

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF MEWBOURNE OIL  
COMPANY TO RE-OPEN CASE NO. 15601  
FOR COMPULSORY POOLING, LEA  
COUNTY, NEW MEXICO.**

**Case No. 15601 (Re-opened)**

**VERIFIED STATEMENT OF MITCH ROBB**

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

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Wolfcamp horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well. Some interest owners are unlocatable.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying the W/2E/2 of Section 15, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to the Pronghorn 15 B3BO Fed Com Well No. 1H, a horizontal well with a first take point in the NW/4NE/4 and a last take point in the SW/4SE/4 of Section 15. There are no depth severances in the Bone Spring formation.

(d) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses, or last known addresses, are also set forth.

(e) In order to locate the interest owners Mewbourne examined the county records, performed internet searches, checked telephone records, and searched Accurint and Whitepages.

EXHIBIT 1

(f) Attachment C contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.

(g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the owners.

(h) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(i) Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.

(j) Mewbourne requests overhead and administrative rates of \$7500/month for a drilling well and \$750/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

(k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

(l) Mewbourne requests that it be designated operator of the wells.


(m) The attachments to this affidavit were prepared by me, or compiled from Company business records.

(n) The granting of this application is in the interests of conservation and the prevention of waste.

## VERIFICATION

[illegible]

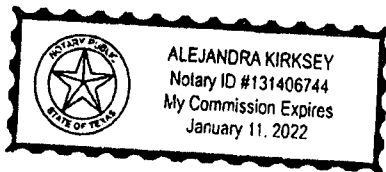
Mitch Robb, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

  
Mitch Robb

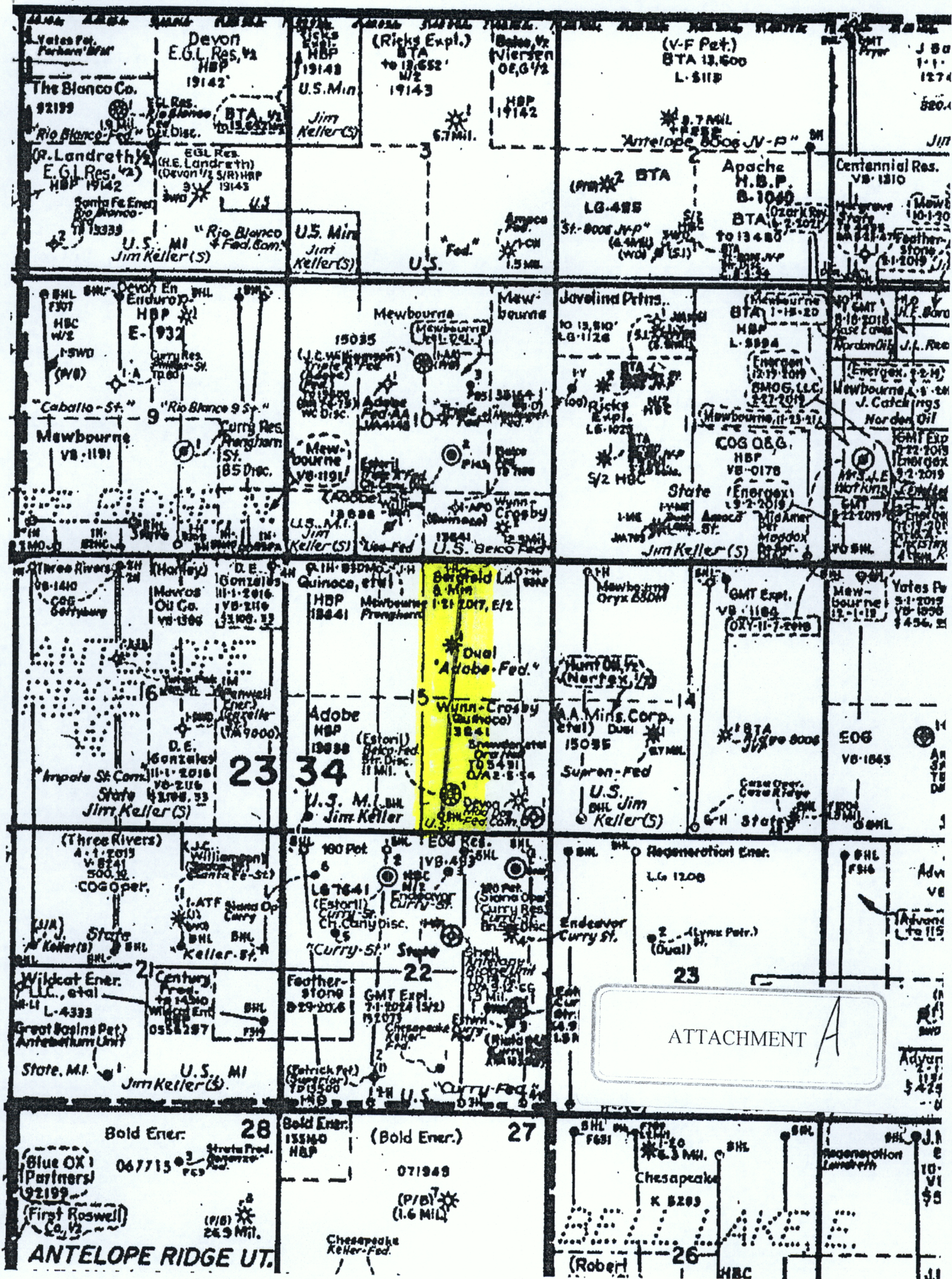
SUBSCRIBED AND SWORN TO before me this 19th day of September, 2018 by Mitch Robb.

