CASE NOS. 21642 and 21643

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

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

- 1. Applications and Proposed Ads
- 2A. Landman's Affidavit in Case 21642 (Adriana Salgado)
- 2B. Landman's Affidavit in Case 21643 (Adriana Salgado)
- 3. Geologist's Affidavit (Charles Crosby)
- 4. Notice Affidavit
- 5. Publication Notice
- 6. Pooling Checklists

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 2/642

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 5 and the N/2S/2 of Section 6, Township 19 South, Range 29 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 5 and the N/2S/2 of Section 6, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Gobbler 5/6 B3ILState Com. Well No. 2H to a depth sufficient to test the Bone Spring formation, with a first take point in the NE/4SE/4 of 5 and a final take point in the NW/4SW/4 of Section 6.
- 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 5 and the N/2S/2 of Section 6 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 N/2S/2 of Section 5 and the N/2S/2 of Section 6, pursuant to NMSA 1978 §70-2-17.

EXHIBIT A

5. The pooling of all mineral interests in the Bone Spring formation underlying the N/2S/2 of Section 5 and the N/2S/2 of Section 6 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 5 and the N/2S/2 of Section 6;
- 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	•
Cuse	1100	•

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 5 and the N/2S/2 of Section 6, Township 19 South, Range 29 East, NMPM. The unit will be dedicated to the Gobbler 5/6 B3IL State Com. Well No. 2H, with a first take point in the NE/4SE/4 of 5 and a final take point in the NW/4SW/4 of Section 6. 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 11-1/2 miles southwest 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. 21673

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 5 and the S/2S/2 of Section 6, Township 19 South, Range 29 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 5 and the S/2S/2 of Section 6, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Gobbler 5/6 B3PM State Com. Well No. 2H to a depth sufficient to test the Bone Spring formation, with a first take point in the SE/4SE/4 of 5 and a final take point in the SW/4SW/4 of Section 6.
- 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 5 and the S/2S/2 of Section 6 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 5 and the S/2S/2 of Section 6, 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 5 and the S/2S/2 of Section 6 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 5 and the S/2S/2 of Section 6;
- 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

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Case	IVU.	 ٠

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 5 and the S/2S/2 of Section 6, Township 19 South, Range 29 East, NMPM. The unit will be dedicated to the Gobbler 5/6 B3PM State Com. Well No. 2H, with a first take point in the SE/4SE/4 of 5 and a final take point in the SW/4SW/4 of Section 6. 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 11-1/2 miles southwest 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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21642

VERIFIED STATEMENT OF ADRIANA SALGADO

Adriana Salgado, being duly sworn upon her oath, deposes and states:

- 1. I am a Landman for Mewbourne Oil Company ("Mewbourne") and have personal knowledge of the matters stated herein. I have worked as a landman for almost four years. I hold a Bachelor of Arts Degree in Humanities from the University of Texas of the Permian Basin. I have 4 years of land work experience with Apache Corporation, prior to working at Mewbourne Oil Company. Collectively, I have 10 years of land work experience.
- 2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Bone Spring formation horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well. All interest owners have been located.
 - (c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 320.00-acre horizontal spacing unit in the Bone Spring formation comprised of the N2S2 of Section 5 and the N2S2 of Section 6, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Gobbler 5/6 B3IL State Com #2H. There are no depth severances in the Bone Spring Formation.
 - (d) The parties being pooled and their interests are set forth in Exhibit 2. Their current and correct addresses are also set forth.



- (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them and delivery receipts for each.
- (f) In order to locate the interest owners, Mewbourne examined the county records, performed internet searches, checked telephone records, and searched pertinent computer searches.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Exhibit 4 is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area 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 portion of Eddy County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Applicant requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me or under my supervision or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

Adriana Salgado

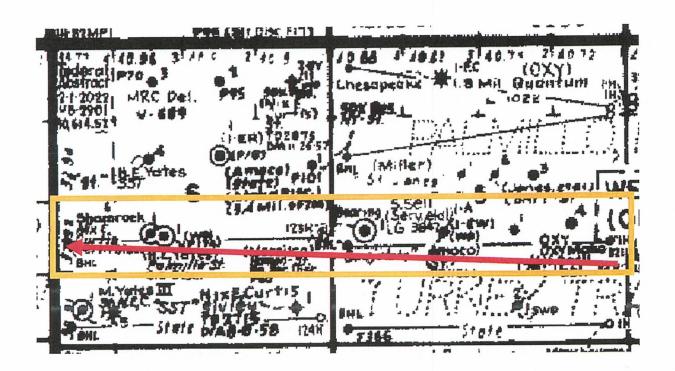
SUBSCRIBED AND SWORN TO before me this 26th day of January, 2021 by Adriana Salgado.

My Commission Expires: 8-28-22

Notary Public

EXHIBIT 1

Gobbler 5/6 B3IL State Com #2H



ATTACHMENT

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

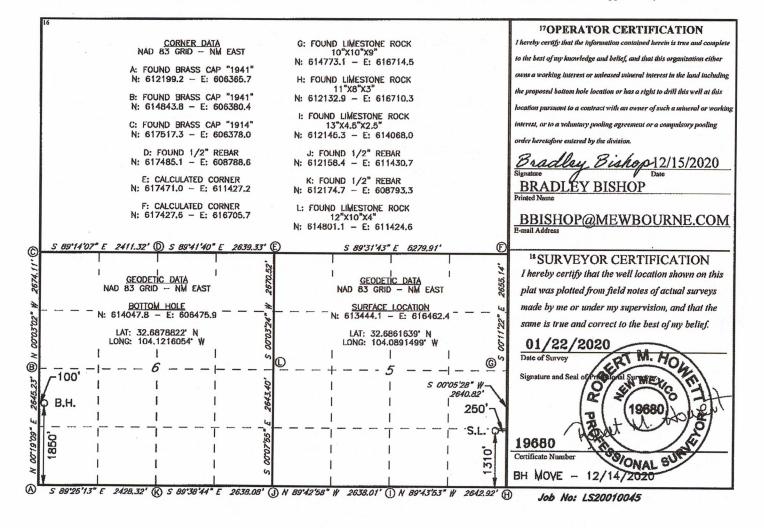
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

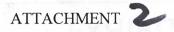
☐ AMENDED REPORT

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			A TITIL T	OCILIA	714 711417 21	CREAGE DEDIC	71110111177	. A	
1	API Numbe	r	² Pool Code ³ Pool Name				me		
30-015	-46726			49553 PALMILLO EAST BONE SPRING				\G	
⁴ Property Coc	le							6 Well Number	
70GRID N 14744	10.			MEW		tor Name OIL COMPANY			9Elevation 3401'
					10 Surfa	ce Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	e North/South line	Feet From the	East/West line	County
P	` 5	198	29E	90	1310	SOUTH	250	EAST	EDDY
			. " I	Bottom I	Hole Locat	ion If Different Fro	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from th	e North/South line	Peet from the	East/West line	County
6	6	198	29E		1850	SOUTH	100	WEST	EDDY
12 Dedicated Acres	13 Joint	or Infill 14	Consolidation	Code 15	Order No.				
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.





TRACT OWNERSHIP Gobbler 5/6 B3IL State Com #2H N2S2 of Section 5 & N2S2 of Section 6, Township 19 South, Range 29 East Eddy County, New Mexico

Bone Spring Formation:

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	% Leasehold Interest 36.289687%
MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	26.118906%
*Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, Texas 79706	10.272139%
Yates Energy Corporation P.O. Box 2323 Roswell, New Mexico 88202	7.1001303%
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	4.0317341%
*OXY USA WTP LP 5 Greenway Plaza, Ste. 110 Houston, Texas 77046-0521	3.6368607%
Jalapeño Corporation P.O. Box 1216 Albuquerque, New Mexico 87103-1216	3.3859424%
MRC Spiral Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	3.1614793%
MRC Explorers Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	3.1614781%

Western Oil Producers P.O. Box 2800 Midland, Texas 79702	1.0130642%
Big Three Energy Group P.O. Box 429 Roswell, New Mexico 88202	0.4449560%
*Estate of Larry Arnold c/o Lonnie Arnold 1112 Telluride Ct. Midland, Texas 79705-1906	0.2542610%
*Emma Lou Evertson 4100 Vinkemulder Road Coconut Creek, Florida 33073	0.1934980%
*Robert Michael Evertson 109 Westwood Circle McKinney, Texas 75070	0.1884390%
*Sandra S. Atkins 1205 Creekwood Drive Garland, Texas 75044	0.1884390%
*Vicki Evertson 4323 Southcrest Road Dallas, Texas 75229	0.1884390%
Drusilla C. Cieszinski, Trustee of The Cieszinski Trust 2737 81 st Street Lubbock, Texas 79423-2229	0.1279932%
Nadel & Gussman Capitan, LLC 15 East 5 th Street, Ste. 3300 Tulsa, Oklahoma 74103-4340	0.0740440%
*Roger B. Hardee 13402 Misty Orchard Lane Sugar Land, Texas 77478	0.0426644%
*Kris H. Youell 103 Lariat Drive Boerne, Texas 78006	0.0426644%

