

CASE NOS. 21406 and 21407

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

EXHIBITS

1. Applications and Proposed Ads
2. Landman's Affidavit (Josh Anderson)
3. Geologist's Affidavit (Charlie Crosby)
4. Affidavit of Notice
5. Pooling Checklist (Case No. 21406)
6. Pooling Checklist (Case No. 21407)

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21406

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 21 and the N/2S/2 of Section 22, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2S/2 of Section 21 and the N/2S/2 of Section 22, and has the right to drill a well thereon.
2. Applicant proposes to drill the Phoenix 21/22 B2KI Fed Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate N/2S/2 of Section 21 and the N/2S/2 of Section 22 thereto. The well has a first take point in the NW/4SW/4 of 21 and a last take point in the NE/4SE/4 of Section 22.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2S/2 of Section 21 and the N/2S/2 of Section 22 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

EXHIBIT 1

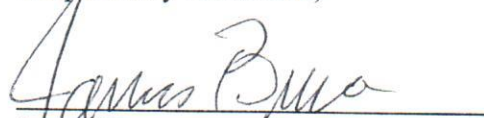
formation underlying the N/2S/2 of Section 21 and the N/2S/2 of Section 22, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the N/2S/2 of Section 21 and the N/2S/2 of Section 22 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Bone Spring formation underlying the N/2S/2 of Section 21 and the N/2S/2 of Section 22;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 21406 :

*Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*  
Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the N/2S/2 of Section 21 and the N/2S/2 of Section 22, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Phoenix 21/22 B2KI Fed Com. Well No. 1H, with a first take point in the NW/4SW/4 of 21 and a last take point in the NE/4SE/4 of Section 22. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 6-1/2 miles south of Loco Hills, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21407

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2S/2 of Section 21 and the S/2S/2 of Section 22, and has the right to drill a well thereon.
2. Applicant proposes to drill the Phoenix 21/22 B2NP Fed Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate S/2S/2 of Section 21 and the S/2S/2 of Section 22 thereto. The well has a first take point in the SW/4SW/4 of 21 and a last take point in the SE/4SE/4 of Section 22.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2S/2 of Section 21 and the S/2S/2 of Section 22 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

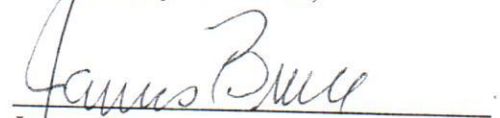
formation underlying the S/2S/2 of Section 21 and the S/2S/2 of Section 22, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the S/2S/2 of Section 21 and the S/2S/2 of Section 22 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Bone Spring formation underlying the S/2S/2 of Section 21 and the S/2S/2 of Section 22;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 21407:

*Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*  
Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Phoenix 21/22 B2NP Fed Com. Well No. 1H, with a first take point in the SW/4SW/4 of 21 and a last take point in the SE/4SE/4 of Section 22. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 6-1/2 miles south of Loco Hills, New Mexico.

**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, EDDY COUNTY,  
NEW MEXICO.**

**Case No. 21406**

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

**Case No. 21407**

**SELF-AFFIRMED STATEMENT OF JOSH ANDERSON**

COUNTY OF MIDLAND    )  
                                      ) ss.  
STATE OF TEXAS        )

Josh Anderson 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 these applications is to force pool working interest owners into the horizontal spacing units described below, and in wells to be drilled in the units.

(b) No opposition is expected because the interest owners being pooled were first contacted months ago regarding the proposed wells, but have simply failed or refused to voluntarily commit their interests to the wells. No one has objected to the applications.

(c) A plat outlining the units being pooled is attached hereto as Attachment A, together with Form C-102s for the wells. Mewbourne seeks orders pooling all mineral interests in the Bone Spring formation in the following horizontal spacing units:

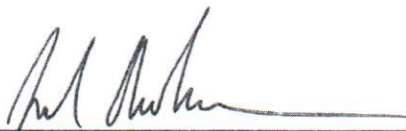
EXHIBIT 2

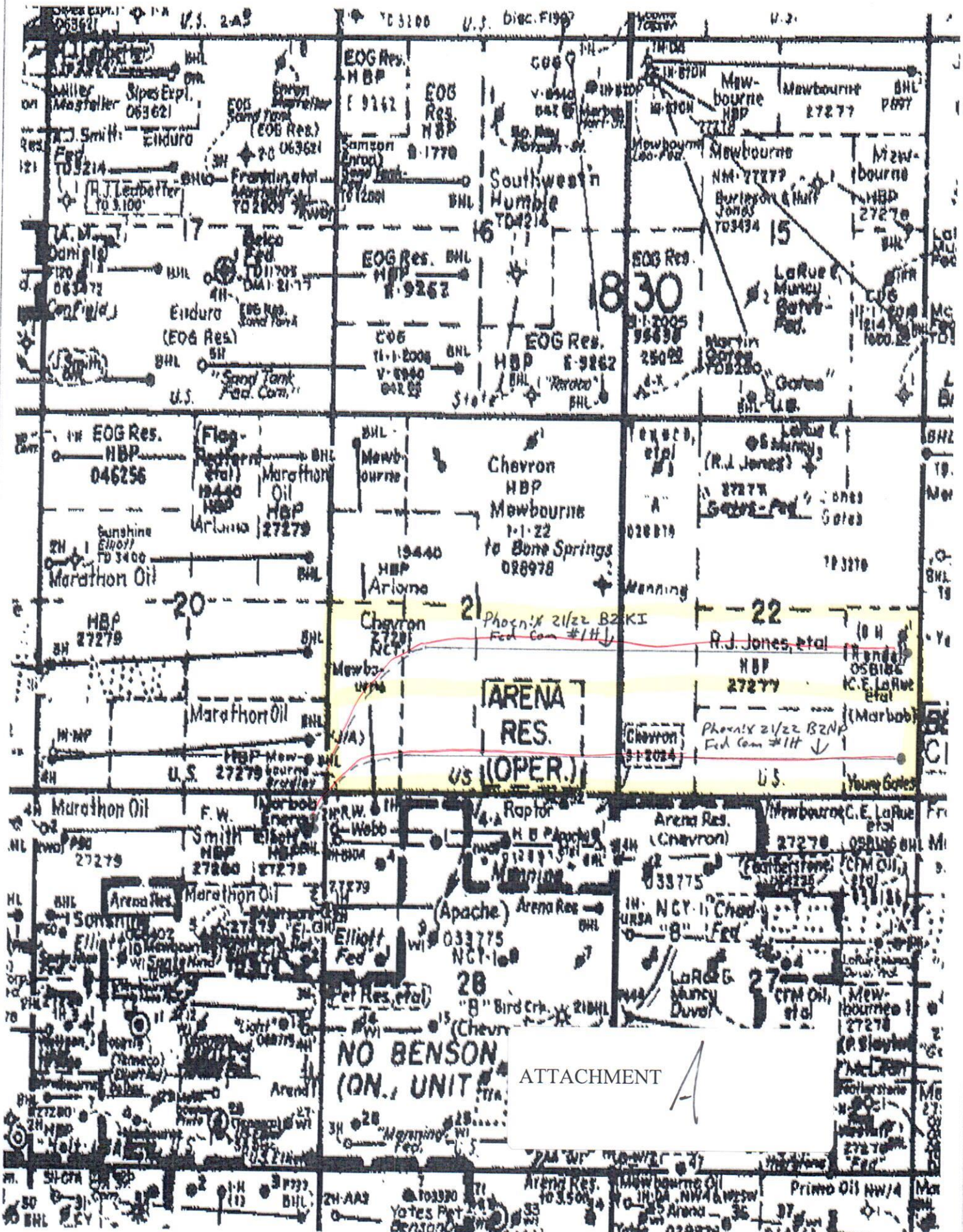


- (i) In Case No. 21406, the N/2S/2 of Section 21 and the N/2S/2 of Section 22, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Phoenix 21/22 B2KI Fed Com. Well No. 1H, with a first take point in the NW/4SW/4 of 21 and a last take point in the NE/4SE/4 of Section 22; and
- (ii) In Case 21407, the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Phoenix 21/22 B2NP Fed Com. Well No. 1H, with a first take point in the SW/4SW/4 of 21 and a last take point in the SE/4SE/4 of Section 22.
- (d) There are no depth severances in the Bone Spring formation.
- (e) The parties being pooled in the well units and their interests are set forth in Attachments B-1 and B-2. Their current or last known addresses are also set forth. All interest owners were locatable.
- (f) Exhibit C contains a summary of communications with the working interest owners, together with copies of the well proposals sent to the interest owners.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells, or to locate the interest owners.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well units.
- (i) Exhibit D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells are fair and reasonable, and are comparable to the costs of other wells of similar depths and length drilled in this area of Eddy 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 Eddy County. They are also the rates set forth in the Joint Operating Agreements for the well units. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Mewbourne requests that it be designated operator of the wells.
- (m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (n) The granting of these applications is in the interests of conservation and the prevention of waste.

3. 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 2(n) 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: 9/3/20

  
Josh Anderson



RECEIVED

State of New Mexico Energy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION ENRI-D-000 ARTESIA 1220 South St. Francis Dr. Santa Fe, NM 87505

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 871 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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form with fields for API Number (30-015-46822), Pool Code (54600), Pool Name (SANTA NINO-BONE SPRING), Property Code (321305), Property Name (PHOENIX 21/22 B2KI FED COM), Well Number (1H), GRID NO. (14744), Operator Name (MEWBOURNE OIL COMPANY), Elevation (3415'), Surface Location, Bottom Hole Location, and Dedicated Acres (320).

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.

Main plat area containing geodetic data, surface and bottom hole locations, a well location diagram with 'PROJECT AREA' and 'PRODUCING AREA' labels, and certification sections for Operator (Bradley Bishop) and Surveyor (Robert M. Howett).