My Commission Expires: January 1, 2022

Algebra Kirksey  
Notary Public









District I  
1615 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Grande Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1320 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

MAR 08 2018

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

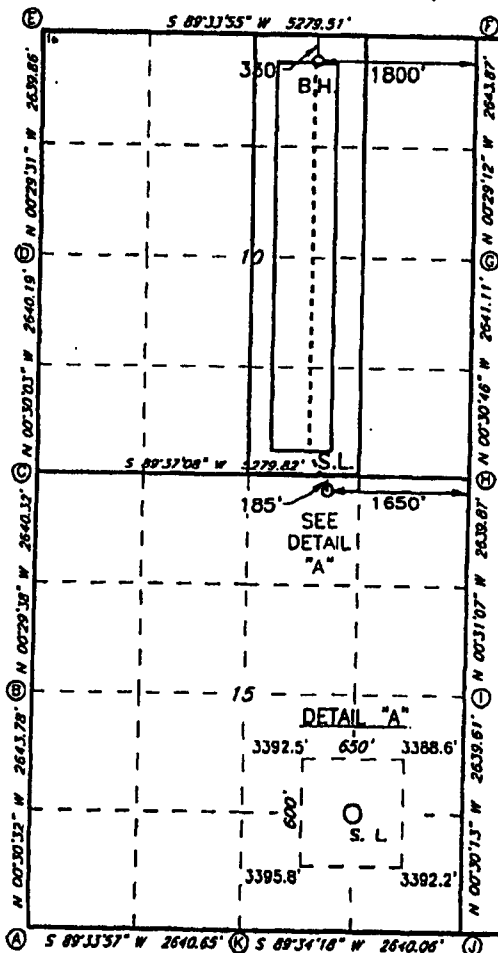
1 API Number <b>30-025-44587</b>	2 Pool Code <b>2285 2307</b>	3 Pool Name <b>ANTELOPE RIDGE WEST BONE SPRING</b>
4 Property Code <b>320991</b>	5 Property Name <b>IBEX 10 B30B FEDERAL COM</b>	6 Well Number <b>1H</b>
7 GRID No. <b>14744</b>	8 Operator Name <b>MEWBOURNE OIL COMPANY</b>	9 Elevation <b>3393'</b>

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>15</b>	<b>23S</b>	<b>34E</b>		<b>185</b>	<b>NORTH</b>	<b>1650</b>	<b>EAST</b>	<b>LEA</b>

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>10</b>	<b>23S</b>	<b>34E</b>		<b>330</b>	<b>NORTH</b>	<b>1800</b>	<b>EAST</b>	<b>LEA</b>

12 Dedicated Acres <b>160</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



GEODETIC DATA  
NAD 83 GRID - NM EAST  
SURFACE LOCATION  
N 478119.9 - E 812768.1  
LAT: 32.3113663° N  
LONG: 103.4547498° W  
BOTTOM HOLE  
N 483258.2 - E 812573.3  
LAT: 32.3254881° N  
LONG: 103.4552441° W

