

TRACT OWNERHSIP Devon 12/1 W2PI Fee Com No. 1H SE/4 of Section 1 and E/2 of Section 12, Township 25 South, Range 27 East Eddy County, New Mexico

SE/4 of Section 1, E/2 of Section 12: Welfcamp formation:

Wolfcamp formation:		
Mewbourne Oil Company 500 West Texas, Suite 1020 Midland, Texas 79701	28.479375%	
Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102	30.000000%	
COG Operating LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701	22.541479%	
Occidental Permian Limited Partnership P.O Box 4294 Houston, Texas 77210-4294	9.493125%	,
*EOG Y Resources, Inc. (Yates Petroleum Corporation) 5509 Champions Drive Midland, Texas 79706	3.876391%	W25€ Sect. 1
OXY Y-1 Company P.O Box 4294 Houston, Texas 77210-4294	1.162607%	<i>,</i>
*EOG A Resources, Inc. (Abo Petroleum Corporation) 5509 Champions Drive Midland, Texas 79706	1.162606%	WZSE Sect. 1
*EOG M Resources, Inc. (Myco Industries, Inc.) 5509 Champions Drive Midland, Texas 79706	1.162606%	EXHIBIT 2
*The Allar Company P.O. Box 1567 Graham, Texas 76450	1.550026%	WZSE Sect. 1 151629
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Tract Ownership Devon 12/1 W2PI Fee Com No. 1H Page 2 of 2

Concho Oil & Gas LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701 0.571785% 100.000000%

^{*} Total interest being pooled: 7.751629%

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.



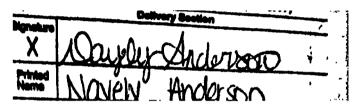


Date: November 2, 2016

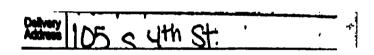
Simple Certified:

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:



Address of Recipient:



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 W2PI No 1H Proposal CM

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

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

Cney Witchell Corey Mitchell Landman

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

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' 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 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 any more 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 < <u>Janet Richardson@eogresources.com</u>>

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 < <u>Janet Richardson@eogresources.com</u>>

Subject: Devon 12/1 W2PI Fee Com No. 1H

** External email. Use caution.**
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%).

WIU 1	2/1
3.87639	1%
1.16260	6%
1.16260	6%
	1.16260

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



Date: November 3, 2016

Simple Certified:

The following is in response to your November 3, 2016 request for delivery information on your Certified Mail™/RRE item number 9402810699945018819247. The delivery record shows that this item was delivered on November 3, 2016 at 10:15 am in GRAHAM, TX 76450. The scanned image of the recipient information is provided below.

Signature of Recipient:

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	Delivery Section	
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ne ne	Melanie Barrett	

Address of Recipient:

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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

> Jack Graham The Allar Company PO BOX 1567 GRAHAM, TX 76450

Reference #: Devon 12/1 W2PI No 1H Proposal CM

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

October 31, 2016

Via Certified Mail

The Allar Company
P.O. Box 1567
Graham, Texas 76450
Attn: Mr. Jack Graham

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

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 The Allar Company ("Allar") owns 9.300153% interest in the W/2SE/4 of the captioned Section 1 (80.00 gross acres). Accordingly, Allar would own 1.550026% working interest in the proposed WIU (9.300153% interest X 80.00 gross acres = 7.440122 net acres / 480.00 gross acres = 1.550026% 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 Corey Mitchell Landman

Corey Mitchell

From:

Corey Mitchell

Sent:

Thursday, March 02, 2017 1:10 PM

To:

Jack Graham

Subject:

RE: Devon 12/1 Prospect

Thanks, Jack. I will reach out to EOG and see what their intentions are.

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

From: Jack Graham [mailto:Jack@allarcompany.com]

Sent: Thursday, March 02, 2017 12:55 PM

To: Corey Mitchell

Subject: RE: Devon 12/1 Prospect

Corey -

We are going to participate. My problem is that I don't think I, or anyone less than the unanimous decision of all the parties, can unilaterally supersede the currently existing operating agreement. I don't want to make you force pool us, but if EOG doesn't sign on, I don't think I can sign the operating agreement.

From: Corey Mitchell [mailto:cmitchell@Mewbourne.com]

Sent: Thursday, March 02, 2017 12:40 PM **To:** Jack Graham < Jack@allarcompany.com>

Subject: RE: Devon 12/1 Prospect

Jack,

The JOA you are referencing would only cover the W2SE4 of Section 1. Our proposed unit/contract area would cover the E2 of Section 12 and the SE4 of Section 1. Therefore, we have to supersede any existing JOAs as they do not fully cover the contract area.

I have talked with EOG (successor to the Yates companies). They have not signed up yet. Currently, everyone is signed up except for EOG and Allar, which is approximately 7% of the proposed unit.

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: Jack Graham [mailto:Jack@allarcompany.com]

Sent: Thursday, March 02, 2017 11:32 AM

To: Corey Mitchell

Subject: RE: Devon 12/1 Prospect

Corey we are under an existing JOA that designates an operator for our interest in that section. I don't know how we can circumvent that agreement by just signing yours. Have you taked to EOG (the successor operator) about this well proposal?

From: Corey Mitchell [mailto:cmitchell@Mewbourne.com]

Sent: Thursday, March 02, 2017 9:25 AM **To:** Jack Graham < <u>Jack@allarcompany.com</u>>

Subject: RE: Devon 12/1 Prospect

Jack,

Any word on the proposal for the Devon 12/1 W2PI Fee Com No. 1H? I just want to give you a heads up that I will need to move forward with force pooling soon so if you would like to participate, please let me know and send in the executed AFE and JOA signature pages. 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: Jack Graham [mailto:Jack@allarcompany.com]

Sent: Monday, January 23, 2017 1:49 PM

To: Corey Mitchell

Subject: RE: Devon 12/1 Prospect

Corey -

We get lots of proposals and usually wait till we hear from the operator before we spend a lot of time on them (too many proposals that never get drilled). I will take a look at it and see what we want to do.

Jack

From: Corey Mitchell [mailto:cmitchell@Mewbourne.com]

Sent: Monday, January 23, 2017 1:00 PM
To: Jack Graham < <u>Jack@allarcompany.com</u>>

Subject: Devon 12/1 Prospect

Jack,

Hope all is well. 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 and Yates Petroleum Corporation group. 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.