RRC-Job No.: LS1701035

RWP 3-11-20

RECEIVED

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, Artesia, 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

FEB 12 2019

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30015-45722</b>		2 Pool Code <b>54600</b>		3 Pool Name <b>Santo Nino Bone Spring</b>					
4 Property Code <b>324775</b>		5 Property Name <b>PHOENIX 21/22 B2NP FEDERAL COM</b>			6 Well Number <b>1H</b>				
7 OGRID NO. <b>14744</b>		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>			9 Elevation <b>3417'</b>				
10 Surface Location									
UL or lot no. <b>A</b>	Section <b>29</b>	Township <b>18S</b>	Range <b>30E</b>	Lot Idn	Feet from the <b>770</b>	North/South line <b>NORTH</b>	Feet from the <b>270</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
11 Bottom Hole Location If Different From Surface									
UL or lot no. <b>P</b>	Section <b>22</b>	Township <b>18S</b>	Range <b>30E</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>SOUTH</b>	Feet from the <b>330</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
12 Dedicated Acres <b>320</b>		13 Joint or Infill		14 Consolidation Code		15 Order No. <b>100</b>			

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.

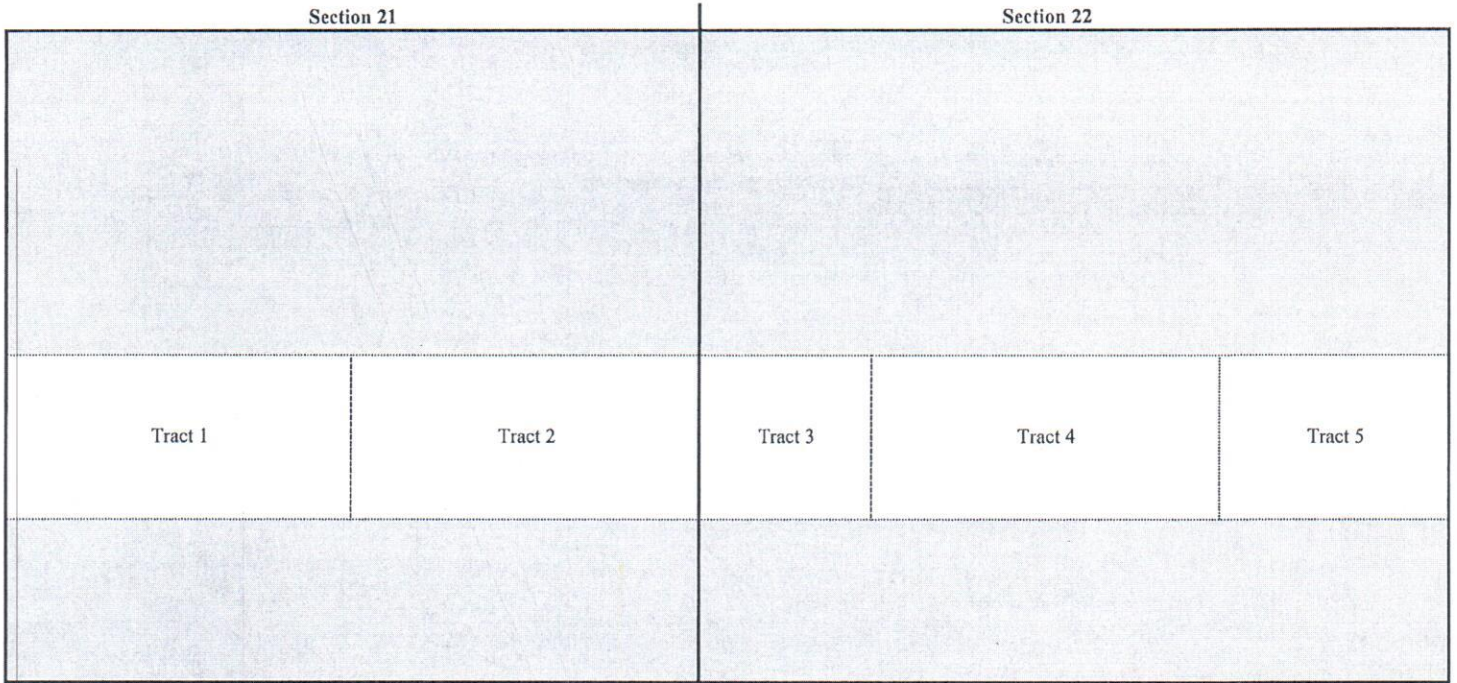
<b>16 GEODETIC DATA</b> NAD 27 GRID - NM EAST <b>SURFACE LOCATION</b> N: 627089.3 - E: 606843.9 LAT: 32.72348326° N LONG: 103.98591503° W <b>BOTTOM HOLE</b> N: 628536.2 - E: 617335.4 LAT: 32.72736118° N LONG: 103.95178404° W		<b>GEODETIC DATA</b> NAD 83 GRID - NM EAST <b>SURFACE LOCATION</b> N: 627152.3 - E: 648023.1 LAT: 32.72360128° N LONG: 103.98642175° W <b>BOTTOM HOLE</b> N: 628599.3 - E: 658514.5 LAT: 32.72747960° N LONG: 103.95229034° W		<b>DETAIL "A"</b>  <b>FOR CORNER DATA</b> SEE SHEET 2		<b>17 OPERATOR CERTIFICATION</b> 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. Signature: <i>Bradley Bishop</i> Date: 1-11-18 Printed Name: <b>Bradley Bishop</b> E-mail Address: <b>BBISHOP@MEWBOURNE.COM</b>	
<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: <b>3-23-2017</b> Signature and Seal of <b>ROBERT M. HOWETT</b>  Certificate Number: <b>19880</b> SHEET 1 OF 2							

RRC-Job No.: LS1701039

Rev 2-14-19

Section Plat  
Phoenix 21/22 B2K1 Fed Com #1H  
N/2S/2 of Section 21 & N/2S/2 of Section 22

T18S-R30E, Eddy County, NM



Tract 1: N/2SW/4 of Section 21 - Federal Lease NMNM 40117  
Mewbourne Oil Company  
Chevron U.S.A., Inc.

Tract 3: NW/4SW/4 of Section 22 - Federal Lease NMLC 028978(a)  
EOG Resources, Inc.

Tract 4: NE/4SW/4 & NW/4SE/4 of Section 22 - Federal Lease NMNM 27277  
ConocoPhillips Company

Tract 5: NE/4SE/4 of Section 22 - Federal Lease NMLC 058186  
Mewbourne Oil Company

Tract 2: N/2SE/4 of Section 21 - Federal Lease NMLC 028978(a)  
Mewbourne Oil Company  
Chevron U.S.A., Inc.

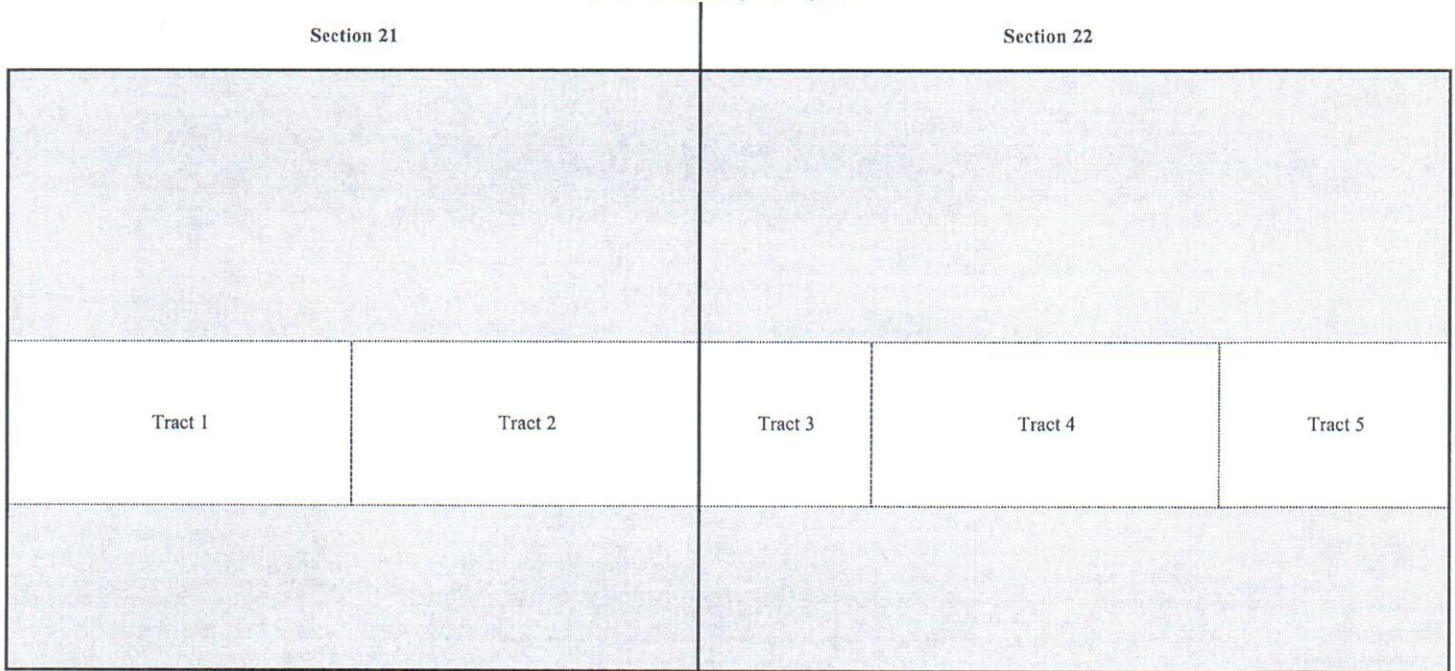
ATTACHMENT

B-1

**RECAPITULATION FOR PHOENIX 21/22 B2KI FED COM #1H**

Tract Number	Number of Acres Committeed	Percentage of Interst in Communitized Area
1	80	25.000000%
2	80	25.000000%
3	40	12.500000%
4	80	25.000000%
5	40	12.500000%
<b>TOTAL</b>	<b>320</b>	<b>100.000000%</b>

T18S-R30E, Eddy County, NM



**TRACT OWNERSHIP**  
Phoenix 21/22 B2KI Fed Com #1H  
N/2S/2 of Section 21 & N/2S/2 of Section 22

N/2S/2 of Section 21 & N/2S/2 of Section 22

Bone Spring Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	62.500000%
*EOG Resources, Inc. 5509 Champions Dr. Midland, TX 79706	12.500000%
*ConocoPhillips Company P.O. Box 2197 Houston, TX 77252	25.000000%
<b>TOTAL</b>	<b>100.000000%</b>
<b>Total Interest Being Pooled:</b>	<b>37.500000%</b>

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OWNERSHIP BY TRACT

N/2SW/4 of Section 21

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

N/2SE/4 of Section 21

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

NW/4SW/4 of Section 22

Owner	% of Leasehold Interest
EOG Resources, Inc.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