Kellie Halabrin 4206 Shadow Elm Woods San Antonio, Texas 78249		0.0426644%
*T.J. Hall, III P.O. Box 11025 Knoxville, Tennessee 37939		0.0359606%
*Timothy R. MacDonald 3003 Paleo Point College Station, Texas 77845		0.0034175%
Maverick Oil & Gas Corporation 1001 West Wall Street Midland, Texas 79701		0.0011377%
	Total	100.00000%

^{*}Total interest being pooled: 15.0467826%



Summary of Communications Gobbler 5/6 B3IL State Com #2H Gobbler 5/6 B3PM State Com #2H

Company Na	me: Chevron U.S.A. Inc.	
Date:	Communicated with:	Comments/Actions:
11/5/2020	Land Manager	Mailed well proposals via certified mail dated 11/5/20.
11/9/2020		Certified Mail receipt showed successful delivery at 3:57 PM
12/2/2020	Scott Sabrsula	Mail JOA proposal via certified mail dated 12/2/20.
12/4/2020	× ×	Certified Mail receipt showed successful delivery at 2:43 PM
12/9/2020	Scott Sabrsula	Emailed Scott to follow up on status of elections.
12/10/2020	Scott Sabrsula	Scott responded to let me know their technical team was still
		reviewing proposals.
12/29/2020	Scott Sabrsula	Emailed Scott to follow up on status of elections.
1/5/2021	Scott Sabrsula	Emailed Scott to follow up on status of elections.
1/5/2021	Scott Sabrsula	Scott responded and told me he was going to send a reminder to
		his team regarding our proposals.

Company Na	me: OXY USA WTP LP	
Date:	Communicated with:	Comments/Actions:
11/5/2020	Land Manager	Mailed well proposals via certified mail dated 11/5/20.
11/10/2020		Certified Mail receipt showed successful delivery at 4:23 PM
11/16/2020	Jonathan Gonzales	Notified me of receipt of proposals and asked some interest questions and sent me a worksheet with technical questions.
11/18/2020	Jonathan Gonzales	I responded with answers to interest questions.
11/23/2020	Jonathan Gonzales	I responded with answers to their technical questions on worksheet.
12/2/2020	Jonathan Gonzales	Mail JOA proposal via certified mail dated 12/2/20.
12/7/2020		Certified Mail receipt showed successful delivery at 9:56 AM
12/10/2020	Jonathan Gonzales	Called me to let me know that OXY will not be making an election until they receive a pooling order. They are just responding slowly at this time.

Company Na	me: Estate of Larry Arnol	d
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/7/2020		Certified Mail receipt showed successful delivery at 3:11 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.
12/4/2020		Certified Mail receipt showed successful delivery at 2:43 PM

Company Na	me: Emma Lou Evertson	
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/13/2020		Certified Mail receipt showed successful delivery at 5:35 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.
12/7/2020		Certified Mail receipt showed successful delivery at 4:05 PM

Company Name: Robert Michael Evertson						
Date:	Communicated with: Comments/Actions:					
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.				
11/9/2020	Certified Mail receipt showed successful delivery at 10:02 PM					
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.				
12/7/2020		Certified Mail receipt showed successful delivery at 9:56 AM				

Company Na	me: Sandra S. Atkins				
Date:	: Communicated with: Comments/Actions:				
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.			
11/9/2020	Certified Mail receipt showed successful delivery at 10:02 PM				
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.			
12/7/2020		Certified Mail receipt showed successful delivery at 10:23 PM			

Company Name: Vicki Evertson							
Date:	Communicated with: Comments/Actions:						
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.					
11/9/2020	Certified Mail receipt showed successful delivery at 3:57 PM						
12/2/2020	Mail JOA proposal via certified mail dated 12/2/2020.						
12/8/2020		Certified Mail receipt showed successful delivery at 10:37 PM					

Company Na	me: Roger B. Hardee	
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/10/2020		Certified Mail receipt showed successful delivery at 4:23 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.

Company Na	me: Kris H. Youell						
Date:	Communicated with: Comments/Actions:						
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.					
		Mail returned undeliverable.					
11/23/2020		Mailed well proposals via certified mail dated 11/23/20 to correct address.					
12/5/2020		Certified Mail receipt showed successful delivery at 3:12 PM					
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.					

Company Na	me: T.J. Hall III				
Date:	Communicated with:	Comments/Actions:			
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.			
		Mail was returned undeliverable.			
12/3/2020		Mailed JOA proposal via certified mail dated 12/3/20.			
		Mail was returned undeliverable.			
1/25/2021	Mailed AFE and JOA proposals to corrected address.				

Company Na	me: Timothy R. MacDona	ald					
Date:	Communicated with:	Comments/Actions:					
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.					
		Mail was returned undeliverable.					
12/2/2020		Mailed JOA proposal via certified mail dated 12/3/20.					
		Mail was returned undeliverable.					
1/6/2021		Mailed AFE and JOA proposals to corrected address.					
1/13/2021		Certified Mail receipt showed successful delivery at 3:45 PM					

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

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

November 5, 2020

Via Certified Mail

Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, Texas 79706 Attn: Kristen Hunter

Re:

Gobbler 5/6 B3IL State Com #2H

1310' FSL & 205' FEL (SL) (Sec 5) 1850' FSL & 100' FWL (BHL) (Sec 6)

Section 5, T19S, R29E

Eddy County, New Mexico TVD: 8,717' MD: 18,530'

Proration Unit/Project Area: N2S2

Gobbler 5/6 B3PM State Com #2H

1280' FSL & 205' FEL (SL) (Sec 5)

450' FSL & 100' FWL (BHL) (Sec 6)

Section 5, T19S, R29E Eddy County, New Mexico

TVD: 8,740' MD: 18,565'

Proration Unit/Project Area: S2S2

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above.

The estimated costs for these wells are as follows:

ĺ	Well Name	Estimated Cost to Casing Point	Estimated Cost of Producing Well	
	Gobbler 5/6 B3IL State Com #2H	\$3,473,400	\$6,952,400	
	Gobbler 5/6 B3PM State Com #2H	\$3,473,800	\$6,952,900	

These costs are more fully detailed in the AFE enclosed herewith. To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 5 and All of Section 6, Township 19 South, Range 29 East, Eddy County, New Mexico. Our Joint Operating Agreement, to follow, will contain 100%/300% nonconsent penalty, \$8,000.00/\$800 drilling/producing rates, be limited to the Bone Spring formation and MOC will be listed as Operator. If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

Enclosed are duplicate originals of Mewbourne's AFEs for the wells. To make your election to participate in the proposed wells, properly execute and return the AFEs. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance".

Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado Landman

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

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

December 2, 2020

Via Certified Mail

Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, Texas 79706 Attn: Scott Sabrsula

Re: Gobbler 5/6 WIU Proposal

Section 5: All Section 6: All

T19S, R29E, Eddy County, New Mexico

Dear Mr. Sabrsula,

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated July 1, 2020, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposals/AFEs I sent by letter dated November 5, 2020.

Regarding the above, please have the AFEs, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFEs (if they have not already been returned) to me whereby you will retain the Operating Agreement for your file.

Should you have any questions regarding the above, feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado

asalgado.