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

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name: Devon 12/1 W2PI Fee Com #1H Pro	spect:			
Location: SL: 200' FNL & 450' FEL, Sec 13; BHL: 2310' FSL & 450' FEL, Sec 1	County: Edd	ly		ST: NM
Sec. 13 Blk: Survey: TWP: 25S	RNG:	Prop. TV	10318	TMD: 17875'
Sec. 13 Bix. Survey.		FIOD. 14	J. [10316]	TMD. 17075
INTANGIBLE COSTS 0180	CODE	TCP	CODE	cc
Regulatory Permits & Surveys	0180-0100	\$5,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$85,000	0180-0205	\$35,000
Location / Restoration	0180-0106		0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling 32 days drig & 3 days comp @ \$16250/day	0180-0110		0180-0210	\$53,000
Fuel 1500 gal/day @ \$1.70/gal	0180-0114	\$89,300	0180-0220	
Mud, Chemical & Additives Horizontal Drillout Services Coil Tbg Drillout	0180-0120	\$200,000	0180-0220	\$85,000
Cementing 2 Stg 7" w/ ECP	0180-0125	\$80,000	0180-0225	\$25,000
Logging & Wireline Services	0180-0130		0180-0230	\$230,000
Casing / Tubing / Snubbing Service	0180-0134		0180-0234	\$15,000
Mud Logging	0180-0137	\$25,000		
Stimulation 51 Stg 13.8MM gal/12MM lb			0180-0241	\$1,520,000
Stimulation Rentals & Other			0180-0242	\$200,000
Water & Other	0180-0145		0180-0245	\$510,000
Bits Inspection & Repair Services	0180-0148		0180-0248	\$4,000
Misc. Air & Pumping Services	0180-0150	\$45,000	0180-0250 0180-0254	\$5,000 \$10,000
Testing & Flowback Services	0180-0158	\$15,000		\$25,000
Completion / Workover Rig 4 days @ \$3500/day Toe Prep	0100-0100	\$10,000	0180-0260	\$15,000
Rig Mobilization	0180-0164	\$160,000		4.0,000
Transportation	0180-0165		0180-0265	\$15,000
Welding Services	0180-0168	\$5,000	0180-0268	\$5,000
Contract Services & Supervision	0180-0170		0180-0270	
Directional Services Inc. Vert. Control	0180-0175	\$180,000	L	
Equipment Rental	0180-0180		0180-0280	\$30,000
Well / Lease Legal Well / Lease Insurance	0180-0184		0180-0284 0180-0285	
Intangible Supplies	0180-0188		0180-0288	\$1,000
Damages	0180-0190		0180-0290	Ψ1,000
ROW & Easements	0180-0192	\$10,000	0180-0292	\$5,000
Pipeline Interconnect			0180-0293	******
Company Supervision	0180-0195	\$240,000	0180-0295	\$145,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment	0180-0198		0180-0298	
Contingencies 10% (TCP) 5% (CC)	0180-0199		0180-0299	\$149,200
TOTAL		\$2,562,800		\$3,132,200
# 11.00m = 0.000 A.C.			1 1	
TANGIBLE COSTS 0181	1 1		l i	
Casing (19.1" - 30")	0181-0793			
Casing (19.1" - 30") Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$22.25/ft + GRT	0181-0794	\$10,700		
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795	\$35,000		
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794		0181-0797	\$84,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795	\$35,000	0181-0797 0181-0798	\$84,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795	\$35,000	0181-0797 0181-0798	\$84,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100		\$84,000 \$35,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798	
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870	\$35,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880	\$35,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884	\$35,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885	\$35,000 \$28,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885 0181-0886	\$35,000 \$28,000 \$40,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885	\$35,000 \$28,000 \$40,000 \$38,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885 0181-0890	\$35,000 \$28,000 \$40,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885 0181-0890 0181-0890	\$35,000 \$28,000 \$40,000 \$33,000 \$44,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0895 0181-0895 0181-0895 0181-0895 0181-0897 0181-0895	\$35,000 \$28,000 \$40,000 \$38,000 \$44,000 \$65,000 \$13,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0884 0181-0885 0181-0896 0181-0890 0181-0890 0181-0897 0181-0897 0181-0898 0181-0898	\$35,000 \$28,000 \$40,000 \$38,000 \$44,000 \$65,000 \$13,000 \$7,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0885 0181-0886 0181-0890 0181-0891 0181-0895 0181-0898 0181-0990 0181-0900 0181-0900	\$35,000 \$28,000 \$40,000 \$38,000 \$44,000 \$65,000 \$13,000 \$100,000
Casing (19.1" - 30") Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$22.25/ft + GRT Casing (8.1" - 10.0") 2300' - 9 5/8" 40# J55 LTC @ \$14.23/ft + GRT Casing (6.1" - 8.0") 10450' - 7" 26# P110 LTC @ \$15.95/ft + GRT Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# P110 LTC @ \$9.59/ft + GRT Tubing (2" - 4") Drilling Head Tubing Head & Upper Section Includes 10K Frac Valve Horizontal Completion Tools Resource Completion Liner Hanger Sucker Rods Subsurface Equipment Artificial Lift Systems Pumping Unit Surface Pumps & Prime Movers VRU/SWD transfer pump Tanks - Oil 4 - 500 bbl steel Tanks - Water 4 - 500 bbl steel coated Separation / Treating Equipment 36"x15'x1k# Hor 3ph/30"x10'x1k# 3ph/GB Heater Treaters, Line Heaters 6'x20'x75# HT Metering Equipment Line Pipe & Valves - Gathering 2.25 miles 6" poly & .5 miles 4" steel Fittings / Valves & Accessories Cathodic Protection	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0875 0181-0880 0181-0884 0181-0885 0181-0895 0181-0890 0181-0890 0181-0890 0181-0990 0181-0900 0181-0900	\$35,000 \$28,000 \$40,000 \$38,000 \$44,000 \$65,000 \$13,000 \$7,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0875 0181-0880 0181-0884 0181-0885 0181-0895 0181-0891 0181-0895 0181-0895 0181-0898 0181-0900 0181-0908 0181-0908	\$35,000 \$28,000 \$40,000 \$38,000 \$44,000 \$65,000 \$13,000 \$100,000 \$50,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885 0181-0895 0181-0895 0181-0897 0181-0908 0181-0900 0181-0900 0181-0909 0181-0909 0181-0909	\$35,000 \$28,000 \$38,000 \$38,000 \$44,000 \$13,000 \$100,000 \$50,000 \$50,000
Casing (19.1" - 30") Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$22.25/ft + GRT Casing (8.1" - 10.0") 2300' - 9 5/8" 40# J55 LTC @ \$14.23/ft + GRT Casing (6.1" - 8.0") 10450' - 7" 26# P110 LTC @ \$15.95/ft + GRT Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# P110 LTC @ \$9.59/ft + GRT Tubing (2" - 4") Drilling Head Tubing Head	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100 \$20,000	0181-0798 0181-0870 0181-0875 0181-0880 0181-0884 0181-0885 0181-0895 0181-0891 0181-0895 0181-0895 0181-0898 0181-0900 0181-0908 0181-0908	\$40,000 \$28,000 \$38,000 \$44,000 \$65,000 \$130,000 \$50,000 \$50,000 \$55,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885 0181-0895 0181-0895 0181-0897 0181-0908 0181-0900 0181-0900 0181-0909 0181-0909 0181-0909	\$35,000 \$28,000 \$38,000 \$38,000 \$44,000 \$13,000 \$100,000 \$50,000 \$50,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100 \$20,000	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885 0181-0895 0181-0895 0181-0897 0181-0908 0181-0900 0181-0900 0181-0909 0181-0909 0181-0909	\$40,000 \$28,000 \$38,000 \$44,000 \$65,000 \$130,000 \$50,000 \$50,000 \$55,000
Casing (19.1" - 30") Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$22.25/ft + GRT Casing (8.1" - 10.0") 2300' - 9 5/8" 40# J55 LTC @ \$14.23/ft + GRT Casing (6.1" - 8.0") 10450' - 7" 26# P110 LTC @ \$15.95/ft + GRT Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# P110 LTC @ \$9.59/ft + GRT Tubing (2" - 4") Drilling Head Tubing Head & Upper Section Includes 10K Frac Valve Horizontal Completion Tools Resource Completion Liner Hanger Sucker Rods Subsurface Equipment Artificial Lift Systems Pumping Unit Surface Pumps & Prime Movers VRU/SWD transfer pump Tanks - Oil 4 - 500 bbl steel Tanks - Water 4 - 500 bbl steel coated Separation / Treating Equipment Heater Treaters, Line Heaters 6'x20'x75# HT Metering Equipment Line Pipe & Valves - Gathering 2.25 miles 6" poly & .5 miles 4" steel Fittings / Valves & Accessories Cathodic Protection Electrical Installation Pipeline Construction 2.25 miles 6" poly & .5 miles 4" steel	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100 \$20,000 \$20,000 \$243,800	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0885 0181-0885 0181-0890 0181-0891 0181-0895 0181-0898 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900	\$35,000 \$28,000 \$38,000 \$44,000 \$65,000 \$13,000 \$7,000 \$50,000 \$50,000 \$55,000 \$140,000 \$704,000
Casing (19.1" - 30") Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$22.25/ft + GRT Casing (8.1" - 10.0") 2300' - 9 5/8" 40# J55 LTC @ \$14.23/ft + GRT Casing (6.1" - 8.0") 10450' - 7 126# P110 LTC @ \$15.95/ft + GRT Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# P110 LTC @ \$9.59/ft + GRT Tubing (2" - 4") Drilling Head Tubing Head & Upper Section Includes 10K Frac Valve Horizontal Completion Tools Resource Completion Liner Hanger Sucker Rods Subsurface Equipment Artificial Lift Systems Pumping Unit Surface Pumps & Prime Movers VRU/SWD transfer pump Tanks - Oil 4 - 500 bbl steel Tanks - Water 4 - 500 bbl steel coated Separation / Treating Equipment 36"x15x1k# Hor 3ph/30"x10'x1k# 3ph/GB Heater Treaters, Line Heaters 6'x20'x75# HT Metering Equipment Line Pipe & Valves - Gathering 2.25 miles 6" poly & .5 miles 4" steel Fittings / Valves & Accessories Cathodic Protection Electrical Installation Equipment Installation Pipeline Construction 2.25 miles 6" poly & .5 miles 4" steel	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100 \$20,000 \$20,000 \$243,800	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0885 0181-0895 0181-0895 0181-0897 0181-0908 0181-0900 0181-0900 0181-0909 0181-0909 0181-0909	\$35,000 \$28,000 \$38,000 \$44,000 \$65,000 \$13,000 \$7,000 \$50,000 \$50,000 \$55,000 \$140,000 \$704,000
Casing (19.1" - 30") Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$22.25/ft + GRT Casing (8.1" - 10.0") 2300' - 9 5/8" 40# J55 LTC @ \$14.23/ft + GRT Casing (6.1" - 8.0") 10450' - 7" 26# P110 LTC @ \$15.95/ft + GRT Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# P110 LTC @ \$9.59/ft + GRT Tubing (2" - 4") Drilling Head Tubing Head & Upper Section Includes 10K Frac Valve Horizontal Completion Tools Resource Completion Liner Hanger Sucker Rods Subsurface Equipment Artificial Lift Systems Pumping Unit Surface Pumps & Prime Movers VRU/SWD transfer pump Tanks - Oil 4 - 500 bbl steel Tanks - Water 4 - 500 bbl steel coated Separation / Treating Equipment Heater Treaters, Line Heaters 6'x20'x75# HT Metering Equipment Line Pipe & Valves - Gathering 2.25 miles 6" poly & .5 miles 4" steel Fittings / Valves & Accessories Cathodic Protection Electrical Installation Pipeline Construction 2.25 miles 6" poly & .5 miles 4" steel	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100 \$20,000 \$20,000 \$243,800	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0885 0181-0885 0181-0890 0181-0891 0181-0895 0181-0898 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900	\$35,000 \$28,000 \$38,000 \$44,000 \$65,000 \$13,000 \$7,000 \$50,000 \$50,000 \$55,000 \$140,000 \$704,000
Casing (19.1" - 30") Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$22.25/ft + GRT Casing (8.1" - 10.0") 2300' - 9 5/8" 40# J55 LTC @ \$14.23/ft + GRT Casing (6.1" - 8.0") 10450' - 7" 26# P110 LTC @ \$15.95/ft + GRT Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# P110 LTC @ \$9.59/ft + GRT Tubing (2" - 4") Drilling Head Tubing Head & Upper Section Includes 10K Frac Valve Horizontal Completion Tools Resource Completion Liner Hanger Sucker Rods Subsurface Equipment Artificial Lift Systems Pumping Unit Surface Pumps & Prime Movers Tanks - Oil 4 - 500 bbl steel Tanks - Water 5 - 50 bbl steel Tanks - Water 6 - 500 bbl steel Tanks - Water 7 - 500 bbl steel Tanks - Water 7 - 500 bbl steel Tanks - Water 8 - 500 bbl steel Tanks - Water 9 - 500 bbl steel Tanks - Water 10 - 500 bbl steel Tanks - Wat	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100 \$20,000 \$20,000 \$243,800	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0885 0181-0885 0181-0890 0181-0891 0181-0895 0181-0898 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900	\$35,000 \$28,000 \$38,000 \$44,000 \$65,000 \$13,000 \$7,000 \$50,000 \$50,000 \$55,000 \$140,000 \$704,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796	\$35,000 \$178,100 \$20,000 \$20,000 \$243,800	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0885 0181-0885 0181-0890 0181-0891 0181-0895 0181-0898 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900	\$35,000 \$28,000 \$38,000 \$44,000 \$65,000 \$13,000 \$7,000 \$50,000 \$50,000 \$55,000 \$140,000 \$704,000
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Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0860	\$35,000 \$178,100 \$20,000 \$20,000 \$2,806,600 \$2,806,600	0181-0798 0181-0870 0181-0875 0181-0880 0181-0884 0181-0885 0181-0885 0181-0891 0181-0895 0181-0897 0181-0990 0181-0908 0181-0909 0181-0908 0181-0909 0181-0909 0181-0909 0181-0909 0181-0909	\$35,000 \$28,000 \$38,000 \$44,000 \$65,000 \$13,000 \$50,000 \$50,000 \$55,000 \$140,000 \$704,000
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796 0181-0860	\$35,000 \$178,100 \$20,000 \$20,000 \$2,806,600 \$2,806,600 \$6,6	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0886 0181-0890 0181-0891 0181-0895 0181-0895 0181-0909 0181-0909 0181-0909 0181-0909 0181-0909	\$35,000 \$28,000 \$38,000 \$44,000 \$55,000 \$13,000 \$50,000 \$50,000 \$55,000 \$140,000 \$3,836,200
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796 0181-0860	\$35,000 \$178,100 \$20,000 \$20,000 \$2,806,600 \$2,806,600 \$6,6	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0886 0181-0890 0181-0891 0181-0895 0181-0895 0181-0909 0181-0909 0181-0909 0181-0909 0181-0909	\$35,000 \$28,000 \$38,000 \$44,000 \$55,000 \$13,000 \$50,000 \$50,000 \$55,000 \$140,000 \$3,836,200
Casing (19.1" - 30") Casing (10.1" - 19.0")	0181-0794 0181-0795 0181-0796 0181-0860	\$35,000 \$178,100 \$20,000 \$20,000 \$2,806,600 \$2,806,600 \$6,6	0181-0798 0181-0870 0181-0871 0181-0875 0181-0880 0181-0884 0181-0886 0181-0890 0181-0891 0181-0895 0181-0895 0181-0909 0181-0909 0181-0909 0181-0909 0181-0909	\$35,000 \$28,000 \$38,000 \$44,000 \$55,000 \$13,000 \$50,000 \$50,000 \$55,000 \$140,000 \$3,836,200