NE/4SW/4 & NW/4SE/4 of Section 22

Owner	% of Leasehold Interest
ConocoPhillips Company	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

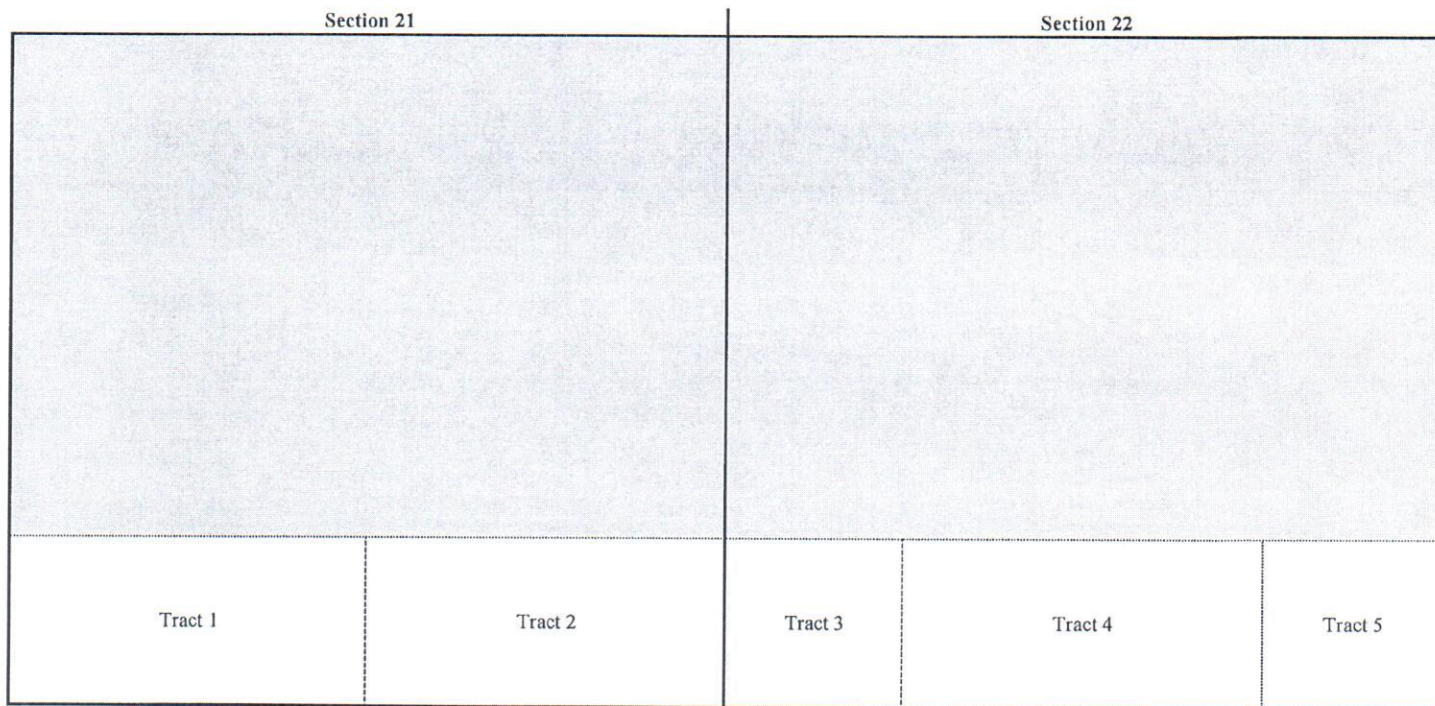
NE/4SE/4 of Section 22

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>



Section Plat  
Phoenix 21/22 B2NP Fed Com #1H  
S/2S/2 of Section 21 & S/2S/2 of Section 22

T18S-R30E, Eddy County, NM



Tract 1: S/2SW/4 of Section 21 - Federal Lease NMNM 40117  
Mewbourne Oil Company  
Chevron U.S.A., Inc.

Tract 3: SW/4SW/4 of Section 22 - Federal Lease NMLC 028978(a)  
EOG Resources, Inc.

Tract 4: SE/4SW/4 & SW/4SE/4 of Section 22 - Federal Lease NMNM 016808  
EOG Resources, Inc.

Tract 5: SE/4SE/4 of Section 22 - Federal Lease NMLC 058186  
Mewbourne Oil Company

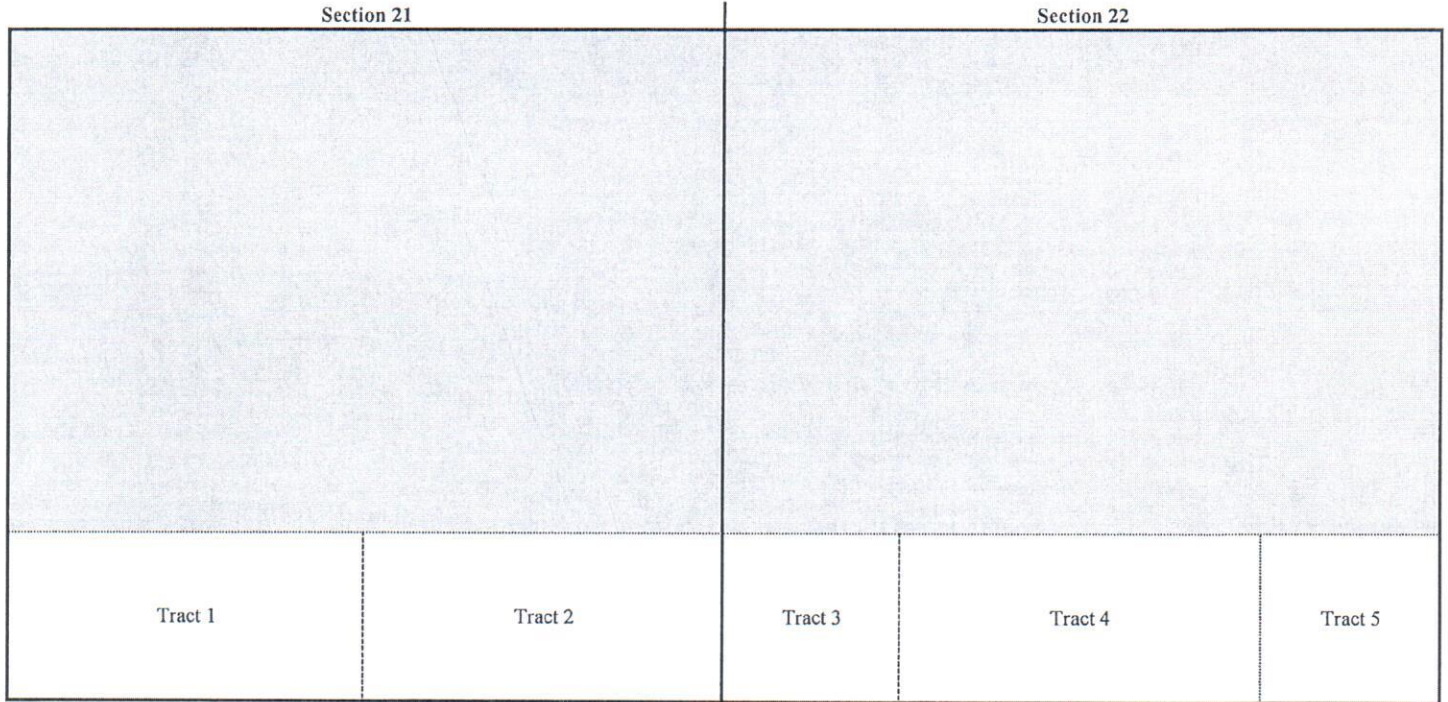
Tract 2: S/2SE/4 of Section 21 - Federal Lease NMLC 028978(a)  
Mewbourne Oil Company  
Chevron U.S.A., Inc.

ATTACHMENT B-2

RECAPITULATION FOR PHOENIX 21/22 B2NP FED COM #1H

Tract Number	Number of Acres Committed	Percentage of Interst in Communitized Area
1	80	25.000000%
2	80	25.000000%
3	40	12.500000%
4	80	25.000000%
5	40	12.500000%
<b>TOTAL</b>	<b>320</b>	<b>100.000000%</b>

T18S-R30E, Eddy County, NM



**TRACT OWNERSHIP**  
 Phoenix 21/22 B2NP Fed Com #1H  
 S/2S/2 of Section 21 & S/2S/2 of Section 22

S/2S/2 of Section 21 & S/2S/2 of Section 22

Bone Spring Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	62.500000%
*EOG Resources, Inc. 5509 Champions Dr. Midland, TX 79706	37.500000%

TOTAL 100.000000%

Total Interest Being Pooled: 37.500000%

---

OWNERSHIP BY TRACT

S/2SW/4 of Section 21

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%

TOTAL 100.000000%

S/2SE/4 of Section 21

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%

TOTAL 100.000000%

SW/4SW/4 of Section 22

Owner	% of Leasehold Interest
EOG Resources, Inc.	100.000000%

TOTAL 100.000000%

SE/4SW/4 & SW/4SE/4 of Section 22

Owner	% of Leasehold Interest
EOG Resources, Inc.	100.000000%
TOTAL	100.000000%

SE/4SE/4 of Section 22

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%
TOTAL	100.000000%

**Summary of Communications**  
**Phoenix 21/22 B2NP Fed Com #1H**  
**S/2S/2 of Section 21-T18S-R30E, Eddy County, NM &**  
**S/2S/2 of Section 22-T18S-R30E, Eddy County, NM**  
**Phoenix 21/22 B2KI Fed Com #1H**  
**N/2S/2 of Section 21-T18S-R30E, Eddy County, NM &**  
**N/2S/2 of Section 22-T18S-R30E, Eddy County, NM**

**EOG Resources, Inc.:**

10/25/2018: Mailed a Working Interest Unit, Phoenix 21/22 B2NP Fed Com #1H Well Proposal, and updated Joint Operating Agreement to the above listed party.

12/10/2019: Met with above listed party regarding Working Interest Unit and Well Proposal.

02/04/2020: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

02/11/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

02/24/2020: Phone correspondence with above listed party regarding Working Interest Unit.

02/20/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/07/2020: Mailed Phoenix 21/22 B2KI Fed Com #1H Well Proposal and replacement B2NP Fed Com #1H AFE to the above listed party.