Landman

AUTHORIZATION FOR EXPENDITURE

Well Name: Gobbler 5/6 B3IL State Com #2H Prospect: Gobbler								
Location: SL: 1310' FSL & 205' FI	EL (5); BHL: 1850' FSL & 100' FWL ((6)	Co	ounty: Edd	у		ST: NM	
Sec. 5 Blk: Survey:		TWP:	198	RNG: 2	9E Prop. TVD	: 8717	TMD: 18530	
INT	ANGIBLE COSTS 0180			CODE	TCP	CODE	СС	
Regulatory Permits & Surveys				0180-0100		0180-0200		
Location / Road / Site / Preparation				0180-0105		0180-0205	\$30,00	
Location / Restoration				0180-0106	\$200,000		\$35,00	
Daywork / Turnkey / Footage Drilling		18,000/d		0180-0110		0180-0210	\$57,70	
Fuel	1700 gal/day @ \$1.30/gal			0180-0114		0180-0214	\$170,00	
Mud, Chemical & Additives				0180-0120	\$100,000	0180-0222	\$200,00	
Horizontal Drillout Services				0180-0125	\$80,000	0180-0225	\$30,00	
Cementing Logging & Wireline Services				0180-0130	\$2,300		\$245,00	
Casing / Tubing / Snubbing Service				0180-0134	\$18,000	0180-0234	\$42,00	
Mud Logging				0180-0137	\$35,000			
Stimulation	50 Stg 19.8 MM gal/ 19.8 MM lb					0180-0241	\$1,335,00	
Stimulation Rentals & Other						0180-0242		
Water & Other				0180-0145		0180-0245		
Bits				0180-0148		0180-0248		
Inspection & Repair Services				0180-0150	\$50,000	0180-0250		
Misc. Air & Pumping Services				0180-0154	040.000	0180-0254		
Testing & Flowback Services				0180-0158	\$12,000	0180-0258	+	
Completion / Workover Rig				0180-0164	\$120,000	0180-0260	\$10,50	
Rig Mobilization Transportation				0180-0165		0180-0265	\$30,00	
Welding Services				0180-0168		0180-0268		
Contract Services & Supervision				0180-0170	\$ 1,000	0180-0270	***************************************	
Directional Services	Includes Vertical Control			0180-0175	\$511,000			
Equipment Rental				0180-0180		0180-0280	\$24,00	
Well / Lease Legal				0180-0184	\$5,000			
Well / Lease Insurance				0180-0185	\$4,900	0180-0285		
Intangible Supplies				0180-0188	\$8,000			
Damages				0180-0190	\$5,000			
ROW & Easements				0180-0192		0180-0292		
Pipeline Interconnect					2500 000	0180-0293		
Company Supervision				0180-0195	\$532,000			
Overhead Fixed Rate Well Abandonment				0180-0196	\$10,000	0180-0296		
Contingencies	2% (TCP) 2% (CC)			0180-0198	\$62,600			
Contingencies	2% (10F) 2% (00)	Τ.	DTAL	0100-0133	\$3,192,700	0100-0293	\$2,898,60	
		10	TIAL		\$3,132,700		72,030,00	
	NGIBLE COSTS 0181			0404 0700				
Casing (19.1" - 30") Casing (10.1" - 19.0")	4551 42 21011 54 5# 1 55 6TUC @ 6	20 46/6		0181-0793	\$15,600			
Casing (8.1" - 10.0")	455' - 13 3/8" 54.5# J-55 ST&C @ \$ 1110' - 9 5/8" 36# J-55 LT&C @ \$19			0181-0794	\$23,500			
Casing (6.1" - 8.0")	8790' - 7" 29# HCP-110 LT&C @ \$2			0181-0796	\$201,600			
Casing (4.1" - 6.0")	10500' - 4 1/2" 13.5# P-110 BPN @			01010100	4201,000	0181-0797	\$131,40	
Tubing	8140' - 2 7/8" 6.5# EUE tbg @ \$4.54					0181-0798		
Drilling Head				0181-0860	\$40,000			
Tubing Head & Upper Section						0181-0870		
Horizontal Completion Tools	Completion Liner Hanger					0181-0871		
Sucker Rods						0181-0875		
Subsurface Equipment	Packer					0181-0880		
Artificial Lift Systems	Gas Lift Valves	***************************************				0181-0884		
Pumping Unit						0181-0885		
Surface Pumps & Prime Movers Tanks - Oil	(1/2) 2 - 750 bbl			-		0181-0886 0181-0890		
Tanks - Water	(1/2) 1 - 750 bbl coated					0181-0890		
Separation / Treating Equipment	30"x10'x1k# 3 ph/36"x15'x1k#/1VR	RT .				0181-0895		
Heater Treaters, Line Heaters	8'x20'x75# HT					0181-0897		
Metering Equipment						0181-0898		
Line Pipe & Valves - Gathering						0181-0900	-	
Fittings / Valves & Accessories						0181-0906		
Cathodic Protection						0181-0908	\$13,00	
Electrical Installation						0181-0909		
Equipment Installation						0181-0910		
Pipeline Construction						0181-0920		
		тс	DTAL		\$280,700		\$580,40	
		SUBTO	OTAL		\$3,473,400		\$3,479,00	
	TOTAL	WELL COS	эт		60.0	E2 400		
Extra Expense Insurance	TOTAL	WELL COS	١ د	II.	\$0,9	52,400		
posterior and the same and the			UIL AMAN	THE PARTY OF THE P				
	Operator's Extra Expense Insurance a					ina Itaw Ora	20.0195	
	xtra Expense Insurance covering costs of	well control, cle	an up	and redrilling	as estimated in L	ine item 018	0-0185.	
l 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 c	ontrol is	nsurance.				
Prepared by:	H. Buckley		Date	8/24/20	20			
			Date.	3/24/20				
Company Approval:			Date:					
	Amount:							
	Aniount.							
Joint Owner Name:		Signature						

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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21643

VERIFIED STATEMENT OF ADRIANA SALGADO

Adriana Salgado, being duly sworn upon her oath, deposes and states:

- 1. I am a Landman for Mewbourne Oil Company ("Mewbourne") and have personal knowledge of the matters stated herein. I have worked as a landman for almost four years. I hold a Bachelor of Arts Degree in Humanities from the University of Texas of the Permian Basin. I have 4 years of land work experience with Apache Corporation, prior to working at Mewbourne Oil Company. Collectively, I have 10 years of land work experience.
- 2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Bone Spring formation horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well but have failed or refused to voluntarily commit their interests to the well. All interest owners have been located.
 - (c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 320.00-acre horizontal spacing unit in the Bone Spring formation comprised of the S2S2 of Section 5 and the S2S2 of Section 6, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Gobbler 5/6 B3PM State Com #2H. There are no depth severances in the Bone Spring Formation.
 - (d) The parties being pooled and their interests are set forth in Exhibit 2. Their current and correct addresses are also set forth.



- (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them and delivery receipts for each.
- (f) In order to locate the interest owners, Mewbourne examined the county records, performed internet searches, checked telephone records, and searched pertinent computer searches.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Exhibit 4 is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area 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 portion of Eddy County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Applicant requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me or under my supervision or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

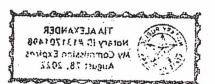
Adriana Salgado, being duly sworn upon his oath, deposes and states that: She is a Landman for Mewbourne Oil Company; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge,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

Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 26^{th} day of January, 2021 by Adriana Salgado.

My Commission Expires: 8-28-27

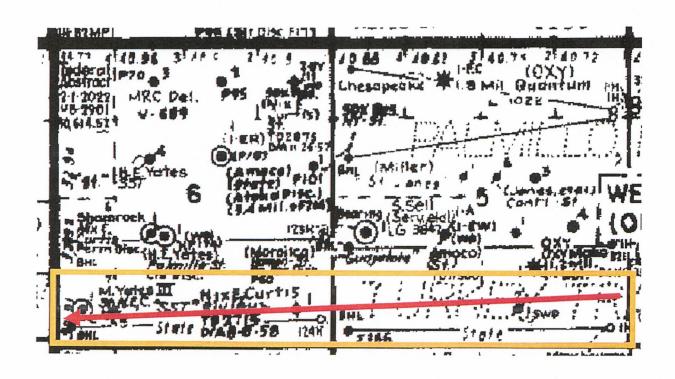
Notary Public



*1 ***



Gobbler 5/6 B3PM State Com #2H



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number		T -	2Pool Code		REAGE DEDIC	3 Pool Nar		
30-015-				49553		PALMILLO EAST BONE SPRING			
⁴ Property Coo									⁶ Well Number 2H
70GRID N 14744	10.	MEWBOURNE OIL COMPANY 9Elevation 3401							
					10 Surface	e Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
P	5	198	29E		1280	SOUTH	250	EAST	EDDY
			11 I	Bottom H	ole Locatio	n If Different Fr	om Surface		
UL or lot no.	Section	Township Range Lot Idn Feet fro			Feet from the	North/South line	Feet from the	East/West line	County
6	6	198	29E		450	SOUTH	100	west	EDDY
2 Dedicated Acres	13 Joint	or Infill 14 (Consolidation	Code 15 C	order No.				
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.

		The second secon	
E 2645.23 © N 00'03'02" W 2674.11" (CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N: 612199.2 - E: 606365.7 B: FOUND BRASS CAP "1941" N: 614843.8 - E: 606380.4 C: FOUND BRASS CAP "1914" N: 617517.3 - E: 606378.0 D: FOUND 1/2" REBAR N: 617485.1 - E: 608788.6 E: CALCULATED CORNER N: 617471.0 - E: 611427.2 F: CALCULATED CORNER N: 617427.6 - E: 616705.7 E 2411.32' ③ S 89'41'40" E 2639.33 GEODETIC DATA NAD 83 GRID - NM EAST BOTTOM HOLE N: 612648.1 - E: 606468.1 LAT: 32.6840351' N LONG: 104.1216399' W	GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 613414.1 - E: 616462.3 LAT: 32.6860815' N LONG: 104.0891505' W SOCIETY OF SOCIETY W 2640.82' 1	19680
58 /-100' 58 B.H. 450'			19680 Certificate Number BH MOVE - 12/14/2020

EXHIBIT 2

TRACT OWNERSHIP Gobbler 5/6 B3PM State Com #2H S2S2 of Section 5 & S2S2 of Section 6, Township 19 South, Range 29 East Eddy County, New Mexico

Bone Spring Formation:

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	<u>% Leasehold Interest</u> 36.289687%
MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	26.118906%
*Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, Texas 79706	10.272139%
Yates Energy Corporation P.O. Box 2323 Roswell, New Mexico 88202	7.1001303%
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	4.0317341%
*OXY USA WTP LP 5 Greenway Plaza, Ste. 110 Houston, Texas 77046-0521	3.6368607%
Jalapeño Corporation P.O. Box 1216 Albuquerque, New Mexico 87103-1216	3.3859424%
MRC Spiral Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	3.1614793%
MRC Explorers Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	3.1614781%

