CASE NO. 21324

APPLICATION OF TOM M. RAGSDALE TO REVOKE ORDER NOS. R-20924 AND R-20924-A OR, IN THE ALTERNATIVE, TO DECLARE UNREASONABLE CERTAIN COSTS IMPOSED BY MEWBOURNE OIL COMPANY

Case No. 21324

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

- 1. Engineer's Affidavit
- 2. Landman's Affidavit

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

APPLICATION OF TOM M. RAGSDALE TO REVOKE ORDER NOS. R-20924 & R-20924-A OR, IN THE ALTERNATIVE, TO DECLARE UNREASONABLE CERTAIN COSTS IMPOSED BY MEWBOURNE OIL COMPANY

Case No. 21324

VERIFIED STATEMENT OF TRAVIS CUDE

COUNTY OF MIDLAND)
CTATE OF TEXAS) ss.
STATE OF TEXAS)

Travis Cude, 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 a petroleum engineer for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the engineering matters involved in this case. I have been qualified by the Division at numerous hearings as an expert petroleum engineer.
- 3. Regarding the Ibex 10/15 B1AP Fed. Com. Well No. 2H, Mewbourne encountered lost circulation below 13-3/8th inch surface casing drilling in the intermediate hole from 1107'-2632' MD. That well was commenced on July 7th, 2019. Mewbourne stuck the drilling string in the hole, backed off, and left a 285' fish in the hole consisting of part of the 554' bottom hole assembly. After multiple attempts, Mewbourne was unable to recover the fish and subsequently parted 35' of the fishing tools which were left in the hole. Given the circumstances, Mewbourne believed it is was prudent to junk the initial wellbore and skid the rig to 375' FNL & 1107' FEL, Sec. 10, Township 23 South, Range 34 East, NMPM, and spud the Ibex 10/15 B1AP Fed. Com. Well No. 2HY.
- 4. Regarding the Ibex 10/15 B1AP Fed. Com. Well No. 2HY, Mewbourne planned an additional string of intermediate casing based on the lost circulation experienced on the aforementioned well, and set 20 inch surface casing. That well was commenced on July 26th, 2019. Mewbourne again encountered lost circulation from 837'-1623' MD. Mewbourne stuck the drilling string in the hole at 1129' MD. After multiple attempts to trip out of the hole, Mewbourne backed off the drill string at 718' and junked the well.
- 5. After two failed attempts, and an analysis of the shallow drilling hazard, Mewbourne believed it most prudent to move the surface hole location of a replacement well to the south line of Sec. 15, Township 23 South, Range 34 East, NMPM, and drill South to North rather than to re-spud near the junked wellbores.

- 5. Due to the time it takes for the Bureau for Land Management to approve APDs, it was impossible to commence the well immediately after the Ibex 10/15 B1AP Fed. Com. Well No. 2HY well was junked. The Ibex 15/10 B1PA Fed. Com. Well No. 2 is simply a mirror well to the Ibex 10/15 B1AP Fed. Com. Well Nos. 2H and 2HY.
- 6. Mewbourne has now drilled, but not completed, the Ibex 15/10 B1PA Fed. Com. Well No. 2H. It has been successfully drilled. Thus, Mewbourne made a prudent decision to relocate the surface of the well to the south line of Sec. 15.

VERIFICATION

STATE OF TEXAS) ss. COUNTY OF MIDLAND)

Travis Cude, being duly sworn upon his oath, deposes and states that: He is a petroleum engineer 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.

Travis Cude

SUBSCRIBED AND SWORN TO before me this _ Travis Cude.

<u>k</u> _ day of September, 2020 by

My Commission Expires: 12/09/2023

John Bradley Dunn

Notary Public

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 OFTOM M. RAGSDALE TO REVOKE ORDER NOS. R-20924 AND R-20924-A OR, IN THE ALTERNATIVE, TO DECLARE UNREASONABLE CERTAIN COSTS IMPOSED BY MEWBOURNE OIL COMPANY