04/09/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/14/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/22/2020: Mailed updated Phoenix 21/22 B2KI Fed Com #1H Well Proposal and replacement AFE to the above listed party.

07/31/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

08/03/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

08/20/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

09/01/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Ongoing: Mewbourne is currently negotiating with EOG Resources, Inc. to acquire all or a portion of their interest.

**ConocoPhillips Company:**

10/25/2018: Mailed a Working Interest Unit, Phoenix 21/22 B2NP Fed Com #1H Well Proposal, and updated Joint Operating Agreement to the above listed party.

02/19/2019: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

05/14/2019: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

10/02/2019: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

10/03/2019: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

02/13/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

02/21/2020: Emailed Joint Operating Agreement updates and changes to the above listed party.

03/31/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/02/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/03/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/06/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/07/2020: Mailed Phoenix 21/22 B2KI Fed Com #1H Well Proposal and replacement B2NP Fed Com #1H AFE to the above listed party.

04/22/2020: Mailed updated Phoenix 21/22 B2KI Fed Com #1H Well Proposal and replacement AFE to the above listed party.

07/10/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

07/31/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

08/03/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

08/11/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

ATTACHMENT C

**08/12/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**08/13/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**08/17/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**08/18/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**08/25/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**09/01/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**Ongoing:** Mewbourne is currently waiting on ConocoPhillips Company to send in their executed JOA and AFEs.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

October 25, 2018

*Hand Delivered*

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

Re: Phoenix 21/22 WIU  
E/2W/2, E/2 Section 21  
And all of Section 22,  
T18S, R30E  
Eddy County, New Mexico

Dear Chuck:

Reference is made to my previous letter dated June 7, 2018 (see copy enclosed) whereby Mewbourne proposed forming the captioned WIU and proposed drilling the Phoenix 21/22 B2MP Fed Com #1H Well as the initial well. Please be advised, Mewbourne withdraws the previous proposed well and proposes to drill the Phoenix 21/22 B2NP Fed. Com #1H Well at a surface location 770' FNL & 270' FEL of Section 29 (the same surface location as the previous well) and drilled horizontally to a terminus point 660' FSL & 330' FEL of Section 22 being the bottom hole location (the same bottom hole location as the previous well). The proposed substitute well will be dedicated to the SE/4SW/4 and S/2SE/4 of Section 21 and the S/2S/2 of the captioned Section 22 as its nonstandard oil proration unit and project area containing 280 acres, more or less.

In reference to the above, enclosed for your further handling is our AFE dated April 23, 2018 for the proposed substitute well. Also enclosed for your further handling is the revised front page of the Operating Agreement, revised Exhibit "A" to the Operating Agreement and revised Exhibit "A" to the Recording Supplement. Please note the WIU now covers 1120 acres more or less. Accordingly, the ownership in the proposed WIU has changed slightly. Please note the revised ownership. Please substitute the enclosed AFE and referenced revised pages for the ones currently in your possession.

Regarding the above, I've ordered the Abstracts for title examination. Upon our receipt of the Drilling Title Opinion, I will forward you a copy of same for your file. Please call me should you have any questions regarding the above.

Sincerely yours,

**MEWBOURNE OIL COMPANY**

A handwritten signature in cursive script, appearing to read "D. Paul Haden".

D. Paul Haden  
Senior Landman

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

October 25, 2018

Via Overnight Mail (832)486-2662

ConocoPhillips Company  
600 N. Dairy Ashford Road  
EC3-7-W334  
Houston, Tx. 77079  
Attn: Mr. Stewart D. O'Neal

Re: Phoenix 21/22 WIU  
E/2W/2, E/2 Section 21  
And all of Section 22,  
T18S, R30E  
Eddy County, New Mexico

Dear Stewart:

Reference is made to my previous letter dated June 7, 2018 (see copy enclosed) whereby Mewbourne proposed forming the captioned WIU and proposed drilling the Phoenix 21/22 B2MP Fed Com #1H Well as the initial well. Please be advised, Mewbourne withdraws the previous proposed well and proposes to drill the Phoenix 21/22 B2NP Fed. Com #1H Well at a surface location 770' FNL & 270' FEL of Section 29 (the same surface location as the previous well) and drilled horizontally to a terminus point 660' FSL & 330' FEL of Section 22 being the bottom hole location (the same bottom hole location as the previous well). The proposed substitute well will be dedicated to the SE/4SW/4 and S/2SE/4 of Section 21 and the S/2S/2 of the captioned Section 22 as its nonstandard oil proration unit and project area containing 280 acres, more or less.

In reference to the above, enclosed for your further handling is our AFE dated April 23, 2018 for the proposed substitute well. Also enclosed for your further handling is the revised front page of the Operating Agreement, revised Exhibit "A" to the Operating Agreement and revised Exhibit "A" to the Recording Supplement. Please note the WIU now covers 1120 acres more or less. Accordingly, the ownership in the proposed WIU has changed slightly. Please note the revised ownership. Please substitute the enclosed AFE and referenced revised pages for the ones currently in your possession.



Regarding the above, I've ordered the Abstracts for title examination. Upon our receipt of the Drilling Title Opinion, I will forward you a copy of same for your file. Please call me should you have any questions regarding the above.

Sincerely yours,

**MEWBOURNE OIL COMPANY**

A handwritten signature in cursive script, appearing to read "D. Paul Haden".

D. Paul Haden  
Senior Landman

**MEWBOURNE OIL COMPANY**

500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

April 7, 2020

Via Certified Mail & E-Mail

EOG Resources, Inc.  
5509 Champions Dr.  
Midland, Texas 79706  
Attn: Laci Stretcher

Re: Phoenix "21/22" B2KI Fed Com No. 1H  
720' FNL & 270' FEL (SL) (Sec. 29)  
660' FSL & 1980' FEL (BHL) (Sec. 22)  
Section 21/22, T18S, R30E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the captioned 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 8,309 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,043 feet. The N/2S/2 of the captioned Section 21 and the N/2S/2 of the captioned Section 22 will be dedicated to the well as the proration unit.

Also attached is a revised AFE for the Phoenix 21/22 B2NP Fed Com No. 1H due to new pad drilling and decreased costs. Please be advised that this is **NOT** a retraction of the original well proposal, rather an update/reduction in costs estimates.

Regarding the above, enclosed for your further handling is our AFE dated March 31, 2020 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. The proposed Joint Operating Agreement has been previously provided.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**MEWBOURNE OIL COMPANY**

500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

April 7, 2020

*Via Certified Mail & E-Mail*

ConocoPhillips Company  
P.O. Box 2197  
Houston, Texas 77252  
Attn: Wyn McCubbin

Re: Phoenix "21/22" B2KI Fed Com No. 1H  
720' FNL & 270' FEL (SL) (Sec. 29)  
660' FSL & 1980' FEL (BHL) (Sec. 22)  
Section 21/22, T18S, R30E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the captioned 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 8,309 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,043 feet. The N/2S/2 of the captioned Section 21 and the N/2S/2 of the captioned Section 22 will be dedicated to the well as the proration unit.

Also attached is a revised AFE for the Phoenix 21/22 B2NP Fed Com No. 1H due to new pad drilling and decreased costs. Please be advised that this is **NOT** a retraction of the original well proposal, rather an update/reduction in costs estimates.

Regarding the above, enclosed for your further handling is our AFE dated March 31, 2020 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. The proposed Joint Operating Agreement has been previously provided.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**MEWBOURNE OIL COMPANY**

500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

April 22, 2020

Via Certified Mail & E-Mail

EOG Resources, Inc.  
5509 Champions Dr.  
Midland, Texas 79706  
Attn: Laci Stretcher

Re: Phoenix "21/22" B2KI Fed Com No. 1H  
770' FNL & 300' FEL (SL) (Sec. 29)  
1980' FSL & 100' FEL (BHL) (Sec. 22)  
Section 21/22, T18S, R30E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") previously proposed to drill the captioned well. Mewbourne would like to correct that proposal with the new above referenced surface location (SL) and bottom hole location (BHL). The proposed well will still be drilled to an approximate true vertical depth (TVD) of 8,309 feet subsurface to evaluate the Bone Spring Formation. The proposed well will still have a measured depth (MD) of approximately 19,043 feet. The N/2S/2 of the captioned Section 21 and the N/2S/2 of the captioned Section 22 will be dedicated to the well as the proration unit.

Also attached is a revised AFE for the above captioned well. Please be advised that this is **NOT** a retraction of the original well proposal, rather a correction of the previous AFE's surface and bottom hole locations.

Regarding the above, enclosed for your further handling is our corrected AFE dated March 31, 2020 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. The proposed Joint Operating Agreement has been previously provided.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**MEWBOURNE OIL COMPANY**

500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

April 22, 2020

Via Certified Mail & E-Mail

ConocoPhillips Company  
P.O. Box 2197  
Houston, Texas 77252  
Attn: Wyn McCubbin

Re: Phoenix "21/22" B2KI Fed Com No. 1H  
770' FNL & 300' FEL (SL) (Sec. 29)  
1980' FSL & 100' FEL (BHL) (Sec. 22)  
Section 21/22, T18S, R30E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") previously proposed to drill the captioned well. Mewbourne would like to correct that proposal with the new above referenced surface location (SL) and bottom hole location (BHL). The proposed well will still be drilled to an approximate true vertical depth (TVD) of 8,309 feet subsurface to evaluate the Bone Spring Formation. The proposed well will still have a measured depth (MD) of approximately 19,043 feet. The N/2S/2 of the captioned Section 21 and the N/2S/2 of the captioned Section 22 will be dedicated to the well as the proration unit.

Also attached is a revised AFE for the above captioned well. Please be advised that this is **NOT** a retraction of the original well proposal, rather a correction of the previous AFE's surface and bottom hole locations.