Western Oil Producers P.O. Box 2800 Midland, Texas 79702	1.0130642%
Big Three Energy Group P.O. Box 429 Roswell, New Mexico 88202	0.4449560%
*Estate of Larry Arnold c/o Lonnie Arnold 1112 Telluride Ct. Midland, Texas 79705-1906	0.2542610%
*Emma Lou Evertson 4100 Vinkemulder Road Coconut Creek, Florida 33073	0.1934980%
*Robert Michael Evertson 109 Westwood Circle McKinney, Texas 75070	0.1884390%
*Sandra S. Atkins 1205 Creekwood Drive Garland, Texas 75044	0.1884390%
*Vicki Evertson 4323 Southcrest Road Dallas, Texas 75229	0.1884390%
Drusilla C. Cieszinski, Trustee of The Cieszinski Trust 2737 81 st Street Lubbock, Texas 79423-2229	0.1279932%
Nadel & Gussman Capitan, LLC 15 East 5 th Street, Ste. 3300 Tulsa, Oklahoma 74103-4340	0.0740440%
*Roger B. Hardee 13402 Misty Orchard Lane Sugar Land, Texas 77478	0.0426644%
*Kris H. Youell 103 Lariat Drive Boerne, Texas 78006	0.0426644%

Kellie Halabrin 4206 Shadow Elm Woods San Antonio, Texas 78249		0.0426644%
*T.J. Hall, III P.O. Box 11025 Knoxville, Tennessee 37939		0.0359606%
*Timothy R. MacDonald 3003 Paleo Point College Station, Texas 77845		0.0034175%
Maverick Oil & Gas Corporation 1001 West Wall Street Midland, Texas 79701		0.0011377%
	Total	100.00000%

^{*}Total interest being pooled: 15.0467826%

EXHIBIT 3

Summary of Communications Gobbler 5/6 B3IL State Com #2H Gobbler 5/6 B3PM State Com #2H

Company Na	me: Chevron U.S.A. Inc.	
Date:	Communicated with:	Comments/Actions:
11/5/2020	Land Manager	Mailed well proposals via certified mail dated 11/5/20.
11/9/2020		Certified Mail receipt showed successful delivery at 3:57 PM
12/2/2020	Scott Sabrsula	Mail JOA proposal via certified mail dated 12/2/20.
12/4/2020		Certified Mail receipt showed successful delivery at 2:43 PM
12/9/2020	Scott Sabrsula	Emailed Scott to follow up on status of elections.
12/10/2020	Scott Sabrsula	Scott responded to let me know their technical team was still
		reviewing proposals.
12/29/2020	Scott Sabrsula	Emailed Scott to follow up on status of elections.
1/5/2021	Scott Sabrsula	Emailed Scott to follow up on status of elections.
1/5/2021	Scott Sabrsula	Scott responded and told me he was going to send a reminder to
		his team regarding our proposals.

Company Na	me: OXY USA WTP LP	
Date:	Communicated with:	Comments/Actions:
11/5/2020	Land Manager	Mailed well proposals via certified mail dated 11/5/20.
11/10/2020		Certified Mail receipt showed successful delivery at 4:23 PM
11/16/2020	Jonathan Gonzales	Notified me of receipt of proposals and asked some interest questions and sent me a worksheet with technical questions.
11/18/2020	Jonathan Gonzales	I responded with answers to interest questions.
11/23/2020	Jonathan Gonzales	I responded with answers to their technical questions on worksheet.
12/2/2020	Jonathan Gonzales	Mail JOA proposal via certified mail dated 12/2/20.
12/7/2020		Certified Mail receipt showed successful delivery at 9:56 AM
12/10/2020	Jonathan Gonzales	Called me to let me know that OXY will not be making an election until they receive a pooling order. They are just responding slowly at this time.

Company Na	me: Estate of Larry Arnol	d
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/7/2020		Certified Mail receipt showed successful delivery at 3:11 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.
12/4/2020		Certified Mail receipt showed successful delivery at 2:43 PM



Company Na	me: Emma Lou Evertson	
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/13/2020		Certified Mail receipt showed successful delivery at 5:35 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.
12/7/2020		Certified Mail receipt showed successful delivery at 4:05 PM

Company Na	Company Name: Robert Michael Evertson		
Date:	Communicated with:	Comments/Actions:	
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.	
11/9/2020		Certified Mail receipt showed successful delivery at 10:02 PM	
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.	
12/7/2020		Certified Mail receipt showed successful delivery at 9:56 AM	

Company Na	me: Sandra S. Atkins	
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/9/2020		Certified Mail receipt showed successful delivery at 10:02 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.
12/7/2020		Certified Mail receipt showed successful delivery at 10:23 PM

Company Na	me: Vicki Evertson	
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/9/2020		Certified Mail receipt showed successful delivery at 3:57 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.
12/8/2020		Certified Mail receipt showed successful delivery at 10:37 PM

Company Na	me: Roger B. Hardee	
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
11/10/2020		Certified Mail receipt showed successful delivery at 4:23 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.

Company Na	me: Kris H. Youell	
Date:	Communicated with:	Comments/Actions:
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.
		Mail returned undeliverable.
11/23/2020		Mailed well proposals via certified mail dated 11/23/20 to correct address.
12/5/2020		Certified Mail receipt showed successful delivery at 3:12 PM
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.

Company Na	ame: T.J. Hall III					
Date:	Date: Communicated with: Comments/Actions:					
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.				
		Mail was returned undeliverable.				
12/3/2020		Mailed JOA proposal via certified mail dated 12/3/20.				
		Mail was returned undeliverable.				
1/25/2021		Mailed AFE and JOA proposals to corrected address.				

Company Na	ame: Timothy R. MacDona	ald					
Date:	Communicated with:	Comments/Actions:					
11/5/2020		Mailed well proposals via certified mail dated 11/5/20.					
		Mail was returned undeliverable.					
12/2/2020		Mailed JOA proposal via certified mail dated 12/3/20.					
		Mail was returned undeliverable.					
1/6/2021		Mailed AFE and JOA proposals to corrected address.					
1/13/2021		Certified Mail receipt showed successful delivery at 3:45 PM					

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

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

November 5, 2020

Via Certified Mail

Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, Texas 79706 Attn: Kristen Hunter

Re:

Gobbler 5/6 B3IL State Com #2H 1310' FSL & 205' FEL (SL) (Sec 5)

1850' FSL & 100' FWL (BHL) (Sec 6)

Section 5, T19S, R29E Eddy County, New Mexico

TVD: 8,717' MD: 18,530'

Proration Unit/Project Area: N2S2

Gobbler 5/6 B3PM State Com #2H

1280' FSL & 205' FEL (SL) (Sec 5)

450' FSL & 100' FWL (BHL) (Sec 6)

Section 5, T19S, R29E Eddy County, New Mexico

TVD: 8,740' MD: 18,565'

Proration Unit/Project Area: S2S2

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above.

The estimated costs for these wells are as follows:

Well Name	Estimated Cost to Casing Point	Estimated Cost of Producing Well
Gobbler 5/6 B3IL State Com #2H	\$3,473,400	\$6,952,400
Gobbler 5/6 B3PM State Com #2H	\$3,473,800	\$6,952,900

These costs are more fully detailed in the AFE enclosed herewith. To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 5 and All of Section 6, Township 19 South, Range 29 East, Eddy County, New Mexico. Our Joint Operating Agreement, to follow, will contain 100%/300% nonconsent penalty, \$8,000.00/\$800 drilling/producing rates, be limited to the Bone Spring formation and MOC will be listed as Operator. If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

Enclosed are duplicate originals of Mewbourne's AFEs for the wells. To make your election to participate in the proposed wells, properly execute and return the AFEs. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance".

Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY

asalgado.

Adriana Salgado Landman

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

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

December 2, 2020

Via Certified Mail

Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland, Texas 79706 Attn: Scott Sabrsula

Re: Gobbler 5/6 WIU Proposal

Section 5: All Section 6: All

T19S, R29E, Eddy County, New Mexico

Dear Mr. Sabrsula,

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated July 1, 2020, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposals/AFEs I sent by letter dated November 5, 2020.

Regarding the above, please have the AFEs, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFEs (if they have not already been returned) to me whereby you will retain the Operating Agreement for your file.

Should you have any questions regarding the above, feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado

asalgado.