CORNER DATA  
NAD 83 GRID - NM EAST  
A: FOUND BRASS CAP "1918"  
N 472897.8 - E 809183.6  
B: FOUND BRASS CAP "1918"  
N 475641.0 - E 809160.1  
C: FOUND BRASS CAP "1918"  
N 478280.6 - E 809137.4  
D: FOUND BRASS CAP "1918"  
N 480920.4 - E 809114.3  
E: FOUND PK NAIL  
N 483559.7 - E 809091.7  
F: FOUND PK NAIL  
N 483599.8 - E 814370.1  
G: FOUND BRASS CAP "1918"  
N 480956.4 - E 814392.6  
H: FOUND BRASS CAP "1918"  
N 478315.9 - E 814416.2  
I: FOUND BRASS CAP "1918"  
N 475676.6 - E 814440.1  
J: FOUND BRASS CAP "1918"  
N 473037.5 - E 814463.3  
K: FOUND BRASS CAP "1918"  
N 473017.8 - E 811823.8

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or as a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Bradley Bishop* Date: **10-19-17**  
Printed Name: **BRADLEY BISHOP**  
Email Address: **BBISHOP@MEWBOURNE.COM**

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: **9-12-2017**  
Signature and Seal of Professional Surveyor: *Robert M. Howett*  
Certificate Number: **19680**

Job No.: LS1708516

**REVISED TRACT OWNERHSIP  
Pronghorn 15 B3BO Federal Com No. 1H  
W/2E/2 of Section 15,  
Township 23 South, Range 34 East  
Lea County, New Mexico**

**W/2E/2 of Section 15:  
Bone Spring formation:**

Mewbourne Oil Company	31.476095%
Marathon Oil Permian LLC	24.781619%
Challenger Crude, Ltd.	12.463839%
SFF Production, LLC	7.975589%
Tom M. Ragsdale	6.837475%
Seeligson Oil Co., Ltd.	5.357624%
Viersen Oil & Gas Co.	2.500000%
ICA Energy, Inc.	2.279159%
Wildcat Energy, L.L.C.	2.160000%
*Landis Drilling Co.	1.066667%
Bonnie Bowman Korbell	0.868134%
Mark G. Kalpakis Irrevocable Trust	0.468792%
R. Dean Williams Irrevocable Trust	0.468792%
Texas Independent Exploration, Inc.	0.316407%
Gerald W. Green	0.316406%
Axis Energy Corporation	0.231482%
*Black & Gold Resources, LLC	0.158350%
*Charles C. Albright, III, Trustee	0.084175%
M. Kurt Chapman	0.084175%

ATTACHMENT

B



Revised Tract Ownership  
Pronghorn 15 B3BO Federal Com #1H  
Page 2 of 2

Lillian E. Rutherford and Kenneth Rutherford, Trustees of the Rutherford Family 1970 Trust	0.042088%
ABC Oil & Gas Properties	0.021044%
Constance B. Cartwright	0.021044%
Phoebe Tompkins	<u>0.021044%</u>
	<b>100.000000%</b>

**\* Total interest being pooled: 1.309192%**

**Revised Summary of Communications**  
**Pronghorn 15 B3BO Federal Com No. 1H**

**Landis Drilling Co.**

- 1) Mailed well proposal letter with AFE via certified mail dated 7-2-2018.
- 2) Returned unclaimed.

**Black & Gold Resources, LLC**

- 1) Mailed well proposal letter with AFE via certified mail dated 7-2-2018.
- 2) Mailed well proposal letter with AFE via certified mail dated 8-8-2018.
- 3) Email correspondence with David Demarco 7-31-2018 to 8-23-2018.

**Charles C. Albright, III, Trustee**

- 1) Mailed well proposal letter with AFE via certified mail dated 7-2-2018.
- 2) Have not received a response to date.