Regarding the above, enclosed for your further handling is our corrected AFE dated March 31, 2020 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. The proposed Joint Operating Agreement has been previously provided.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: Phoenix 21/22 B2NP Fed Com #1H 100' ~~31~~ Prospect: Bone Spring  
 Location: SL: 770' FNL & 270' FEL (29); BHL: 660' FSL & 330' FEL (22) County: Eddy ST: NM  
 Sec. 29 Blk:      Survey:      TWP: 18S RNG: 30E Prop. TVD: 8344 TMD: 18486

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$45,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$40,000
Daywork / Turnkey / Footage Drilling 30 days drlg / 4 days comp @ \$19500/d		0180-0110	\$624,800	0180-0210	\$83,300
Fuel 1700 gal/day @ \$1.1/gal		0180-0114	\$59,900	0180-0214	\$230,000
Mud, Chemical & Additives		0180-0120	\$160,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$200,000
Cementing		0180-0125	\$80,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$275,000
Casing / Tubing / Snubbing Service		0180-0134	\$19,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation 48 Stg 19.4 MM gal / 19.4 MM lb				0180-0241	\$1,320,000
Stimulation Rentals & Other				0180-0242	\$160,000
Water & Other		0180-0145	\$50,000	0180-0245	\$480,000
Bits		0180-0148	\$106,800	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$30,000
Directional Services Includes Vertical Control		0180-0175	\$403,000		
Equipment Rental		0180-0180	\$221,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,800	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190		0180-0290	
ROW & Easements		0180-0192		0180-0292	\$1,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$277,200	0180-0295	\$100,800
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$50,900	0180-0299	\$63,100
<b>TOTAL</b>			<b>\$2,594,000</b>		<b>\$3,218,700</b>
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$15,500		
Casing (8.1" - 10.0") 2550' - 9 5/8" 36# J-55 LT&C @ \$19.82/ft		0181-0795	\$54,000		
Casing (6.1" - 8.0") 8620' - 7" 29# HCP-110 LT&C @ \$21.47/ft		0181-0796	\$197,700		
Casing (4.1" - 6.0") 10760' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft				0181-0797	\$134,700
Tubing 7730' - 2 7/8" 6.5# L-80 Tbg @ \$4.54/ft				0181-0798	\$37,500
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$45,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	\$10,000
Artificial Lift Systems Gas Lift Valves				0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers 1/2 VRU/SWD Pump				0181-0886	\$55,000
Tanks - Oil 1/2 of 6 - 750 bbl				0181-0890	\$60,000
Tanks - Water 1/2 of 5 - 750 bbl coated				0181-0891	\$50,000
Separation / Treating Equipment 1/2 GB/VRT/Flare/30"x10"x1k# 3ph/48"x16"x1k# Horiz				0181-0895	\$154,000
Heater Treaters, Line Heaters 8'x20'x75# HT				0181-0897	\$27,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering 1/2 of 2 x 0.5 Mile 4" SWD				0181-0900	\$7,500
Fittings / Valves & Accessories				0181-0908	\$150,000
Cathodic Protection Inc. Automation				0181-0908	\$57,500
Electrical Installation				0181-0909	\$75,000
Equipment Installation				0181-0910	\$100,000
Pipeline Construction 1/2 of 2 x 0.5 Mile 4" SWD				0181-0920	\$5,000
<b>TOTAL</b>			<b>\$307,200</b>		<b>\$1,028,200</b>
<b>SUBTOTAL</b>			<b>\$2,901,200</b>		<b>\$4,246,900</b>

**TOTAL WELL COST \$7,148,100**

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: Andy Taylor Date: 3/30/2020

Company Approval: *M. Whitte* Date: 3/31/2020

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

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

ATTACHMENT D

**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: <b>Phoenix 21/22 B2KI Fed Com #1H</b>		Prospect: <b>Bone Spring</b>	
Location: <b>SL: 770' FNL &amp; 300' FEL (29); BHL: 1980' FSL &amp; 100' FEL (22)</b>		County: <b>Eddy</b> ST: <b>NM</b>	
Sec. <b>29</b>	Blk: <b>    </b>	Survey: <b>    </b>	TWP: <b>18S</b> RNG: <b>30E</b> Prop. TVD: <b>8309</b> TMD: <b>19043</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$45,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$40,000
Daywork / Turnkey / Footage Drilling	31 days drlg / 4 days comp @ \$19500/d	0180-0110	\$645,700	0180-0210	\$83,300
Fuel	1700 gal/day @ \$1.1/gal	0180-0114	\$61,900	0180-0214	\$230,000
Mud, Chemical & Additives		0180-0120	\$160,000	0180-0220	
Horizontal Drilling Services				0180-0222	\$200,000
Cementing		0180-0125	\$80,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$275,000
Casing / Tubing / Snubbing Service		0180-0134	\$19,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation	48 Stg 19.4 MM gal / 19.4 MM lb			0180-0241	\$1,320,000
Stimulation Rentals & Other				0180-0242	\$160,000
Water & Other		0180-0145	\$50,000	0180-0245	\$480,000
Bits		0180-0148	\$106,800	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$30,000
Directional Services	Includes Vertical Control	0180-0175	\$417,000		
Equipment Rental		0180-0180	\$221,300	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,800	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190		0180-0290	
ROW & Easements		0180-0192		0180-0292	\$1,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$286,400	0180-0295	\$100,800
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$517,840	0180-0299	\$631,120
<b>TOTAL</b>			<b>\$2,594,000</b>		<b>\$3,218,700</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	450' - 13 3/8" 54.5# J-55 ST&C @ \$32.18/ft	0181-0794	\$15,500		
Casing (8.1" - 10.0")	2550' - 9 5/8" 36# J-55 LT&C @ \$19.82/ft	0181-0795	\$54,000		
Casing (6.1" - 8.0")	9000' - 7" 29# HCP-110 LT&C @ \$21.47/ft	0181-0796	\$206,400		
Casing (4.1" - 6.0")	11310' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft			0181-0797	\$141,600
Tubing	8110' - 2 7/8" 6.5# L-80 Tbg @ \$4.54/ft			0181-0798	\$39,400
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$45,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	1/2 VRU/SWD Pump			0181-0886	\$55,000
Tanks - Oil	1/2 of 6 - 750 bbl			0181-0890	\$60,000
Tanks - Water	1/2 of 5 - 750 bbl coated			0181-0891	\$50,000
Separation / Treating Equipment	1/2 GB/VRT/Flare/30"x10"x1k# 3ph/48"x16"x1k# Horiz			0181-0895	\$154,000
Heater Treaters, Line Heaters	8'x20'x75# HT			0181-0897	\$27,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	1/2 of 2 x 0.5 Mile 4" SWD			0181-0900	\$7,500
Fittings / Valves & Accessories				0181-0906	\$150,000
Cathodic Protection	Inc. Automation			0181-0908	\$57,500
Electrical Installation				0181-0909	\$75,000
Equipment Installation				0181-0910	\$100,000
Pipeline Construction	1/2 of 2 x 0.5 Mile 4" SWD			0181-0920	\$5,000
<b>TOTAL</b>			<b>\$315,900</b>		<b>\$1,037,000</b>
<b>SUBTOTAL</b>			<b>\$2,909,900</b>		<b>\$4,255,700</b>

**TOTAL WELL COST** **\$7,165,600**

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: Andy Taylor Date: 3/30/2020

Company Approval: *M. Whittier* Date: 3/31/2020

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

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

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

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

Case No. 21406

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

Case No. 21407

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND            )  
  ) ss.  
STATE OF TEXAS                )

Charles Crosby deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
  - (a) Attachment A is a structure map on the base of the 2<sup>nd</sup> Bone Spring Sand. It shows that structure dips gently to the east/southeast. It also shows 2<sup>nd</sup> Bone Spring Sand wells in the area, and a line of cross-section.
  - (b) Attachment B is a Lower 2<sup>nd</sup> Bone Spring Sand Gross Thickness Map.
  - (c) Attachment C is a cross section of the 2<sup>nd</sup> Bone Spring Sand. The well logs on the cross-section give a representative sample of the 2<sup>nd</sup> Bone Spring Sand in this area, the target zone for the proposed well. The sand is continuous and uniformly thick across the well units.
4. I conclude from the maps that:
  - (a) The horizontal spacing units are justified from a geologic standpoint.

EXHIBIT 3



(b) The target zone is continuous and of relatively uniform thickness across the well units.

(c) Each quarter-quarter section in the well units will contribute more or less equally to production from the target zone.

(d) There is no faulting or other geologic impediment in the area which will affect drilling of the subject wells.

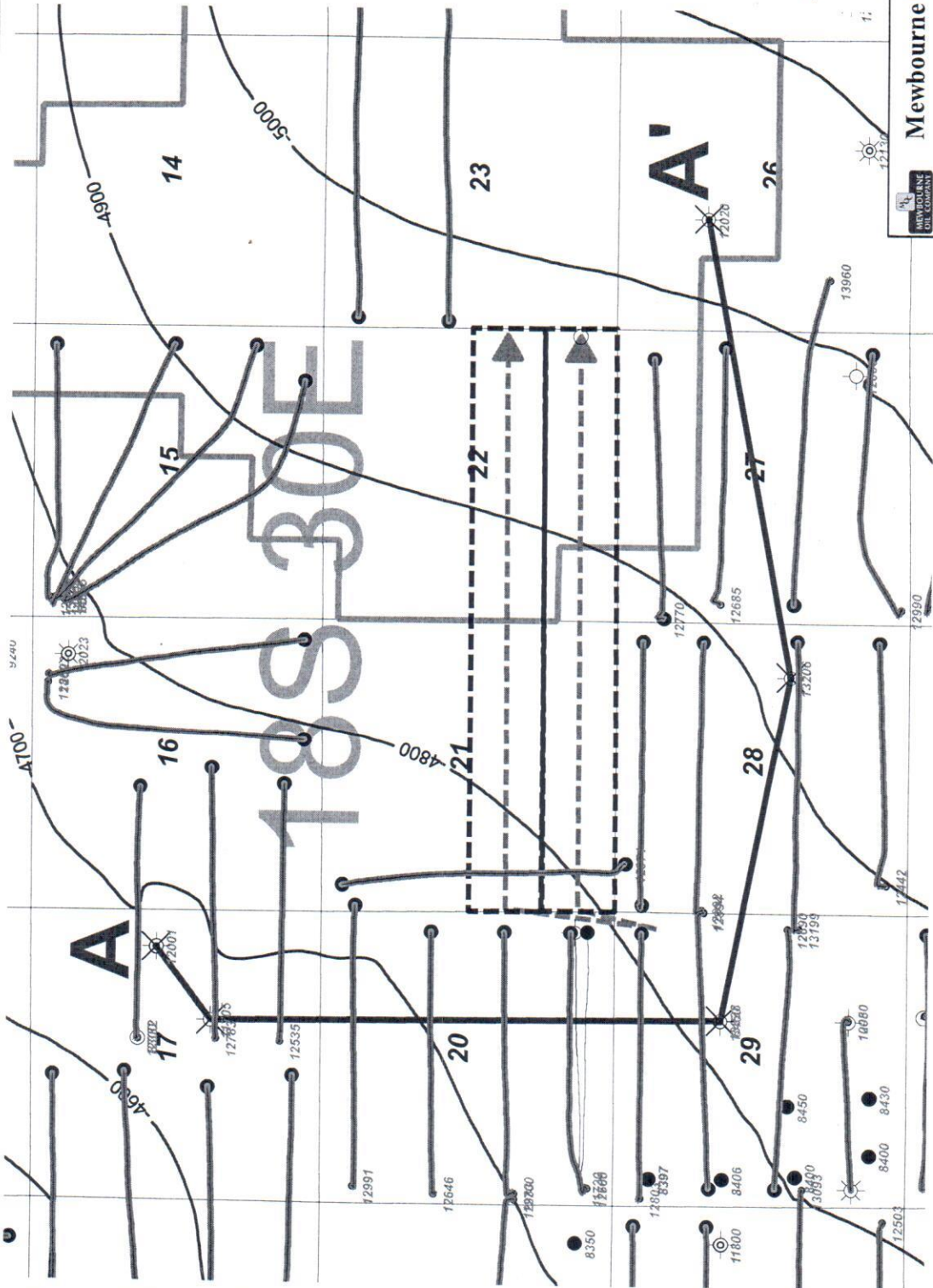
5. Attachment D contains production information from other 2<sup>nd</sup> Bone Spring Sand wells drilled in this area. There are both standup and laydown Bone Spring wells in this area, but with a preference for laydown wells.

