  
**Sent:** Thursday, November 16, 2017 1:45 PM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Prospect Proposals

I am not sure what our appetite is yet, only concern I can see so far is that we would be stranding our ~90% interest in Section 35 under a 4 section development plan. From what I can tell we were looking at developing 26 and 35 at one time but I am not sure if that is still the case.

Thanks

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**From:** Trace Dilliner [mailto:tdilliner@mewbourne.com]  
**Sent:** Thursday, November 16, 2017 1:34 PM  
**To:** Cole, Matthew W <Matthew\_Cole@oxy.com>  
**Subject:** [EXTERNAL] RE: Oxbow Prospect Proposals

We weren't actually aware of the JOA and it seems will need to pursue a partial refund from our assignor in the area. Fortunately for MOC, our overall interest is largely unaffected. MOC will now be at 33.41704% WIU

Do you have any inclinations as to what OXY would like to do regarding our proposed wells? I believe we are open to picking up more interest in the unit.

Thanks,

**Trace Dilliner**  
Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

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**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [mailto:Matthew\_Cole@oxy.com]  
**Sent:** Thursday, November 16, 2017 8:23 AM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Prospect Proposals

What's Mewbourne's interest in the WIU? Does the change in our interest affect Mewbourne's?

Thanks

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**From:** Trace Dilliner [mailto:tdilliner@mewbourne.com]  
**Sent:** Thursday, November 16, 2017 8:14 AM  
**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>  
**Subject:** [EXTERNAL] RE: Oxbow Prospect Proposals

Matthew,

I was not aware of this one. Benefits of taking over other people's work, I guess. I'll take a look and take any revisions needed to my manager.

Thanks,

**Trace Dilliner**

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
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---

**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [[mailto:Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)]

**Sent:** Thursday, November 16, 2017 8:12 AM

**To:** Trace Dilliner

**Subject:** RE: Oxbow Prospect Proposals

Trace,

Please see attached, I was referring to the JOA from 9/27/95.

Thanks

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**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]

**Sent:** Wednesday, November 15, 2017 1:52 PM

**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>

**Subject:** [EXTERNAL] RE: Oxbow Prospect Proposals

Matthew,

Attached is the JOA I was provided. It states that in the initial well after CP election and in subsequent wells that POGO (eventually leading to OXY I believe) would own 75% WI. Are you referring to a separate JOA that gives OXY 90.476190% in subsequent wells?

Thanks,

**Trace Dilliner**

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**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [[mailto:Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)]

**Sent:** Wednesday, November 15, 2017 10:45 AM

**To:** Trace Dilliner  
**Subject:** RE: Oxbow Prospect Proposals

I am new to the area as well. Let me know if you need a copy of it.

Thanks

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**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Wednesday, November 15, 2017 10:44 AM  
**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>  
**Subject:** [EXTERNAL] RE: Oxbow Prospect Proposals

Hey Matthew,

I am taking over this prospect from a few other guys that have worked on it. It doesn't appear that the most recent one saved that JOA in the file anywhere. I'll track it down and get back to you once I've taken a look.

Thanks,

**Trace Dilliner**  
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Mewbourne Oil Company  
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Midland, TX 79701 US

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**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [[mailto:Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)]  
**Sent:** Wednesday, November 15, 2017 10:27 AM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Prospect Proposals

Hi Trace,

I have been reviewing our records on the Oxbow wells and it looks like OXY's interest would be 45.238095% across the unit. The JOA we have in place credits OXY with 75% in the first well that was drilled (Sam Federal No. 2 Well) and 90.476190% in any subsequent wells drilled in the contract area. Do you have updated title that reflects differently?

I am coming up with the following  $90.476190\% \times 1280 = 1158.09532 \text{ net}/2560 = 45.238095\% \text{ WIU}$

Thanks

Matthew Cole  
Land Negotiator Advisor  
OXY USA Inc.  
5 Greenway Plaza, Suite 110 | Houston, TX 77046  
Office: (713) 366-5928  
E-Mail: [Matthew\\_Cole@oxycom](mailto:Matthew_Cole@oxycom)

**From:** Schneider, John V  
**Sent:** Monday, November 13, 2017 6:52 AM  
**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>  
**Subject:** FW: Oxbow Prospect Proposals

FYI – well proposals for your handling. Attached is an example (Tater Tot) of how we route them. Let me know if you have any questions.

JVS

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Wednesday, November 08, 2017 2:59 PM  
**To:** Schneider, John V <[John\\_Schneider@oxy.com](mailto:John_Schneider@oxy.com)>  
**Cc:** Corey Mitchell <[cmitchell@Mewbourne.com](mailto:cmitchell@Mewbourne.com)>  
**Subject:** [EXTERNAL] Oxbow Prospect Proposals

Hey John,

Corey asked me to send this stuff over to you prior to putting it in the mail. We are moving ahead with proposals of our Oxbow prospect wells and wanted to give you a heads up. We have time obligations that we are up against here so we'd like to get the ball rolling. Attached are 4 (four) well proposal letters, the associated AFEs for each well, and our proposed JOA for the unit.

Should you have any questions please feel free to give me a call. Thanks!

Regards,

**Trace Dilliner**  
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Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

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Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

## Trace Dilliner

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**From:** Matthew\_Cole@oxy.com  
**Sent:** Thursday, December 14, 2017 9:19 AM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Unit

10am will work.

Thanks

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**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Thursday, December 14, 2017 9:17 AM  
**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>  
**Subject:** [EXTERNAL] RE: Oxbow Unit

Matt,

I got with my land manager and an engineer and I believe we're going to try and give you a call around 10AM today. Let me know if that doesn't work and we can shoot for another time

### Trace Dilliner

Petroleum Landman  
Mewbourne Oil Company  
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---

**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [[mailto:Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)]  
**Sent:** Wednesday, December 13, 2017 10:47 AM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Unit

Trace,

Thanks for the note. Specifics would be helpful...reason being we have some concern on the size of the proposed JOA and as mentioned before stranding section 35. Additionally, is there a development plan that would work where we could exclude section 26? If not can we limit the JOA to just the spacing units? If we limited it that would preserve us with stand 1.5 mile laterals in the S/2 of 26 and all of 35 or 2 mile laterals if 26 was excluded.

Thanks

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**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Wednesday, December 13, 2017 10:29 AM

**Trace Dilliner**

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**From:** Trace Dilliner  
**Sent:** Tuesday, January 16, 2018 2:16 PM  
**To:** Clay Haggard  
**Subject:** Oxbow Unit - Sections 23,24,25, & 26-T25S-R28E

Clay,

Sorry if this is directed to the wrong person - I don't have a contact with EOG for the captioned area. Mewbourne proposed the Unit and JOA in early November, but have not received any feedback from EOG. Would you mind forwarding my inquiry on to whoever is handling the area? I'd love to get on the phone and hear what you guys are thinking here.

Thanks for the help!

