

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  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

Case No. 20299

VERIFIED STATEMENT OF TYLER JOLLY

STATE OF TEXAS                                 )  
  ) ss.  
COUNTY OF MIDLAND                         )

Tyler Jolly, 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 Division Rules, the following information is submitted in support of the compulsory pooling application:

(a) The purpose of this application is to force pool working interest owners into the 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 simply 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 approving a horizontal spacing unit in the Bone Spring formation comprised of the E2W2 of Section 22, Township 23 South, Range 34 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Bone Spring formation underlying the unit. A Form C-102 is part of Attachment A. The unit will be dedicated to the Gazelle 22 B3NC Fed Com. Well No. 1H and Gazelle 22 B2NC Fed Com. No. 2H, horizontal wells with a first take point in the SE4SW4 and a final take point in the NE4NW4 of Section 22. The well is in the Antelope Ridge; Bone Spring West Pool, whose pool code is 2209.

EXHIBIT     1

- (d) There is no depth severance in the Bone Spring formation.
- (e) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth.

In order to find the unlocatable parties we examined county and governmental records, and also conducted internet searches including county records, internet searches, white pages, etc.


- (f) Attachment C contains a summary of contacts with the locatable interest owners, together with copies of the proposal letters and e-mails with them.
- (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 interest owners.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Attachment D is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area of Lea County.
- (j) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/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 area 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 well.
- (m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

#### VERIFICATION

VERIFICATION

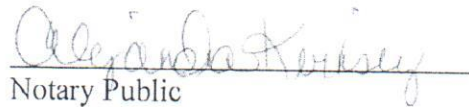
STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )

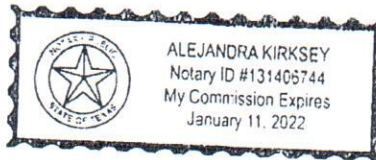
Tyler Jolly, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

  
\_\_\_\_\_  
Tyler Jolly

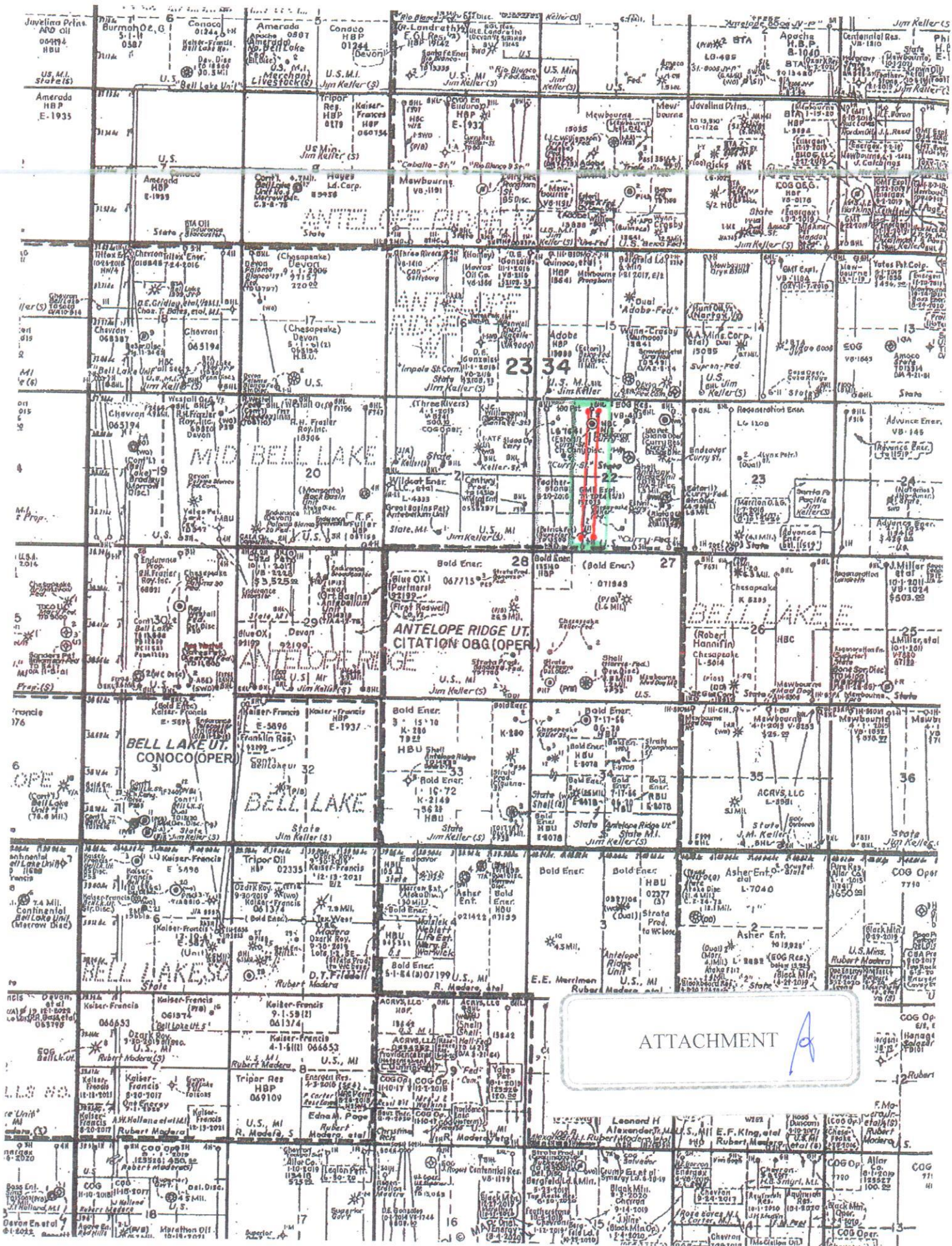
SUBSCRIBED AND SWORN TO before me this 1st day of March, 2019 by Tyler Jolly.

