

**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 A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 15,042

VERIFIED STATEMENT OF COREY MITCHELL

Corey Mitchell, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company, and have personal knowledge of the matters stated herein.

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 record title owners in a federal lease for purposes of obtaining Bureau of Land Management ("BLM") approval of a communitization agreement.

(b) No opposition is expected because the record title owners being pooled have been contacted regarding the proposed well, but refuse to sign the communitization agreement.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the N/2S/2 of Section 7, Township 18 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Yeso formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Peterson 7 IL Fed. Com. Well No. 1, a horizontal well with a surface location 1795 feet from the south line and 150 feet from the west line of adjoining Section 8, and a terminus 1795 feet from the south line and 330 feet from the west line of Section 7.

(d) The parties being pooled and their record title interests in the NE/4SE/4 of Section 7, being a portion of the well unit, are as follows:

Oil Conservation Division
Case No. _____
Exhibit No. 1

PMC 1990-WI Acquisition Limited Partnership	23.863640%
PMC 1990-EQ Acquisition Limited Partnership	17.045450%
Wesson 1990-WI Acquisition Limited Partnership	3.409090%
Province Energy Company	16.151780%
L. Frank Pitts	29.530040%
Thomas H. Yates, Jr.	5.000000%
Mark Seaman	5.000000%
Suite 160	
4600 Greenville Avenue	
Dallas, Texas 75206	

This address is current and correct. A copy of the BLM's Serial Register Page for Lease NM 91069, which covers the NE/4SE/4 of Section 7, is attached hereto as Attachment B.

(e) A copy of the proposal letter sent to the record title owners is attached hereto as Attachment C. In addition, I spoke with George Banitch of PMC 1990-WI Acquisition Limited Partnership (and others), one of the record title owners. He stated that the owners listed in paragraph (d) above had sold their interests, and would not agree to sign the communitization agreement. No instrument regarding the alleged sale is filed with the BLM.

(f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the interest owners in the communitization agreement for the proposed well.

(g) Because the pooled parties own only record title, a risk charge is not requested.

(h) Because the pooled parties own only record title, overhead charges are not requested.

(i) The offset operators or working interest owners are listed on Attachment D.

(j) Applicant requests that it be designated operator of the well.

VERIFICATION

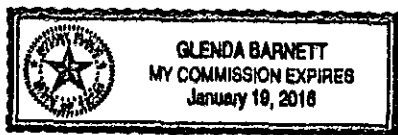
STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

Corey Mitchell
Corey Mitchell

SUBSCRIBED AND SWORN TO before me this 16th day of September, 2013 by Corey Mitchell.

My Commission Expires: 1-19-2016



Glenda Barnett
Notary Public

A

Wendell Gruenewald	8-17-2016	4
Wendell L.D.	8-30-2015	4
Wendell L.D.	8-3-2015	4
Wendell Patterson	8-9-2016	4

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Reglater Page**

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01 02-26-1920;0419TAT0437;30USC226

Total Acres
40.000

Serial Number
NMNM-- 091069

Case Type 310781: O&G RENEWAL LEASE - PD
Commodity 450: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- 091069

Name & Address	Int Rel	% Interest
BP AMERICA PRODUCTION CO	OPERATING RIGHTS	0.0000000
PITTS FRANK L	LESSEE	29.5300400
PMC 1990-EQ ACQ LTD	LESSEE	17.0454500
PMC 1990-WI ACQ LTD	LESSEE	23.8636400
PROVINCE ENERGY CORP	LESSEE	16.1517800
SEAMAN MARK	LESSEE	5.0000000
WESSON 1990-WI ACQ	LESSEE	3.4090900
YATES THOMAS H JR	LESSEE	5.0000000

Serial Number: NMNM-- 091069

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0180S 0270E 007	ALIQ		NESE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 007	FF	01	ALL FORMS EXCEPT THE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 007	FF	02	STRATIGRAPHIC INTERVAL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 007	FF	03	BETWEEN THE TOP OF THE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 007	FF	04	GRAYBURG FORM AND A;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 007	FF	05	CORRELATIVE POINT IN THE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 007	FF	06	SAN ANDRES FORMATION;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 091069

Act Date	Code	Action	Action Remark	Pending Office
01/01/1940	496	FUND CODE	05;145003	
01/01/1940	868	EFFECTIVE DATE		
01/01/1970	242	LEASE RENEWED	THRU 12/31/79;	
01/01/1980	242	LEASE RENEWED	THRU 12/31/89;	
01/01/1990	242	LEASE RENEWED	THRU 12/31/99;	
01/01/1990	530	RLTY RATE - 12 1/2%	/A/	
01/01/1990	868	EFFECTIVE DATE		
05/23/1991	140	ASGN FILED	PMC RES/PMC 1990-WI	
10/18/1993	932	TRF OPER RGTS FILED	PMC 1990/GREENBRIER	
10/18/1993	932	TRF OPER RGTS FILED	PMC-1990/GREENBRIER	
03/14/1994	139	ASGN APPROVED	EFF 06/01/91;	
03/14/1994	139	ASGN APPROVED	EFF 08/01/91;	
03/14/1994	553	CASE CREATED BY ASGN	OUT OF NMNM7715;	
03/14/1994	933	TRF OPER RGTS APPROVED	EFF 11/01/93;	
03/14/1994	974	AUTOMATED RECORD VERIF	TF/KRP	
04/20/1994	600	RECORDS NOTED		
04/25/1994	963	CASE MICROFILMED	RG0	
09/12/1994	932	TRF OPER RGTS FILED	GREENBRIER/MEWBOURNE	
11/21/1994	933	TRF OPER RGTS APPROVED	EFF 11/01/93;	
11/21/1994	974	AUTOMATED RECORD VERIF	LBO	
12/27/1994	575	APD FILED	DEVON ENERGY CORP(NV)	
06/06/1995	576	APD APPROVED	53-WEST RED LAKE UT	
03/15/1999	103	ADDTL INPO RECD	STIPS:CAVE/KARST AREA	
03/15/1999	103	ADDTL INPO RECD	STIPS:FRAGILE SOILS	
11/12/1999	314	RENEWAL APLN FILED		