Regards,

**Trace Dilliner**

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Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

## Trace Dilliner

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**From:** Matthew\_Cole@oxy.com  
**Sent:** Thursday, February 01, 2018 7:33 AM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Unit JOA Revisions

Trace,

Sounds good. I will let you know as soon as I have comments from the Gas folks.

Thanks

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**From:** Trace Dilliner [mailto:tdilliner@mewbourne.com]  
**Sent:** Wednesday, January 31, 2018 2:38 PM  
**To:** Cole, Matthew W <Matthew\_Cole@oxy.com>  
**Subject:** [EXTERNAL] RE: Oxbow Unit JOA Revisions

Matt,

That is all agreeable on our end. However, we would like to handle the self-insurance with a letter agreement. I'll hold off on sending a revised JOA until we get the GBA settled, though. If that's alright with you.

Thanks for working with us on this!

### Trace Dilliner

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

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---

**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [mailto:Matthew\_Cole@oxy.com]  
**Sent:** Wednesday, January 31, 2018 8:51 AM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Unit JOA Revisions

Trace,

I followed up on the GBA yesterday but have not heard back. I will keep pushing on the Gas folks. Outside of the GBA I think this is all I have left:

1. Pg. 15 – Removed Pref Right- Agreeable, team signed off yesterday
2. Article III B. If unwilling to change to 16% can we include the following: E. Burdens: If the interest of any party in any oil and gas lease covered by this agreement is subject to any royalty, overriding royalty, production payments, or other burdens, the total of which is less than 25% on a 100% basis, the difference between 25%

and the total existing burdens shall inure to the benefit of the party as overriding royalty production. (Same Language that was used on the Armstrong Prospect)

3. OXY USA, Inc.: Change to OXY USA Inc. (need to remove comma)
4. OXY has the Right to Self-Insure. Would like to insert the following provision in the Insurance exhibit D-  
“Notwithstanding the foregoing, OXY USA Inc. shall have the right to self insure any of the foregoing insurance requirements and Operator shall not bill any portion of the premiums attributable to such policies against OXY USA Inc., except with respect to workers’ compensation as provided in Article V.D.9 of this Agreement. The foregoing is personal in nature OXY USA Inc. and in the event OXY USA Inc. assigns its interest in this Agreement, the assignee pursuant to such assignment shall be responsible for its proportionate share of the premiums attributable to such policies.”

We can address the self-insurance in a letter agreement if easier. I have attached one that was done in the past for reference.

Let me know if the above is agreeable. Sorry this is dragging out but we are getting close!

Thanks

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Wednesday, January 31, 2018 7:43 AM  
**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>  
**Subject:** [EXTERNAL] RE: Oxbow Unit JOA Revisions

Thanks, Matt! I’ll be out of the office from later this afternoon until Monday. I will still be available through email though.

You think you guys are getting close on reviewing the GBA? We have Pooling hearings next month and would love to dismiss as many people as possible if we can get them signed up.

Thanks,

**Trace Dilliner**  
Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

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---

**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [[mailto:Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)]  
**Sent:** Tuesday, January 30, 2018 11:00 AM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Unit JOA Revisions

Trace,

Still waiting on feedback on the Pref, I will follow up on it today.

Thanks

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Monday, January 29, 2018 8:21 AM  
**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>  
**Subject:** [EXTERNAL] RE: Oxbow Unit JOA Revisions

Matt,

I know you guys are going over the GBA still, but I wanted to circle back on this pref right thing below. Would really make our lives easier if we could leave it struck so I wanted to see if OXY is flexible at all on this issue.

Appreciate the help.

**Trace Dilliner**

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

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Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Trace Dilliner  
**Sent:** Tuesday, January 23, 2018 10:29 AM  
**To:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)  
**Subject:** RE: Oxbow Unit JOA Revisions

Matt,

We've had some other partners reach out to say they will not sign the JOA with the pref right removed. While I certainly understand OXY's position on the issue and why you want to keep it in, is this an issue you guys are flexible on? We'd really like to get this unit penned and ready to go soon.

Let me know your thoughts.

Thanks,

**Trace Dilliner**

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
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---

**From:** [Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com) [[mailto:Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)]

**Sent:** Monday, January 22, 2018 8:51 AM

**To:** Trace Dilliner

**Subject:** RE: Oxbow Unit JOA Revisions

Trace,

Thanks for the update...my changes matched much of what has been updated. Please see below for additional comments/requests:

1. Pg. 15 – Removed Pref Right- Typically were agreeable but in this case we would like to keep the Pref Right in since we are the largest working interest owner.
2. Exhibit "A": Edited contract area to correctly include Sections 23 & 26-Ok
3. Exhibit "A": Edited to limit depth restriction to **Wolfcamp Formation Only** (This change also requested by OXY & implemented)- Ok
4. Exhibit "A": Added "&" to RKI Exploration & Production, LLC under subsection 4, Percentages of Parties- OK
5. COPAS, Pg. 9: 1. A. (ii) Technical Services: Changed to Alternative 3 from Alternative 2- OK
6. Gas Balancing Agreement, Pg. 3: Unstrike 7.1 – Changed from twelve (12) to twenty-four (24) months-Still waiting on comments back from our Gas Marketing group.

Article III B. Change from 25% to 12.5%. Based on the info I have our burdens do not exceed 12.5%

Exhibit A. 3. Change John Schneider to Permian Land Manager

4. Update OXY's WI to 45.24% (Our interest Changed from 75% to 90.476190% after the first well (Sam Fed NO. 2 Well))

I will follow up once I have comments back on the GBA. Let me know if you have any questions.

Thanks

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**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]

**Sent:** Wednesday, January 17, 2018 2:30 PM

**To:** Cole, Matthew W <[Matthew\\_Cole@oxy.com](mailto:Matthew_Cole@oxy.com)>

**Subject:** [EXTERNAL] Oxbow Unit JOA Revisions

Matt,

We've had some partners request changes to the Oxbow Unit's proposed JOA. MOC has agreed to the following changes:

1. Pg. 15 – Removed Pref Right
2. Exhibit "A": Edited contract area to correctly include Sections 23 & 26

3. Exhibit "A": Edited to limit depth restriction to **Wolfcamp Formation Only** (This change also requested by OXY & implemented)
4. Exhibit "A": Added "&" to RKI Exploration & Production, LLC under subsection 4, Percentages of Parties
5. COPAS, Pg. 9: 1. A. (ii) Technical Services: Changed to Alternative 3 from Alternative 2
6. Gas Balancing Agreement, Pg. 3: Unstrike 7.1 – Changed from twelve (12) to twenty-four (24) months

Attached is an up-to-date version of the JOA. If you find any of these changes disagreeable, please contact me as soon as possible and we can work on a solution.