Case No. 21324

SELF-AFFIRMED STATEMENT OF MITCH ROBB

Mitch Robb 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. By letter dated March 15, 2019 Mewbourne proposed the drilling of Bone Spring wells in the E/2E/2 of Section 15 and the E/2E/2 of Section 10, Township 23 South, Range 34 East, NMPM. **Attachment A**.
- 3. Tom R. Ragsdale ("Mr. Ragsdale") owns working interests in the well unit, as follows: (a) an original interest not subject to the Joint Operating Agreement covering the subject acreage, dated March 1, 2019 (the "JOA"); and (b) an interest subject to the JOA, subsequently acquired from Tracy Anderson. Mr. Ragsdale's interests in the well unit are shown on **Attachment B**.
- 4. Because Mr. Ragsdale did not sign the JOA as to his original interest, a pooling application was filed against him (and other parties) in Case No. 20580.
- 5. Case No. 20580 was heard and taken under advisement on $\underline{\text{June 27, 2019}}$, before the drilling problems with the Ibex 10/15 wells occurred.
- 6. Due to drilling issues for the North-South Ibex 10/15 wells (See Exhibit 1, the verified statement of Travis Cude), the original case was re-opened in Case No. 20809, pooling the same acreage as in Case 20580 for the South-North Ibex 15/10 wells. It was heard on October 3, 2019, before the entry of an order in Case No. 20580.



- 7. Order No. R-20294 in Case No. 20580 (**Attachment** C) was entered on <u>October 15, 2019</u>, after the first two wells were junked and Mewbourne had begun permitting the Ibex 15/10 wells. Order No. R-20904-A in Case No. 20890 (**Attachment** D) was entered on <u>February 19, 2020</u>.
- 8. Mr. Ragsdale did not enter an appearance in either Case No. 20580 or Case No. 20809, despite receiving notice for each case by certified mail.
- 9. Tracy Anderson received an election letter dated January 23, 2020 under the JOA. **Attachment E**. Mr. Ragsdale received a similar letter on the same interest dated February 13, 2020. **Attachment F**.
- 10. Mr. Ragsdale received an election letter dated March 5, 2020, and a copy of Order R-20924-A, from Mewbourne on March 10, 2020 regarding his interest not subject to the JOA. **Attachment G**. Thus, his election to participate in the Ibex 15/10 B3PA Fed. Com. Well No. 1H and the Ibex 15/10 B1PA Fed. Com. Well No. 2H, pursuant to the terms of the pooling order, was due on April 9, 2020.He did not timely make an election to join in either well within 30 days.
- 11. Mr. Ragsdale did not raise any issue regarding the costs of the Ibex 15/10 B1PA Fed. Com. Well No. 2H after receipt of the election letter on March 10, 2020.
- 12. As set out in the List of Material Facts, Mewbourne offered Mr. Ragsdale an opportunity, after the election period expired, to join in both Ibex 15/10 wells. Because he did not meet the terms of Mewbourne's extension offer, Mewbourne has considered his non-JOA interest force pooled as to the Ibex 15/10 B1PA Fed. Com. Well No. 2H.
- 13. In my experience, a pooling order is the equivalent of an operating agreement, and Mr. Ragsdale has not been treated any differenlyt than the interest owners subject to the JOA.
- 14. The Form C-102s for the Ibex 10/15 wells and Ibex 15/10 wells are attached hereto as **Attachment H**. They show that the well units are identical and the only difference between the wells is North-South vs. South-North orientation.
- 15. I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 14 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 09/04/2020

Mitch Robb

MEWBOURNE OIL COMPANY

FASKEN CENTER 500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

TELEPHONE (432) 682-3715

March 15, 2019

&

Via Certified Mail

Tom M. Ragsdale 400 N. Sam Houston Parkway East, Suite 601 Houston, Texas 77060 Attn: Karen Stanford

Re: Ibex 10/15 B1AP Fed Com #2H 400' FNL & 1010' FEL (SL: Sec. 10) 100' FSL & 450' FEL (BHL: Sec. 15) Sections 10/15, T23S, R34E Lea County, New Mexico

Ibex 10/15 B3AP Fed Com #1H 393' FNL & 1039' FEL (SL: Sec. 10) 100' FSL & 600' FEL (BHL: Sec. 15) Sections 10/15, T23S, R34E Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Sections 10 & 15 for oil and gas production. The targeted intervals for the proposed unit are the Bone Spring and Wolfcamp formations.

Mewbourne as Operator hereby proposes to drill the captioned Ibex 10/15 B1AP Fed Com #2H 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 9,636 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,918 feet. The E/2E/2 of the captioned Sections 10 & 15 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Ibex 10/15 B3AP 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 11,266 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 21,533 feet. The E/2E/2 of the captioned Sections 10 & 15 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated March 8, 2019 for the captioned proposed wells. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

Should you elect to participate under a Joint Operating Agreement ("JOA"), a copy of our JOA follow under a separate cover letter for your further handling and review in the near future.