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

APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15,673

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
STATE OF NEW MEXICO)
James Bruce, being duly sworn upon his oath, deposes and states:
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am 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 application filed herein.
4. Notice of the application 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 NMAC 19.15.4.9 and 19.15.4.12.C.
James Bruce
SUBSCRIBED AND SWORN TO before me this 24 day of May, 2017 by James
Bruce. OFFICIAL SEAL

KERRIE C. ALLEN **Notary Public** My Commission Expires: State of New Mexico

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

March 23, 2017

CERTIFIED MAIL | RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, etc. filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding a Wolfcamp well in the SE¼ of Section 1 and the E½ of Section 12, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, April 13, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. 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, April 6, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and his or her attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

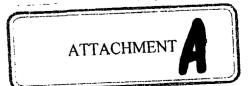


EXHIBIT A

The Allar Company P.O. Box 1567 Graham, Texas 76450 Attn: Mr. Jack Graham

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

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

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

U.S. Postal Service™ 1. 3 19.0 CERTIFIED MAIL. RECEIPT SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY (Domestic Mail Only; No Insurance Coverage Provided) A. Signature ■ Complete items 1, 2, and 3, For delivery information vielt our website at www.usps.como **□**-Agent ■ Print your name and address on the reverse 25. Addressee so that we can return the card to you. B. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the mailpiece. ы or on the front if space permits. Burn Ш Postage · L 1. Article Addressed to: D. Is delivery address different from item 1? The • If YES, enter delivery address below: □ No Certified Fee Postmark 0000 Here Return Receipt Fee (Endorsement Required) A . EOG A Resources, Inc. 5509 Champions Drive No. Midland, Texas 79706 Restricted Delivery Fee (Endorsement Required) 7 Total Postage & Fees \$ S Service Type ☐ Priority Mail Express® ☐ Adult Signature ☐ Registered Mail™
☐ Registered Mail Restricted
Delivery ⇉ EOG M Resources, Inc. ☐ Adult Signature Restricted Delivery 10 5509 Champions Drive Street, Apt. No.: G Certified Mail® 9590 9402 1676 6053 6590 51 Midland, Texas 79706 or PO Box No. Certified Mail Restricted Delivery ☐ Return Receipt for Collect on Delivery
 Collect on Delivery Restricted Delivery Merchandise City, State, ZIP+4 ☐ Signature Confirmation™
☐ Signature Confirmation See Reverse for Instructions 2014 0510 0000 9535 5071 PS Form 3800, August 2006. stricted Delivery Restricted Delivery July 2015 PHO 7650-012 3000 5050 Domestic Return Receipt

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Sire or F	nt 70 EOG A Resources, 5509 Champions D Midland, Texas 797 State, ZiP+4 orm 3800, August 2006	<u></u> .

 SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reso that we can return the card to you Attach this card to the back of the me or on the front if space permits. Article Addressed to: 	reverse	A. Signature B. Received by (Printer D. Is delivery address of YES, enter deliver)	Agent Addressee Name C. Date of Delivery 3 - 3(- 17) Ifferent from item 1? Yes
. 100	-		
EOG M Resources, Inc. 5509 Champions Drive Midland, Texas 79706	المحسد و		
		3. Service Type Adult Signature Adult Signature Restricted Certified Mail® Certified Mail® Certified Mail® Collect on Delivery Collect on Delivery Restricted	elivery Return Receipt for Merchandise

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY.	CERTIFI (Domestic Ma	AI Service AI Service AI Service AI Only; No Insurance AI Only; No Insurance AI Only; No Insurance	overage Provided)
 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: 	Agent Addressee B. Received by (Printed Name) C. Date of Delivery 3-31-7 D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No	Post Certified Return Receipt (Endorsement Required Restricted Delivery (Endorsement Required Total Postage & Formats Total Postage & Formats Postage P	=ee =ee ed) ==6e ed)	Postmark Here
9590 9402 1676 6053 6590 68	3. Service Type	Sireel, Apt. No.; or PO Box No. City, State, ZIP+4 PS Form 3800, Augu	Graham, Texas 76450 Attn: Mr. Jack Graham	See Reverse for Instructions

2088	(Domestic Mail	ServiceTM D MAILTM RE Only; No Insurance of	Coverage Frovided)
: LLI	73h; 1 4 h;	- ICIAI	. USE
9	Postage	\$	
	Certified Fee		
0000	Return Receipt Fee (Endorsement Required)		Postmark Here
0230	Restricted Delivery Fee (Endorsement Required)		
- 5	Total Postage & Fees	\$	
7014	Sent To Street, Apt. No.; or PO Box No.	EOG Y Resources, Inc. 5509 Champions Drive Midland, Texas 79706	
	City, State, ZIP+4		
i	PS Form 3800, August 20	06	See Reverse for Instructions

SENDER: COMPLETE THIS SECTION. Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: The Allar Company P.O. Box 1567 Graham, Texas 76450 Attn: Mr. Jack Graham	COMPLETE THIS SECTION ON DELIVERY A. Signature X. Mulanubanubanubane B. Received by (Printed Name) C. Date of Delivery 3-30-17 D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
9590 9402 1676 6053 6590 75 2. Article Number (Transfer from service label) 7 0 1 4 0 5 1 0 0 0 0 9535 6	3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified: Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Collect on Delivery Restricted Delivery ☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery ☐ Restricted Delivery ☐ Restricted Delivery ☐ Restricted Delivery
1014 0515 5555	□ Signature Confirmation

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVER	RY	•	
■ Complete items 1, 2, and 3.	A. Signature			
Print your name and address on the reverse so that we can return the card to you.	X	☐ Agent ☐ Addressee	,	
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Receffed by (Printed Name) C.	Date of Delivery		
Article Addressed to: Oil, Gas and Minerals Division	D. Is delivery address different from Item 1? If YES, enter delivery address to be one.	□ No		
Commissioner of Public Lands 310 Old Santa Fe Trail	JS 14M 8750,7 (5)	Contract of the		·-
Santa Fe. New Mexico 87501	MAR 2 9 2017			
	L		•	
	☐ Adult Signature	Mail Expresse tered Mail TM		
9590 9402 1676 6053 6590 37	☐ Certified Mail® Deliver	n Receipt for		
	☐ Collect on Delivery Restricted Delivery ☐ Signatu	ture Confirmation™ ture Confirmation		
7014 0510 0000 9535	2057 ted Delivery Restric	cted Delivery		
PS Form 3811, July 2015 PSN 7530-02-000-9053	MO(-) or Domestic	Return Receipt	,	

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2057	(Domestic Mail C	Service TM D MAIL TM RE Daily; No Insurance of atlan visit our website	Coverage Provided)
35	OFF		
75	Postage	s	
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0510 0000	Return Receipt Fee (Endorsement Required)		Postmark Here
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0.5	Total Postage & Fees	\$	
4 <u>1</u> 07	Street, Apt. No.; or PO Box No. 3 I City, State, ZIP+4 San	il, Gas and Minerals Di ommissioner of Public I O Old Santa Fe Trail nta Fe. New Mexico 8	_ands
i	PS Form 3800, August 20	106	See Reverse for Instructions

Offset Ownership Devon 12/1 W2PI Fee Com No. 1H E/2 of Section 12, T25S, R27E SE/4 of Section 1, T25S, R27E Eddy County, New Mexico

N/2, SW/4 of Section 1: EOG Y Resources, Inc. – Operator 5509 Champions Drive Midland, Texas 79706

W/2 of Section 12: EOG Y Resources, Inc. – Operator

Section 13:

Devon Energy Production Company, LP - Operator 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102

Mewbourne Oil Company

Occidental Permian Limited Partnership P.O Box 4294 Houston, Texas 77210-4294

COG Operating LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701

N/2 of Section 6, T25S, R28E:

Mewbourne Oil Company - Operator Devon Energy Production Company, LP Occidental Permian Limited Partnership COG Operating LLC

S/2 of Section 6, T25S, R28E; and Section 18, T25S, R28E: Devon Energy Production Company, LP Occidental Permian Limited Partnership COG Operating LLC

W/2 of Section 7, T25S, R28E:
Mewbourne Oil Company – Operator
COG Operating LLC

E/2 of Section 7, T25S, R28E: COG Operating LLC - Operator



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

APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15,673

AFFIDAVIT OF NOTICE

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

James Bruce, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am 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 offset operators or working interest owners entitled to receive notice of the application filed herein.
- 4. Notice of the application was provided to the offsets 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 NMAC 19.15.4.9 and 19.15.4.12.C.

James Bruce

SUBSCRIBED AND SWORN TO before me this 24th day of May, 2017 by James

Bruce.

OFFICIAL SEAL
KERRIE C. ALLEN
Notary Public
State of New Mexico

My Commission Expires Commission Expires_

Notary Public

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

February 9, 2017

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding a Wolfcamp well in the SE/4 of Section 1 and E/2 of Section 12, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

The matter is scheduled for hearing at 8:15 a.m. on Thursday, April 13, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend the hearing, but as an offset operator or interest owner 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, April 6, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and his or her attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing.

Very truly yours.