Thank you,

**Trace Dilliner**

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170

Cell: (405) 802-4942

Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

November 8, 2017

*Via Certified Mail*

ConocoPhillips Co.  
P.O. Box 2197  
Houston, TX 77252

Re: Oxbow 23/24 W2LI Fed Com #1H  
2150' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 2,560.00 acre Working Interest Unit ("WIU") covering the referenced Sections 23 & 24, as well as Sections 25 & 26, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, ConocoPhillips Co. ("Conoco") owns a 100% interest in the E/2NE/4, NE/4SE/4 of Sec. 24 and E/2SE/4 of Sec. 25. Accordingly, Conoco will own 7.812500% working interest in the proposed WIU (100% interest X 200 gross acres = 200 net acres/ 2560 unit acres = 7.812500% WIU acres).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,785 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 20,410 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 26, 2017 for the above referenced proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated October 1, 2017 and an extra set of signature pages. In the event Conoco elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

November 8, 2017

Via Certified Mail

ConocoPhillips Co.  
P.O. Box 2197  
Houston, TX 77252  
Attn: Mrs. Judy Webb

Re: Oxbow 23/24 WILI Fed Com #2H  
2200' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 2,560.00 acre Working Interest Unit ("WIU") covering the referenced Sections 23 & 24, as well as Sections 25 & 26, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, ConocoPhillips Co. ("Conoco") owns a 100% interest in the E/2NE/4, NE/4SE/4 of Sec. 24 and E/2SE/4 of Sec. 25. Accordingly, Conoco will own 7.812500% working interest in the proposed WIU (100% interest X 200 gross acres = 200 net acres/ 2560 unit acres = 7.812500% WIU acres).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,985 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,661 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 26, 2017 for the above referenced proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated October 1, 2017 and an extra set of signature pages. In the event Conoco elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

## Trace Dilliner

---

**From:** Hanagarne, Laura L <Laura.L.Hanagarne@conocophillips.com>  
**Sent:** Thursday, December 07, 2017 1:06 PM  
**To:** Trace Dilliner  
**Subject:** RE: [EXTERNAL]RE: Oxbow new drills

Thank you for the information.

Laura

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Thursday, December 07, 2017 1:06 PM  
**To:** Hanagarne, Laura L <[Laura.L.Hanagarne@conocophillips.com](mailto:Laura.L.Hanagarne@conocophillips.com)>  
**Subject:** [EXTERNAL]RE: Oxbow new drills

Laura,

We plan to spud the first two wells (the 23/24 ones) in the last week of March and first week of May 2018. The 25/26 wells are currently slated for September & October of 2019. Let me know if I can get any other info for you!

Thank you,

### Trace Dilliner

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Hanagarne, Laura L [<mailto:Laura.L.Hanagarne@conocophillips.com>]  
**Sent:** Thursday, December 07, 2017 7:24 AM  
**To:** Trace Dilliner  
**Subject:** Oxbow new drills

Trace,

Good Morning, as a follow up on the AFE's our Engineers are asking when Mewbourne plans to spud the Oxbow wells?

Thank you!

Laura Hanagarne  
SENM Senior Land Technician  
EC3-7-W356  
832-486-2105

## Trace Dilliner

---

**From:** Trace Dilliner  
**Sent:** Thursday, December 07, 2017 1:21 PM  
**To:** Webb, Judy (TEAM, Inc.)  
**Subject:** RE: [EXTERNAL]RE: Proposed Oxbow Wells 23/24 and 25/26 - T25S-R28E - Eddy Co., NM

Judy,

Sorry for the oversight. I was working off an old copy of the Exhibit A because someone didn't update it on the server and I didn't even see Lease 8.

Currently my records show NM-13413 at a **75% NRI**. However, we do not have updated title for this tract yet. Based on what we do have, I'm pretty confident that is correct.

Our spud date estimations are the first two wells (the 23/24 ones) in the last week of March and first week of May 2018. The 25/26 wells are currently slated for September & October of 2019.

Thank you,

### Trace Dilliner

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Webb, Judy (TEAM, Inc.) [<mailto:Judy.Webb@contractor.conocophillips.com>]  
**Sent:** Thursday, December 07, 2017 1:03 PM  
**To:** Trace Dilliner  
**Subject:** RE: [EXTERNAL]RE: Proposed Oxbow Wells 23/24 and 25/26 - T25S-R28E - Eddy Co., NM

Trace,

Thank you for the information provided below. I noticed that you did not provide the lease burdens for JOA Lease No. 8 that covers the N/2 of Section 23. Could you please provide us with those lease burdens also? I realize that the N/2 of Section 23 is not included in either of the proposed proration units for the balloted Oxbow wells, but it is important to us to know the lease burdens across the entire, proposed JOA contract area prior to executing the JOA.

Also, could you please tell me when Mewbourne estimates spudding these wells?

I do not have any insight yet as to whether we plan to participate in the wells or not.

Thanks,

Judy

Please let me know if I can provide any further information. Do you have any insight as to COP's inclination to participate in the proposed wells? Or, if there are any JOA questions/modifications I'd be happy to help.

Thank you,

**Trace Dilliner**

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Webb, Judy (TEAM, Inc.) [<mailto:Judy.Webb@contractor.conocophillips.com>]  
**Sent:** Tuesday, November 21, 2017 1:35 PM  
**To:** Trace Dilliner  
**Subject:** Proposed Oxbow Wells 23/24 and 25/26 - T25S-R28E - Eddy Co., NM

Hi Trace,

I received your four ballots for the subject wells, along with your proposed JOA covering 2560 Acres. Could you please provide us with the lease burdens associated with the Exhibit "A" leases so that we can calculate our estimated NRI in the proposed 640-acre proration units?

The burdens on COPC's lease are 12.5% RI and 8.5% ORRI.

Thanks,

Judy N. Webb, CPL  
Contract Landman – NM Permian  
832-486-3262 (Off.)  
[Judy.Webb@contractor.conocophillips.com](mailto:Judy.Webb@contractor.conocophillips.com)

## Trace Dilliner

---

**From:** Trace Dilliner  
**Sent:** Friday, January 05, 2018 3:09 PM  
**To:** 'Hanagarne, Laura L'  
**Subject:** RE: Oxbow 26/25 W2DA Fed Com #1H & #2H

Hi Laura,

I was curious if you guys have sent out executed signature pages for the JOA covering the Oxbow Unit yet? I don't think I have received them, but wanted to double check since we have gotten signed AFEs. MOC is moving forward with Pooling applications imminently. If we have not received them yet, I will have to list COP as a respondent. However, we will of course dismiss you guys as soon as you are signed up.

Please let me know when you get a chance.

Thanks!

### Trace Dilliner

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Hanagarne, Laura L [<mailto:Laura.L.Hanagarne@conocophillips.com>]  
**Sent:** Monday, December 18, 2017 12:53 PM  
**To:** Trace Dilliner  
**Subject:** Oxbow 26/25 W2DA Fed Com #1H & #2H

Trace,

Please see COPC's response to the Oxbow 26/25 wells, originals will follow by Certified Mail and JOA will follow.

Thank you!