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

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb Landman

Ze Zamon Pa

ATTACHMENT

A



March 21, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: 9402 8106 9994 5039 3331 35.

Item Details

Status:

Delivered, Left with Individual

Status Date / Time:

March 21, 2019, 12:10 pm

Location:

HOUSTON, TX 77060

Postal Product:

Priority Mail®

Extra Services:

Certified Mail™

Return Receipt Electronic

Up to \$50 insurance included

Recipient Name:

Tom Ragsdale

Shipment Details

Weight:

1lb, 0.0oz

Recipient Signature

Signature of Recipient:

YOU SHOWNIN

Address of Recipient:

400 15 mm Has 1500

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 #: IBEX 10 15 B3AP 1H B1AP2H MR
Item ID: IBEX 10 15 B3AP 1H B1AP2H

Tom Ragsdale Working Interest E/2E/2 of Sections 10 & 15-T23S-R34E, Lea County, NM

E/2E/2 of Section 10 E/2NE/4 - 4.009729% NE/4SE/4 - 3.751777% SE/4SE/4 - 0.000000% *MOC, et al Remainder (All elections in)	Federal Leas NM 35164 80 acres Federal Leas NM 35164 40 acres
	Federal Lease NM 13641 40 acres
E/2E/2 of Section 15 All - 3.4187375%	Federal Lease NM 13838 80 acres
*MOC, et al Remainder (All elections in)	Federal Lease NM 13641 80 acres

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 TO CONSIDER:

CASE NO. 20580 ORDER NO. R-20924

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 27, 2019, at Santa Fe, New Mexico, before Examiner Leonard R. Lowe.

NOW, on this 15th day of October 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) COG Operating, LLC made an appearance. No other party appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

T C

- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

- (6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.
- (7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.
- (8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).
 - (9) There are interest owners in the Unit that have not agreed to pool their interests.
- (10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.
- (11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.
- (12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.
- (13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

IT IS THEREFORE ORDERED THAT

- (1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.
 - (2) The Unit shall be dedicated to the proposed "Well(s)".
- (3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.
- (4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.
- (5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.
- (7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.
- (8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.
- (9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.
- (10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

- (11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."
- (12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.
- (13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.
- (14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:
 - (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
 - (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.
- (15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

- (16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.
- (17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.
- (18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).
- (19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.
- (20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.
- (21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.
- (22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL Director

Exhibit "A" Case No. 20580

Applicant:

Mewbourne Oil Company

Operator:

Mewbourne Oil Company (OGRID 90712)

Spacing Unit:

Horizontal Oil

Building Blocks:

quarter-quarter sections 320 acres, more or less

Spacing Unit Size: Orientation of Unit:

North to South

Spacing Unit Description:

E/2 E/2 of Section 10 and E/2 E/2 of Section 15,

Township 23 South, Range 34 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation

Depth Severance? (Yes/No): No

Pool:

Antelope Ridge; Bone Springs, NW (Pool code 2207)

Pool Spacing Unit Size:

quarter-quarter sections

Governing Well Setbacks:

Horizontal Oil Well Rules Latest Horizontal Rules Apply

Pool Rules:

Proximity Tracts:

None Included

Monthly charge for supervision: While drilling: \$8000, While producing: \$800 As the charge for risk, 200 percent of reasonable well costs

Proposed Wells:

Ibex 10 15 B2AP Federal Com Well No. 1H, API No. 30-025-PENDING

SHL: 393 feet from the North line and 1039 feet from the East line, (Unit A) of Section 10, Township 23 South, Range 34 East, NMPM BHL: 100 feet from the South line and 600 feet from the East line, (Unit P) of Section 15, Township 23 South, Range 34 East, NMPM

Completion Target: Upper Wolfcamp at approx. 11,266 feet TVD

Well Orientation: North to South

Completion Location expected to be: standard

Ibex 10 15 B1AP Federal Com Well No. 2H, API No. 30-025-PENDING

SHL: 400 feet from the North line and 1010 feet from the East line, (Unit A) of Section 10, Township 23 South, Range 34 East, NMPM BHL: 100 feet from the South line and 450 feet from the East line, (Unit P) of Section 15, Township 23 South, Range 34 East, NMPM