6. Attachment E contains the horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

7. 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 6 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: 9/3/20

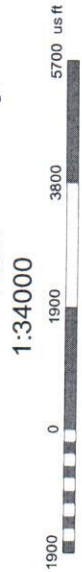
  
\_\_\_\_\_  
Charles Crosby



**Mewbourne Oil Company**

Phoenix 21/22 B2KI Fed Com IH  
 Phoenix 21/22 B2NP Fed Com IH  
 Horizontal Activity Map  
 Structure Base 2nd BSPG Sand (C.I. 100')

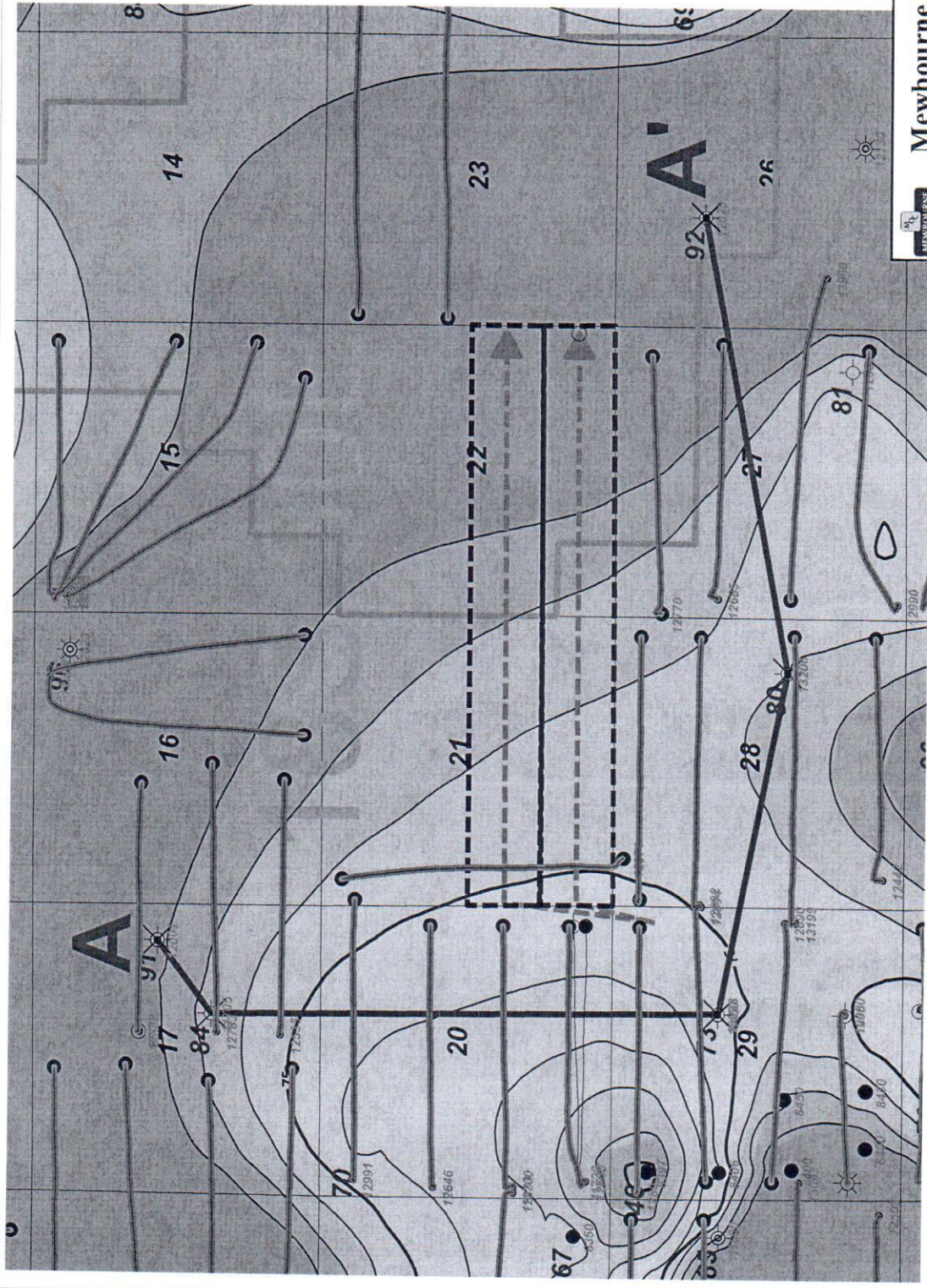
9/3/20	Eddy County	New Mexico
	Well: TD - 8000' Filtered out	Geol. C. Chubb



Horizontal Activity Color Code

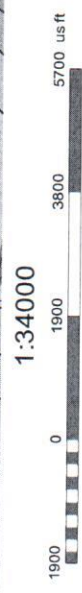
2nd BSPG Sd

ATTACHMENT *A*



Lower 2<sup>nd</sup> BSPG SD  
Gross Thickness  
TD

<b>Mewbourne Oil Company</b>	
Phoenix 21/22 B2KI Fed Com 1H Phoenix 21/22 B2NP Fed Com 1H Horizontal Activity Map Lower 2 <sup>nd</sup> BSPG SD Gross Thickness (C.I. 5')	
9/3/20	Eddy County Wells TD < 8000' Filtered out
New Mexico	Geol. C. Cweby