ATTACHMENT C



# MEWBOURNE OIL COMPANY

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

July 2, 2018

Via Certified Mail

Landis Drilling Co.  
P.O. Box 994  
Midland, Texas 79701  
Attn: Land Department

Re: Pronghorn 15 B3BO Fed Com #1H  
185' FNL & 1700' FEL (SL)  
330' FSL & 2150' FEL (BHL)  
Section 15, T23S, R34E

Ladies and Gentlemen:

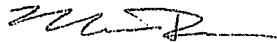
Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Pronghorn 15 B3BO Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,284 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,849 feet. The W/2E/2 of the captioned Section 15 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated July 1, 2018 for the captioned proposed well. Please sign and return said AFE if you elect to participate in the captioned well and return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb  
Landman

Mewbourne Oil Company  
Mitch Robb  
500 W TEXAS AVE STE 1020  
MIDLAND TX 79701-4279

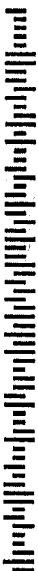
Pronghorn 15 B3BO 1H

USPS CERTIFIED MAIL



9414 8106 9994 5032 5883 53

Landis Drilling Co  
Land Department  
PO BOX 994  
MIDLAND TX 79702-0994



US POSTAGE AND FEES PAID  
FIRST-CLASS  
Jul 03 2018  
Mailed from ZIP 79701  
2 oz First-Class Mail Flat Rate

CID: 56133



071S00534813

endicia.com

994



## MEWBOURNE OIL COMPANY

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

July 2, 2018

Via Certified Mail

Black & Gold Resources, LLC  
800 Bering, Suite 201, Houston, Texas 77057  
Attn: David V. De Marco

Re: Pronghorn 15 B3BO Fed Com #1H  
185' FNL & 1700' FEL (SL)  
330' FSL & 2150' FEL (BHL)  
Section 15, T23S, R34E

Ladies and Gentlemen:

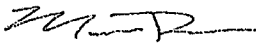
Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Pronghorn 15 B3BO Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,284 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,849 feet. The W/2E/2 of the captioned Section 15 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 [mrobb@mewbourne.com](mailto:mrobb@mewbourne.com) or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb  
Landman

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 8, 2018

Via Certified Mail

Black & Gold Resources, LLC

25025 IH 45 N, Suite 420

Spring, TX 77380

Attn: David V. De Marco

Re: Pronghorn 15 B3BO Fed Com #1H

185' FNL & 1700' FEL (SL)

330' FSL & 2150' FEL (BHL)

Section 15, T23S, R34E

Ladies and Gentlemen:

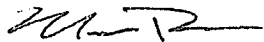
Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Pronghorn 15 B3BO Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,284 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,849 feet. The W/2E/2 of the captioned Section 15 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated July 1, 2018 for the captioned proposed well. Please sign and return said AFE and attached Ratification and Joinder of Operating Agreement if you elect to participate in the captioned well and return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb

Landman





## **Proof of Delivery (Electronic)**

Date: 9/17/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033337661, addressed to Attn: David V. De Marco was designated Delivered, Left with Individual at 12:25 PM on August 11, 2018.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Attn: David V. De Marco  
Black & Gold Resources, LLC  
25025 IH 45 N, Suite 420  
Spring, TX 77380  
Reference #: Pronghorn 15 B3BP #1H MR WP  
Item ID: Pronghorn 15 B3BP 1H MR WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

# Re: Participation in Pronghorn 15 B3CN Fed Com #1H and subsequent wells

Mitch Robb

Thu 8/23/2018 4:55 PM

Sent Items

To: David DeMarco <davidvdemarco@gmail.com>;

David,

I'll be on the lookout for them. Once I receive them, I'll give you a call and we can discuss the previous wells and what all I will need from you to participate in the new well.

Thanks,

Mitch Robb

Landman

Mewbourne Oil Company

Office: (432) 682-3715

Cell : (918) 200-4242

Email: [mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)

---

From: David DeMarco <davidvdemarco@gmail.com>

Sent: Thursday, August 23, 2018 4:49:24 PM

To: Mitch Robb

Subject: Re: Participation in Pronghorn 15 B3CN Fed Com #1H and subsequent wells

Mitch,

li will resend the signed AFE with check tomorrow for the new well.

I would like to discuss the previous drilled wells to understand the units and JOA. Please let me know when we can discuss?

Best Regards,

dvd

David V. De Marco

Mineral Resources Partners, LLC

Cell 832 978.6752

[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)

**The competitor to be feared is one who never bothers about you at all, but goes on making his own business better all the time. – Henry Ford**

 Be green, Consider the environment before you print this email.