Case No. 20580 Order No. R-20924 Page 8 of 8

Completion Target: Bone Spring at approx. 9,636 feet TVD Well Orientation: North to South Completion Location expected to be: standard

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO. 20809 ORDER NO. R-20924-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 3, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- Mewbourne Oil Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- On June 27, 2019, OCD heard this matter as Case 20580, and on October 15, 2019, issued Order No. R-20924 approving the following wells:

IBEX 10/15 B3AP FED COM 1H IBEX 10/15 B1AP FED COM 2H

3. On October 3, 2019, OCD reheard this matter which added the following wells:

IBEX 15/10 B3PA FED COM 1H IBEX 15/10 B1PA FED COM 2H

- Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



CONCLUSIONS OF LAW

- OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- Operator is the owner of an oil and gas working interest within the Unit.
- Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 12. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
- The Unit contains separately owned uncommitted interests in oil and gas minerals.
- Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 16. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 17. This Order supersedes and replaces Order No. R-20924.
- The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 20. Operator is designated as operator of the Unit and the Well(s).
- If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
- 22. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

CASE NO. <u>20809</u> ORDER NO. <u>R-20924-A</u>

- 23. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
- Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
- This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
- 26. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
- 27. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 28. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 29. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

- 30. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 31. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 34. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 35. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 36. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

- 37. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 38. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AS/jag

Date: February 19, 2020

Exhibit "A"

Applicant:

Mewbourne Oil Company

Operator:

Mewbourne Company (OGRID 14744)

Spacing Unit:

Horizontal oil

Building Blocks: Spacing Unit Size:

Quarter-quarter sections 320 acres, more or less

Orientation of Unit:

South to North

Spacing Unit Description:

E/2E/2 of Section 10 and E/2E/2 of Section 15,

Township 23 South, Range 34 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation

Depth Severance? (Yes/No): No

Pool: Pool Spacing Unit Size: Antelope Ridge; Bone Spring, NW (Pool Code 2207)

Governing Well Setbacks:

Quarter-quarter sections Horizontal oil well rules

Pool Rules:

Latest horizontal rules apply

Proximity Tracts:

None Included

Monthly charge for supervision: While drilling: \$8000, While producing: \$800 As the charge for risk, 200 percent of reasonable well costs

Proposed Wells:

Ibex 10/15 B3AP Fed.Com. Well No. 1H, API No. 30-025-46189

SHL: 393 feet from the North line and 1039 feet from the East line (Unit A) of Section 10, Township 23 South, Range 34 East, NMPM BHL: 100 feet from the South line and 600 feet from the East line (Unit P) of Section 15, Township 23 South, Range 34 East, NMPM

Completion Target: Third Bone Spring Sand at approx. 11266 feet TVD

Well Orientation: North to South

Completion Location expected to be: Standard

Ibex 10/15 B1AP Fed.Com. Well No. 2H, API No. 30-025-46260

SHL: 375 feet from the North line and 1107 feet from the East line (Unit A) of Section 10, Township 23 South, Range 34 East, NMPM BHL: 100 feet from the South line and 450 feet from the East line (Unit P) of Section 15, Township 23 South, Range 34 East, NMPM

CASE NO. __20809 ORDER NO. <u>R-20924-A</u> Completion Target: First Bone Spring Sand at approx. 9636 feet TVD Well Orientation: North to South Completion Location expected to be: Standard

Ibex 15/10 B3PA Fed.Com. Well No. 1H, API No. 30-025-PENDING

SHL: 140 feet from the South line and 305 feet from the East line (Unit P) of Section 15, Township 23 South, Range 34 East, NMPM BHL: 100 feet from the North line and 600 feet from the East line (Unit A) of Section 10, Township 23 South, Range 34 East, NMPM

Completion Target: Third Bone Spring Sand at approx. 11304 feet TVD Well Orientation: South to North
Completion Location expected to be: Standard

Ibex 15/10 B1PA Fed.Com. Well No. 2H, API No. 30-025-PENDING

SHL: 140 feet from the South line and 275 feet from the East line (Unit P) of Section 15, Township 23 South, Range 34 East, NMPM BHL: 100 feet from the North line and 450 feet from the East line (Unit A) of Section 10, Township 23 South, Range 34 East, NMPM

Completion Target: First Bone Spring Sand at approx. 9684 feet TVD Well Orientation: South to North Completion Location expected to be: Standard