Zinc BSPG C Gross SD Isopach (C.I. 5')  
Color Filter Contour  
Entity



Horizontal Activity Color Code



ATTACHMENT **B**

A' SE

ATTACHMENT C

Interval

0

500

A NW

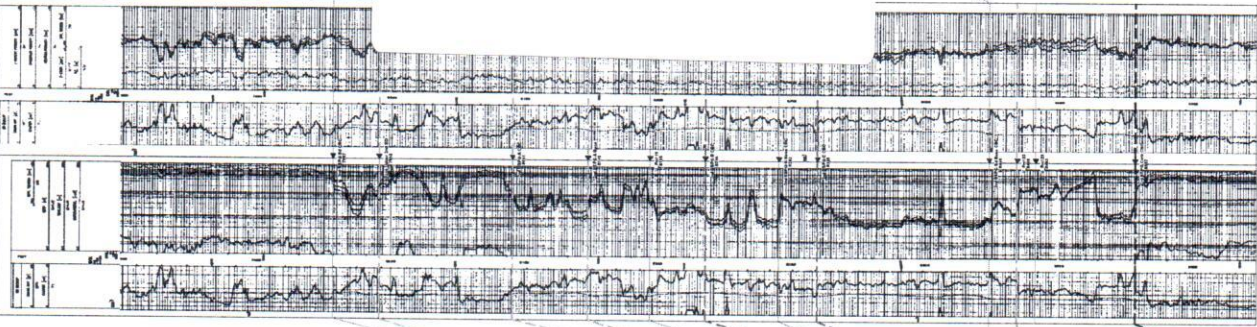
Top 2nd BSPG SD

500

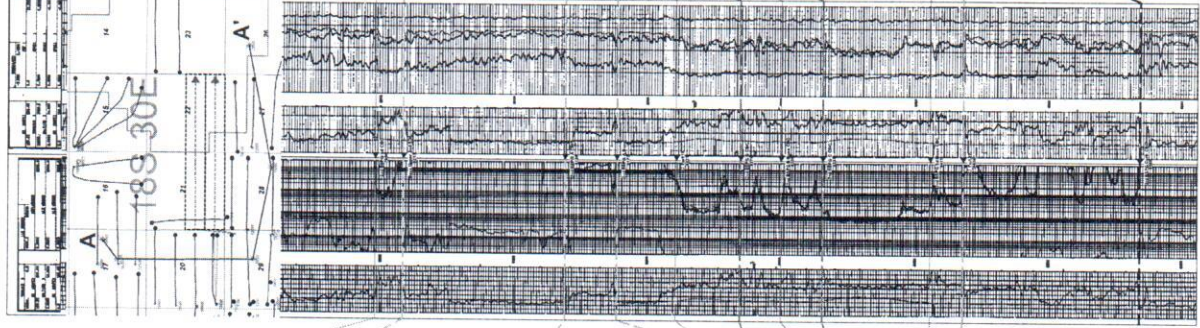
Base Lower 02nd BSPG SD

Top 3rd BSPG Carb

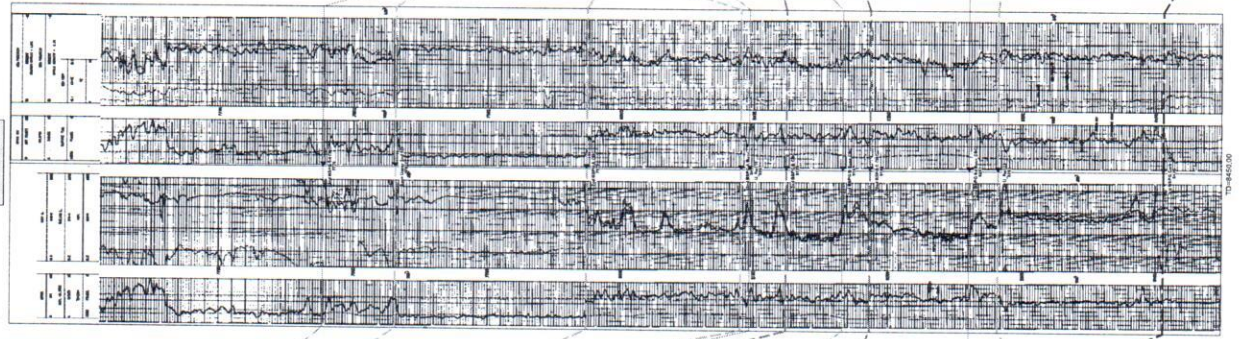
26F



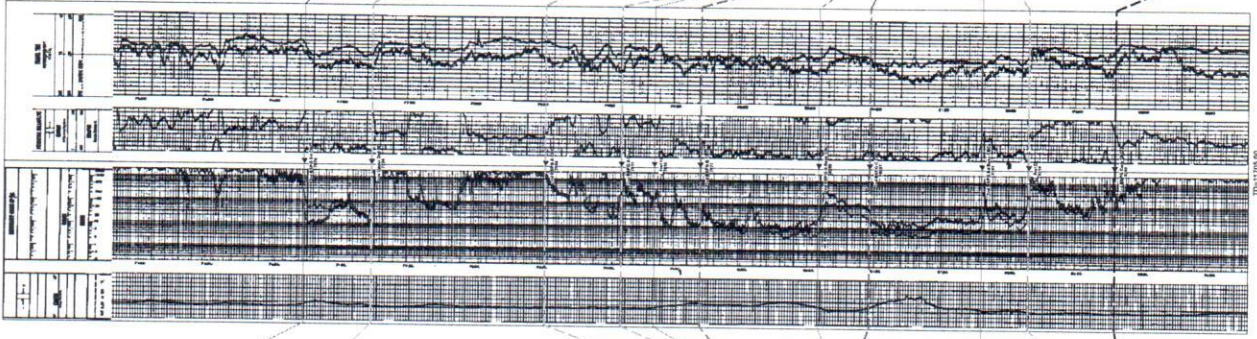
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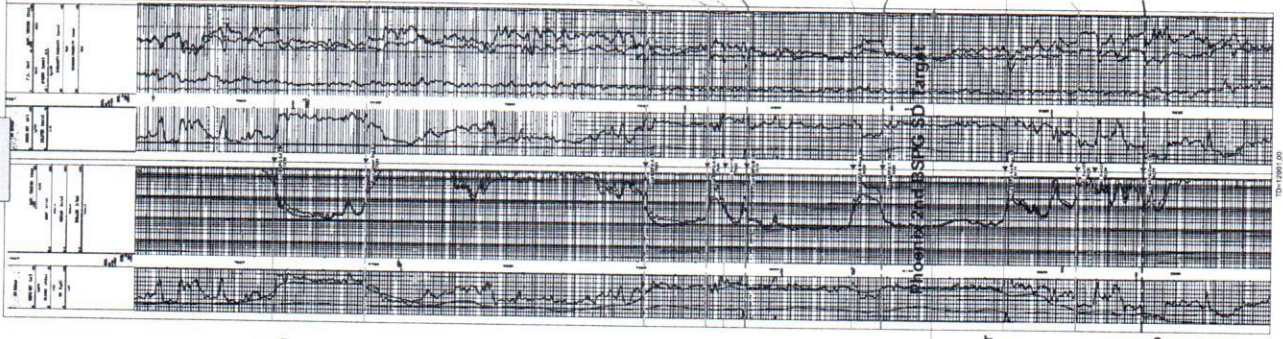
29G



17J



17H



301121300000  
 ENKOWICK & DONA CO  
 SHERWOOD, MO 64739  
 816-488-1111  
 FAX: 816-488-1112  
 TWP: 18 S - Range 26 E - Sec. 17

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Phoenix Area 2nd BSPG SD Horizontal Production Table

Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	NS/EW	Production Zone
Aries 20 Federal Com 1H	Mewbourne	30015378190000	20D/18S/30E	9/18/2010	135.5	0.4	162.1	EW	2nd BSPG SD
Bradley 28 Federal Com 1H	Mewbourne	30015382280000	28E/18S/30E	7/1/2011	88.9	0.2	142.9	EW	2nd BSPG SD
Bradley 29 Federal Com 3H	Mewbourne	30015383360000	29I/18S/30E	6/25/2012	110.3	0.3	164.1	EW	2nd BSPG SD
Aries 20 Federal Com 2H	Mewbourne	30015383920000	29D/18S/30E	3/19/2011	106.9	0.3	143.9	EW	2nd BSPG SD
Bradley 29 Federal Com 4H	Mewbourne	30015384870000	29D/18S/30E	12/26/2011	65.1	0.2	189.6	EW	2nd BSPG SD
Bradley 29 Federal Com 2H	Mewbourne	30015386600000	28E/18S/30E	7/1/2011	63.3	0.2	119.5	EW	2nd BSPG SD
Sand Tank 17 Federal Com 3H	EOG	30015391680100	17G/18S/30E	9/26/2011	102.5	0.3	47.1	EW	2nd BSPG SD
Sand Tank 17 Federal Com 4H	EOG	30015391690000	17I/18S/30E	3/31/2012	95.8	0.3	50.7	EW	2nd BSPG SD
Phoenix 21 NC Federal Com 1H	Mewbourne	30015393500000	28D/18S/30E	10/28/2011	70.5	0.2	47.3	NS	2nd BSPG SD
Aries 20 Federal Com 3H	Mewbourne	30015394320000	20I/18S/30E	3/9/2012	141.8	0.5	216.4	EW	2nd BSPG SD
Bradley 28 Federal Com 2H	Mewbourne	30015394580000	28D/18S/30E	3/15/2012	138.5	0.3	151.3	EW	2nd BSPG SD
Ursa 27 Federal Com 4H	Mewbourne	30015395820000	27D/18S/30E	12/14/2013	223.3	0.5	176.6	EW	2nd BSPG SD
Sand Tank 17 Federal Com 5H	EOG	30015396710000	17O/18S/30E	3/27/2012	121.1	0.5	135.1	EW	2nd BSPG SD
Aries 20 Federal Com 4H	Mewbourne	30015404270100	20M/18S/30E	2/20/2013	51.5	0.2	132.1	EW	2nd BSPG SD
Bradley 28 Federal Com 4H	Mewbourne	30015408340000	29I/18S/30E	1/17/2013	73.6	0.2	62.6	EW	2nd BSPG SD
Leo 15 DA Federal Com 1H	Mewbourne	30015421850000	15D/18S/30E	9/1/2014	290.8	0.6	76.3	EW	2nd BSPG SD
Cookie Tosser State Com 1H	COG	30015424390000	16A/18S/30E	4/17/2016	139.7	0.3	90.1	NS	2nd BSPG SD
Cookie Tosser State Com 2H	COG	30015424400000	16A/18S/30E	4/20/2016	123.1	0.3	105.7	NS	2nd BSPG SD
Ursa 27 B2IL Federal Com 1H	Mewbourne	30015425260000	26I/18S/30E	10/29/2014	202.8	0.6	143.9	EW	2nd BSPG SD
Ursa 27 B2EH Federal Com 1H	Mewbourne	30015425960000	27E/18S/30E	10/26/2014	200.4	0.7	125.6	EW	2nd BSPG SD
Leo 15 B2DH Federal Com 1H	Mewbourne	30015428980000	15D/18S/30E	3/27/2015	361.4	1.1	89.9	NWSE	2nd BSPG SD
Leo 15 B2DP Federal Com 1H	Mewbourne	30015432410000	15D/18S/30E	1/17/2016	278.5	1.1	76.3	NWSE	2nd BSPG SD
Leo 15 B2DN Federal Com 1H	Mewbourne	30015433120100	15D/18S/30E	1/24/2016	334.2	0.8	103.1	NWSE	2nd BSPG SD
Virgo 24/23 B2AD Federal Com 1H	Mewbourne	30015445790000	24A/18S/30E	10/4/2018	432.3	0.6	289.3	EW	2nd BSPG SD
Virgo 24/23 B2HE Federal Com 1H	Mewbourne	30015446550000	24H/18S/30E	3/21/2019	343.7	0.4	211.1	EW	2nd BSPG SD