Landman

AUTHORIZATION FOR EXPENDITURE

Well Name: Gobbler 5/6 B3PM St	ate Com #2H	P	ros	pect: Go	bbler			
Location: SL: 1280' FSL & 205' FEL (5); BHL: 450' FSL & 100' FWL (6)				ounty: Ed	dy		s	T: NM
Sec. 5 Blk: Survey:		TWP: 1	98	RNG:	29E Prop. TVI	D: 8740	TMD:	18565
INTA	NGIBLE COSTS 0180			CODE	ТСР	CODE		СС
Regulatory Permits & Surveys				0180-0100		0180-0200		
Location / Road / Site / Preparation				0180-0105	\$30,000	0180-0205		\$30,00
Location / Restoration				0180-0106	\$200,000	0180-0206		\$35,00
Daywork / Turnkey / Footage Drilling	36 days drlg / 3 days comp @ \$1	8,000/d		0180-0110	\$730,500	0180-0210		\$57,70
Fuel	1700 gal/day @ \$1.30/gal			0180-0114	\$89,700	0180-0214		\$170,00
Mud, Chemical & Additives				0180-0120	\$180,000	0180-0220		
Horizontal Drillout Services						0180-0222		\$200,00
Cementing				0180-0125				\$30,00
Logging & Wireline Services				0180-0130				\$245,00
Casing / Tubing / Snubbing Service				0180-0134		0180-0234		\$42,00
Mud Logging				0180-0137	\$35,000			
Stimulation	50 Stg 19.8 MM gal/ 19.8 MM lb					0180-0241		\$1,335,00
Stimulation Rentals & Other					250.000	0180-0242		\$185,00
Water & Other				0180-0145				\$225,00
Bits				0180-0148		0180-0248		\$5,00
Inspection & Repair Services				0180-0150				\$5,00
Misc. Air & Pumping Services				0180-0154		0180-0254		\$10,00
Testing & Flowback Services				0180-0158	\$12,000			\$24,00
Completion / Workover Rig				0400 040	0400.000	0180-0260		\$10,50
Rig Mobilization Transportation				0180-0164		0400 000=	-	600.00
Welding Services				0180-0165				\$30,00
Contract Services & Supervision				0180-0168				\$15,00
	habida V v 10 i i		_	0180-0170		0180-0270		
Directional Services	Includes Vertical Control			0180-0175				004.00
Equipment Rental Well / Lease Legal				0180-0180		0180-0280		\$24,00
Well / Lease Legal Well / Lease Insurance			-	0180-0184		0180-0284		
Intangible Supplies			-	0180-0185	1	0180-0285		610.00
Damages			-	0180-0188 0180-0190				\$10,00
ROW & Easements			\dashv	0180-0190		0180-0290		\$4,00
Pipeline Interconnect			\dashv	0100-0192		0180-0292		34,00
Company Supervision				0180-0195	\$532,000	0180-0295		\$129.60
Overhead Fixed Rate			-	0180-0195		0180-0295		\$20,00
Well Abandonment			-	0180-0198		0180-0298		Ψ20,00
Contingencies	2% (TCP) 2% (CC)		-	0180-0199		0180-0299		\$56,80
Contingencies	2%(10F) 2%(00)	TOT		0100-0199		0100-0299		
		тот	AL		\$3,192,700			\$2,898,60
The same of the sa	NGIBLE COSTS 0181							
Casing (19.1" - 30")				0181-0793				
Casing (10.1" - 19.0")	455' - 13 3/8" 54.5# J-55 ST&C @ \$3			0181-0794				
Casing (8.1" - 10.0")	1105' - 9 5/8" 36# J-55 LT&C @ \$19.		_	0181-0795				
Casing (6.1" - 8.0")	8815' - 7" 29# HCP-110 LT&C @ \$21			0181-0796	\$202,100			
Casing (4.1" - 6.0")	10500' - 4 1/2" 13.5# P-110 BPN @ \$					0181-0797		\$131,40
Tubing Drilling Head	8165' - 2 7/8" 6.5# EUE tbg @ \$4.54/	n		0101 0000	040,000	0181-0798		\$39,60
Tubing Head & Upper Section			-	0181-0860	\$40,000			
Horizontal Completion Tools	Completion Liner Hanger		-			0181-0870		\$30,00
Sucker Rods	Completion Liner Hanger					0181-0871		\$45,00
Subsurface Equipment	Packer		-			0181-0875		\$10.00
Artificial Lift Systems	Packer Coa Life Values		-			0181-0880		\$10,00
Pumping Unit	Gas Lift Valves					0181-0884		\$15,00
Surface Pumps & Prime Movers			-			0181-0885		
Tanks - Oil	(1/2) 2 - 750 bbl		-		-	0181-0886		620.00
Tanks - Water	(1/2) 1 - 750 bbl coated				-	0181-0890 0181-0891		\$20,00
Separation / Treating Equipment	30"x10'x1k# 3 ph/36"x15'x1k#/1VRT		_	-		0181-0891		\$12,50
Heater Treaters, Line Heaters	8'x20'x75# HT		_					1000
Metering Equipment	O VER VIOLE 111		-			0181-0897	-	\$27,00
Line Pipe & Valves - Gathering			_			0181-0898		\$15,00
Fittings / Valves & Accessories			_			0181-0900		\$100,00
Cathodic Protection			_			0181-0908		\$13,00
Electrical Installation			-			0181-0908		\$25,00
Equipment Installation			-			0181-0910		\$30,00
Pipeline Construction			-			0181-0920		\$30,00
- Politic School School						0101-0920	<u> </u>	
		тот	AL		\$281,100			\$580,50
		SUBTOT	AL		\$3,473,800			\$3,479,10
	TOTAL V	WELL COST	. 7		40.0			
Extra Expense Insurance	TOTALV	VELL COST			\$6,9	52,900		
Operator has secured Ext	Operator's Extra Expense Insurance and ra Expense Insurance covering costs of warm well control insurance policy. Orking interest owner elects to be covered by Operating interests.	ell control, clear	up a	and redrilling	of the premium. g as estimated in L	ine Item 0180	0-0185.	
Prepared by:	H. Buckley	D	ate:	8/24/20	20			
0	71. Doonsy		ate:	G/24/20				
Joint Owner Interest:	Amount:					1		
Joint Owner Name:		Signature:						

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. 21642 & 21643

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
) ss
STATE OF TEXAS)

Charles Crosby deposes and states:

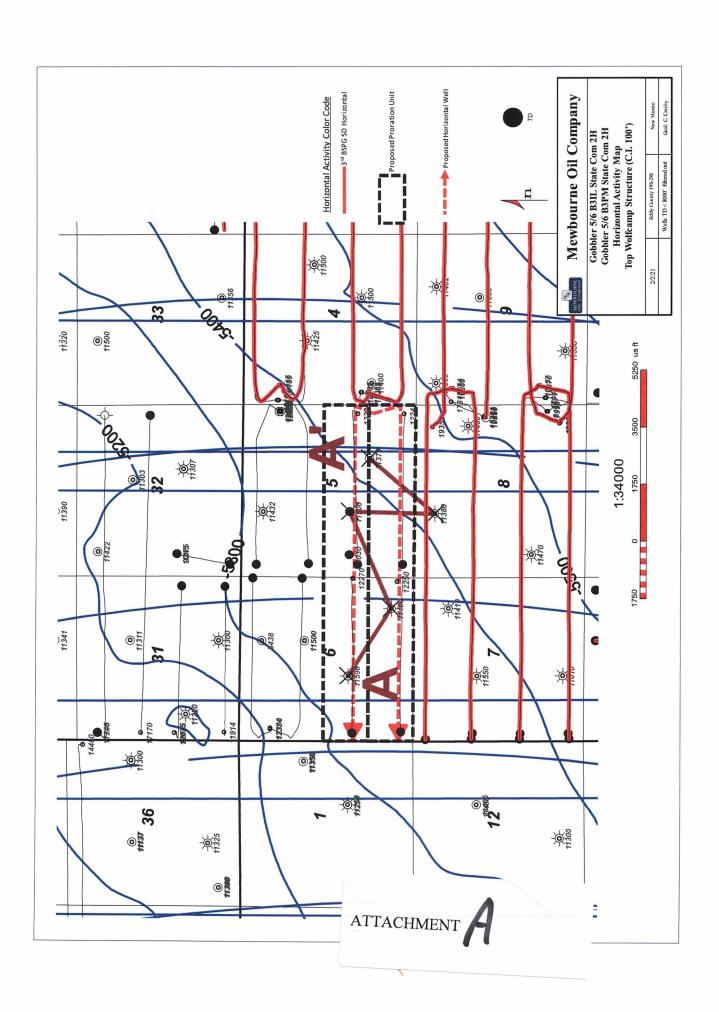
- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
 - 3. The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

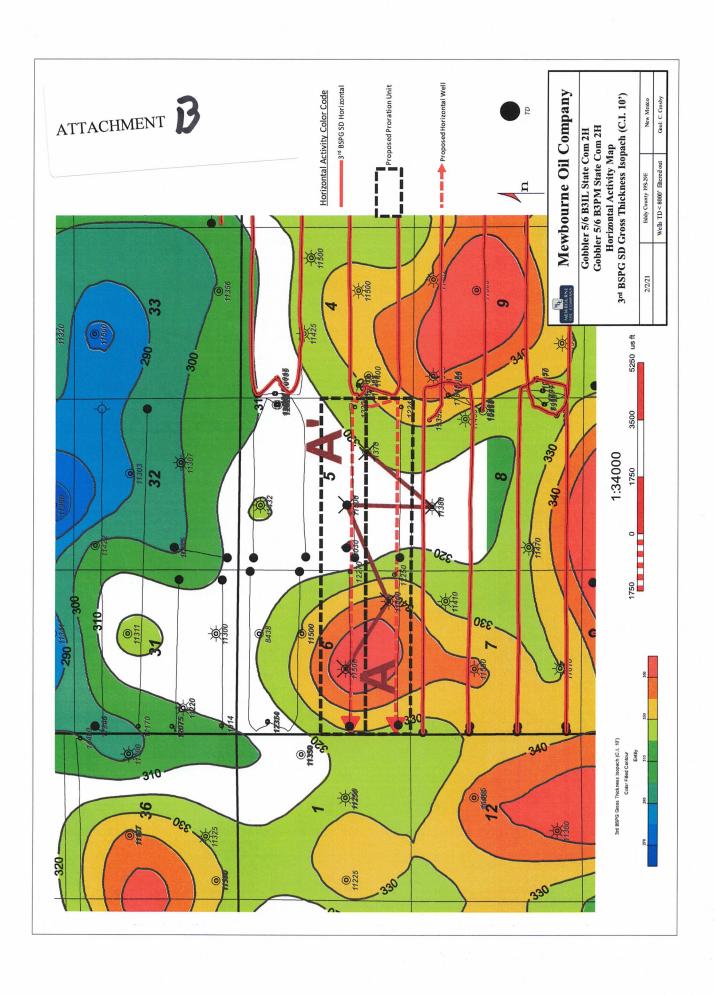


- (d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.
- 5. Attachment D contains information from other Third Bone Spring Sand wells drilled in this area. There are both standup and laydown Bone Spring wells in this area, but with a preference for lay down wells.
- 6. Attachment E contains the horizontal drilling plans for the proposed wells. The producing interval 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: 2/2/21