MEWBOURNE OIL COMPANY

FASKEN CENTER 500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

TELEPHONE (432) 682-3715

January 23, 2020

Via Certified Mail

See Attached List

Re: Ibex 15/10 B1PA Fed Com #2H

140' FSL & 275' FEL (SL: Sec. 15)

100' FNL & 450' FEL (BHL: Sec. 10)

Sections 15/10, T23S, R34E

Lea County, New Mexico

Ibex 15/10 B3PA Fed Com #1H 140' FSL & 305' FEL (SL: Sec. 15) 100' FNL & 600' FEL (BHL: Sec. 10)

Sections 15/10, T23S, R34E Lea County, New Mexico

Ladies and Gentlemen:

Under the terms of the governing operating agreement, dated March 1, 2019 ("JOA"), Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Ibex 15/10 B1PA Fed Com #2H 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 9,684 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,900 feet. The E/2E/2 of the captioned Sections 15 & 10 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Ibex 15/10 B3PA 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 11,304 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 21,523 feet. The E/2E/2 of the captioned Sections 15 & 10 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling our AFEs dated September 10, 2019 for the captioned proposed wells and replacement pages to the JOA. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb Landman

ATTACHMENT



January 27, 2020

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 5047 2002 19.

Item Details

Status:

Status Date / Time:

Location:

Postal Product:

Extra Services:

January 27, 2020, 3:39 pm

MISSOURI CITY, TX 77459

Delivered, Left with Individual

First-Class Mail® Certified Mail™

Return Receipt Electronic

Tracy Anderson

Shipment Details

Recipient Name:

Weight:

3.00z

Recipient Signature

Signature of Recipient:

Address of Recipient:

6315 MISTY CRK MISSOURI CITY, TX 77459

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

> Tracy Anderson 6315 Misty Creek Missouri City, TX 77459 Reference #: Ibex 15 10

MEWBOURNE OIL COMPANY

FASKEN CENTER 500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

TELEPHONE (432) 682-3715

February 13, 2020

8

Via Certified Mail

Tom M. Ragsdale 400 N Sam Houston Pkwy E, Suite 601 Houston, TX 77060 Attn: Karen Stanford

Re: Ibex 15/10 B1PA Fed Com #2H 140' FSL & 275' FEL (SL: Sec. 15) 100' FNL & 450' FEL (BHL: Sec. 10) Sections 15/10, T23S, R34E Lea County, New Mexico

Ibex 15/10 B3PA Fed Com #1H 140' FSL & 305' FEL (SL: Sec. 15) 100' FNL & 600' FEL (BHL: Sec. 10) Sections 15/10, T23S, R34E Lea County, New Mexico

Ladies and Gentlemen:

Under the terms of the governing operating agreement, dated March 1, 2019 ("JOA"), Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Ibex 15/10 B1PA Fed Com #2H 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 9,684 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,900 feet. The E/2E/2 of the captioned Sections 15 & 10 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Ibex 15/10 B3PA 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 11,304 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 21,523 feet. The E/2E/2 of the captioned Sections 15 & 10 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling our AFEs dated September 10, 2019 for the captioned proposed wells and replacement pages to the JOA. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb Landman ATTACHMENT



February 18, 2020

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 5047 9570 90.

Item Details

Status:

Delivered, Left with Individual

Status Date / Time:

February 18, 2020, 11:59 am

Location:

HOUSTON, TX 77060

Postal Product:

First-Class Mail®

Extra Services:

Certified Mail™

Return Receipt Electronic

Recipient Name:

Karen Stanford

Shipment Details

Weight:

2.0oz

Recipient Signature

Signature of Recipient:

Ey 11

Elizabeth Right.

Address of Recipient:

400 A SAM HOUSTON

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

> Karen Stanford Tom M. Ragsdale 400 N SAM HOUSTON PKWY E STE 601 HOUSTON, TX 77060 Reference #: Ibex 15 10 B1PA #2H

MEWBOURNE OIL COMPANY

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

March 5, 2020

Via Certified Mail

Tom M. Ragsdale 400 N Sam Houston Pkwy E, Suite 601 Houston, TX 77060 Attn: Karen Stanford

Re: Ibex 15/10 B1PA Fed Com #2H Ibex 15/10 B3PA Fed Com #1H Order No. R-20924-A Sections 10/15, T23S, R34E

Lea County, New Mexico

Ladies and Gentlemen:

Attached for your information and further handling is a copy of the referenced pooling order dated February 19, 2020 regarding the captioned Ibex 15/10 B1PA Fed Com #2H and Ibex 15/10 B3PA Fed Com #1H wells.