ATTACHMENT 17



57	13100.00	89.36	75.55	100	8242.2	5114.6	1276.4	4952.8	5114.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
58	13200.00	89.36	75.55	100	8243.3	5214.6	1301.3	5049.6	5214.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
59	13300.00	89.36	75.55	100	8244.4	5314.6	1326.3	5146.5	5314.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
60	13400.00	89.36	75.55	100	8245.6	5414.6	1351.2	5243.3	5414.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
61	13500.00	89.36	75.55	100	8246.7	5514.6	1376.2	5340.1	5514.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
62	13600.00	89.36	75.55	100	8247.8	5614.6	1401.2	5437.0	5614.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
63	13700.00	89.36	75.55	100	8248.9	5714.6	1426.1	5533.8	5714.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
64	13800.00	89.36	75.55	100	8250.1	5814.6	1451.1	5630.6	5814.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
65	13900.00	89.36	75.55	100	8251.2	5914.6	1476.0	5727.5	5914.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
66	14000.00	89.36	75.55	100	8252.3	6014.6	1501.0	5824.3	6014.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
67	14100.00	89.36	75.55	100	8253.4	6114.6	1525.9	5921.1	6114.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
68	14200.00	89.36	75.55	100	8254.6	6214.6	1550.9	6017.9	6214.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
69	14300.00	89.36	75.55	100	8255.7	6314.6	1575.8	6114.8	6314.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
70	14400.00	89.36	75.55	100	8256.8	6414.6	1600.8	6211.6	6414.6	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
71	14500.00	89.36	75.55	100	8257.9	6514.5	1625.7	6308.4	6514.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
72	14600.00	89.36	75.55	100	8259.1	6614.5	1650.7	6405.3	6614.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
73	14700.00	89.36	75.55	100	8260.2	6714.5	1675.6	6502.1	6714.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
74	14800.00	89.36	75.55	100	8261.3	6814.5	1700.6	6598.9	6814.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
75	14900.00	89.36	75.55	100	8262.4	6914.5	1725.6	6695.8	6914.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
76	15000.00	89.36	75.55	100	8263.6	7014.5	1750.5	6792.6	7014.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
77	15100.00	89.36	75.55	100	8264.7	7114.5	1775.5	6889.4	7114.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
78	15200.00	89.36	75.55	100	8265.8	7214.5	1800.4	6986.2	7214.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
79	15300.00	89.36	75.55	100	8266.9	7314.5	1825.4	7083.1	7314.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
80	15400.00	89.36	75.55	100	8268.0	7414.5	1850.3	7179.9	7414.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
81	15500.00	89.36	75.55	100	8269.2	7514.5	1875.3	7276.7	7514.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
82	15600.00	89.36	75.55	100	8270.3	7614.5	1900.2	7373.6	7614.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
83	15700.00	89.36	75.55	100	8271.4	7714.5	1925.2	7470.4	7714.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
84	15800.00	89.36	75.55	100	8272.5	7814.5	1950.1	7567.2	7814.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
85	15900.00	89.36	75.55	100	8273.7	7914.5	1975.1	7664.1	7914.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
86	16000.00	89.36	75.55	100	8274.8	8014.5	2000.0	7760.9	8014.5	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
87	16100.00	89.36	75.55	100	8275.9	8114.4	2025.0	7857.7	8114.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
88	16200.00	89.36	75.55	100	8277.0	8214.4	2050.0	7954.5	8214.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
89	16300.00	89.36	75.55	100	8278.2	8314.4	2074.9	8051.4	8314.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
90	16400.00	89.36	75.55	100	8279.3	8414.4	2099.9	8148.2	8414.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
91	16500.00	89.36	75.55	100	8280.4	8514.4	2124.8	8245.0	8514.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
92	16600.00	89.36	75.55	100	8281.5	8614.4	2149.8	8341.9	8614.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
93	16700.00	89.36	75.55	100	8282.7	8714.4	2174.7	8438.7	8714.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
94	16800.00	89.36	75.55	100	8283.8	8814.4	2199.7	8535.5	8814.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
95	16900.00	89.36	75.55	100	8284.9	8914.4	2224.6	8632.4	8914.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
96	17000.00	89.36	75.55	100	8286.0	9014.4	2249.6	8729.2	9014.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
97	17100.00	89.36	75.55	100	8287.2	9114.4	2274.5	8826.0	9114.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
98	17200.00	89.36	75.55	100	8288.3	9214.4	2299.5	8922.8	9214.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
99	17300.00	89.36	75.55	100	8289.4	9314.4	2324.4	9019.7	9314.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
100	17400.00	89.36	75.55	100	8290.5	9414.4	2349.4	9116.5	9414.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
101	17500.00	89.36	75.55	100	8291.7	9514.4	2374.4	9213.3	9514.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
102	17600.00	89.36	75.55	100	8292.8	9614.4	2399.3	9310.2	9614.4	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
103	17700.00	89.36	75.55	100	8293.9	9714.3	2424.3	9407.0	9714.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
104	17800.00	89.36	75.55	100	8295.0	9814.3	2449.2	9503.8	9814.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
105	17900.00	89.36	75.55	100	8296.2	9914.3	2474.2	9600.7	9914.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
106	18000.00	89.36	75.55	100	8297.3	10014.3	2499.1	9697.5	10014.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
107	18100.00	89.36	75.55	100	8298.4	10114.3	2524.1	9794.3	10114.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
108	18200.00	89.36	75.55	100	8299.5	10214.3	2549.0	9891.1	10214.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
109	18300.00	89.36	75.55	100	8300.7	10314.3	2574.0	9988.0	10314.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
110	18400.00	89.36	75.55	100	8301.8	10414.3	2598.9	10084.8	10414.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
111	18500.00	89.36	75.55	100	8302.9	10514.3	2623.9	10181.6	10514.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
112	18600.00	89.36	75.55	100	8304.0	10614.3	2648.8	10278.5	10614.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
113	18700.00	89.36	75.55	100	8305.2	10714.3	2673.8	10375.3	10714.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
114	18800.00	89.36	75.55	100	8306.3	10814.3	2698.8	10472.1	10814.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
115	18900.00	89.36	75.55	100	8307.4	10914.3	2723.7	10568.9	10914.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10
116	19000.00	89.36	75.55	100	8308.5	11014.3	2748.7	10665.8	11014.3	75.5	0.0	0.0	8184.7	5.3	1.559550136	1.32	1E-10







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

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

Case Nos. 21406 and 21407

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce 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 applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known 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 Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 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: 9/8/20

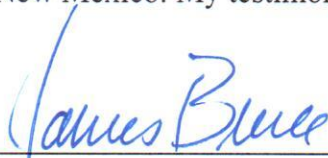
  
\_\_\_\_\_  
James Bruce

EXHIBIT 4

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

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

August 20, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking orders pooling all mineral interests in the Bone Spring Sand underlying the horizontal spacing units described below:

(a) Case 21406: The N/2S/2 of Section 21 and the N/2S/2 of Section 22, Township 18 South, Range 30 East, NMPM; and

(b) Case 21407: The S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 18 South, Range 30 East, NMPM.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, September 10, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to [emnrd.state.nm.us/OCD/hearings](http://emnrd.state.nm.us/OCD/hearings) or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>.

You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

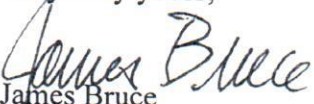
A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, September 3, 2020. This statement may be filed online with the Division at [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us), and should include: The name(s) of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and

ATTACHMENT

A

identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

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

Attention: Permitting Team

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

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

**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 **EOG Resources, Inc.**  
 Street and Apt. No., or PO Box No. **5509 Champions Drive**  
 City, State, ZIP+4® **Midland, Texas 79706**

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

6976 6047 0000 0490 0202

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*x Jacob Turner*  
 B. Received by (Printed Name) **Jacob Turner**  
 C. Date of Delivery **8/25/20**  
 D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

2. Article Number (Transfer from service label)  
**7020 0640 0000 1403 9152**  
 (over \$500) **M**

Domestic Return Receipt

1. Article Addressed to:  
**ConocoPhillips Company**  
**P.O. Box 2197**  
**Houston, TX 77252**

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

9590 9402 5941 0062 9786 69

2. Article Number (Transfer from service label)  
**7020 0640 0000 1403 9152**  
 (over \$500) **M**

Domestic Return Receipt

2576 6047 0000 0490 0202

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
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**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 **ConocoPhillips Company**  
 P.O. Box 2197  
 Street and Apt. No., or PO **Houston, TX 77252**  
 City, State, ZIP+4® \_\_\_\_\_

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

2576 6047 0000 0490 0202

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*x Jacob Turner*  
 B. Received by (Printed Name) **Jacob Turner**  
 C. Date of Delivery **8/25/20**  
 D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

1. Article Addressed to:  
 Complete items 1, 2, and 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.

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

9590 9402 5941 0062 9786 45

2. Article **7020 0640 0000 1403 9152**  
 (over \$500) **M**

Domestic Return Receipt

6976 6047 0000 0490 0202

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 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:

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



9590 9402 5941 0062 9786 52

Article Number (Transfer from previous label)

7020 0640 0000 1403 9176 (over 3000)

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

M ph

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature **AA 720 CIA**  Agent  Addressee  
 B. Received by (Printed Name) C. Date of Delivery

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

3. Service Type
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail®
  - Certified Mail Restricted Delivery
  - Collect on Delivery
  - Collect on 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™  
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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 \$

Postmark Here

Total Postage and Fees \$

Sent To **Chevron U.S.A. Inc.**  
**6301 Deauville Boulevard**  
**Midland, Texas 79706**  
 Street and Apt. No., or PO Box No.  
 City, State, ZIP+4®

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

9276 6043 0000 0490 0202

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21406
Date	September 10, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	EOG Resources, Inc./Holland & Hart LLP
Well Family	Phoenix
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Santo Nino; Bone Spring/Pool Code 54600
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	N/2S/2 §21 and N/2S/2 §22-18S-30E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2 B-1
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Phoenix 21/22 B2KI Fed. Com. Well No. 1H API No. 30-015-46822 SHL: 720 FNL & 270 FEL §29-18S-30E BHL: 1980 FSL & 100 FEL §22 FTP: 1980 FSL & 100 FWL §21 LTP: 1980 FSL & 100 FEL §22 Second Bone Spring Sand/TVD 8309 feet/MD 19043 feet

EXHIBIT 5



Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Unnecessary
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B-1
Pooled Parties (including ownership type)	Exhibit 2-B-1
Unlocatable Parties to be Pooled	No
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners ( <i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B-1
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-A, C
Well Orientation (with rationale)	Laydown/Exhibit 3, page 2 and Exhibit 3--C
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2-A
Tracts	Exhibits 2-A and 2-B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B-1

General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	<i>James Bruce</i>
<b>Date:</b>	September 8, 2020

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21407
Date	September 10, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	EOG Resources, Inc./Holland & Hart LLP
Well Family	Phoenix
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Santo Nino; Bone Spring/Pool Code 54600
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	S/2S/2 §21 and S/2S/2 §22-18S-30E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2 B-2
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Phoenix 21/22 B2NP Fed. Com. Well No. 1H API No. 30-015-46822 SHL: 770 FNL & 270 FEL §29-18S-30E BHL: 660 FSL & 100 FEL §22 FTP: 660 FSL & 100 FWL §21 LTP: 660 FSL & 100 FEL §22 Second Bone Spring Sand/TVD 8344 feet/MD 18486 feet

EXHIBIT 6

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Unnecessary
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B-2
Pooled Parties (including ownership type)	Exhibit 2-B-2
Unlocatable Parties to be Pooled	No
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners ( <i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B-2
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-A, C
Well Orientation (with rationale)	Laydown/Exhibit 3, page 2 and Exhibit 3--C
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2-A
Tracts	Exhibits 2-A and 2-B-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B-2

General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	September 8, 2020