Laura Hanagarne  
SENM Senior Land Technician  
EC3-7-W356  
832-486-2105

## Trace Dilliner

---

**From:** Hanagarne, Laura L <Laura.L.Hanagarne@conocophillips.com>  
**Sent:** Thursday, December 07, 2017 1:06 PM  
**To:** Trace Dilliner  
**Subject:** RE: [EXTERNAL]RE: Oxbow new drills

Thank you for the information.

Laura

---

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Thursday, December 07, 2017 1:06 PM  
**To:** Hanagarne, Laura L <Laura.L.Hanagarne@conocophillips.com>  
**Subject:** [EXTERNAL]RE: Oxbow new drills

Laura,

We plan to spud the first two wells (the 23/24 ones) in the last week of March and first week of May 2018. The 25/26 wells are currently slated for September & October of 2019. Let me know if I can get any other info for you!

Thank you,

**Trace Dilliner**

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Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

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**From:** Hanagarne, Laura L [<mailto:Laura.L.Hanagarne@conocophillips.com>]  
**Sent:** Thursday, December 07, 2017 7:24 AM  
**To:** Trace Dilliner  
**Subject:** Oxbow new drills

Trace,

Good Morning, as a follow up on the AFE's our Engineers are asking when Mewbourne plans to spud the Oxbow wells?

Thank you!

Laura Hanagarne  
SENM Senior Land Techincian  
EC3-7-W356  
832-486-2105

## Trace Dilliner

---

**From:** Trace Dilliner  
**Sent:** Friday, January 05, 2018 3:09 PM  
**To:** 'Hanagarne, Laura L'  
**Subject:** RE: Oxbow 26/25 W2DA Fed Com #1H & #2H

Hi Laura,

I was curious if you guys have sent out executed signature pages for the JOA covering the Oxbow Unit yet? I don't think I have received them, but wanted to double check since we have gotten signed AFEs. MOC is moving forward with Pooling applications imminently. If we have not received them yet, I will have to list COP as a respondent. However, we will of course dismiss you guys as soon as you are signed up.

Please let me know when you get a chance.

Thanks!

### Trace Dilliner

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Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Hanagarne, Laura L [<mailto:Laura.L.Hanagarne@conocophillips.com>]  
**Sent:** Monday, December 18, 2017 12:53 PM  
**To:** Trace Dilliner  
**Subject:** Oxbow 26/25 W2DA Fed Com #1H & #2H

Trace,

Please see COPC's response to the Oxbow 26/25 wells, originals will follow by Certified Mail and JOA will follow.

Thank you!

Laura Hanagarne  
SENM Senior Land Technician  
EC3-7-W356  
832-486-2105

---

**From:** Webb, Judy (TEAM, Inc.) [<mailto:Judy.Webb@contractor.conocophillips.com>]  
**Sent:** Wednesday, February 14, 2018 10:45 AM  
**To:** Trace Dilliner  
**Subject:** RE: [EXTERNAL]Oxbow Unit JOA Revisions

Trace,

I met this morning with our legal counsel on this JOA, and I will be sending our proposed Conditional Letter of Acceptance to you today for your review and comments.

Thanks,

Judy N. Webb, CPL  
Contract Landman – NM Permian  
832-486-3262 (Off.)  
[Judy.Webb@contractor.conocophillips.com](mailto:Judy.Webb@contractor.conocophillips.com)

---

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Wednesday, February 14, 2018 8:55 AM  
**To:** Webb, Judy (TEAM, Inc.) <[Judy.Webb@contractor.conocophillips.com](mailto:Judy.Webb@contractor.conocophillips.com)>  
**Subject:** RE: [EXTERNAL]Oxbow Unit JOA Revisions

Judy,

Just wanted to check in on this since we have yet to receive anything. We have our pooling hearing on the 22<sup>nd</sup> and I'd love to have things wrapped up so we can dismiss COP prior. Please let me know if there's anything I can do.

Thank you,

**Trace Dilliner**  
Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Webb, Judy (TEAM, Inc.) [<mailto:Judy.Webb@contractor.conocophillips.com>]  
**Sent:** Tuesday, February 06, 2018 10:59 AM  
**To:** Trace Dilliner  
**Subject:** RE: [EXTERNAL]Oxbow Unit JOA Revisions

Hi Trace,

I wanted to let you know that I'm preparing a conditional letter of acceptance with our proposed changes to the Oxbow JOA and hope to get that to you this week. Most of the changes are similar to the ones that we proposed on the Mewbourne Slider JOA.

Thanks,

Judy N. Webb, CPL  
Contract Landman – NM Permian  
832-486-3262 (Off.)  
[Judy.Webb@contractor.conocophillips.com](mailto:Judy.Webb@contractor.conocophillips.com)

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Wednesday, January 17, 2018 2:34 PM  
**To:** Webb, Judy (TEAM, Inc.) <[Judy.Webb@contractor.conocophillips.com](mailto:Judy.Webb@contractor.conocophillips.com)>  
**Cc:** Hanagarne, Laura L <[Laura.L.Hanagarne@conocophillips.com](mailto:Laura.L.Hanagarne@conocophillips.com)>  
**Subject:** [EXTERNAL]Oxbow Unit JOA Revisions

Judy,

We've had some partners request changes to the Oxbow Unit's proposed JOA. MOC has agreed to the following changes:

1. Pg. 15 – Removed Pref Right
2. Exhibit "A": Edited contract area to correctly include Sections 23 & 26
3. Exhibit "A": Edited to limit depth restriction to **Wolfcamp Formation Only**
4. Exhibit "A": Added "&" to RKI Exploration & Production, LLC under subsection 4, Percentages of Parties
5. COPAS, Pg. 9: 1. A. (ii) Technical Services: Changed to Alternative 3 from Alternative 2
6. Gas Balancing Agreement, Pg. 3: Unstrike 7.1 – Changed from twelve (12) to twenty-four (24) months

Attached is an up-to-date version of the JOA. If you find any of these changes disagreeable, please contact me as soon as possible and we can work on a solution.

Do you have any idea how close your team is to completing review of the JOA? We have Pooling proceedings set for February and would like to have this tied up before then.

Thank you,

**Trace Dilliner**  
Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

## Trace Dilliner

---

**From:** Webb, Judy (TEAM, Inc.) <Judy.Webb@contractor.conocophillips.com>  
**Sent:** Wednesday, February 14, 2018 2:33 PM  
**To:** Trace Dilliner  
**Subject:** RE: [EXTERNAL]Oxbow Unit JOA Revisions  
**Attachments:** Conditional Letter of Acceptance to MOC Oxbow JOA dtd 2-14-18.doc

Trace,

Attached is ConocoPhillips Company's (COPC) proposed Conditional Letter of Acceptance to Mewbourne's proposed Oxbow JOA. In the event that Mewbourne agrees to accept all of these changes and supplies replacement pages to all parties to the JOA incorporating the changes, then we will not need to execute this letter. We will simply wait to receive the revised pages and execute the JOA as revised. In the event that Mewbourne desires to supply replacement pages to all parties to the JOA incorporating only "some" of the changes (with the remaining changes applying only between COPC and Mewbourne), then we will revise our Conditional Letter of Acceptance accordingly to delete those changes agreed to by all parties to the JOA as evidenced by replacement pages.

