

Davidson, Florene, EMNRD

From McMillan Michael EMNRD
Sent Tuesday, April 11, 2017 4:22 PM
To Jordan L Kessler jamesbruc@aol.com
Cc Michael Feldewert Davidson Florene EMNRD Jones William V EMNRD Lowe Leonard EMNRD Goetze Phillip EMNRD Wade Gabriel EMNRD Brooks David K EMNRD
Subject RE Mewbourne Case 15673 continuance

After hearing both sides of the case and talking to Gabe Case 15673 shall be continued until May 11, 2017

From Jordan L Kessler [mailto:JLKessler@hollandhart.com]
Sent Tuesday, April 11, 2017 3:19 PM
To McMillan, Michael EMNRD <Michael.McMillan@state.nm.us> jamesbruc@aol.com
Cc Michael Feldewert <MFeldewert@hollandhart.com> Davidson Florene, EMNRD <florene.davidson@state.nm.us> Jones, William V EMNRD <WilliamV.Jones@state.nm.us> Lowe, Leonard EMNRD <Leonard.Lowe@state.nm.us> Goetze Phillip EMNRD <Phillip.Goetze@state.nm.us> Wade Gabriel, EMNRD <Gabriel.Wade@state.nm.us> Brooks David K, EMNRD <DavidK.Brooks@state.nm.us>
Subject RE Mewbourne Case 15673 continuance

Thanks, Mike

I would simply reiterate that it is most efficient for the Division to hear contested acreage disputes together. As to Jim's point about a spud date in late May that should not prevent the Division from holding a hearing in early May.

From McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent Tuesday, April 11, 2017 3:10 PM
To jamesbruc@aol.com
Cc Jordan L Kessler, Michael Feldewert, Davidson, Florene, EMNRD, Jones, William V, EMNRD, Lowe, Leonard, EMNRD, Goetze, Phillip, EMNRD, Wade, Gabriel, EMNRD, Brooks, David K, EMNRD
Subject RE Mewbourne Case 15673 continuance

Jordan
Do you have a response?
Mike

From jamesbruc@aol.com [mailto:jamesbruc@aol.com]
Sent Tuesday, April 11, 2017 1:55 PM
To McMillan Michael EMNRD <Michael.McMillan@state.nm.us>
Cc JLKessler@hollandhart.com mfeldewert@hollandhart.com, Davidson Florene EMNRD <florene.davidson@state.nm.us> Jones William V, EMNRD <WilliamV.Jones@state.nm.us> Lowe Leonard EMNRD <Leonard.Lowe@state.nm.us> Goetze Phillip, EMNRD <Phillip.Goetze@state.nm.us> Wade, Gabriel, EMNRD <Gabriel.Wade@state.nm.us> Brooks David K EMNRD <DavidK.Brooks@state.nm.us>
Subject Re Mewbourne Case 15673 continuance

For the record

Mewbourne objects to a continuance for the following reasons

1 Well proposals were mailed in late October 2016 so this matter has been ongoing for over 5 months. See attachment

2 Mewbourne has a spud date in late May

3 As Phillip Goetze informed us at the last hearing he did that the Division has been and will be slow in getting out orders so continuing the case means Mewbourne will have to ask for an expedited order which we were asked not to do except in rare circumstances But that will also allow the parties substantial time to continue their negotiations

4 EOG has never proposed a well to Mewbourne

Jim

I was out of the office from 12 15 - 1 45 so did not have the time to prepare a formal response

Original Message

From McMillan Michael EMNRD EMNRD <Michael.McMillan@state.nm.us>

To Jim Bruce <jamesbruc@aol.com>

Cc Jordan Kessler <JKessler@hollandhart.com> Michael Feldewert <mfeldewert@hollandhart.com> Davidson Florene EMNRD EMNRD <florene.davidson@state.nm.us> Jones William V EMNRD EMNRD <WilliamV.Jones@state.nm.us> Lowe Leonard EMNRD EMNRD <Leonard.Lowe@state.nm.us> Goetze Phillip EMNRD EMNRD <Phillip.Goetze@state.nm.us> Wade Gabriel EMNRD EMNRD <Gabriel.Wade@state.nm.us> Brooks David K EMNRD EMNRD <DavidK.Brooks@state.nm.us>