As required by paragraph No. 26 on page 3 of the order, enclosed is a copy of our AFE dated March 3, 2020 regarding your 4.890142% working interest in the captioned Ibex 15/10 B1PA Fed Com #2H well. The AFE is an estimated well cost for the captioned well and the realized cost of the drilling, plugging and abandoning of the Ibex 10/15 B1AP Fed Com #2H well and the substitute Ibex 10/15 B1AP Fed Com #2HY well which was drilled in accordance with 19.15.13.8(4) NMAC. As required by paragraph No. 27 on page 3 of the pooling order, please sign and return the AFE within 30 days of your receipt of same in the event you elect to participate in the proposed well. Should you elect to participate in the well, your check for \$610,852.09 made payable to Mewbourne Oil Company must be received by Mewbourne Oil Company no later than 30 days after the expiration of the election period.

As required by paragraph No. 26 on page 3 of the order, enclosed is a copy of our AFE dated September 12, 2019 regarding your 4.890142% working interest in the captioned Ibex 15/10 B3PA Fed Com #1H well. The AFE is an estimated well cost for the captioned Ibex 15/10 B3AP Fed Com #1H well. As required by paragraph No. 27 on page 3 of the pooling order, please sign and return the AFE within 30 days of your receipt of same in the event you elect to participate in the proposed well. Should you elect to participate in the well, your check for \$465,996.30 made payable to Mewbourne Oil Company must be received by Mewbourne Oil Company no later than 30 days after the expiration of the election period.

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

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb Landman

ATTACHMENT



March 10, 2020

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 5048 5492 94.

Item Details

Status:

Delivered, Left with Individual

Status Date / Time:

March 10, 2020, 11:16 am

Location:

HOUSTON, TX 77060

Postal Product:

First-Class Mail®

Extra Services:

Certified Mail™

Return Receipt Electronic

Recipient Name:

Karen Stanford

Shipment Details

Weight:

2.0oz

Recipient Signature

Signature of Recipient:

Ch Mu Elizabeth Raysdala

Address of Recipient:

460 USAM HOUSTON

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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

> Karen Stanford Tom M. Ragsdale 400 N. Sam Houston Pkwy East, Suite 601 Houston, tx 77060 Reference #: Ibex 15/10

2640.19' (N 00'29'31" W 2639.86'

S 89'33'57" W 2640.65' (S 89'34'18" W 2640.06'

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

1 API Number				OCATION AND ACREAGE DEDICATION PLAT 2 Pool Code 3 Pool Name						
⁴ Property C	ode	100000		- W - 22 - 6 - 10	5 Property N				6 Well Number	
7OGRID	NO			IBEX		AP FED COM	[2H	
OGKID	No.			MEW		L COMPANY		9	Elevation 3369'	
or lot no.					¹⁰ Surface	Location		•		
A	Section 10	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County	
A	10	23S	34E		400	NORTH	1010	EAST	LEA	
or lot no.	Section	T. 11				If Different Fr	om Surface			
P	15	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
edicated Acres		23S	34E Consolidation (100 Order No.	SOUTH	450	EAST	LEA	
	33'55" W 5		is completion	E 20	ATTACHN	MENT \		ERATOR CERT		
NAD 8		TION	. 1010'	W 2641.11'⑤ N 00'29'12" W 2643	CORNER NAD 83 GRID A: FOUND BRASS N 472997.8 B: FOUND BRASS N 475641.0 C: FOUND BRASS	- NM EAST 5 CAP "1913" E 809183.6 6 CAP "1913" E 809160.1 6 CAP "1913"	the proposed by location pursua interest, or to a	hat the information contain, knowledge and belief, and to the interest or unleased mineral attention hole location or has a runt to a contract with an owne voluntary pooling agreement e entered by the division.	that this organization ei interest in the land inc ight to drill this well at er of such a mineral or s	
N 483192.1 - E 813363.5				N 478280.8 - E 809137.4 D: FOUND BRASS CAP "1913" N 780920.4 - E 809114.3			Printed Name	Printed Name		
5 89	37'08" W 52	279.82'		E: FOUND PK NAIL N 483559.7 - E 809091.7			E-mail Address			
1	1	1		2639.87'	F: FOUND F N 483599.8 -	E 814370.1	I hereby c	VEYOR CERT	cation shown on th	
_				± !	G: FOUND BRASS N 480956.4 — H: FOUND BRASS	E 814392.6		lotted from field note: ne or under my superv		
į	į	ļ		20.15.00	N 478315.9 —	E 814416.2	same is tri	ie and correct to the l		
-	-15-	-	<u> </u>	≥ D	N 475676.6 - J: FOUND BRASS	E 814440.1 CAP "1913"	Date of Surve	RIM	HOW	
NAD 83	EODETIC DAT GRID - NI BOTTOM HOLE 34.1 - E 81	M EAST		00 30 13" W 2639,61	N 473037.5 – E K: FOUND BRASS N 473017.8 – E	CAP "1913"	Signature and	Seal of Precessional Survey	18 19 A	