At minimum, we would like to be provided with a replacement Exhibit "A" and signature/acknowledgement pages that reflect "ConocoPhillips Company", instead of "ConocoPhillips Co." (Item #23 on our Conditional Letter of Acceptance). Notwithstanding our inclusion of a sentence near the end of the Conditional Letter of Acceptance that states that: "The above changes shall apply to COPC, as a Non-Operator, and to Mewbourne, as Operator, as to the Contract Area, whether or not any other parties to the Oxbow Operating Agreement agree to such changes.", there are several conditions that would probably affect other non-operators (i.e., 2, 17, 18, 21, & 22, at minimum).

Thank you, Trace. Please call me if you have any questions.

Judy N. Webb, CPL  
Contract Landman – NM Permian  
832-486-3262 (Off.)  
Judy.Webb@contractor.conocophillips.com

---

**From:** Trace Dilliner [mailto:tdilliner@mewbourne.com]  
**Sent:** Wednesday, February 14, 2018 10:52 AM  
**To:** Webb, Judy (TEAM, Inc.) <Judy.Webb@contractor.conocophillips.com>  
**Subject:** RE: [EXTERNAL]Oxbow Unit JOA Revisions

Sounds good. Thanks, Judy!

**Trace Dilliner**  
Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

November 8, 2017

*Via Certified Mail*

EOG Resources Co.  
5509 Champions Dr.  
Midland, TX 79706

Re: Oxbow 23/24 W2LI Fed Com #1H  
2150' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 2,560.00 acre Working Interest Unit ("WIU") covering the referenced Sections 23 & 24, as well as Sections 25 & 26, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, EOG Resources Company ("EOG") owns a 50% interest in the SE/4SE/4 of Sec. 24, and NW/4, E/2NE/4, NE/4NE/4 of Sec. 25. Accordingly, EOG would own 6.250000% working interest in the proposed WIU (50% interest X 320 gross acres = 160 net acres/ 2560 unit acres = 6.250000% WIU acres).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,785 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 20,410 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 26, 2017 for the above referenced proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated October 1, 2017 and an extra set of signature pages. In the event EOG elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

November 8, 2017

*Via Certified Mail*

EOG Resources Co.  
5509 Champions Dr.  
Midland, TX 79706  
Attn: Mrs. Wendy Dalton

Re: Oxbow 23/24 W1LI Fed Com #2H  
2200' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

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Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,985 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,661 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

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Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

## **Trace Dilliner**

---

**From:** Trace Dilliner  
**Sent:** Tuesday, January 16, 2018 2:16 PM  
**To:** Clay Haggard  
**Subject:** Oxbow Unit - Sections 23,24,25, & 26-T25S-R28E

Clay,

Sorry if this is directed to the wrong person - I don't have a contact with EOG for the captioned area. Mewbourne proposed the Unit and JOA in early November, but have not received any feedback from EOG. Would you mind forwarding my inquiry on to whoever is handling the area? I'd love to get on the phone and hear what you guys are thinking here.

Thanks for the help!

Regards,

**Trace Dilliner**

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170

Cell: (405) 802-4942

Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

## Trace Dilliner

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**From:** Trace Dilliner  
**Sent:** Wednesday, January 17, 2018 2:31 PM  
**To:** 'Clay Haggard'  
**Cc:** 'Charles\_Moran@eogresources.com'  
**Subject:** Oxbow Unit JOA Revisions  
**Attachments:** Oxbow Unit - JOA (11.17.18).pdf

Clay,

We've had some partners request changes to the Oxbow Unit's proposed JOA. MOC has agreed to the following changes:

1. Pg. 15 – Removed Pref Right
2. Exhibit "A": Edited contract area to correctly include Sections 23 & 26
3. Exhibit "A": Edited to limit depth restriction to **Wolfcamp Formation Only**
4. Exhibit "A": Added "&" to RKI Exploration & Production, LLC under subsection 4, Percentages of Parties
5. COPAS, Pg. 9: 1. A. (ii) Technical Services: Changed to Alternative 3 from Alternative 2
6. Gas Balancing Agreement, Pg. 3: Unstrike 7.1 – Changed from twelve (12) to twenty-four (24) months

Attached is an up-to-date version of the JOA. If you find any of these changes disagreeable, please contact me as soon as possible and we can work on a solution.

Thank you,

**Trace Dilliner**

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

## Trace Dilliner

---

**From:** Charles Moran <Charles\_Moran@eogresources.com>  
**Sent:** Friday, January 26, 2018 1:26 PM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Unit

Sounds good.

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Friday, January 26, 2018 10:39 AM  
**To:** Charles Moran <[Charles\\_Moran@eogresources.com](mailto:Charles_Moran@eogresources.com)>  
**Subject:** Oxbow Unit

**\*\* External email. Use caution.\*\***

Chuck,

Got your voicemail and thanks for the call. I actually hadn't gotten with Drew in a few days due to him being tied up in meetings, so I was unaware of the potential for EOG to trade out of the unit here. We are taking a look around but if you guys come up with any viable trades please don't hesitate to shoot them over. Feel free to contact either Drew or myself, whatever is easiest.

Sorry to hear about the hold up in Santa Fe – I know how that goes. Hope you have a good weekend and we'll check back in next week.

Best,

**Trace Dilliner**  
Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

November 8, 2017

*Via Certified Mail*

Gebiano Oil & Gas Company  
P.O. Box 1782  
Midland, TX 79702  
Attn: Barr Bolger

Re: Oxbow 23/24 W2LI Fed Com #1H  
2150' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 2,560.00 acre Working Interest Unit ("WIU") covering the referenced Sections 23 & 24, as well as Sections 25 & 26, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Gebiano Oil & Gas Company ("Gebiano") owns an 18.75% interest in the S/2 of Sec. 23, W/2 SW/4 of Sec. 24, SW/4, and W/2 SE/4 of Sec. 25, and All of Sec. 26. Accordingly, Gebiano would own 9.375000% working interest in the proposed WIU (18.75% interest X 1,280 gross acres = 240 net acres/ 2560 unit acres = 9.375000% WIU acres).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,785 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 20,410 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 26, 2017 for the above referenced proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated October 1, 2017 and an extra set of signature pages. In the event Gebiano elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