Sent Tue Apr 11 2017 1:40 pm

Subject Mewbourne Case 15673 continuance

Jim and Jordan

After talking to Gabe Wade it was determined that Case 15673 Mewbourne Oil Company Devon 12 1 W2PI Fee Com Well No 1H shall be continued until May 11 2017

Thank You

MICHAEL A MCMILLAN

Engineering Bureau Oil Conservation Division

1220 south St Francis Dr Santa Fe NM 87505

O 505 476 3448

Michael.McMillan@state.nm.us

Summary of Communications
Devon 12/1 W2PI Fee Com No 1H

EOG Y Resources, Inc (Yates Petroleum Corporation),

EOG A Resources, Inc (Abo Petroleum Corporation),

EOG M Resources, Inc (Myco Industries, Inc)

- 1) Mailed well proposal letter with AFE via certified mail dated October 31 2016
- 2) Received green card signed by Nayely Anderson
- 3) 1-23-2017, emailed Janet Richardson to see if she had a status update Told her we would have to move forward with force pooling if I did not hear anything back within the next couple of weeks Janet said she was trying to track down the proposal so I sent her a copy She informed me she no longer works this area and it had been sent to Chuck Moran
- 4) 1-24 2017 received email from Chuck Moran inquiring about the ownership numbers
- 5) 1 25 2017 I replied back to Chuck Moran regarding how I came up with the respective ownership numbers
- 6) 1 25 2017 I went to lunch with Chuck Moran We briefly discussed this property He stated they would be more interested in a trade I told Chuck we would look into it but that it probably would not be an option given the smaller interest
- 7) 4 10 2017 I had not heard back from EOG until they requested a continuance

The Allar Company

- 1) Mailed well proposal letter with AFE via certified mail dated October 31 2016
- 2) Received green card signed by Melanie Barrett
- 3) 1 23 2017, emailed Jack Graham to see if he had a status update Told him we would have to move forward with force pooling if I did not hear anything back within the next couple of weeks He replied back and said he would take a look at it
- 4) 3 2 2017, emailed Jack Graham to see if he had a status update Told him we would have to move forward with force pooling He replied back and said he was under a JOA with EOG and didn t think he could execute a new JOA but that he wanted to participate



Date November 2, 2016

Simple Certified

The following is in response to your November 2 2016 request for delivery information on your Certified Mail™/RRE item number 9402810699945018818974 The delivery record shows that this item was delivered on November 2, 2016 at 7 51 am in ARTESIA NM 88210 The scanned image of the recipient information is provided below

Signature of Recipient

Delivery Section	
Signature	X <i>Naewen Anderson</i>
Printed Name	NAEWEN Anderson

Address of Recipient

Delivery Address	105 S 4th St
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Thank you for selecting the Postal Service for your mailing needs

If you require additional assistance please contact your local Post Office or postal representative

Sincerely,
United States Postal Service

Mrs Janet Richardson
Yates Petroleum Corporation
105 S 4th ST
Artesia NM 88210
Reference # Devon 12/1 W2P1 No 1H Proposal CM

MEWBOURNE OIL COMPANY

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

October 31 2016

Via Certified Mail

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn Mrs Janet Richardson

Re Devon 12/1 W2PI Fee Com No 1H
200 FNL & 450 FEL (SL) (Section 13 T25S R27E)
2310 FSL & 450 FEL (BHL) (Section 1)
Section 1/12 T25S R27E
Eddy County New Mexico

Ladies and Gentlemen

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to form a 480 00 acre Working Interest Unit (WIU) covering the SE/4 of the captioned Section 1 and the E/2 of the captioned Section 12 for oil and gas production The targeted interval for the proposed unit is the Wolfcamp formation Apparently Yates Petroleum Corporation (Yates) owns 23 258343% interest in the W/2SE/4 of the captioned Section 1 (80 00 gross acres) Accordingly Yates would own 3 876391% working interest in the proposed WIU (23 258343% interest X 80 00 gross acres = 18 606674 net acres / 480 00 gross acres = 3 876391% interest in the WIU)