The information contained in this email communication is confidential and may contain proprietary data ("Data"). The Data is intended only for the use of the direct addressee(s) of this email. This email and the the Data contents are the confidential and proprietary property of Mineral Resources Partners, LLC., Black & Gold Resources, LLC. and David V. De Marco, individually. Any unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately and destroy this communication and all copies thereof, including all attachments. Any unlawful use of this proprietary data is illegal and the owner of such data may prosecute for the unlawful dissemination or use of this data.

On Tue, Aug 14, 2018 at 8:26 AM Mitch Robb <[mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)> wrote:

David,

I'll be out of the office today so email is probably the best way to communicate. Everyone else that is participating has signed the JOA and in order for you to participate, I will need you to send me the original signed Ratification and Joinder of Operating Agreement. Alternatively, you can participate under the pooling order once it has been issued and pre-pay your share of the well cost listed on the AFE.

Please make note that your last email is not sufficient to participate.

Thanks,

Mitch Robb

Landman  
Mewbourne Oil Company  
Office: (432) 682-3715  
Cell : (405) 394-8583  
Email: [mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)

---

From: David DeMarco <[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)>  
Sent: Monday, August 13, 2018 8:30:48 PM  
To: Mitch Robb  
Cc: Eric Urban; Michael Jones  
Subject: Re: Participation in Pronghorn 15 B3CN Fed Com #1H and subsequent wells

Mitch,

Please call me tomorrow. I will be participating in the new well and i want to be certain their is no confusion.

Best Regards,

dvd

David V. De Marco  
Mineral Resources Partners, LLC  
Cell 832.978.6752  
[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)

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On Wed, Aug 8, 2018 at 9:03 AM, Mitch Robb <[mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)> wrote:  
David,

I have attached the certified mailing receipts for both wells.

Mitch Robb  
Landman  
Mewbourne Oil Company  
Office: (432) 682-3715  
Cell : (405) 394-8583  
Email: [mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)

---

From: David DeMarco <[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)>  
Sent: Tuesday, August 7, 2018 12:05:37 PM  
To: Mitch Robb  
Cc: Eric Urban; Michael Jones  
Subject: Re: Participation in Pronghorn 15 B3CN Fed Com #1H and subsequent wells

Mitch,

This is the first time i have seen this JOA. I know many of the persons in the well. I would like a break down of the interests and who elected to pick up non-consent interests.

Best Regards,

dvd

David V. De Marco  
Mineral Resources Partners, LLC

Cell 832.978.6752

[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)

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On Tue, Aug 7, 2018 at 11:25 AM, Mitch Robb <[mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)> wrote:

David,

In order to participate in the Pronghorn 15 B3BO Fed Com #1H well, I am going to need a signed ratification of the JOA and a signed AFE (sent via email 8/2/2018). Alternatively, you can participate under a force pooling order.

We had to force pool you in the last two wells because you did not send in any of your paperwork. I cannot mark you down as participating in our upcoming well based off of an email of your intent to participate.

I have attached the JOA for your reference.

Thanks,

**Mitch Robb**

Landman

Mewbourne Oil Company

Office: (432) 682-3715

Cell : (405) 394-8583

Email: [mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)

---

From: David DeMarco <[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)>

Sent: Tuesday, August 7, 2018 10:34:48 AM

To: Mitch Robb

Cc: Eric Urban; Michael Jones

Subject: Re: Participation in Pronghorn 15 B3CN Fed Com #1H and subsequent wells

Mitch,

I tried calling you this morning.

NEW WELL:

I am participating in the well, however as i stated i want to see the JOA.

Pronghorn 15 B3DM:

Apparently your Company unilaterally put me in non consent after i agreed to participate, sent the AFE?

I would like all documents relevant to my interest and my interest being placed in non-consent;


1. JOA
2. Letter Agreements
3. Payout status of well and non consent status?

Best Regards,

dvd

David V. De Marco  
Mineral Resources Partners, LLC  
Cell 832.978.6752  
[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)

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On Thu, Aug 2, 2018 at 2:56 PM, Mitch Robb <[mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)> wrote:  
David,

I the interest you purchased was not subject to our Joint Operating Agreement. The previous landman that handled this prospect sent you a ratification of the JOA a few times but never received it back. I have attached a ratification for you to sign so you can participate in our next wells. We plan to spud the Pronghorn 15 B3BO Fed Com #1H at the end of this month (AFE and well proposal attached).

In order to participate, we will need the signed AFE and Ratification of JOA (both attached).

Please let me know if you have any questions.