November 8, 2017

*Via Certified Mail*

Gebiano Oil & Gas Company

P.O. Box 1782

Midland, TX 79702

Attn: Barr Bolger

Re: Oxbow 23/24 WILI Fed Com #2H  
2200' FSL & 205' FWL (SL) (Section 23)  
2200' FSL & 330' FEL (BHL) (Section 24)  
Section 23, T25S, R28E; Section 24, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 2,560.00 acre Working Interest Unit ("WIU") covering the referenced Sections 23 & 24, as well as Sections 25 & 26, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Gebiano Oil & Gas Company ("Gebiano") owns an 18.75% interest in the S/2 of Sec. 23, W/2 SW/4 of Sec. 24, SW/4, and W/2 SE/4 of Sec. 25, and All of Sec. 26. Accordingly, Gebiano would own 9.375000% working interest in the proposed WIU (18.75% interest X 1,280 gross acres = 240 net acres/ 2560 unit acres = 9.375000% WIU acres).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,985 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,661 feet. The S/2 of Section 23 and S/2 of Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 26, 2017 for the above referenced proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated October 1, 2017 and an extra set of signature pages. In the event Gebiano elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at [Tdilliner@mewbourne.com](mailto:Tdilliner@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Trace Dilliner  
Landman

## Trace Dilliner

---

**From:** Trace Dilliner  
**Sent:** Tuesday, November 28, 2017 1:41 PM  
**To:** barr@pcltd.net  
**Cc:** Corey Mitchell  
**Subject:** Oxbow Unit Proposal  
**Attachments:** POGO JOA 9.27.95.pdf; Sam Federal Eddy Co. JOA.pdf

Mr. Bolger,

I wanted to reach out and alert you to a change in ownership for our proposed Oxbow Unit in Secs 23, 24, 25, & 26 of Eddy Co.. Initially, our exhibit A credited Gebiano Oil & Gas with 9.375% WI in the unit. However, OXY brought to our attention a previously unknown JOA dated 9/27/95. I've attached a copy of that JOA (POGO JOA 9.27.95) – also attached is the original JOA (Sam Federal Eddy Co. JOA).

The '95 JOA superseded the '82 JOA and changed ownership percentages of subsequent wells. Originally subsequent wells would be 75% POGO and 25% Brazos. The '95 JOA changed this to 90.47619% Pogo, 7.14286% Gebiano, and 2.38095% Prime Energy.

Our WIU calculation is as follows:

Gebiano owns a 7.14286% interest in S/2 of Sec. 23, W/2 SW/4 of Sec. 24, SW/4 and W/2 SE/4 of Sec. 25, and All of Sec. 26

$.0714286 * 1280 \text{ gross acres} = 91.428608 \text{ net acres}$

$91.428609 \text{ net acres} / 2560 \text{ unit acres} = \underline{\underline{3.57143\% \text{ WIU}}}$

If you have any questions, please feel free to let me know.

Thank you,

**Trace Dilliner**  
Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

## Trace Dilliner

---

**From:** Taylor Craighead <tcraighead@colgateenergy.com>  
**Sent:** Friday, February 02, 2018 3:33 PM  
**To:** Tyler Jolly  
**Cc:** Trace Dilliner  
**Subject:** RE: Oxbow Wells T25S, R28E NSU Application  
**Attachments:** Gebiano O&G Co.\_Assignment\_B 1100\_P 549\_Sam Federal #2 & Malaga 35 #1.pdf; NMNM 13413-A\_Approved TOT.PDF

Tyler, thanks again, great chatting with you.

Trace, I have attached the BLM/Eddy Co. assignments from Gebiano into Colgate Production for your review. I look forward to catching up next week.

Have a nice weekend,  
Taylor

---

Taylor Craighead | Landman  
306 West Wall Street | Suite 500 | Midland, Texas 79701  
O: (432) 695-4221 | C: (940) 447-2205 | F: (432) 695-4063  
[tcraighead@colgateenergy.com](mailto:tcraighead@colgateenergy.com) | [www.ColgateEnergy.com](http://www.ColgateEnergy.com)

**From:** Tyler Jolly [<mailto:tjolly@mewbourne.com>]  
**Sent:** Friday, February 02, 2018 3:13 PM  
**To:** Taylor Craighead <[tcraighead@colgateenergy.com](mailto:tcraighead@colgateenergy.com)>  
**Cc:** Trace Dilliner <[tdilliner@mewbourne.com](mailto:tdilliner@mewbourne.com)>  
**Subject:** RE: Oxbow Wells T25S, R29E NSU Application

Taylor,

I have cc'd Trace in this email so that he can catch you up to speed on what is going on in the Oxbow Prospect. He should be back in the office next week.

Thanks,

**Tyler Jolly**  
**Mewbourne Oil Company**  
500 West Texas, Suite 1020,  
Midland, TX 79701  
Ph: 432-682-3715 / Fax: 432-685-4170

---

**From:** Taylor Craighead [<mailto:tcraighead@colgateenergy.com>]  
**Sent:** Friday, February 02, 2018 2:43 PM  
**To:** Tyler Jolly  
**Subject:** Oxbow Wells T25S, R29E NSU Application

Tyler,

Sorry for the out of the blue email, I work with Colgate Production, LLC and pulled your contact info from an upcoming NAPE dinner invite list in an attempt to reach someone tied to Mewbourne's Oxbow wells in T25S, R28E. Colgate purchased the Gebiano WI credited in these unit(s) and was forwarded two NSU applications. I wanted see if I could get more info regarding the AFE's and proposed JOA.

If these properties don't fall into your jurisdiction, I would greatly appreciate you pointing me in the right direction. Thanks for your time!

Best,

Taylor Craighead | Landman  
306 West Wall Street | Suite 500 | Midland, Texas 79701  
O: (432) 695-4221 | C: (940) 447-2205 | F: (432) 695-4063  
[tcraighead@colgateenergy.com](mailto:tcraighead@colgateenergy.com) | [www.ColgateEnergy.com](http://www.ColgateEnergy.com)

## Trace Dilliner

---

**From:** Taylor Craighead <tcraighead@colgateenergy.com>  
**Sent:** Tuesday, February 06, 2018 1:51 PM  
**To:** Trace Dilliner  
**Subject:** RE: Oxbow Wells T25S, R28E NSU Application

Trace,

I appreciate these – I hear ya regarding the time off, almost not worth it. Almost!

I have sent these AFE's around to our technical team and after a quick glance, the JOA looks good. I left you a voicemail just a few minutes ago – I wanted to get your temperature on a possible trade involving acreage surrounding the Oxbow wells. Bulking up in our Parkway-Wesson position in Sec 33 - 19S, 29E would be an ideal swap, but we are open to suggestion of course.

Give me a call anytime this afternoon when you have a moment to discuss. Should also be in the office tomorrow. If you are headed to NAPE, we will be touching down sometime Wednesday evening.

I appreciate it,  
Taylor

**From:** Trace Dilliner [<mailto:tdilliner@mewbourne.com>]  
**Sent:** Monday, February 5, 2018 1:40 PM  
**To:** Taylor Craighead <tcraighead@colgateenergy.com>  
**Subject:** RE: Oxbow Wells T25S, R28E NSU Application

Taylor,

Thanks for the assignments and I apologize for the delay getting back to you. I've been catching up all morning – makes you not want to take vacations sometimes with the amount of work that piles up!