My Commission Expires: January 11, 2022

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









District I  
1625 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 Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-43398	<sup>2</sup> Pool Code 2209	<sup>3</sup> Pool Name Antelope Ridge Bone Spring West
<sup>4</sup> Property Code 325017	<sup>5</sup> Property Name GAZELLE 22 B3NC FEDERAL COM	
<sup>7</sup> GRID NO. 14744	<sup>8</sup> Operator Name MEWBOURNE OIL COMPANY	<sup>6</sup> Well Number 1H
		<sup>9</sup> Elevation 3471'

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	22	23S	34E		200	SOUTH	1700	WEST	LEA

<sup>11</sup> 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
C	22	23S	34E		100	NORTH	1700	WEST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p>①</p> <p>N 89°33'57" E 2640.65'</p> <p>1700'</p> <p>LTP: 100' FNL</p> <p>1700' FWL</p> <p>5 00°30'25" E 2640.65'</p> <p>②</p> <p>N 89°34'18" E 2640.06'</p> <p>100'</p> <p>B. H.</p> <p>22</p> <p>FTP: 100' FSL</p> <p>1700' FWL</p> <p>N 00°30'55" W 2642.63'</p> <p>1700'</p> <p>S. L.</p> <p>200'</p> <p>N 89°32'41" E 2640.91'</p> <p>③</p> <p>S 89°34'21" W 2636.98'</p>	<p>④</p> <p>GEODETIC DATA</p> <p>NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION</p> <p>N: 467929.0 - E: 810928.6</p> <p>LAT: 32.2833976° N</p> <p>LONG: 103.4609719° W</p> <p>BOTTOM HOLE</p> <p>N: 472910.6 - E: 810884.2</p> <p>LAT: 32.2970908° N</p> <p>LONG: 103.4609845° W</p> <p>CORNER DATA</p> <p>NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1918"</p> <p>N: 467715.6 - E: 809230.7</p> <p>B: FOUND BRASS CAP "1918"</p> <p>N: 470357.7 - E: 809207.0</p> <p>C: FOUND BRASS CAP "1918"</p> <p>N: 472997.8 - E: 809183.6</p> <p>D: FOUND BRASS CAP "1918"</p> <p>N: 4730178 - E: 811823.8</p> <p>E: FOUND BRASS CAP "1918"</p> <p>N: 473037.5 - E: 814463.3</p> <p>F: FOUND BRASS CAP "1918"</p> <p>N: 470396.6 - E: 814487.5</p> <p>G: CALCULATED CORNER</p> <p>N: 467756.2 - E: 814507.6</p> <p>H: FOUND BRASS CAP "1918"</p> <p>N: 467736.6 - E: 811871.1</p>	<p>⑤</p> <p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>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 unleased 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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p>⑥</p> <p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>4-2-18</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680</p> <p>Certificate Number</p> <p>7/17/18 - SL/BH</p>	