Thanks,

Mitch Robb  
Landman  
Mewbourne Oil Company  
Office: (432) 682-3715  
Cell : (405) 394-8583  
Email: [mrobb@mewbourne.com](mailto:mrobb@mewbourne.com)

---

From: David DeMarco <[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)>  
Sent: Tuesday, July 31, 2018 4:15:59 PM  
To: Mitch Robb  
Cc: Eric Urban; David DeMarco  
Subject: Participation in Pronghorn 15 B3CN Fed Com #1H and subsequent wells

Mr. Robb,

As discussed, I was to participate in the wells under the lands I acquired the interest. This was the reason for acquiring. I was not provided an executed JOA covering the interest and I was under the impression the company had a copy and that the company was sending to me?

In any event my intentions were and are to participate in the wells. I have a copy of my executed AFE dated 1.29.2016 and AFE dated 7.12.2017.

Please forward the JOA and AFEs for all of the wells.

If you have any questions, I may be reached on my cell number.

Best Regards,

dvd

David V. De Marco  
Mineral Resources Partners, LLC

VP-Business Development  
Cell 832.978.6752  
[davidvdemarco@gmail.com](mailto:davidvdemarco@gmail.com)



## MEWBOURNE OIL COMPANY

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

July 2, 2018

Via Certified Mail

Charles C. Albright, III, Trustee  
729 W. 16<sup>th</sup> Street, Suite B8  
Costa Mesa, CA 92627

Re: Pronghorn 15 B3BO Fed Com #1H  
185' FNL & 1700' FEL (SL)  
330' FSL & 2150' FEL (BHL)  
Section 15, T23S, R34E

Dear Mr. Albright:

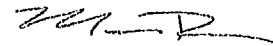
Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Pronghorn 15 B3BO Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,284 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,849 feet. The W/2E/2 of the captioned Section 15 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated July 1, 2018 for the captioned proposed well. Please sign and return said AFE if you elect to participate in the captioned well and return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb  
Landman

**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: Pronghorn 15 B3BO Fed Com #1H Prospect: Bone Spring  
 Location: SL: 185' FNL & 1700' FEL; BHL: 330' FSL & 2150' FEL County: Lea ST: NM  
 Sec. 15 Bk:      Survey:      TWP: 23S RNG: 34E Prop. TVD: 11284 TMD: 15849

INTANGIBLE COSTS 0180			
	CODE	TCP	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200
Location / Road / Site / Preparation	0180-0105	\$70,000	0180-0205
Location / Restoration	0180-0106	\$200,000	0180-0206
Daywork / Turnkey / Footage Drilling 25 days drlg / 3 days comp @ \$21,000/d	0180-0110	\$561,000	0180-0210
Fuel 1700 gal/day @ 2.70/gal	0180-0114	\$142,300	0180-0214
Mud, Chemical & Additives	0180-0120	\$230,000	0180-0220
Horizontal Drillout Services			0180-0222
Cementing	0180-0125	\$110,000	0180-0225
Logging & Wireline Services	0180-0130	\$2,000	0180-0230
Casing / Tubing / Snubbing Service	0180-0134	\$20,000	0180-0234
Mud Logging	0180-0137	\$20,000	
Stimulation 24 Stg 9.1 MM gal / 9.1 MM lb			0180-0241
Stimulation Rentals & Other			0180-0242
Water & Other	0180-0145	\$50,000	0180-0245
Bits	0180-0148	\$72,000	0180-0248
Inspection & Repair Services	0180-0150	\$40,000	0180-0250
Misc. Air & Pumping Services	0180-0154		0180-0254
Testing & Flowback Services	0180-0158	\$15,000	0180-0258
Completion / Workover Rig			0180-0260
Rig Mobilization	0180-0164	\$150,000	
Transportation	0180-0165	\$20,000	0180-0265
Welding Services	0180-0168	\$5,000	0180-0268
Contract Services & Supervision	0180-0170	\$42,000	0180-0270
Directional Services Includes Vertical Control	0180-0175	\$241,500	
Equipment Rental	0180-0180	\$215,300	0180-0280
Well / Lease Legal	0180-0184	\$5,000	0180-0284
Well / Lease Insurance	0180-0185	\$5,000	0180-0285
Intangible Supplies	0180-0188	\$8,000	0180-0288
Damages	0180-0190	\$15,000	0180-0290
ROW & Easements	0180-0192		0180-0292
Pipeline Interconnect			0180-0293
Company Supervision	0180-0195	\$134,400	0180-0295
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296
Well Abandonment	0180-0198		0180-0298
Contingencies 10% (TCP) 10% (CC)	0180-0199	\$240,400	0180-0299
<b>TOTAL</b>		<b>\$2,643,900</b>	<b>\$3,288,700</b>