I have attached the most up-to-date JOA I have, as well as AFEs for the first planned wells in the unit. Not all partners are signed up yet, so the JOA may still have some small revisions before finalization.

If you have further questions or need more info please don't hesitate to ask.

Thank you,

### Trace Dilliner

Petroleum Landman  
Mewbourne Oil Company  
500 West Texas Ave, Ste. 1020  
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170  
Cell: (405) 802-4942  
Email: [TDilliner@Mewbourne.com](mailto:TDilliner@Mewbourne.com)

---

**From:** Taylor Craighead [<mailto:tcraighead@colgateenergy.com>]  
**Sent:** Friday, February 02, 2018 3:33 PM

**To:** Tyler Jolly  
**Cc:** Trace Dilliner  
**Subject:** RE: Oxbow Wells T25S, R28E NSU Application

Tyler, thanks again, great chatting with you.

Trace, I have attached the BLM/Eddy Co. assignments from Gebiano into Colgate Production for your review. I look forward to catching up next week.

Have a nice weekend,  
Taylor

---

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[tcraighead@colgateenergy.com](mailto:tcraighead@colgateenergy.com) | [www.ColgateEnergy.com](http://www.ColgateEnergy.com)

**From:** Tyler Jolly [<mailto:tjolly@mewbourne.com>]  
**Sent:** Friday, February 02, 2018 3:13 PM  
**To:** Taylor Craighead <[tcraighead@colgateenergy.com](mailto:tcraighead@colgateenergy.com)>  
**Cc:** Trace Dilliner <[tdilliner@mewbourne.com](mailto:tdilliner@mewbourne.com)>  
**Subject:** RE: Oxbow Wells T25S, R29E NSU Application

Taylor,

I have cc'd Trace in this email so that he can catch you up to speed on what is going on in the Oxbow Prospect. He should be back in the office next week.

Thanks,

**Tyler Jolly**  
**Mewbourne Oil Company**  
500 West Texas, Suite 1020,  
Midland, TX 79701  
Ph: 432-682-3715 / Fax: 432-685-4170

---

**From:** Taylor Craighead [<mailto:tcraighead@colgateenergy.com>]  
**Sent:** Friday, February 02, 2018 2:43 PM  
**To:** Tyler Jolly  
**Subject:** Oxbow Wells T25S, R29E NSU Application

Tyler,

Sorry for the out of the blue email, I work with Colgate Production, LLC and pulled your contact info from an upcoming NAPE dinner invite list in an attempt to reach someone tied to Mewbourne's Oxbow wells in T25S, R28E. Colgate purchased the Gebiano WI credited in these unit(s) and was forwarded two NSU applications. I wanted see if I could get more info regarding the AFE's and proposed JOA.

If these properties don't fall into your jurisdiction, I would greatly appreciate you pointing me in the right direction. Thanks for your time!

Best,

**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: Oxbow 23/24 W2LI Fed Com #1H Prospect: Wolfcamp D  
 Location: SL: 2150' FSL & 205' FWL (23); BHL: 2200' FSL & 330' FEL (24) County: Eddy ST: NM  
 Sec. 23 Blk:      Survey:      TWP: 25S RNG: 28E Prop. TVD: 10785 TMD: 20410

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$15,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$45,000	0180-0205	\$75,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling	37 days drlg / 4 days comp @ \$19000/d	0180-0110	\$751,000	0180-0210	\$81,200
Fuel	1500 gal/day @ 1.89/gal	0180-0114	\$126,700		
Mud, Chemical & Additives		0180-0120	\$220,000	0180-0220	
Horizontal Drillout Services	Coil Tbg Drillout			0180-0222	\$200,000
Cementing		0180-0125	\$70,000	0180-0225	\$25,000
Logging & Wireline Services		0180-0130	\$1,500	0180-0230	\$380,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$60,000
Mud Logging		0180-0137	\$20,000		
Stimulation	60 Stg 24.4 MM gal / 24.4 MM lb			0180-0241	\$3,900,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$40,000	0180-0245	\$665,000
Bits		0180-0148	\$108,000	0180-0248	\$4,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$9,000
Rig Mobilization		0180-0164	\$80,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$59,300	0180-0270	\$39,000
Directional Services	Includes Vertical Control	0180-0175	\$297,000		
Equipment Rental		0180-0180	\$255,600	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$6,100	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$5,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$189,600	0180-0295	\$87,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	10% (TCP) 10% (CC)	0180-0199	\$262,800	0180-0299	\$584,100
<b>TOTAL</b>			<b>\$2,890,600</b>		<b>\$6,425,300</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	500' - 13 3/8" 54.5# J-55 ST&C @ \$35.71/ft	0181-0794	\$19,100		
Casing (8.1" - 10.0")	2575' - 9 5/8" 40# N-80 LT&C @ \$29.98/ft	0181-0795	\$82,500		
Casing (6.1" - 8.0")	10975' - 7" 29# P-110 LT&C @ \$27.76/ft	0181-0796	\$325,400		
Casing (4.1" - 6.0")	10500' - 4 1/2" 13.5# P-110 BPN @ \$14.19/ft			0181-0797	\$158,000
Tubing (2" - 4")				0181-0798	
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section	10k Frac Valve and Tree			0181-0870	\$48,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$70,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems				0181-0884	
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	1/2 VRU/SWD Transfer Pump/Circ Pump			0181-0886	\$30,000
Tanks - Oil	3 - 750 bbl steel			0181-0890	\$48,000
Tanks - Water	3 - 750 bbl steel coated			0181-0891	\$50,000
Separation / Treating Equipment	30"x10"x1k# 3 ph/36"x15"x1k# Hor 3ph/Gun bbl			0181-0895	\$40,000
Heater Treaters, Line Heaters	6"x20"x75# HT			0181-0897	\$16,000
Metering Equipment				0181-0898	\$12,000
Line Pipe & Valves - Gathering	1/2 Mile 4" Gas & 6" Poly Water			0181-0900	\$60,000
Fittings / Valves & Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$40,000
Pipeline Construction	1/2 Mile Buried 4" Steel & 1/2 Mile 6" Poly			0181-0920	\$50,000
<b>TOTAL</b>			<b>\$467,000</b>		<b>\$737,000</b>
<b>SUBTOTAL</b>			<b>\$3,357,600</b>		<b>\$7,162,300</b>

**TOTAL WELL COST \$10,519,900**

**Extra Expense Insurance**

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: T Cude Date: 9/26/2017  
 Company Approval: M. White Date: 9/26/2017

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_



**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: Oxbow 23/24 W1LI Fed Com #2H Prospect: Wolfcamp A  
 Location: SL: 2200' FSL & 205' FWL (23); BHL: 2200' FSL & 330' FEL (24) County: Eddy ST: NM  
 Sec: 23 Blk:      Survey:      TWP: 25S RNG: 28E Prop. TVD: 9985 TMD: 19661