James Bruce

Attorney for Mewbourne Oil Company

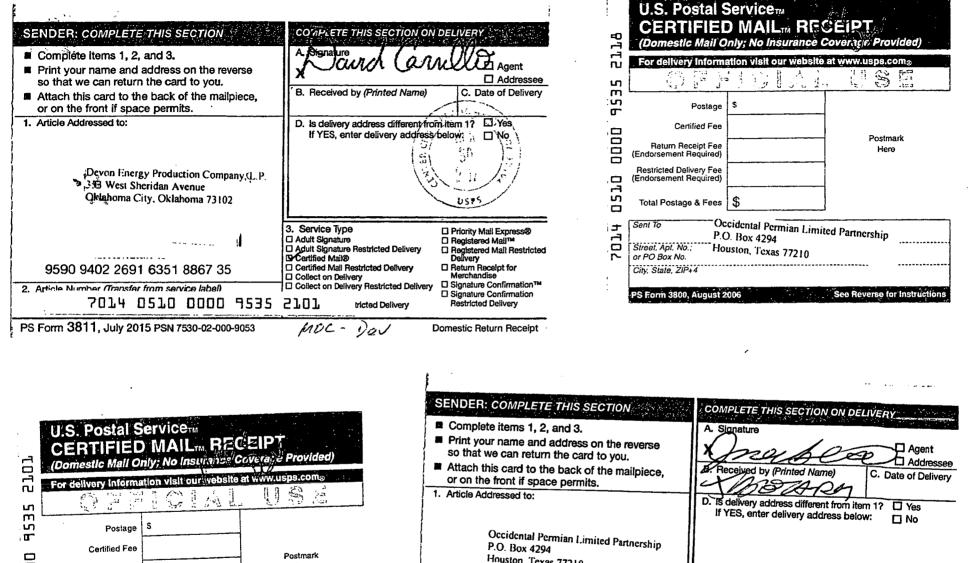
ATTACHMENT

EXHIBIT A

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102

Occidental Permian Limited Partnership P.O. Box 4294 Houston, Texas 77210

COG Operating LLC 600 West Illinois Avenue Midland, Texas 79701

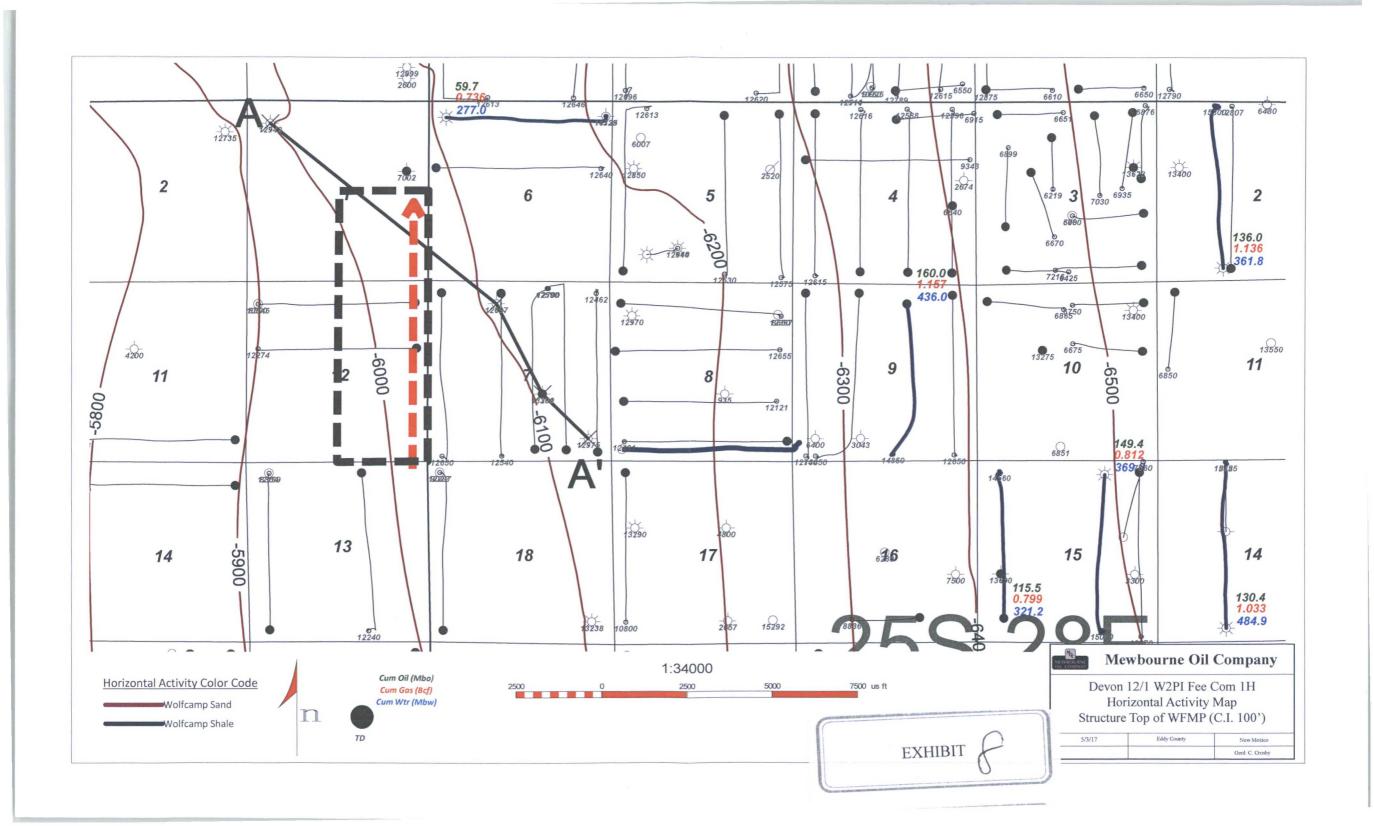


0000 Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) 510 Total Postage & Fees | \$ 170 Devon Energy Production Company, L.P. Street, Apt. No. 333 West Sheridan Avenue or PO Box No. Oklahoma City, Oklahoma 73102 City, Stale, ZIP+4 See Reverse for Instructions PS Form 3800, August 2006

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: Occidental Permian Limited Partnership P.O. Box 4294 Houston. Texas 77210	A. Signature A. Signature A. 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 Restricted Delivery □ Certified Mail® □ Certified Mail® □ Collect on Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	MDL - DQ / Domestic Return Receipt

Line South destroite		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERÝ
 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. 	A. Signature B. Fleceived by (Printed Name)	Agent Addresse C. Date of Delve
COG Operating LLC 600 West Illinois Avenue Midland, Texas 79707	D. Is delivery address different from If YES, enter delivery address in the second secon	
9590 9402 1676 6053 6590 82	3. Service Type Adult Signature Adult Signature Adult Signature Restricted Delivery Collectified Mail® Cottified Mail Restricted Delivery Collect on Delivery	☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restrict Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation
2.7014 0510 0000 9535 2	Collect on Delivery Restricted Delivery 125 sstricted Delivery	☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	MOC-Dow C	omestic Return Receip

2125	(Domestic Mall C	ServiceTM D MAILTM RECORDING NO INSURANCE CO	Coverage () evided)
35	. OFF	HOLAL	
9.5	Postage	s	
<u></u>	Certified Fee		
0000	Return Receipt Fee (Endorsement Required)		Postmark Here
	Restricted Delivery Fee (Endorsement Required)		
0270	Total Postage & Fees	\$	
T T	Sent To	COG Operating LLC	
7014	Street, Apt. No.; or PO Box No.	600 West Illinois Ave Midland, Texas 7970 I	nue
	City, State, ZIP+4	······································	
	PS Form 3800, August 20	006	See Reverse for Instructions





		Devon 12	/1 W2PI Fee Coi	m 1H Horizontal	Wolfcamp Pro	oductin Table			
Well Name	Operator	API	Location	WFMP Comp Date	Cum Oil (Mbo)	Cum Gas (MCF)	Cum Water (mbw)	NS/EW	WFMP Zone
San Lorenzo 15 DM Fee 1H	Mewbourne	3001540402	15DM/25S/28E	12/6/2012	115	0.8	321	NS	WFMP D Shale
San Lorenzo 15 OB Fee 1H	Mewbourne	3001540403	15OB/25S/28E	1/4/2014	149	0.8	370	NS	WFMP D Shale
San Lorenzo 9 OB Fee 1H	Mewbourne	3001541304	9OB/25S/28E	4/24/2014	160	1.1	436	NS	WFMP D Shale
Riverbend 14 Fed 2H	Cimarex	3001541589	14CN/25S/28E	7/22/2015	130	1	484	NS	WFMP D Shale
Salt Draw 2CN Fee 2H	Mewbourne	3001541729	2CN/25S/28E	2/27/2014	136	1.1	. 361	NS	WFMP D Shale
Devon 6 W2AD Fee 1H	Mewbourne	3001543661	6AD/25S/28E	7/25/2016	60	0.7	277	EW	WFMP D Shale
Devon 8 W2PM Fee 1H	Mewbourne	3001543879	9PM/25S/28E	3/23/2017	Pending			EW	WFMP D Shale



Mewbourne Oil Company

Eddy County, New Mexico Devon 12/1 W2PI Fee Com #1H

Sec 13, T25S, R27E

SL: 200' FNL & 450' FEL, Sec 13 BHL: 2310' FSL & 450' FEL, Sec 1

Plan: Design #1

Standard Planning Report

08 September, 2016

EXHIBIT /

Database: Company: Project:

Hobbs

Devon 12/1 W2PI Fee Com #1H

Mewbourne Oil Company Eddy County, New Mexico

Local Co-ordinate Reference: TVD Reference: MD Reference:

Site Devon 12/1 W2PI Fee Com #1H WELL @ 3087.0usft (Original Well Elev) WELL @ 3087.0usft (Original Well Elev)

Grid

Well: Sec 13, T25S, R27E

Wellbore:

Site:

BHL: 2310' FSL & 450' FEL, Sec 1

Design: Design #1 **Survey Calculation Method:**

North Reference:

Minimum Curvature

Project

Eddy County, New Mexico

Map System: Geo Datum: Map Zone:

US State Plane 1927 (Exact solution) NAD 1927 (NADCON CONUS)

New Mexico East 3001

System Datum:

Mean Sea Level

Site Site Position: Devon 12/1 W2PI Fee Com #1H

Northing: Мар

0.0 usft

413,498.00 usft 560,957.00 usft

Latitude: Longitude: **Grid Convergence:** 32° 8' 12.010 N

0.10

104° 8' 11.047 W

Position Uncertainty:

Sec 13, T25S, R27E

Easting: Slot Radius:

Northing:

413,498.00 usft

13-3/16 "

Latitude:

32° 8' 12.010 N 104° 8' 11.047 W

Position Uncertainty

Well Position

Well

+N/-S +E/-W 0.0 usft 0.0 usft 0.0 usft

Easting: Wellhead Elevation: 560,957.00 usft 3,087.0 usft Longitude: **Ground Level:**

3,060.0 usft

Wellbore BHL: 2310' FSL & 450' FEL, Sec 1

Bitagnetics	Model Name	Sample Date	Declination	Din Anglo	Field Strength
Magnetics	Wodel Name	Sample Date	(°)	Dip Angle (°)	(nT)
	IGRF200510	12/31/2009	8.00	60.06	48,679

Design	Design #1		,			
Audit Notes:		•				-
Version:		Phase:	PROTOTYPE	Tie On Depth:	0.0	
Vertical Section:		Depth From (TVD)	+N/-S	+E/-W	Direction	
		(usft)	(usft)	(usft)	(°)	
		0.0	0,0	0.0	359.73	

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
9,693.0	0.00	0.00	9,693.0	0.0	0.0	0.00	0.00	0.00	0.00	KOP @ 9693'
10,589.0	89.59	359.73	10,266.0	568.9	-2.7	10.00	10.00	0.00	-0.27	
17,842.4	89.59	359.73	10,318.0	7,822.0	-37.0	0.00	0.00	0.00	0.00	BHL: 2310' FSL & 45

Database: Company: Project:

Site:

Well:

Hobbs

Mewbourne Oil Company

Eddy County, New Mexico

Devon 12/1 W2PI Fee Com #1H

Sec 13, T25S, R27E re: BHL: 2310' FSL & 450' FEL, Sec 1

Wellbore: BHL: 2310 Design: Design #1 Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Site Devon 12/1 W2PI Fee Com #1H

WELL @ 3087.0usft (Original Well Elev) WELL @ 3087.0usft (Original Well Elev)

Grid

sign:	Design #1								
anned Survey							——————————————————————————————————————		
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
SL: 200' FN	L & 450' FEL, Se	c 13							
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
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1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0		0.00		0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00 0.00	0.00	1,500.0 1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
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2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	. 0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00 0.00	0.00	3,500.0 3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00

Database: Company: Project: Hobbs

Mewbourne Oil Company Eddy County, New Mexico

Devon 12/1 W2PI Fee Com #1H

BHL: 2310' FSL & 450' FEL, Sec 1

Well: Wellbore:

Site:

Sec 13, T25S, R27E

Design #1

Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Site Devon 12/1 W2PI Fee Com #1H

WELL @ 3087.0usft (Original Well Elev) WELL @ 3087.0usft (Original Well Elev)

Grid

nned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0 7,100.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,100.0 7,200.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00
•									
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00 0.00	0.00 0.00	0.00 0.00
7,600.0 7,700.0	0.00 0.00	0.00 0.00	7,600.0 7,700.0	0.0 0.0	0.0 0.0	0.0 0.0	0.00	0.00	0.00
7,700.0 7,800.0	0.00	0.00	7,700.0	0.0	0.0	0.0	0.00	0.00	0.00
7,900.0	0.00	0.00	7,900.0	0.0	0.0	0.0	0.00	0.00	0.00
·									
8,000.0	0.00	0.00	8,000.0	0.0 0.0	0.0 0.0	0.0 0.0	0.00 0.00	0.00 0.00	0.00 0.00
8,100.0 8,200.0	0.00 0.00	0.00 0.00	8,100.0 8,200.0	0.0	0.0	0.0	0.00	0.00	0.00
8,300.0	0.00	0.00	8,300.0	0.0	0.0	0.0	0.00	0.00	0.00
8,400.0	0.00	0.00	8,400.0	0.0	0.0	0.0	0.00	0.00	0.00
8,500.0	0.00 0.00	0.00 0.00	8,500.0 8,600.0	0.0 0.0	0.0 0.0	0.0 0.0	0.00 0.00	0.00 0.00	0.00 0.00
8,600.0 8,700.0	0.00	0.00	8,700.0	0.0	0.0	0.0	0.00	0.00	0.00
8,800.0	0.00	0.00	8,800.0	0.0	0.0	0.0	0.00	0.00	0.00
8,900.0	0.00	0.00	8,900.0	0.0	0.0	0.0	0.00	0.00	0.00
							0.00	0.00	
9,000.0 9,100.0	0.00 0.00	0.00 0.00	9,000.0 9,100.0	0.0 0.0	0.0 0.0	0.0 0.0	0.00	0.00	0.00 0.00
9,100.0 9,200.0	0.00	0.00	9,100.0	0.0	0.0	0.0	0.00	0.00	0.00
9,300.0	0.00	0.00	9,300.0	0.0	0.0	0.0	0.00	0.00	0.00
9,400.0	0.00	0.00	9,400.0	0.0	0.0	0.0	0.00	0.00	0.00
								0.00	0.00
9,500.0	0.00 0.00	0.00 0.00	9,500.0 9,600.0	0.0 0.0	0.0 0.0	0.0 0.0	0.00 0.00	0.00	0.00
9,600.0 9,693.0	0.00	0.00	9,600.0 9,693.0	0.0	0.0	0.0	0.00	0.00	0.00
#,693.0 KOP @ 9693									
	0.70	359.73	9,700.0	0.0		0.0	10.00	10.00	0.00
9,700.0 9,800.0	10.70	359.73 359.73	9,700.0 9,799.4	10.0	0.0 0.0	10.0	10.00	10.00	0.00
9,900.0	20.70	359.73	9,895.5	37.0	-0.2	37.0	10.00	10,00	0.00
10,000.0	30.70	359.73	9,985.5	80.3	-0.4	80.3	10.00	10.00	0.00
10,100.0	40.69	359.73	10,066.6	138.5	-0.7	138.5	10.00	10.00	0.00
10,200.0	50.69	359.73	10,136.4	210.0	-1.0	210.0	10.00	10.00	0.00
10,300.0	60.69	359.73	10,192.7	292.5	-1.4	292.5	10.00	10.00	0.00

Database:

Hobbs

Сотрапу: Project: Site:

Mewbourne Oil Company Eddy County, New Mexico Devon 12/1 W2Pl Fee Com #1H

Well: Wellbore:

Sec 13, T25S, R27E

Design:

BHL: 2310' FSL & 450' FEL, Sec 1

Design #1

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Site Devon 12/1 W2PI Fee Com #1H

WELL @ 3087.0usft (Original Well Elev) WELL @ 3087.0usft (Original Well Elev)