RRC-Job No.: LS1804421



District I  
1625 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 Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 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

OCD - HOBBS  
02/26/2019  
RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-45646	<sup>2</sup> Pool Code 2209	<sup>3</sup> Pool Name ANTELOPE RIDGE BONE SPRING, WEST
<sup>4</sup> Property Code 325017	<sup>5</sup> Property Name GAZELLE 22 B2NC FEDERAL COM	
<sup>7</sup> GRID NO. 14744	<sup>8</sup> Operator Name MEWBOURNE OIL COMPANY	<sup>6</sup> Well Number 2H
		<sup>9</sup> Elevation 3471'

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	22	23S	34E		200	SOUTH	1750	WEST	LEA

<sup>11</sup> 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
C	22	23S	34E		100	NORTH	1850	WEST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p><sup>16</sup> N 89°33'57" E 2640.65'</p> <p>1850'</p> <p>LTP: 100' FNL</p> <p>1850' FNL</p> <p>S 00°30'25" E 2640.65'</p> <p>PROJECT AREA →</p> <p>PRODUCING AREA →</p> <p>N 00°30'55" W 2642.63'</p> <p>FTP: 100' FSL</p> <p>1850' FNL</p> <p>1750'</p> <p>S. L.</p> <p>200'</p> <p>N 89°32'41" E 2640.91'</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>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 unleased 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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Bradley Bishop</i> Date: 7-17-18</p> <p>Printed Name: BRADLEY BISHOP</p> <p>E-mail Address: BBISHOP@MEWBOURNE.COM</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>4-2-18</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680</p> <p>Certificate Number</p>

RRC-Job No.: LS1804421

**Summary of Communications**  
**Gazelle 22 B3NC Fed Com #1H**  
**Gazelle 22 B2NC Fed Com #2H**  
**E2W2 of Section 22, T23S, R34E, Lea County, NM**

1. 1-3-2019, sent well proposals and AFE's via certified mail to Tom M. Ragsdale and Siana Oil & Gas Co., LLC.
2. 1-7-2019, well proposals and AFE's delivered via certified mail.
3. 1-17-2019, email from Karen Stanford.
4. 1-18-2019, email to Karen Stanford.
5. 1-21-2019, email from Karen Stanford.
6. 1-21-2019, email to Karen Stanford.
7. 1-21-2019, email from Karen Stanford.

ATTACHMENT C

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

January 3, 2019

Via Certified Mail

Tom M. Ragsdale  
400 N. Sam Houston Pkwy East, Suite 601  
Houston, TX 77060

Re: **Gazelle 22 Prospect**  
Proposed Horizontal Tests  
Gazelle 22 B3NC Fed Com #1H  
Gazelle 22 B2NC Fed Com #2H  
E/2W/2 of Section 22, T23S, R34E  
Lea County, New Mexico

Ladies and Gentlemen:

Per Operating Agreement dated April 1, 2018, Mewbourne Oil Company, as Operator, hereby proposes drilling the following two (2) horizontal tests:

- 1) Gazelle 22 B3NC Fed Com #1H – API # - pending  
Surface Location: 200' FSL, 1700' FWL, UL N  
Bottom Hole Location: 100' FNL, 1700' FWL, UL C  
Proposed Total Vertical Depth: 11,438'  
Proposed Total Measured Depth: 16,407'  
Formation: Bone Spring
- 2) Gazelle 22 B2NC Fed Com #2H – API # - pending  
Surface Location: 200' FSL, 1750' FWL, UL N  
Bottom Hole Location: 100' FNL, 1850' FWL, UL C  
Proposed Total Vertical Depth: 10,388'  
Proposed Total Measured Depth: 15,359'  
Formation: Bone Spring

In the event Tom M. Ragsdale elects to participate in the proposed wells, please execute the enclosed AFEs and return them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may supply well data when available.



Gazelle 22 Prospect  
Page 2 of 2

Please contact me at (432) 682-3715 or via email at [tjolly@mewbourne.com](mailto:tjolly@mewbourne.com) if you have any questions.

Very truly yours,

MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read 'TJolly', written over the company name.