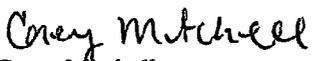
Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL) The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,318 feet subsurface to evaluate the Wolfcamp Formation The proposed well will have a measured depth (MD) of approximately 17 875 feet The SE/4 of the captioned Section 1 and the E/2 of the captioned Section 12 will be dedicated to the well as the proration unit

Regarding the above enclosed for your further handling is our AFE dated August 26 2016 for the captioned proposed well Also enclosed is a copy of our proposed Operating Agreement dated November 1 2016 and an extra set of signature pages In the event your firm elects to participate in the proposed WIU and well please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days

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
Landman

MEWBOURNE OIL COMPANY

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

October 31 2016

Via Certified Mail

Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn Mrs Janet Richardson

Re Devon 12/1 W2PI Fee Com No 1H
200 FNL & 450 FEL (SL) (Section 13 T25S R27E)
2310 FSL & 450 FEL (BHL) (Section 1)
Section 1/12 T25S R27E
Eddy County New Mexico

Ladies and Gentlemen

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to form a 480 00 acre Working Interest Unit ("WIU) covering the SE/4 of the captioned Section 1 and the E/2 of the captioned Section 12 for oil and gas production The targeted interval for the proposed unit is the Wolfcamp formation Apparently Abo Petroleum Corporation (Abo) owns 6 975642% interest in the W/2SE/4 of the captioned Section 1 (80 00 gross acres) Accordingly Abo would own 1 162606% working interest in the proposed WIU (6 975642% interest X 80 00 gross acres = 5 580514 net acres / 480 00 gross acres = 1 162606% interest in the WIU)

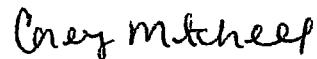
Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL) The proposed well will be drilled to an approximate true vertical depth (TVD) of 10 318 feet subsurface to evaluate the Wolfcamp Formation The proposed well will have a measured depth (MD) of approximately 17 875 feet The SE/4 of the captioned Section 1 and the E/2 of the captioned Section 12 will be dedicated to the well as the proration unit

Regarding the above enclosed for your further handling is our AFE dated August 26 2016 for the captioned proposed well Also enclosed is a copy of our proposed Operating Agreement dated November 1 2016 and an extra set of signature pages In the event your firm elects to participate in the proposed WIU and well please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days

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
Landman

MEWBOURNE OIL COMPANY

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

October 31, 2016

Via Certified Mail

Myco Industries Inc
105 South Fourth Street
Artesia, New Mexico 88210
Attn Mrs Janet Richardson

Re Devon 12/1 W2PI Fee Com No 1H
200 FNL & 450 FEL (SL) (Section 13 T25S R27E)
2310 FSL & 450 TEL (BHL) (Section 1)
Section 1/12 T25S R27E
Eddy County New Mexico

Ladies and Gentlemen

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to form a 480 00 acre Working Interest Unit (WIU) covering the SE/4 of the captioned Section 1 and the E/2 of the captioned Section 12 for oil and gas production The targeted interval for the proposed unit is the Wolfcamp formation Apparently Myco Industries Inc (Myco) owns 6 975642% interest in the W/2SE/4 of the captioned Section 1 (80 00 gross acres) Accordingly Myco would own 1 162606% working interest in the proposed WIU (6 975642% interest X 80 00 gross acres = 5 580514 net acres / 480 00 gross acres = 1 162606% interest in the WIU)

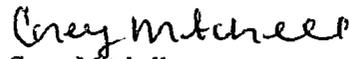
Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL) The proposed well will be drilled to an approximate true vertical depth (TVD) of 10 318 feet subsurface to evaluate the Wolfcamp Formation The proposed well will have a measured depth (MD) of approximately 17 875 feet The SE/4 of the captioned Section 1 and the E/2 of the captioned Section 12 will be dedicated to the well as the proration unit

Regarding the above enclosed for your further handling is our AFE dated August 26 2016 for the captioned proposed well Also enclosed is a copy of our proposed Operating Agreement dated November 1 2016 and an extra set of signature pages In the event your firm elects to participate in the proposed WIU and well please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days

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
Landman

Corey Mitchell

From Corey Mitchell
Sent Tuesday, January 24, 2017 8:15 AM
To Janet Richardson
Subject RE: Devon 12/1 W2PI Fee Com No 1H