Grid

Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S	+E/-W	Vertical Section	Dogleg Rate	Build Rate	Turn Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)
10,400.0	70.69	359.73	10,233.8	383.5	-1.8	383.5	10.00	10.00	0.00
10,500.0	80.69	359.73	10,258.5	480.3	-2.3	480.3	10.00	10.00	0.00
10,550.1	85.70	359.73	10,264.4	530.0	-2.5	530.0	10.00	10.00	0.00
FTP: 330' FS	L & 450' FEL, S	ec 12							
10,589.0	89.59	359.73	10,266.0	568.9	-2.7	568.9	10.00	10.00	0.00
•	. & 450' FEL, Sec		,						
10,600.0	89.59	359.73	10,266.1	579.9	-2.7	579.9	0.00	0.00	0.00
10,700.0	89.59	359.73	10,266.8	679.9	-3.2	679.9	0.00	0.00	0.00
10,800.0	89.59	359.73	10,267.5	779.9	-3.7	779.9	0.00	0.00	0.00
10,900.0	89.59	359.73	10,268.2	879.9	-4.2	879.9	0.00	0.00	0.00
11,000.0	89.59	359.73	10,268.9	979.9	-4.6	979.9	0.00	0.00	0.00
11,100.0	89.59	359.73	10,269.7	1,079.9	-5.1	1,079.9	0.00	0.00	0.00
11,200.0	89.59	359.73	10,270.4	1,179.9	-5.6	1,179.9	0.00	0.00	0.00
11,300.0	89.59	359.73	10,271.1	1,279.9	-6.1	1,279.9	0.00	0.00	0.00
11,400.0	89.59	359.73	10,271.8	1,379.9	-6.5	1,379.9	0.00	0.00	0.00
11,500.0	89.59	359.73	10,272.5	1,479.9	-7.0	1,479.9	0.00	0.00	0.00
11,600.0	89.59	359.73	10,273.2	1,579.9	<i>-</i> 7.5	1,579.9	0.00	0.00	0.00
11,700.0	89.59	359.73	10,274.0	1,679.9	-7.9	1,679.9	0.00	0.00	0.00
11,800.0	89.59	359.73	10,274.7	1,779.9	-8.4	1,779.9	0.00	0.00	0.00
11,900.0	89.59	359.73	10,275.4	1,879.9	-8.9	1,879.9	0.00	0.00	0.00
12,000.0	89.59	359.73	10,276.1	1,979.8	-9.4	1,979.9	0.00	0.00	0.00
12,100.0	89.59	359.73	10,276.8	2,079.8	-9.8	2,079.9	0.00	0.00	0.00
12,200.0	89.59	359.73	10,277.5	2,179.8	-10.3	2,179.9	0.00	0.00	0.00
12,300.0	89.59	359.73	10,278.3	2,279.8	-10.8	2,279.9	0.00	0.00	0.00
12,400.0	89.59	359.73	10,279.0	2,379.8	-11.3	2,379.9	0.00	0.00	0.00
12,500.0	89.59	359.73	10,279.7	2,479.8	-11.7	2,479.9	0.00	0.00	0.00
12,600.0	89.59	359.73	10,280.4	2,579.8	-12.2	2,579.9	0.00	0.00	0.00
12,700.0	89.59	359.73	10,281.1	2,679.8	-12.7	2,679.9	0.00	0.00	0.00
12,800.0	89.59	359.73	10,281.9	2,779.8	-13.1	2,779.9	0.00	0.00	0.00
12,900.0	89.59	359.73	10,282.6	2,879.8	-13.6	2,879.8	0.00	0.00	0.00
13,000.0	89.59	359.73	10,283.3	2,979.8	-14.1	2,979.8	0.00	0.00	0.00
13,100.0	89.59	359.73	10,284.0	3,079.8	-14.6	3,079.8	0.00	0.00	0.00
13,200.0	89.59	359.73	10,284.7	3,179.8	-15.0	3,179.8	0.00	0.00	0.00
13,300.0	89.59	359.73	10,285.4	3,279.8	-15.5	3,279.8	0.00	0.00	0.00
13,400.0	89.59	359.73	10,286.2	3,379.8	-16.0	3,379.8	0.00	0.00	0.00
13,500.0	89.59	359.73	10,286.9	3,479.8	-16.5	3,479.8	0.00	0.00	0.00
13,600.0	89.59	359.73	10,287.6	3,579.8	-16.9	3,579.8	0.00	0.00	0.00
13,700.0	89.59	359.73	10,288.3	3,679.8	-17.4	3,679.8	0.00	0.00	0.00
13,800.0	89.59	359.73	10,289.0	3,779.8	-17.9	3,779.8	0.00	0.00	0.00
13,900.0	89.59	359.73	10,289.7	3,879.8	-18.4	3,879.8	0.00	0.00	0.00
14,000.0	89.59	359.73	10,290.5	3,979.8	-18.8	3,979.8	0.00	0.00	0.00
14,100.0	89.59	359.73	10,291.2	4,079.8	-19.3	4,079.8	0.00	0.00	0.00
14,200.0	89.59	359.73	10,291.9	4,179.8	-19.8	4,179.8	0.00	0.00	0.00
14,300.0	89.59	359.73	10,292.6	4,279.8	-20.2	4,279.8	0.00	0.00	0.00
14,400.0	89.59	359.73	10,293.3	4,379.8	-20.7	4,379.8	0.00	0.00	0.00
14,500.0	89.59	359.73	10,294.0	4,479.8	-21.2	4,479.8	0.00	0.00	0.00
14,600.0	89.59	359.73	10,294.8	4,579.8	-21.7	4,579.8	0.00	0.00	0.00
14,700.0	89.59	359.73	10,295.5	4,679.8	-22.1	4,679.8	0.00	0.00	0.00
14,800.0	89.59	359.73	10,296.2	4,779.7	-22.6	4,779.8	0.00	0.00	0.00
14,900.0	89.59	359.73	10,296.9	4,879.7	-23.1	4,879.8	0.00	0.00	0.00
15,000.0	89.59	359.73	10,297.6	4,979.7	-23.6	4,979.8	0.00	0.00	0.00
15,100.0	89.59	359.73	10,298.3	5,079.7	-24.0	5,079.8	0.00	0.00	0.00
15,200.0	89.59	359.73	10,299.1	5,179.7	-24.5	5,179.8	0.00	0.00	0.00
15,200.0	09.38	338.13	10,288.1	5,179.7 5,279.7	-24.5 -25.0	3,178.0	0.00	0.00	0.00

Database: Company:

Site:

Well:

Hobbs

Mewbourne Oil Company

Project: Eddy County, New Mexico

Devon 12/1 W2PI Fee Com #1H

Sec 13, T25S, R27E BHL: 2310' FSL & 450' FEL, Sec 1

Wellbore: Design: Design #1 Local Co-ordinate Reference:

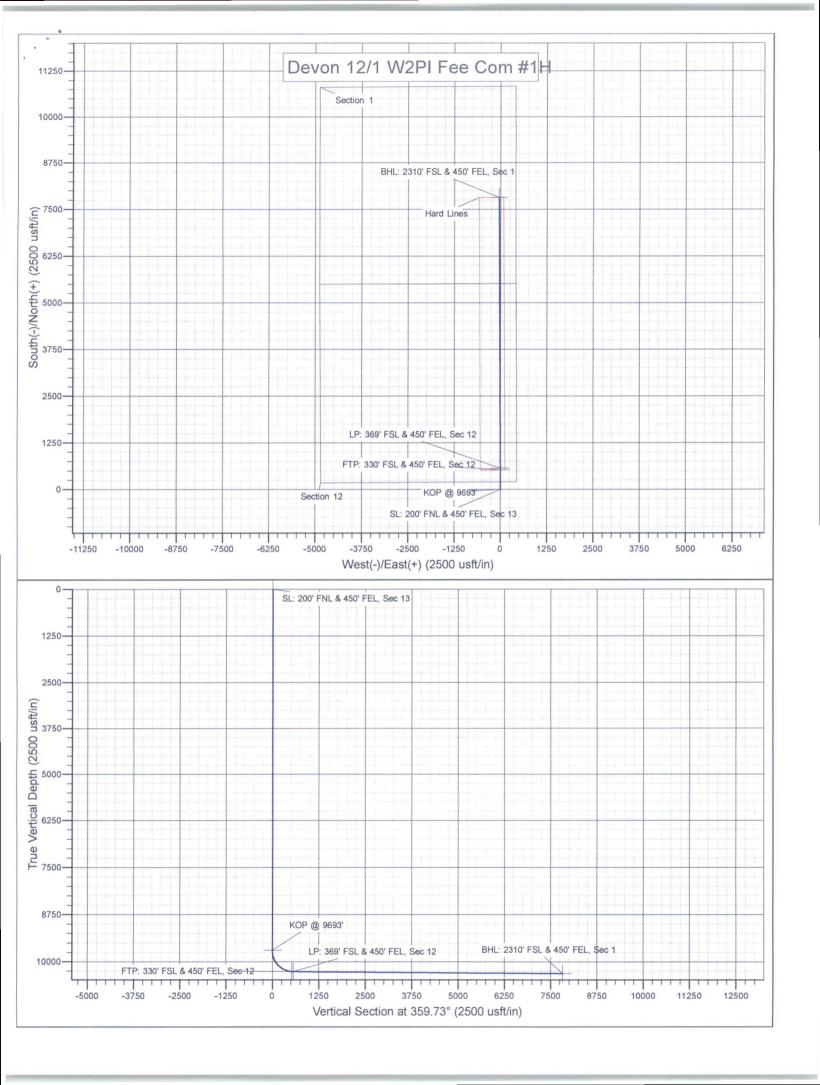
TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Site Devon 12/1 W2PI Fee Com #1H

WELL @ 3087.0usft (Original Well Elev) WELL @ 3087.0usft (Original Well Elev)