Charles Crosby



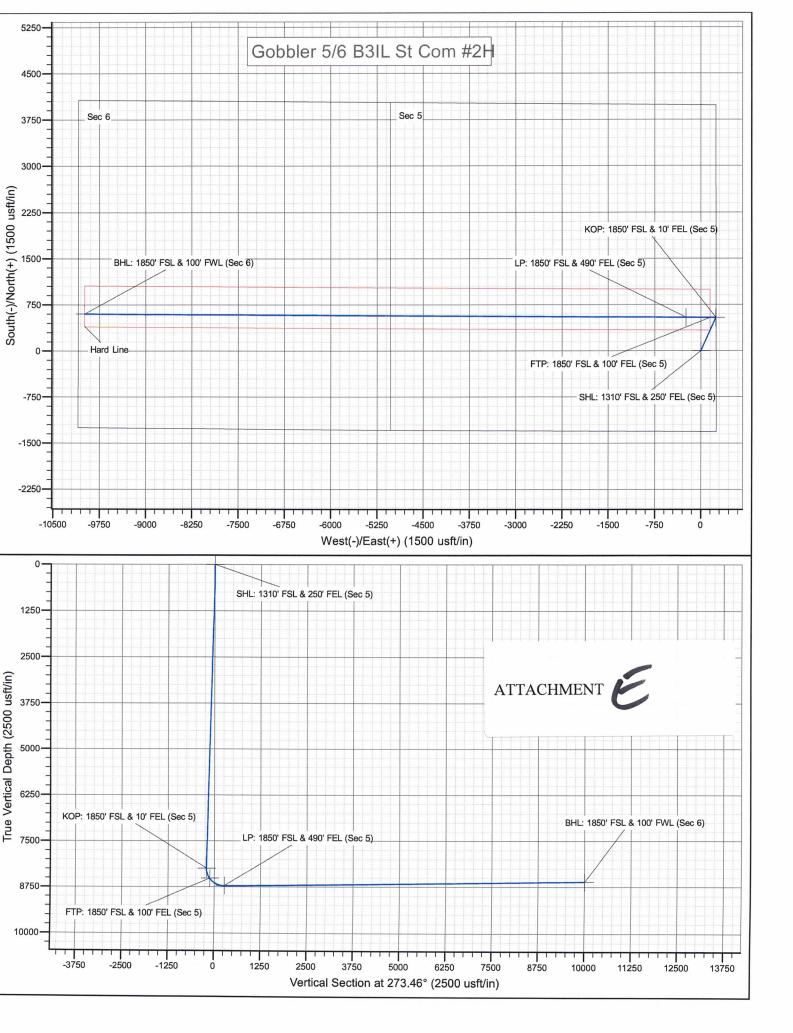


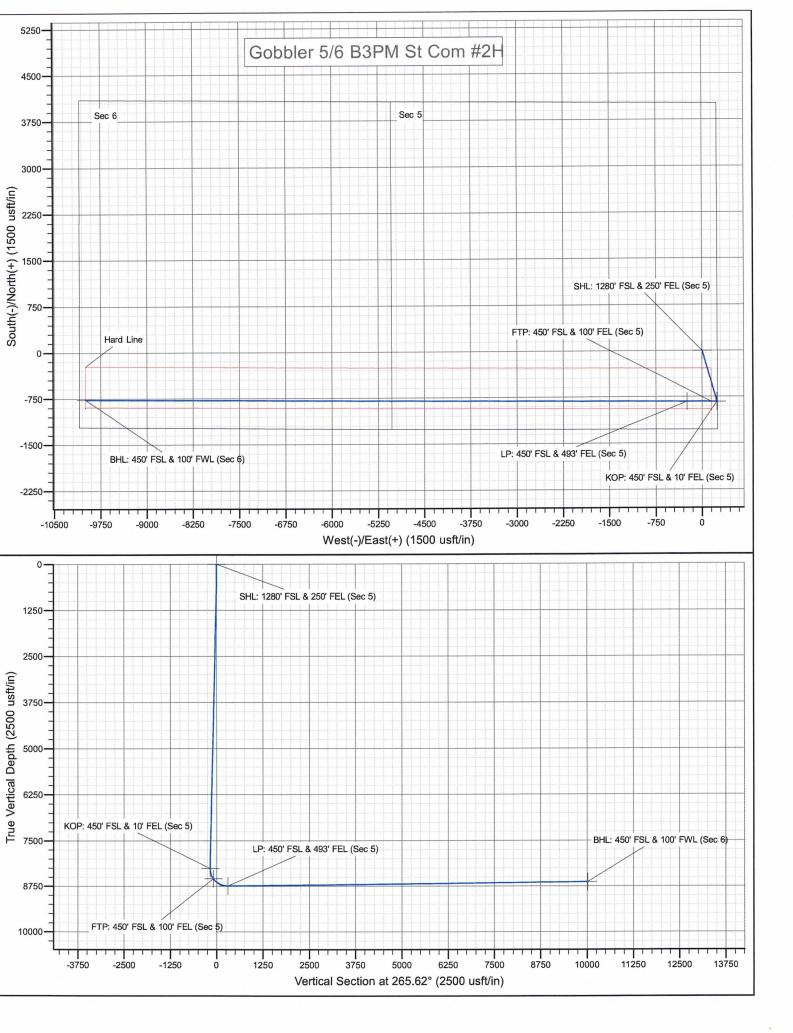


		Gol	obler Area 3rd B	Gobbler Area 3rd BSPG Sand Production Table	tion Table				
Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	NS/EW	Production Zone
Turkey Track 9/10 State 32H	OXY	30015441090100	8H/19S/29E	12/2/2017	551.8	1.4	305.5	EW	3rd BSPG SD
Turkey Track 8/7 State 33H	OXY	30015441590000	9L/19S/29E	8/23/2019	252.4	0.6	220.7	EW	3rd BSPG SD
Turkey Track 8/7 State 34H	OXY	30015441600000	9L/19S/29E	8/23/2019	332.1	0.8	306.2	EW	3rd BSPG SD
Turkey Track 9/10 State 31H	λXO	30015441930000	8A/19S/29E	8/11/2018	499.1	1.1	424.5	EW	3rd BSPG SD
Turkey Track 9/10 State 33H	λXO	30015441940000	8P/19S/29E	7/8/2018	297.6	0.6	393.0	EW	3rd BSPG SD
Turkey Track 9/10 State 34H	λXO	30015441950000	8P/19S/29E	7/8/2018	588.3	1.1	401.5	EW	3rd BSPG SD
Turkey Track 8/7 State 31H	λXO	30015442660000	9D/19S/29E	8/23/2019	345.5	1.0	251.9	EW	3rd BSPG SD
Turkey Track 8/7 State 32H	λXO	30015442670000	9D/19S/29E	9/1/2019	357.6	1.0	246.6	EW	3rd BSPG SD
Turkey Track 4/3 State 31H	λXO	30015443340000	4A/19S/29E	10/23/2018	300.4	0.4	199.6	EW	3rd BSPG SD
Turkey Track 4/3 State 32H	λXO	30015443860000	4D/19S/29E	10/22/2018	188.4	0.3	199.1	EW	3rd BSPG SD
Turkey Track 4/3 State 33H	λXO	30015444110000	4L/19S/29E	8/17/2018	333.4	0.6	160.1	EW	3rd BSPG SD
Turkey Track 4/3 State 34H	AXO	30015444320000	41 /195/20F	8/21/2018	250.3	90	190 6	, N	OS DOS PAR

ATTACHMENT D







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. 21642 and 21643

SELF-AFFIRMED STATEMENT OF NOTICE

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

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: 2/2/

James Bruce

EXHIBIT

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

January 14, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Bone Spring wells in (i) a horizontal well unit comprised of the N/2S/2 of Section5 and the N/2S/2 of Section 6 (Case No. 21642), and (ii) a horizontal well unit comprised of the S/2S/2 of Section5 and the S/2S/2 of Section 6 (Case No. 21643), all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