TANGIBLE COSTS 0181			
Casing (19.1" - 30")	0181-0793		
Casing (10.1" - 19.0") 1720' - 13 3/8" 54.5# J-55 ST&C @ \$35.90/ft	0181-0794	\$66,000	
Casing (8.1" - 10.0") 4950' - 9 5/8" 40# N-80 LT&C @ \$27.61/ft	0181-0795	\$146,000	
Casing (6.1" - 8.0") 11560' - 7" 29# P-110 LT&C @ \$27.76/ft	0181-0796	\$342,800	
Casing (4.1" - 6.0") 5120' - 4 1/2" 13.5# P-110 LTC @ \$13.66/ft			0181-0797
Tubing 10810' - 2 7/8" 6.5# L-80 EUE 8rd @ \$5.62/ft			0181-0798
Drilling Head	0181-0860	\$40,000	
Tubing Head & Upper Section			0181-0870
Horizontal Completion Tools Completion Liner Hanger			0181-0871
Sucker Rods			0181-0875
Subsurface Equipment			0181-0880
Artificial Lift Systems Gas Lift Valves			0181-0884
Pumping Unit			0181-0885
Surface Pumps & Prime Movers 1/2 VRU/SWD Pump/Circ Pump			0181-0886
Tanks - Oil 3 - 750 bbl			0181-0890
Tanks - Water 2 - 750 bbl			0181-0891
Separation / Treating Equipment 30"x10"x1k# 3 ph/36"x15"x1k#/Gun bbl/VRT			0181-0895
Heater Treaters, Line Heaters 8"x20"x75# HT			0181-0897
Metering Equipment			0181-0898
Line Pipe & Valves - Gathering 0.2 Mile 4" Wtr			0181-0900
Fittings / Valves & Accessories			0181-0906
Cathodic Protection			0181-0908
Electrical Installation			0181-0909
Equipment Installation			0181-0910
Pipeline Construction 0.2 Mile Poly			0181-0920
<b>TOTAL</b>		<b>\$594,800</b>	<b>\$656,600</b>
<b>SUBTOTAL</b>		<b>\$3,238,700</b>	<b>\$3,945,300</b>

<b>TOTAL WELL COST</b>		<b>\$7,184,000</b>	
------------------------	--	--------------------	--

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: B. Talley Date: 6/26/2018

Company Approval: m. white Date: 7/1/2018

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

ATTACHMENT D

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

**APPLICATION OF MEWBOURNE OIL  
COMPANY TO RE-OPEN CASE NO. 15601  
FOR COMPULSORY POOLING, LEA  
COUNTY, NEW MEXICO.**

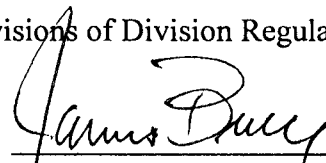
**Case No. 15601 (Re-opened)**

**AFFIDAVIT OF NOTICE**

COUNTY OF SANTA FE     )  
  ) ss.  
STATE OF NEW MEXICO    )

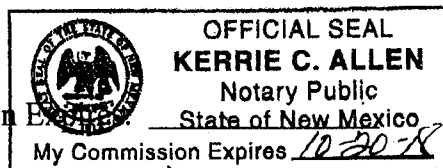
James Bruce, being duly sworn upon his oath, deposes and states:

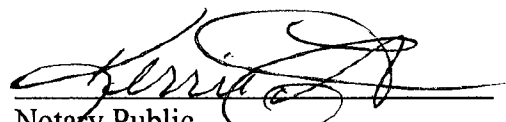
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Regulations.

  
\_\_\_\_\_  
James Bruce

SUBSCRIBED AND SWORN TO before me this 19<sup>th</sup> day of September, 2018 by  
James Bruce.