Measured			Vertical			Vertical	Dogleg	Build	Turn
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Section	Rate	Rate	Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)
15,400.0	89.59	359.73	10,300.5	5,379.7	-25.4	5,379.8	0.00	0.00	0.00
15,500.0	89.59	359.73	10,301.2	5,479.7	-25.9	5,479.8	0.00	0.00	0.00
15,600.0	89.59	359.73	10,301.9	5,579.7	-26.4	5,579.8	0.00	0.00	0.00
15,700.0	89.59	359.73	10,302.6	5,679.7	-26.9	5,679.8	0.00	0.00	0.00
15,800.0	89.59	359.73	10,303.4	5,779.7	-27.3	5,779.8	0.00	0.00	0.00
15,900.0	89.59	359.73	10,304.1	5,879.7	-27.8	5,879.8	0.00	0.00	0.00
16,000.0	89.59	359.73	10,304.8	5,979.7	-28.3	5,979.8	0.00	0.00	0.00
16,100.0	89.59	359.73	10,305.5	6,079.7	-28.8	6,079.8	0.00	0.00	0.00
16,200.0	89.59	359.73	10,306.2	6,179.7	-29.2	6,179.8	0.00	0.00	0.00
16,300.0	89.59	359.73	10,306.9	6,279.7	-29.7	6,279.8	0.00	0.00	0.00
16,400.0	89.59	359.73	10,307.7	6,379.7	-30.2	6,379.8	0.00	0.00	0.00
16,500.0	89.59	359.73	10,308.4	6,479.7	-30.7	6,479.8	0.00	0.00	0.00
16,600.0	89.59	359.73	10,309.1	6,579.7	-31.1	6,579.8	0.00	0.00	0.00
16,700.0	89.59	359.73	10,309.8	6,679.7	-31.6	6,679.8	0.00	0.00	0.00
16,800.0	89.59	359.73	10,310.5	6,779.7	-32.1	6,779.7	0.00	0.00	0.00
16,900.0	89.59	359.73	10,311.2	6,879.7	-32.5	6,879.7	0.00	0.00	0.00
17,000.0	89.59	359.73	10,312.0	6,979.7	-33.0	6,979.7	0.00	0.00	0.00
17,100.0	89.59	359.73	10,312.7	7,079.7	-33.5	7,079.7	0.00	0.00	0.00
17,200.0	89.59	359.73	10,313.4	7,179.7	-34.0	7,179.7	0.00	0.00	0.00
17,300.0	89.59	359.73	10,314.1	7,279.7	-34.4	7,279.7	0.00	0.00	0.00
17,400.0	89.59	359.73	10,314.8	7,379.7	-34.9	7,379.7	0.00	0.00	0.00
17,500.0	89.59	359.73	10,315.5	7,479.6	-35.4	7,479.7	0.00	0.00	0.00
17,600.0	89.59	359.73	10,316.3	7,579.6	-35.9	7,579.7	0.00	0.00	0.00
17,700.0	89.59	359.73	10,317.0	7,679.6	-36.3	7,679.7	0.00	0.00	0.00
17,800.0	89.59	359.73	10,317.7	7,779.6	-36.8	7,779.7	0.00	0.00	0.00
17,842.4	89.59	359.73	10,318.0	7,822.0	-37.0	7.822.1	0.00	0.00	0.00

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SL: 200' FNL & 450' FEL - plan hits target cente - Point	0.00 er	0.00	0.0	0.0	0.0	413,498.00	560,957.00	32° 8′ 12.010 N	104° 8' 11.047 W
KOP @ 9693' - plan hits target cente - Point	0.00 er	0.00	9,693.0	0.0	0.0	413,498.00	560,957.00	32° 8′ 12.010 N	104° 8' 11.047 W
FTP: 330' FSL & 450' FE - plan hits target cente - Point	0.00 er	0.00	10,264.4	530.0	-2.5	414,028.00	560,954.50	32° 8′ 17.255 N	104° 8' 11.065 W
LP: 369' FSL & 450' FEL - plan hits target cente - Point	0.00 er	0.00	10,266.0	568.9	-2.7	414,066.90	560,954.30	32° 8' 17.640 N	104° 8′ 11.066 W
BHL: 2310' FSL & 450' F - plan hits target cente - Point	0.00	0.00	10,318.0	7,822.0	-37.0	421,320.00	560,920.00	32° 9' 29.421 N	104° 8' 11.311 W



Form 3000-3e

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0034 Expires: August 31, 1989

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Lease Serial No.

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

NM_27010

			- 1	NM-27919	,
Type or print plainly in ink	and sign	in ink.			
PART A: TRANS Transferee (Sublessee)* Quinoco Petroleum, Inc. Street Stanford Place 3 City, State, ZIP Code 4582 So. Uslter St. Parkway- Suit			•		
Denver, Colorado 80237 If more than one transferce, check here and list the name(s) and address(es) of the example of the paper.		nal transferees	on the reve	rse of this fo	nn of on a
his transfer is for: (Check one) KXXOil and Gas Lease, or 🗆 Geothermal Leas	se				•
nterest conveyed: (Check one or both, as appropriate) KXOperating Rights (sub		Overriding Rominian interest			duction or oti
. This transfer (sublease) conveys the following interest:	,		,.		
Land Description dditional space on reverse, if needed. Do not submit documents or agreements other than		Conveyed	Retained	Percent of Overriding Royalty	
is form; such documents or agreements shall only be referenced herein.	Owned			Reserved	Previously reserved or conveyed
	ь	l c	đ	e	f
ownship 24 South, Range 28 East, NMPM					
ection 24: NE/4 SW/4 elow 7202 Feet, ddy County, New Mexico	100%	100%	_. -0-	-0-	-0-
ontaining 40.00 acres, more or less.					
			·	·	
·					
FOR BLM USE ONLY—DO NOT WRIT	E BELOW T	HIS LINE	l		
THE UNITED STATES OF	AMERICA				
als transfer is approved solely for administrative purposes. Approval does not le to this lease.		either party	to this trans	fer bolds leg	al or equitab
Manager assessed Measter					
Transfer approved effective					
Transfer approved effective				:	•

PART C: GENERAL INSTRUCTIONS

- 1. Transferor/Transferee(s) must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows: The transferor(s) must manually sign 3 original copies, and the transferee(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each transfer of operating rights (sublease). For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (concritudable) must accompany the transfer, payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.
- Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.
- In Item No. 2 of Part A, describe lands affected (See 43 CFR 3106, 3135, or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
- 4. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.
- The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241.)
- Transfer, if approved, takes effect on the first day of the month following date
 of filing in the proper BLM office. If a boad is necessary, it must be furnished
 prior to approval of the transfer.
- Overriding royalty and payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purposes only. No official approval will be given.
- Upon approval of a transfer of operating rights (sublease), the sublessee is responsible for all lease obligations under the lease rights transferred to the sublessee.

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Gx. A

PAPERWORK REDUCTION ACT STATEMENT

- 1. This information is being collected pursuant to the law.
- This information will be used to create and maintain a record of oil and gas/ geothermal lease activity.
- 3. Response to this request is required to obtain benefit.

Title 18 U.S.C. Sec. 1001 makes it a crime for any pen lowingly statements or representations as to any matter within its jurisdiction.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas/geothermal lease transfer application.

AUTHORITY: 30 U.S.C. 181 et seq; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE—The information is to be used to process transfers of operating rights (subleases) for oil and gas/geothermal resources leases.

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ROUTINE USES:

- (1) The approval of transferee's rights to the land or resources.
- (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
- (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.

(4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION—If all requested information is not provided, the transfer may not be approved. See regulations at 43 CFR Groups 3100 and 3200.

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- 1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- 2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens: a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR: A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals. resident aliens or private, public or municipal corporations, (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (4) CFR Group 3100 or 3200) and the authorizing Acts.
 (e) Transferce is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferce is not in violation of sec. 41 of the Mineral Leasing Act.
- 3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased land upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241). I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith. day of October 29th Executed this Executed this day of Effective September 1, 1988 Name of Transferor Enron 011 & Gas Company (Formerly HNG Please type or print Oil Company) Transferor ENRON OIL & GAS COMPANY CNG PRODUCING COMPANY Transferce Agent& Chamas Attorney-in-fact L. Thomas (Signature) (Signature) Pr O. Box 1188 (Transferor's Address) Houston, Texas 77002 (City) (State) (Zip Code)

nowingly and willfully to make to any Department or against the United States any false, fictitious or fraudulent