Thanks Janet. Hopefully we can get together soon on something. I'll get with Mr. Midland now and see what he is thinking. Have a great day.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas Suite 1020
Midland, TX 79701
Bus: (432) 682-3715
Fax: (432) 685-4170

From Janet Richardson [mailto:Janet_Richardson@eogresources.com]
Sent Monday, January 23, 2017 5:55 PM
To Corey Mitchell
Cc Charles Moran
Subject FW: Devon 12/1 W2PI Fee Com No 1H

Oh, yeah, now I remember it. Unfortunately, it isn't located in the area I handle anymore, so I'll have to punt it over for you to discuss with my much-missed friend, Chuck.

Thanks, Janet.

From Corey Mitchell [mailto:cmitchell@mewbourne.com]
Sent Monday, January 23, 2017 4:33 PM
To Janet Richardson <Janet_Richardson@eogresources.com>
Subject RE: Devon 12/1 W2PI Fee Com No 1H

* External email. Use caution.
Janet

Sorry for the delay in getting back to you. Please see attached. Let me know if you need anything else. Thanks.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas Suite 1020
Midland, TX 79701
Bus: (432) 682-3715
Fax: (432) 685-4170

From Janet Richardson [mailto:Janet_Richardson@eogresources.com]
Sent Monday, January 23, 2017 2:14 PM
To Corey Mitchell
Subject RE: Devon 12/1 W2PI Fee Com No 1H

Corey Things are a jumble here What is the location on this one and I ll try to track it down Janet

From Corey Mitchell [mailto:cmitchell@Mewbourne.com]
Sent Monday January 23 2017 12 04 PM
To Janet Richardson <Janet_Richardson@eogresources.com>
Subject Devon 12/1 W2PI Fee Com No 1H

* External email Use with care **
Janet

I hope all is well How is the new environment going?

I just wanted to follow up with you regarding our Devon 12/1 W2PI Fee Com No 1H well proposal Any update? I am just waiting on The Allar Company Yates Petroleum Corporation Abo Petroleum Corporation and Myco Industries Inc (Not sure of the new names) Anything I can do to help out?

We will probably have to move forward with force pooling if I do not hear back from you in the next couple weeks Just wanted to give you a head up incase this proposal has fallen through the cracks or something Historically we wouldn t go down this road but feel we have to protect ourselves given the new management and procedures on your side I hope you understand

Let me know if you have any questions Thanks Have a great day

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas Suite 1020
Midland TX 79701
Bus (432) 682 3715
Fax (432) 685-4170

Corey Mitchell

From Corey Mitchell
Sent Wednesday January 25 2017 8 16 AM
To Charles Moran
Subject RE Devon 12/1 W2PI Fee Com No 1H

Chuck

Do you want to go to lunch today?

As to the proposal MOC s interest is derived from the W2NE NENE SE4 of Section 12 and the E2SE of Section 1 I am showing Yates (Abo and Myco included) as owning 37 209627% interest in the W2SE4 of Section 1 I believe this is a part of the Cohiba State Unit Joint Operating Agreement Therefore I came up with 6 201603% interest for the proposed unit (37 209627% X 80 net acres / 480 gross acres = 6 201603%)

	W2SE Sec 1	WIU 12/1
Yates Petroleum	23 258343%	3 876391%
Abo Petroleum	6 975642%	1 162606%
Myco Industries	6 975642%	1 162606%

I hope this helps you out Let me know if you need anything else Thanks

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas Suite 1020
Midland TX 79701
Bus (432) 682 3715
Fax (432) 685 4170

From Charles Moran [mailto:Charles_Moran@eogresources.com]
Sent Tuesday, January 24, 2017 7 42 PM
To Janet Richardson, Corey Mitchell
Subject RE Devon 12/1 W2PI Fee Com No 1H

Corey I saw this come in late yesterday and stayed late to look at it Help me understand where do you get the math from? My guts tell me there is a JOA to deal with What dates are we worried about? Where do you get your interest?

Basically I am flying blind and needing to figure it out

Thanks

PS I am having separation anxiety from my good friend Janet she would know all this

Chuck Moran
EOG Resources Inc Midland Division
432 686-3684