My Commission Expires



  
\_\_\_\_\_  
Notary Public

EXHIBIT

2

**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)

August 14, 2018

CERTIFIED MAIL

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding a Bone Spring well in the W/2E/2 of Section 15, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

This matter is set for hearing at 8:15 a.m. on Thursday, September 20, 2018, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Regulations to file a Pre-Hearing Statement no later than Thursday, September 13, 2018. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

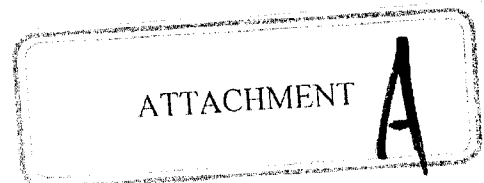


Exhibit A

Black & Gold Resources, LLC  
Suite 420  
25025 IH 45  
Spring, Texas 77380

Charles C. Albright, III, Trustee  
Suite 8B  
729 West 16<sup>th</sup> Street  
Costa Mesa, California 92627



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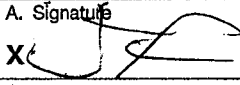
For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

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Certified Mail Fee \$  
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☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$

Sent To Charles C. Albright, III, Trustee  
 Suite 8B  
 729 West 16<sup>th</sup> Street  
 Street and Apt. No., Costa Mesa, California 92627  
 City, State, ZIP+4®

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>		
<p>1. Article Addressed to:</p> <p>Charles C. Albright, III, Trustee          Suite 8B          729 West 16<sup>th</sup> Street          Costa Mesa, California 92627</p> <p>9590 9402 4079 8092 0248 01</p>	<p>3. Service Type</p> <table border="0"> <tr> <td> <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input checked="" type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery               </td> <td> <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery               </td> </tr> </table>	<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		
<p>2. Article Number (Transfer from mailpiece)</p> <p>7018 0360 0000 2188 7250</p>	<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <i>Mac Drongharn</i> Domestic Return Receipt</p>		

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✓ **Delivered**

August 17, 2018 at 12:49 pm  
Delivered, Left with Individual  
SPRING, TX 77380

Get Updates ✓

Text & Email Updates

Tracking History

August 17, 2018, 12:49 pm  
Delivered, Left with Individual  
SPRING, TX 77380

Your item was delivered to an individual at the address at 12:49 pm on August 17, 2018 in SPRING, TX 77380.

August 17, 2018  
In Transit to Next Facility

August 16, 2018, 4:10 pm  
Departed USPS Regional Facility  
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<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$

Sent To: Black & Gold Resources, L.L.C.  
Suite 420  
25025 IH 45  
Street and Apt. No., or P.O. Box  
Spring, Texas 77380  
City, State, ZIP+4®

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

Feedback

**August 16, 2018, 11:04 am**  
Arrived at USPS Regional Facility  
NORTH HOUSTON TX DISTRIBUTION CENTER

**August 14, 2018, 9:40 pm**  
Departed USPS Facility  
ALBUQUERQUE, NM 87101

**August 14, 2018, 7:21 pm**  
Arrived at USPS Facility  
ALBUQUERQUE, NM 87101

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**See Less** ^

Feedback

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**FAQs (<http://faq.usps.com/?articleId=220900>)**

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

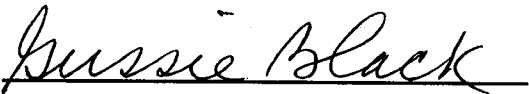
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
August 17, 2018  
and ending with the issue dated  
August 17, 2018.



Publisher

Sworn and subscribed to before me this  
17th day of August 2018.

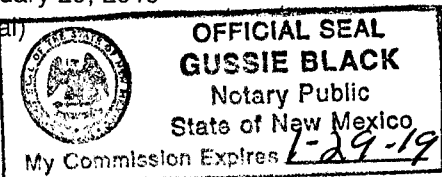


Business Manager

My commission expires

January 29, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## LEGAL NOTICE August 17, 2018

### NOTICE

To: Black & Gold Resources, LLC, Charles C. Albright, III, Trustee, and Landis Drilling Co., or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 15, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to the Pronghorn 15 B3BO Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4NE/4 and a last take point in the SW/4SE/4 of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on September 20, 2018 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 17-1/2 miles southwest of Oil Center, New Mexico. #33131

01101711

00216502

JAMES BRUCE  
JAMES BRUCE, ATTORNEY AT LAW  
P.O. BOX 1056  
SANTA FE, NM 87504

EXHIBIT

3