Attachment **B**

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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Run Date: 09/16/2013

01/01/2000	242	LEASE RENEWED	THRU 12/31/2019;
01/01/2000	530	RLTY RATE - 12 1/2%	/A/
01/01/2000	868	EFFECTIVE DATE	LAST RENEWAL
02/01/2000	237	LEASE ISSUED	
12/11/2001	932	TRF OPER RGTS FILED	ATLANTIC RICHFIELD;1
04/02/2002	933	TRF OPER RGTS APPROVED	EFF 01/01/02;
04/02/2002	974	AUTOMATED RECORD VERIF	MV
06/21/2002	940	NAME CHANGE RECOGNIZED	AMOCO/BP AMERICA PROD
12/31/2019	763	EXPIRES	

Serial Number: NMNM-- - 091069

Line Nr	Remarks
0002	UNITIZED FORMATION IS DEFINED AS THAT PORTION OF
0003	THE GRAYBURG AND SAN ANDRES FORMS UNDERLYING THE
0004	UNIT AREA WHICH INCLUDES THE CONTINUOUS
0005	STRATIGRAPHIC INTERVAL OCCURRING BETWEEN A POINT
0006	FROM THE TOP OF THE GRAYBURG FORMATION AND A
0007	CORRELATIVE POINT IN THE SAN ANDRES FORM SAID
0008	INTERVAL HAVING BEEN PENETRATED BETWEEN 1240 FT
0009	(THE TOP OF THE GRAYBURG FORM) AND 2240 FT BENEATH
0010	THE DERRICK FLOOR IN THE HONDO OIL & GAS COMPANY ,
0011	FEDERAL "EG" NO 21 WELL) LOCATED 1650 FT FROM THE
0012	SOUTH LINE AND 2310 FT FROM THE WEST LINE OF SEC 4
0013	T. 18 S., R. 27 E., EDDY CO, NM, AS SHOWN BY THE
0014	RADIOACTIVITY LOG DATED FEB 7, 1961
0015	/A/535 RLTY RATE 5% EFF 1/1/1940 THRU 12/31/1959
0016	AC 549 ROYALTY RATE 12.5-25% SCH C EFF 1/1/1960
0017	THRU 12/31/1989 AC 530 ROYALTY RATE 12.50%
0018	EFF 1/1/2000 THRU 12/31/2019

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

April 9, 2013

PMC 1990-WI Acquisition Limited Partnership;
PMC 1990-EQ Acquisition Limited Partnership;
Wesson 1990-WI Acquisition Limited Partnership;
Province Energy Company;
L. Frank Pitts, d/b/a Pitts Oil Company;
Thomas H. Yates, Jr. and
Mark Seaman
4600 Greenville Avenue, Suite 160
Dallas, Texas 75206
Attn: Land Department

Re: Peterson "7" IL Federal Com No. 1H
N/2S/2 of Section 7, T18S, R27E
Eddy County, New Mexico

Gentlemen:

Enclosed for your further handling is our proposed Communitization Agreement dated April 1, 2013 covering the captioned land and 2 sets of extra signature pages of same. This agreement communitizes the leases covering the captioned land for Yeso oil production. The captioned well is a horizontal well with the N/2S/2 of the captioned Section 7 being dedicated to the well as the oil proration unit.

In reference to the above, please have the agreement executed and return only the extra sets of signature pages to me for further handling. Please retain the copy of the Communitization Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell
Corey Mitchell
Landman

Attachment

C

Offset Ownership
Peterson 7 IL Fed Com No. 1H
Section 7, T18S, R27E
Eddy County, New Mexico

S/2S/2 of Section 7, T18S, R27E:

Mewbourne Oil Company – Operator

(Mewbourne Oil Company, Lime Rock Resources II-A, LP and Apache Corporation are the working interest parties in the S/2S/2 of Section 7; all subject to the JOA whereby Mewbourne Oil Company is Operator covering the S/2 of Section 7)(Offset owners are the same as the parties to the above captioned well)

S/2N/2 of Section 7, T18S, R27E:

W/2SW/4 and SW/4NW/4 of Section 8, T18S, R27E;

And SE/4NE/4 of Section 12, T18S, R26E:

Lime Rock Resources II-A, LP – Operator

E/2SE/4 of Section 12, T18S, R26E:

Cimarex Energy Company and/or Enervest Operating, L.L.C.