Thos matter is scheduled for hearing at 8:15 a.m. on Thursday, February 4, 2021. 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 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, January 28, 2021. This statement may be filed online with the Division at <u>ocd.hearings@state.nm.us</u>, and should include: The name 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 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 Blvd. Midland, Texas 79706 Attn: Scott Sabrsula

Yates Energy Corporation P.O. Box 2323 Roswell, New Mexico 88202 Attn: Ms. Becky Pemberton

OXY USA WTP LP 5 Greenway Plaza, Ste. 110 Houston, Texas 77046-0521 Attn: Mr. Jonathan Gonzales

Estate of Larry Arnold c/o Lonnie Arnold 1112 Telluride Ct. Midland, Texas 79705-1906

Emma Lou Evertson 4100 Vinkemulder Road Coconut Creek, Florida 33073

Robert Michael Evertson 109 Westwood Circle McKinney, Texas 75070

Sandra S. Atkins 1205 Creekwood Drive Garland, Texas 75044

Vicki Evertson 4323 Southcrest Road Dallas, Texas 75229

Roger B. Hardee 13402 Misty Orchard Lane Sugar Land, Texas 77478

Kris H. Youell 103 Lariat Drive Boerne, Texas 78006 T.J. Hall, III P.O. Box 11025 Knoxville, Tennessee 37939

Timothy R. MacDonald 3017 Avenue O Galveston, Texas 77550-6847

Maverick Oil & Gas Corporation Attn: E. Scott Kimbrough 1001 West Wall Street Midland, Texas 79701

Chisholm Energy Operating, LLC 801 Cherry Street, Suite.1200, Unit 20 Fort Worth, Texas 76102

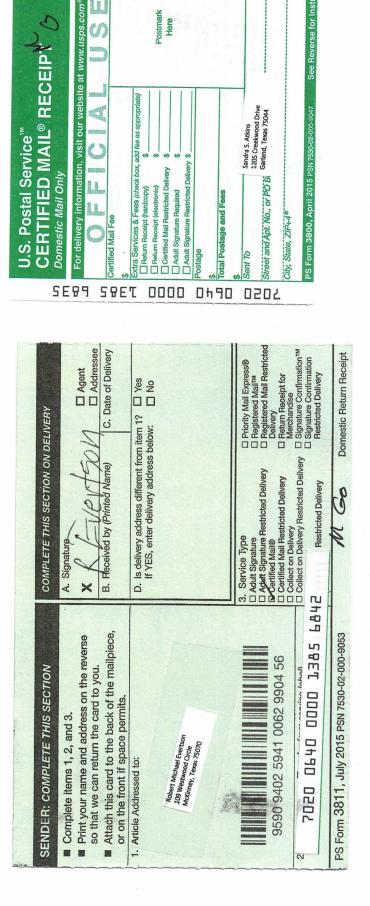
U.S. Postal Service TM CERTIFIED MAIL® RECEIPT N Domestic Mail Only	Certified Mail Fee Certif	Return Receipt (restronicy) Return Receipt (electronicy) Certified Mail Restricted Adult Signature Restricted Adult Signature Restricted Postage Signature Restricted S	Design 10
COMPLETE THIS SECTION ON DELIVERY	A. Signature A Agent A Addressee B. Received by (Printed Name) C. Date of Delivery	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	3. Service Type Adult Signature Adult Signature Adult Signature Adult Signature Adult Signature Restricted Delivery Certified Mail@ Certified Mail@ Certified Mail@ Collect on Delivery Cover \$500) Cover \$500 Cover \$500
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. 	Article Addressed to: Timotry R. MacDonald 3017 Avenue O Galveston, Texas 77550-6847	2. Article Number Transfer 17 Centre 2905 17 Centre 7 D D D D D D D D D D D D D D D D D D

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

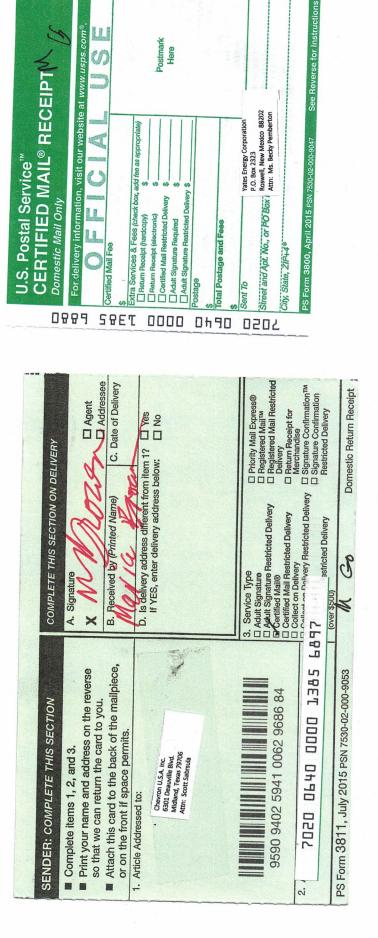
See Reverse for Instructions For delivery information, visit our website at www.usps.com® Postmark Here CERTIFIED MAIL® RECEINT G 109 Westwood Circle McKinney, Texas 75070 Robert Michael Evertson Extra Services & Fees (check box, add fee as appropr PS Form 3800, April 2015 PSN 7530-02-000-9047 U.S. Postal Service Adult Signature Restricted Delivery \$ treet and Apt. No., or PO Box No. | Return Receipt (hardcopy) | Return Receipt (electronic) | Certified Mail Restricted Delivery | Adult Signature Required Domestic Mail Only otal Postage and Fees City, State, ZIP+4® ertified Mail Fee 2 차 명 역 SBET 0000 0490 0507

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PS Form 3800, April 20

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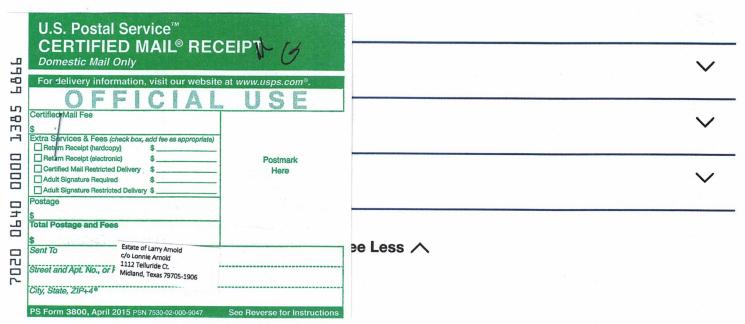
Remove X

Your item was delivered to an individual at the address at 9:50 am on January 22, 2021 in MIDLAND, TX 79705.

⊘ Delivered

January 22, 2021 at 9:50 am Delivered, Left with Individual MIDLAND, TX 79705

Get Updates ✓



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FAQs >

Track Another Package +

Tracking Number: 70200640000013856767

Remove X

Your item was delivered to the front desk, reception area, or mail room at 1:07 pm on January 22, 2021 in FORT WORTH, TX 76102.

Delivered

January 22, 2021 at 1:07 pm Delivered, Front Desk/Reception/Mail Room FORT WORTH, TX 76102

Get Updates V



Can't find what you're looking for?

USPS Tracking®

FAQs >

Track Another Package +

Tracking Number: 70200640000013856804

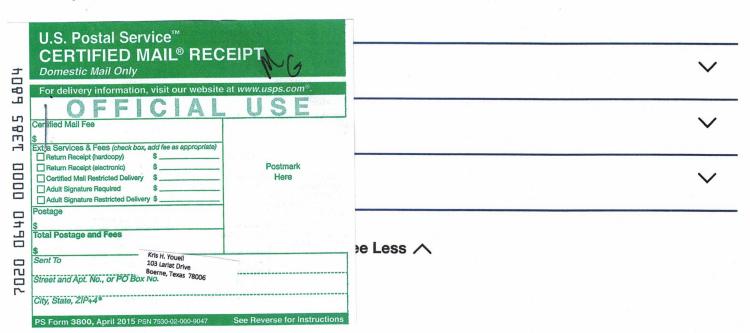
Remove X

Your item was delivered to an individual at the address at 10:30 am on February 1, 2021 in BOERNE, TX 78006.

⊘ Delivered

February 1, 2021 at 10:30 am Delivered, Left with Individual BOERNE, TX 78006

Get Updates V



Can't find what you're looking for?

USPS Tracking®

FAQs >

Track Another Package +

Tracking Number: 70200640000013856828

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Your item has been delivered to an agent for final delivery in DALLAS, TX 75229 on February 1, 2021 at 10:44 am.

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Can't find what you're looking for?