Tyler Jolly  
Landman

Enclosures

# MEWBOURNE OIL COMPANY

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

January 3, 2019

Via Certified Mail

Siana Oil & Gas Co., LLC  
400 N. Sam Houston Pkwy East, Suite 601  
Houston, TX 77060

Re: **Gazelle 22 Prospect**  
Proposed Horizontal Tests  
Gazelle 22 B3NC Fed Com #1H  
Gazelle 22 B2NC Fed Com #2H  
E/2W/2 of Section 22, T23S, R34E  
Lea County, New Mexico

Ladies and Gentlemen:

Per Operating Agreement dated April 1, 2018, Mewbourne Oil Company, as Operator, hereby proposes drilling the following two (2) horizontal tests:

- 1) Gazelle 22 B3NC Fed Com #1H – API # - pending  
Surface Location: 200' FSL, 1700' FWL, UL N  
Bottom Hole Location: 100' FNL, 1700' FWL, UL C  
Proposed Total Vertical Depth: 11,438'  
Proposed Total Measured Depth: 16,407'  
Formation: Bone Spring
- 2) Gazelle 22 B2NC Fed Com #2H – API # - pending  
Surface Location: 200' FSL, 1750' FWL, UL N  
Bottom Hole Location: 100' FNL, 1850' FWL, UL C  
Proposed Total Vertical Depth: 10,388'  
Proposed Total Measured Depth: 15,359'  
Formation: Bone Spring

In the event Siana Oil & Gas Co., LLC elects to participate in the proposed wells, please execute the enclosed AFEs and return them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may supply well data when available.



Gazelle 22 Prospect  
Page 2 of 2

Please contact me at (432) 682-3715 or via email at [tjolly@mewbourne.com](mailto:tjolly@mewbourne.com) if you have any questions.

Very truly yours,

**MEWBOURNE OIL COMPANY**

  
Tyler Jolly  
Landman

Enclosures



January 7, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:  
9414 8106 9994 5037 5907 02.

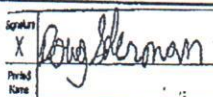
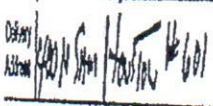
#### Item Details

Status: Delivered, Front Desk/Reception/Mail Room  
Status Date / Time: January 7, 2019, 11:40 am  
Location: HOUSTON, TX 77060  
Postal Product: First-Class Mail®  
Extra Services: Certified Mail™  
Return Receipt Electronic  
Recipient Name: Tom Ragsdale

#### Shipment Details

Weight: 4.0oz

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

Tom Ragsdale  
400 N SAM HOUSTON PKWY E STE 601  
HOUSTON, TX 77060  
Reference #: Gazelle 22 Prospect TJ  
Item ID: Gazelle 22 Prospect



## Tyler Jolly

---

**From:** Karen Stanford <kstanford@sianaoil.com>  
**Sent:** Monday, January 21, 2019 4:44 PM  
**To:** Tyler Jolly  
**Subject:** RE: Gazelle B3NC #1 and B2NC #2

Thank you Tyler!

---

**From:** Tyler Jolly <tjolly@mewbourne.com>  
**Sent:** Monday, January 21, 2019 3:59 PM  
**To:** Karen Stanford <kstanford@sianaoil.com>  
**Subject:** RE: Gazelle B3NC #1 and B2NC #2

I'll take care of it Karen.

Tyler

---

**From:** Karen Stanford <kstanford@sianaoil.com>  
**Sent:** Monday, January 21, 2019 2:30 PM  
**To:** Tyler Jolly <tjolly@mewbourne.com>  
**Subject:** RE: Gazelle B3NC #1 and B2NC #2

Tyler – thanks for sending these.

I am attaching an assignment from Siana to Tom for the leases in Antelope Ridge. This should consolidate his interest in these leases. I know you probably do not handle the transfers so could you tell me who else I should send this to at Mewbourne?

Thanks,

Karen Stanford

---

**From:** Tyler Jolly <tjolly@mewbourne.com>  
**Sent:** Friday, January 18, 2019 8:22 AM  
**To:** Karen Stanford <kstanford@sianaoil.com>  
**Subject:** RE: Gazelle B3NC #1 and B2NC #2

Karen,

See attached estimates for Tom M. Ragsdale and Siana Oil & Gas Co., LLC. These numbers could change pending the division order title opinion or if they sign the Operating Agreement.

Tyler

---

**From:** Karen Stanford <kstanford@sianaoil.com>  
**Sent:** Thursday, January 17, 2019 4:09 PM

To: Tyler Jolly <[tjolly@mewbourne.com](mailto:tjolly@mewbourne.com)>

Subject: Gazelle B3NC #1 and B2NC #2

Hi Tyler,

The new Gazelle proposals don't have Tom's working interest on them. Can you let me know what you think it is?