RRC - Job No .:

LS19010039

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

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	API Numbe	r		2Pool Code 3 Pool Name					
⁴ Property Co	de			IBEX 10/15 B1AP FED COM					6 Well Number
7 OGRID	NO.			MEWE	8 Operator N BOURNE OI		9Elevation 3369'		
					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
A	10	23S	34E		375	NORTH	1107	EAST	LEA
			11]	Bottom H	ole Location	If Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	23S	34E		100	SOUTH	450	EAST	LEA

(E)	S 89'33'55" W 5279.51')	
2640.19' (© N 00'29'31" W 2639.86'	375' S.L. 1107' 87 M. ZI, 827,00 N (G.11'1767) NAD 83 GRID — NM EAST	CORNER DATA NAD 83 GRID — NM EAST A: FOUND BRASS CAP "1913" N 472997.8 — E 809183.6 B: FOUND BRASS CAP "1913" N 475641.0 — E 809160.1	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 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 valuntary pooling agreement or a compulsory paoling order heretofore entered by the division.
N 00'30'32" W 2643.77" © N 00'29'38" W 2640.32' © N 00'30'03" W .	SURFACE LOCATION N 483216.3 - E 813266.5 LAT: 32.3253628' N LONG: 103.4530012' W S 89'37'08" W 5279.82' H) S 89'37'08 W 5279.82' H) S 89'37	C: FOUND BRASS CAP "1913" N 478280.8 — E 809137.4 D: FOUND BRASS CAP "1913" N 780920.4 — 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 "1913" N 480956.4 — E 814392.6 H: FOUND BRASS CAP "1913" N 478315.9 — E 814416.2 I: FOUND BRASS CAP "1913" N 475676.6 — E 814440.1 J: FOUND BRASS CAP "1913" N 473037.5 — E 814463.3 K: FOUND BRASS CAP "1913" N 473017.8 — E 811823.8	Printed Name E-mail Address 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. 1-14-19 Date of Survey Signature and Seal of Pregistral Supervision 19680 Certificate Number REV: 7-22-19 RESTAKE
A 5 89'33'		RRC - Job No.:	

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

¹ API Number				² Pool Cod	ON AND ACE	ne				
⁴ Property Cod			IBEX		⁶ Well Number					
7OGRID N	10.				IBEX 10/15 B3AP FED COM *Operator Name MEWBOURNE OIL COMPANY					
					10 Surface	Location			3369'	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West 1	ine County	
A	10	23S	34E		368	NORTH	1136	EAST	County	
			11 H	Bottom F	Iole Location	If Different Fro	om Surface		LILL	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ine County	
P	15	23S	34E		100	SOUTH	600	EAST	County	
Dedicated Acres	13 Joint	or Infill 14	Consolidation	Code 15 (Order No.			LINI	ши	