JAMES BRUCE ATTORNEY POBOX 1056 SANTA FE NM 87504-

PO#:

Account 1419282 AD# 0004562981 Ordered By James Bruce Tax Amount \$13.86 Total Amount \$195.18 Payment Method Invoice Payment Amount \$0.00 <u>Amount Due</u> \$195.18

Ad Order Notes:

Sales Rep: sbeaton

Order Taker: sbeaton

Order Created

01/19/2021

Product	Placement	Class	# Ins	Start Date	End Date
ELP-CA Current-Argus	ELP-Legals	Legal Notices	1	01/21/2021	01/21/2021
ELP-currentargus.com	ELPW-Legals	Legal Notices	1	01/21/2021	01/21/2021

EXHIBIT 5

Text of Ad:

01/19/2021

NOTICE

To: Chevron U.S.A. Inc., Yates Energy Corporation, OXY USA WTP LP, Larry Arnold, Emma Lou Evertson, Robert Michael Evertson, Sandra S. Atkins, Vicki Evertson, Roger B. Hardee, Kris H. Youell, T.J. Hall III, Timothy R. MacDonald, Maverick Oil & Gas Corporation, and Chisholm Energy Operating LLC. or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed two applications with the New Mexico Oil Conservation Division seeking orders pooling all mineral interests in the Wolfcamp formation underlying the following horizontal spacing units: (i) In Case No. 21642, the N/2S/2 of Section 5 and the N/2S/2 of Section 6, Township 19 South, Range 29 East, NMPM. The unit will be dedicated to the Gobbler 5/6 B3IL State Com. Well No. 2H, with a first take point in the NE/ASE/4 of 5 and a final take point in the NW/4SW/4 of Section 6; and (ii) In Case No. 21643, the S/2S/2 of Section 5 and the S/2S/2 of Section 6, Township 19 South, Range 29 East, NMPM. The unit will be dedicated to the Gobbler 5/6 B3PM State Com. Well No. 2H, with a first take point in the SE/4SE/4 of 5 and a final take point in the SW/4SW/4 of Section 6. Also to be considered will be the SW/4SW/4 of Section 6. Also to be considered will be the SW/4SW/4 of Section 6. Also to be considered will be the section of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells 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 or see the instructions posted on the Division's website, https://emmrd.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 application, you may appear and present testimony. Failure to appear at that time

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, January 28, 2021. This statement may be filed online with the Division at 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 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. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, jamesbruc@aol.com. The units are located approximately 11-1/2 miles southwest of Loco Hills, New Mexico.

January 21, 2021

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED I	BY SIGNED AFFIDAVITS
ALL INFORMATION IN THE APPLICATION MIGGI DE SOFT ONTED I	JI SIGIALD / II I ID/ III I

Case:	TIOTA WIGGI DE GOTT GREE	21642	
Date:	Feb	oruary 4, 2020	
	Mewbourne Oil Company		
Applicant Designated Operator & OGRID	Wiewboarne on company	7	
(affiliation if applicable)	Mewbourne Oil Company/OC	GRID No.14744	
Applicant's Counsel:	James Bruce Application of Mewbourne Oil Company for Compulsory Pooling, Eddy		
Case Title:	County, New Mexico		
Entries of Appearance/Intervenors:			
Well Family	Gobbler wells	,	
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring Formation		
Primary Product (Oil or Gas):	Gas		
Pooling this vertical extent:	Entire Bone Spring formation	n	
Pool Name and Pool Code:	Palmillo Bone Spring, East/Po	ool Code 49533	
Well Location Setback Rules:	Statewide rules and current	horizontal well rules	
Spacing Unit Size:	Quarter-quarter sections/40 acres		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320 acres		
Building Blocks:			
Orientation:	East-West		
Description: TRS/County	N/2S/2 §5 and N/2S/2 §6-19S-29E, NMPM, Eddy County		
Standard Horizontal Well Spacing Unit	Yes		
(Y/N), If No, describe			
Other Situations			
Depth Severance: Y/N. If yes, description	No		
Proximity Tracts: If yes, description	No	/ A	
Proximity Defining Well: if yes,		EXHIBIT OF	
description			
Applicant's Ownership in Each Tract	Exhibit 2A-2		
Well(s)			
Name & API (if assigned), surface and	Gobbler 5/6 B3IL St. Com. W	ell No. 2H	
bottom hole location, footages,	API No. 30-015-46726		
completion target, orientation,	SHL: 1310 FSL &250 FEL §5		
completion status (standard or non-	BHL: 1850 FSL &100 FWL §6		
standard)	FTP: 1850 FSL &100 FEL §5		
	LTP: 1850 FSL & 00 FWL §6		
	Bone Spring/TVD 8717 feet/MD 18530 feet		
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Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2A, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2A, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit1
Proof of Mailed Notice of Hearing (20	
days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10	
days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibit 2A-1
Tract List (including lease numbers and	
owners)	Exhibit 2A-2
Pooled Parties (including ownership	
type)	Exhibit 2A-2
Unlocatable Parties to be Pooled	Exhibit 2A-3
Ownership Depth Severance (including	LATINE 27 3
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2A-3
List of Interest Owners (i.e. Exhibit A of	EXHIBITE ZIX 3
JOA)	Exhibit 2A-2
Chronology of Contact with Non-Joined	
Working Interests	Exhibit 2A-3
Overhead Rates In Proposal Letter	Exhibit 2A-3
Cost Estimate to Drill and Complete	Exhibit 2A-4
Cost Estimate to Equip Well	Exhibit 2A-4
Cost Estimate for Production Facilities	Exhibit 2A-4
Geology	
Summary (including special	
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2A-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3
Well Orientation (with rationale)	Laydown/Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2A-1
Tracts	Exhibit 2A-1
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 2A-2

General Location Map (including basin)	Exhibit 2A-1
Well Bore Location Map	Exhibit 2A-1
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including	
wells)	Exhibits 3-B and 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
CERTIFICATION: I hereby certify that the	
information provided in this checklist is	
complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party	Laura Ran
Representative):	Cames Lelle
Date:	February 2, 2020

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

ALL INFORMATION IN THE APPLICA	ATION MUST BE SUPPO	ORTED BY SIGNED AFFIDAVITS	
Case:		21643	
Date:		February 4, 2020	
Applicant	Mewbourne Oil Company		
Designated Operator & OGRID	i i		
(affiliation if applicable)	Mewbourne Oil Company/OGRID No.14744		
Applicant's Counsel:	James Bruce		
Case Title:	Application of Mewbou County, New Mexico	rne Oil Company for Compulsory Pooling, Eddy	
Entries of Appearance/Intervenors:			
Well Family	Gobbler wells		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring Formation		
Primary Product (Oil or Gas):	Gas		
Pooling this vertical extent:	Entire Bone Spring form	nation	
Pool Name and Pool Code:			
Well Location Setback Rules:	Palmillo Bone Spring, East/Pool Code 49533 Statewide rules and current horizontal well rules		
Spacing Unit Size:	Quarter-quarter sections/40 acres		
Spacing Unit	Quarter quarter section	115) To doi: C3	
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320 acres		
Building Blocks:	020 00:00		
Orientation:	East-West		
Description: TRS/County	S/2S/2 §5 and S/2S/2 §6-19S-29E, NMPM, Eddy County		
Standard Horizontal Well Spacing Unit	Yes		
(Y/N), If No, describe			
Other Situations			
Depth Severance: Y/N. If yes, description	No		
Proximity Tracts: If yes, description	No	EXHIBIT 63	
Proximity Defining Well: if yes, description		EARIBIT 619	
Applicant's Ownership in Each Tract	Exhibit 2B-2		
Well(s)			
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or nonstandard)	Gobbler 5/6 B3PM St. Co API No. 30-015-46725 SHL: 1280 FSL &250 FEL BHL: 450 FSL &100 FWL FTP: 450 FSL &100 FEL § LTP: 450 FSL & 100 FWL Bone Spring/TVD 8717 fo	§5 §6 5 §6	

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2B, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2B, page 2
Notice of Hearing	2001 20010, 2011 101 101 101 101 101 101 101 101 10
Proposed Notice of Hearing	Exhibit1
Proof of Mailed Notice of Hearing (20	EXHIBITE
days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10	EXHIBIT 4
days before hearing)	Exhibit 5
Ownership Determination	EXHIBIT 3
Land Ownership Schematic of the	Exhibit 2B-1
Spacing Unit	EXHIBIT 59-1
Tract List (including lease numbers and	Full-libit 2D 2
owners)	Exhibit 2B-2
Pooled Parties (including ownership	5 1 11 11 20 2
type)	Exhibit 2B-2
Unlocatable Parties to be Pooled	Exhibit 2B-3
Ownership Depth Severance (including	
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2B-3
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit 2B-2
Chronology of Contact with Non-Joined	
Working Interests	Exhibit 2B-3
Overhead Rates In Proposal Letter	Exhibit 2B-3
Cost Estimate to Drill and Complete	Exhibit 2B-4
	Exhibit 2B-4
Cost Estimate to Equip Well Cost Estimate for Production Facilities	
	Exhibit 2B-4
Geology	
Summary (including special	Fullibra 2
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3
Well Orientation (with rationale)	Laydown/Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2B-1
Tracts	Exhibit 2B-1
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 2B-2

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General Location Map (including basin)	Exhibit 2B-1
Well Bore Location Map	Exhibit 2B-1
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including	
wells)	Exhibits 3-B and 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
CERTIFICATION: I hereby certify that the	
information provided in this checklist is	
complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James/Bruce
Signed Name (Attorney or Party	
Representative):	Times Mille
Date:	February 2, 2020