Also, Tom will be meeting with Ken Waits soon and wants to wait until then before deciding to sign the JOA(s).

Thanks,

Karen Stanford



## MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: <u>Gazelle 22 B3NC Fed Com #1H</u>		Prospect: <u>Bone Springs</u>	
Location: <u>SL: 200' FSL &amp; 1700' FWL; BHL: 100' FNL &amp; 1700' FWL</u>		County: <u>Lea</u>	ST: <u>NM</u>
Sec. <u>22</u>	Blk: <u>    </u>	Survey: <u>    </u>	TWP: <u>23S</u> RNG: <u>34E</u> Prop. TVD: <u>11438</u> TMD: <u>16407</u>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$85,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling    22 days drlg / 3 days comp @ \$22,000/d		0180-0110	\$517,000	0180-0210	\$70,500
Fuel    1700 gal/day @ 2.74/gal		0180-0114	\$85,000	0180-0214	\$197,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$200,000
Cementing		0180-0125	\$70,000	0180-0225	\$20,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$205,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation    25 Stg    9.6 MM gal / 9.6 MM lb				0180-0241	\$1,265,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$40,000	0180-0245	\$435,000
Bits		0180-0148	\$80,000	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	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$37,500	0180-0270	\$22,500
Directional Services    Includes Vertical Control		0180-0175	\$210,000		
Equipment Rental		0180-0180	\$194,400	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,100	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$4,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$120,000	0180-0295	\$72,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies    2% (TCP)    2% (CC)		0180-0199	\$43,800	0180-0299	\$59,800
<b>TOTAL</b>			<b>\$2,233,300</b>		<b>\$3,050,300</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")    960' - 13 3/8" 54.5# J-55 ST&C @ \$42.99/ft		0181-0794	\$44,100		
Casing (8.1" - 10.0")    5050' - 9 5/8" 40# L80 LT&C @ \$34.65/ft		0181-0795	\$186,900		
Casing (6.1" - 8.0")    11720' - 7" 29# HCP-110 LT&C @ \$26.99/ft		0181-0796	\$337,900		
Casing (4.1" - 6.0")    5445' - 4 1/2" 13 5# P-110 LT&C @ \$14.94/ft				0181-0797	\$86,900
Tubing    10950' - 2 7/8" 6.5# L-80 EUE 8rd @ \$5.74/ft				0181-0798	\$67,200
Drilling Head		0181-0850	\$40,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools    Completion Liner Hanger				0181-0871	\$30,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems    Gas Lift Valves & pkr				0181-0884	\$25,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers				0181-0886	
Tanks - Oil    1/2 - 2 750 bbl				0181-0890	\$19,000
Tanks - Water    1/2 - 2 750 bbl coated				0181-0891	\$24,000
Separation / Treating Equipment    30"x10"x1k# 3 ph/36"x15"x1k#				0181-0895	\$44,000
Heater Treaters, Line Heaters    1/2 - 8'x20'x75# HT				0181-0897	\$17,500
Metering Equipment				0181-0898	\$14,000
Line Pipe & Valves - Gathering				0181-0900	\$50,000
Fittings / Valves & Accessories				0181-0906	\$40,000
Cathodic Protection				0181-0908	\$8,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$30,000
Pipeline Construction				0181-0920	\$40,000
<b>TOTAL</b>			<b>\$608,900</b>		<b>\$575,600</b>
<b>SUBTOTAL</b>			<b>\$2,842,200</b>		<b>\$3,625,900</b>
<b>TOTAL WELL COST</b>		<b>\$6,468,100</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: <u>P. Hrebicek</u>	Date: <u>12/6/2018</u>
Company Approval: <u>M. Whitte</u>	Date: <u>12/7/2018</u>
Joint Owner Interest: _____ Amount: _____	
Joint Owner Name: _____	Signature: _____



AUTHORIZATION FOR EXPENDITURE

Revised: 01/31/2018



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

APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

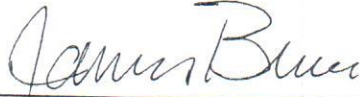
Case No. 20299

AFFIDAVIT OF NOTICE

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

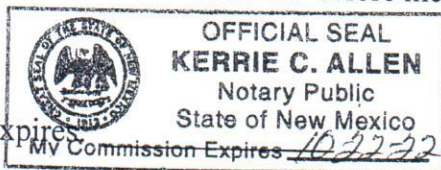
James Bruce, being duly sworn upon his oath, deposes and states:

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 16<sup>th</sup> day of March, 2019 by James Bruce.