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$15,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$45,000	0180-0205	\$75,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling	35 days drlg / 4 days comp @ \$19000/d	0180-0110	\$711,000	0180-0210	\$81,200
Fuel	1500 gal/day @ 1.89/gal	0180-0114	\$120,600		
Mud, Chemical & Additives		0180-0120	\$190,000	0180-0220	
Horizontal Drillout Services	Coil Tbg Drillout			0180-0222	\$200,000
Cementing		0180-0125	\$70,000	0180-0225	\$25,000
Logging & Wireline Services		0180-0130	\$1,500	0180-0230	\$380,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$60,000
Mud Logging		0180-0137	\$20,000		
Stimulation	60 Stg 24.4 MM gal / 24.4 MM lb			0180-0241	\$3,900,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$40,000	0180-0245	\$665,000
Bits		0180-0148	\$108,000	0180-0248	\$4,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$9,000
Rig Mobilization		0180-0164	\$80,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$56,300	0180-0270	\$39,000
Directional Services	Includes Vertical Control	0180-0175	\$279,000		
Equipment Rental		0180-0180	\$243,800	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$6,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$5,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$180,000	0180-0295	\$87,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	10% (TCP) 10% (CC)	0180-0199	\$250,900	0180-0299	\$584,100
<b>TOTAL</b>			<b>\$2,760,100</b>		<b>\$6,425,300</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	500' - 13 3/8" 54.5# J-55 ST&C @ \$35.71/ft	0181-0794	\$19,100		
Casing (8.1" - 10.0")	2575' - 9 5/8" 40# N-80 LT&C @ \$29.98/ft	0181-0795	\$82,500		
Casing (6.1" - 8.0")	10265' - 7" 29# P-110 LT&C @ \$27.76/ft	0181-0796	\$304,400		
Casing (4.1" - 6.0")	10500' - 4 1/2" 13.5# P-110 BPN @ \$14.19/ft			0181-0797	\$158,000
Tubing (2" - 4")	9315' - 2 7/8" 6.5# L-80 EUE 8rd @ \$4.90/ft			0181-0798	\$61,400
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section	10k Frac Valve and Tree			0181-0870	\$48,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$70,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$12,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	1/2 VRU/SWD Transfer Pump/Circ Pump			0181-0886	\$30,000
Tanks - Oil	3 - 750 bbl steel			0181-0890	\$48,000
Tanks - Water	3 - 750 bbl steel coated			0181-0891	\$50,000
Separation / Treating Equipment	30"x10"x1k# 3 ph/36"x15"x1k# Hor 3ph/Gun bbl			0181-0895	\$40,000
Heater Treaters, Line Heaters	6'x20'x75# HT			0181-0897	\$16,000
Metering Equipment				0181-0898	\$12,000
Line Pipe & Valves - Gathering	1/2 Mile 4" Gas & 6" Poly Water			0181-0900	\$60,000
Fittings / Valves & Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$40,000
Pipeline Construction	1/2 Mile Buried 4" Steel & 1/2 Mile 6" Poly			0181-0920	\$50,000
<b>TOTAL</b>			<b>\$446,000</b>		<b>\$810,400</b>
<b>SUBTOTAL</b>			<b>\$3,206,100</b>		<b>\$7,235,700</b>

**TOTAL WELL COST \$10,441,800**

**Extra Expense Insurance**

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: T Cude Date: 9/26/2017  
 Company Approval: m. white Date: 9/26/2017  
 Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**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](mailto:jamesbruc@aol.com)

February 1, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

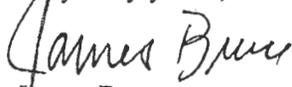
Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Wolfcamp wells in the S/2 of Section 23 and the S/2 of Section 24, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, February 22, 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 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 this 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, February 15, 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 his or her 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

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company



**Offset Ownership**  
**Oxbow 23/24 W1LI Fed Com #2H**  
**Oxbow 23/24 W2LI Fed Com #1H**  
**S/2 of Section 23 & S/2 of Section 24, T25S, R28E**  
**Eddy County, New Mexico**

W/2 of Section 19:

**COG Operating LLC - Operator**

One Concho Center  
600 W. Illinois Avenue  
Midland, TX 79701

E/2 of Section 22:

**EOG Y Resources, Inc. - Operator**

5509 Champions Drive  
Midland, TX 79706

N/2 of Section 23:

**Chevron U.S.A., Inc.**

6301 Deauville Blvd.  
Midland, TX 79706

NW/4 and W/2 NE/4 of Section 24:

**Mewbourne Oil Company**

E/2 NE/4 of Section 24:

**ConocoPhillips Company**

P.O. Box 2197  
Houston, TX 77252

NW/4, W/2 NE/4, and NW/4 NE/4 of Section 25:

**EOG Resources Company**

5509 Champions Drive  
Midland, TX 79706

**Mewbourne Oil Company**

SE/4 NE/4 of Section 25:

**RKI Exploration & Production, LLC**

3500 One Williams Center, Suite 3500  
Tulsa, OK 74172

N/2 of Section 26:

**OXY USA, Inc.**

P.O. Box 4294  
Houston, TX 77210

EXHIBIT

6

**Mewbourne Oil Company**

**Gebiano Oil & Gas Company**

P.O. Box 1782

Midland, TX 79702

E/2 of Section 27:

**EOG Resources, Inc. – Operator**

W/2 of Section 30:

**XTO Energy, Inc. - Operator**

810 Houston Street

Fort Worth, Texas 76102

EXHIBIT

A

OXY USA, Inc.  
P.O. Box 4294  
Houston, TX 77210  
Attn: John Schneider

EOG Resources Company  
5509 Champions Dr.  
Midland, TX 79706  
Attn: Chuck Moran

ConocoPhillips Company  
P.O. Box 2197  
Houston, TX 77252  
Attn: Laura Hanagarne

Gebiano Oil & Gas Company  
P.O. Box 1782  
Midland, TX 79702  
Attn: Barr Bolger

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
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[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

February 2, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

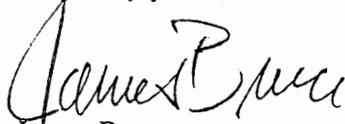
Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit, *etc.*, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Wolfcamp wells in the S/2 of Section 23 and the S/2 of Section 24, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

The matter is scheduled for hearing at 8:15 a.m. on Thursday, February 22, 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 the hearing, but **as an offset operator or 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 this matter at a later date.

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Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company



EXHIBIT A

COG Operating LLC  
600 West Illinois  
Midland, Texas 79701

Attention: Scott Tomlinson

Chevron U.S.A. Inc.  
6301 Deauville Boulevard  
Midland, Texas 79706

EOG Resources, Inc.  
EOG Y Resources, Inc.  
5509 Champions Drive  
Midland, Texas 79706

RKI Exploration & Production, LLC  
Suite 3500  
3500 One Williams Center  
Tulsa, Oklahoma 74172

XTO Energy Inc.  
810 Houston Street  
Fort Worth, Texas 76102