<u>(F)</u>	
CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1913" N 472997.8 - E 809183.6	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 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.
C: FOUND BRASS CAP "1913" N 478280.8 — E 809137.4 D: FOUND BRASS CAP "1913" N 780920.4 — E 809114.3	Signature Date Printed Name E-mail Address
F: FOUND PK NAIL N 483599.8 — E 814370.1 G: FOUND BRASS CAP "1913" N 480956.4 — E 814392.6 L: FOUND BRASS CAP "1913" N 478315.9 — E 814416.2 I: FOUND BRASS CAP "1913" N 475676.6 — E 814440.1 J: FOUND BRASS CAP "1913"	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. 1-14-19 Date of Survey Signature and Seal of Phensymal Support
N 473037.5 — E 814463.3 K: FOUND BRASS CAP "1913" N 473017.8 — E 811823.8	Signature and Seal of Press and Suggest 19680 Certificate Number REV: 7-22-19 RESTAKED
	CORNER DATA NAD 83 GRID — NM EAST A: FOUND BRASS CAP "1913" N 472997.8 — E 809183.6 B: FOUND BRASS CAP "1913" N 475641.0 — E 809160.1 C: FOUND BRASS CAP "1913" N 478280.8 — E 809137.4 D: FOUND BRASS CAP "1913" N 780920.4 — E 809114.3 E: FOUND PK NAIL N 483559.7 — E 809091.7 F: FOUND PK NAIL N 483559.8 — E 814370.1 G: FOUND BRASS CAP "1913" N 480956.4 — E 814392.6 H: FOUND BRASS CAP "1913" N 478315.9 — E 814416.2 I: FOUND BRASS CAP "1913" N 475676.6 — E 814440.1 J: FOUND BRASS CAP "1913" N 473037.5 — E 814463.3 K: FOUND BRASS CAP "1913" N 473017.8 — E 811823.8

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

¹ API Number				LOCATION AND ACREAGE DEDICATION PLAT 2Pool Code 3 Pool Name						
⁴ Property Co	de			IBEX 15/10 B1PA FED COM					6 Well Number	
7OGRID 1	NO.				*Operator Name MEWBOURNE OIL COMPANY					
					10 Surface	Location			3412'	
L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County	
P	15	23S	34E		140	SOUTH	275	EAST	LEA	
			и I	Bottom H	ole Location	If Different Fro	m Surface			
or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
A	10	23S	34E		100	NORTH	450	EAST	LEA	

E_	S 89'33'55" W 5279.51'	E		
W 2639.86	100' B.H. 450'	W 2643.87	GEODETIC DATA NAD 83 GRID — NM EAST SURFACE LOCATION N 473175.4 — E 814187.1	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
N 00'29'31"		N 00'29'12"	LAT: 32.2977442' N LONG: 103.4502889' W <u>BOTTOM HOLE</u> N 483496.4 — E 813921.1	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
0.19' (10	0.11.	LAT: 32.3261178 N LONG: 103.4508749 W CORNER DATA	interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
03" W 264		6" W 264.	NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1913" N 472997.8 - E 809183.6	Signature Date Printed Name
N 00.30	S 89'37'08" W 5279.82'	N 00.30,4	B: FOUND BRASS CAP "1913" N 475641.0 - E 809160.1 C: FOUND BRASS CAP "1913"	E-mail Address
2640.32' (2639.87'Œ	N 478280.8 — E 809137.4 D: FOUND BRASS CAP "1913" N 480920.4 — E 809114.3	18 SURVEYOR CERTIFICATION 1 hereby certify that the well location shown on this
W 88,60	 	W _ LO. 1	E: FOUND PK NAIL N 483559.7 - E 809091.7 F: FOUND PK NAIL N 483599.8 - E 814370.1	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.
.00 N B	15	€.00 N ⊝	G: FOUND BRASS CAP "1913" N 480956.4 - E 814392.6	08-05-2019 Date of Survey
7643.77		2639.61	H: FOUND BRASS CAP "1913" N 478315.9 — E 814416.2 I: FOUND BRASS CAP "1913" N 475676.6 — E 814440.1	Signature and Seat of Phones and Sugressia
NO:30'32" W		7.30'13" W	J: FOUND BRASS CAP "1913" N 473037.5 - E 814463.3 K: FOUND BRASS CAP "1913"	19680
A 3	140' S.L.	<i>8</i> ≈ <i>8</i> • <i>9</i> • <i>9</i> • • <i>9</i> • • • • • • • • • • • • • • • • • • •	N 473017.8 - E 811823.8 RRC - Job No.:	Certificate Number

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

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AMENDED REPORT

	r		LOCATION AND ACREAGE DEDICATION PLAT 2 Pool Code 3 Pool Name						
⁴ Property Co	de				⁶ Well Number				
7OGRID	NO.			MEWI	8 Operator N BOURNE OI		9Elevation 3413'		
					10 Surface	Location	111		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
P	15	23S	34E		140	SOUTH	305	EAST	LEA
			п I	Bottom H	lole Location	If Different Fro	m Surface		
UL or lot no.	Section	Township	Range Lot Idn		Feet from the		Feet from the	East/West line	County
A	10	23S	34E		100	NORTH	600	EAST	LEA