My Commission Expires



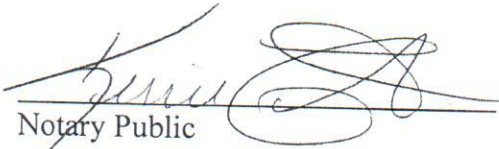
  
\_\_\_\_\_  
Notary Public

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)

February 15, 2019

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 two Bone Spring wells in the E/2W/2 of Section 22, 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, March 7, 2019, 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, February 28, 2019. 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

ATTACHMENT 



Exhibit A

Landis Drilling Company  
P.O. Box 994  
Midland, Texas 79702

Tom M. Ragsdale  
Siana Oil & Gas Co., LLC  
Suite 601  
400 N. Sam Houston Parkway East  
Houston, Texas 77060

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

Tom M. Ragsdale  
Siana Oil & Gas Co., LLC  
Suite 601  
400 N. Sam Houston Parkway East  
Houston, Texas 77060



9590 9402 4368 8190 0162 04

7018 2290 0000 3423 1411

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

Domestic Return Receipt

M Gay

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature X Tom M. Ragsdale ☐ Agent  
B. Received by (Printed Name) Tom M. Ragsdale ☐ Addressee  
C. Date of Delivery

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

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

**U.S. Postal Service™**

**CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

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

**OFFICIAL USE**

Certified Mail Fee \$

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

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

Postage \$

Total Postage and Fees \$

Sent To

Landis Drilling Company  
P.O. Box 994  
Midland, Texas 79702

City, State, Zip+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**U.S. Postal Service™**

**CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

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

**OFFICIAL USE**

Certified Mail Fee \$

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

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

Postage \$

Total Postage and Fees \$

Sent To

Tom M. Ragsdale  
Siana Oil & Gas Co., LLC  
Suite 601  
400 N. Sam Houston Parkway East  
Houston, Texas 77060

City, State, Zip+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

# Advertising Invoice

Hobbs Daily News, Sun

201 N Thorp  
P. O. Box 850  
Hobbs, NM 88241

Phone: 575-393-2123

Fax: 575-397-0610

URL: www.hobbsnews.com

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

Customer #: 01101711  
Phone: (505)982-2043  
Date: 02/19/2019  
Ad #: 00224740  
Salesperson: HA Ad Taker: YC

Class: 672

Sort Line: 33758 GAZELLE #3

Ad Notes: 33758 GAZELLE #3  
Per James Bruce

Description	Amount
AFF2 Affidavits (Legals)	6.25
BOLD bold	1.00
	3.59
07 07 Daily News-Sun 2019-02-20	45.38

EXHIBIT 3

## Ad Text:

LEGAL NOTICE  
FEBRUARY 20, 2019

## Payment Reference:

null

To: Landis Drilling Company, Tom M. Ragsdale, and Siana Oil & Gas Co. LLC, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has applied to the Oil Conservation Division for an order pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 22, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to (a) the Gazelle 22 B3NC Fed. Com. Well No. 1H, a horizontal well with a first take point in the SE/4SW/4 and a final take point in the NE/4NW/4 of Section 22, and (b) the Gazelle 22 B2NC

Total: 52.63  
Tax: 3.59  
Net: 56.22  
Prepaid: null

Total Due 56.22



**LEGAL NOTICE**  
**FEBRUARY 20, 2019**

To: Landis Drilling Company, Tom M. Ragsdale, and Siana Oil & Gas Co. LLC, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has applied to the Oil Conservation Division for an order pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 22, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to (a) the Gazelle 22 B3NC Fed. Com. Well No. 1H, a horizontal well with a first take point in the SE/4SW/4 and a final take point in the NE/4NW/4 of Section 22, and (b) the Gazelle 22 B2NC Fed. Com. Well No. 2H, a horizontal well with a first take point in the SE/4SW/4 and a final take point in the NE/4NW/4 of Section 22. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The application is scheduled to be heard at 8:15 a.m. on March 7, 2019 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner to 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 18-1/2 miles southwest of Oil Center, New Mexico.

**#33758**