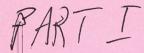
CASE NOS. 22241 ans 22242



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

EXHIBITS

- 1. Applications and Proposed Ads
- 2-A. Landman's Affidavit (Case No. 22241)
- 2-B. Landman's Affidavit (Case No. 22242)
- 3. Geologist's Affidavit
- 4. Affidavit of Notice
- 5. Affidavit of Publication
- 6. Pooling Checklists

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case	No.	
Cuby	1 400	

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 5 and the S/2N/2 of Section 6, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the S/2N/2 of Section 5 and the S/2N/2 of Section 6, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Gobbler 5/6 B3HE State Com. Well No. 2H to a depth sufficient to test the Bone Spring formation, with a first take point in the SE/4NE/4 of 5 and a last take point in the SW/4NW/4 of Section 6.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2N/2 of Section 5 and the S/2N/2 of Section 6 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the S/2N/2 of Section 5 and the S/2N/2 of Section 6, pursuant to NMSA 1978 §70-2-17.

EXHIBIT

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the S/2N/2 of Section 5 and the S/2N/2 of Section 6 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the S/2N/2 of Section 5 and the S/2N/2 of Section 6;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2N/2 of Section 5 and the S/2N/2 of Section 6, Township 19 South, Range 29 East, NMPM. The unit will be dedicated to the Gobbler 5/6 B3HE State Com. Well No. 2H, with a first take point in the SE/4NE/4 of 5 and a last take point in the SW/4NW/4 of Section 6. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 12 miles southwest of Loco Hills, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Canal	NT.	
Case I	NO.	

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 5 and the N/2N/2 of Section 6, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the N/2N/2 of Section 5 and the N/2N/2 of Section 6, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Gobbler 5/6 B3AD State Com. Well No. 2H to a depth sufficient to test the Bone Spring formation, with a first take point in the NE/4NE/4 of 5 and a last take point in the NW/4NW/4 of Section 6.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2N/2 of Section 5 and the N/2N/2 of Section 6 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the N/2N/2 of Section 5 and the N/2N/2 of Section 6, pursuant to NMSA 1978 §70-2-17.

Released to Imaging: 11/3/2021 4:27:32 PM

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the N/2N/2 of Section 5 and the N/2N/2 of Section 6 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the N/2N/2 of Section 5 and the N/2N/2 of Section 6;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the N/2N/2 of Section 5 and the N/2N/2 of Section 6, Township 19 South, Range 29 East, NMPM. The unit will be dedicated to the Gobbler 5/6 B3AD State Com. Well No. 2H, with a first take point in the NE/4NE/4 of 5 and a last take point in the NW/4NW/4 of Section 6. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 12 miles southwest of Loco Hills, New Mexico.

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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

Case No. 22241

VERIFIED STATEMENT OF ADRIANA SALGADO

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

- 1. I am a Landman for Mewbourne Oil Company ("Mewbourne") and have personal knowledge of the matters stated herein. I have worked as a landman for almost four years. I hold a Bachelor of Arts Degree in Humanities from the University of Texas of the Permian Basin. I have 4 years of land work experience with Apache Corporation, prior to working at Mewbourne Oil Company. Collectively, I have 10 years of land work experience.
- 2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Bone Spring formation horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well. All interest owners have been located.
 - (c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 319.78-acre horizontal spacing unit in the Bone Spring formation comprised of the N2N2 of Section 5 and the N2N2 of Section 6, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Gobbler 5/6 B3AD State Com #2H. There are no depth severances in the Bone Spring Formation.
 - (d) The parties being pooled and their interests are set forth in Exhibit 2. Their current and correct addresses are also set forth.

EXHIBIT 2

- (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them and delivery receipts for each.
- (f) In order to locate the interest owners, Mewbourne examined the county records, performed internet searches, checked telephone records, and searched pertinent computer searches.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Exhibit 4 is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area Eddy County.
- (j) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Applicant requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me or under my supervision or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

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STATE OF TEXAS)
) ss
COUNTY OF MIDLAND)

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

Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 28th day of October, 2021 by Adriana Salgado.

My Commission Expires: 8-28-22

Notary Public

TIA ALEXANDER
Notary ID #131701498
My Commission Expires
August 28, 2022

EXHIBIT 1

Section Plat

Gobbler 5/6 B3AD State Com #2 N/2N/2 of Section 5 & N/2N/2 of Section 6 T19S-R29E, Eddy County, NM

Section 6

Section 5

Tract 1	Tract 2	Tract 3	Tract 4

Tract 1: Lot 4 of Section 6 - State Lease VB-2901

MRC Delaware Resources, LLC

Tract 2: Lot 3 of Section 6 - State Lease V-689

MRC Delaware Resources, LLC
Yates Energy Corporation
MRC Explorers Resources, LLC
MRC Spiral Resources, LLC
T.J. Hall, III*
Jalapeno Corporation
John Cieszinski, Trustee of The Cieszinski Trust
Roger B. Hardee
Kris H. Youell*
Kellie Halabrin

Tract 3: Lot 1 & 2 of Section 6 - State Lease V-689

MRC Delaware Resources, LLC
Yates Energy Corporation
MRC Explorers Resources, LLC
MRC Spiral Resources, LLC
T.J. Hall, III*
Jalapeno Corporation
Timothy R. MacDonald*
Maverick Oil & Gas Corporation*
John Cieszinski, Trustee of The Cieszinski Trust
Roger B. Hardee
Kris H. Youell*
Kellie Halabrin

Tract 4: Lots 1, 2, 3 & 4 of Section - State Lease L-1022

MRC Delaware Resources, LLC Yates Energy Corporation

^{*}Indicates parties being pooled.

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

00 00	API Number	11 150	$\overline{}$	² Pool Code			³ Pool Na	me		
100	5	4188	1883 PALMILLO EAST - BONE SPRING					[G		
⁴ Property Co	de		5 Property Name 6 Well Number							
			GOBBLER 5/6 B3AD STATE COM 2H							
7 OGRID	10.00				8 Operator N					Elevation
1474	4			MEWE	BOURNE OI	L COMPANY				3410'
¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/We	est line	County
H	5	19S	29E		1380	NORTH	205	EAS	ST	EDDY
			11 I	Bottom H	ole Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
4	6	19S	29E		650	NORTH	100	WES	ST	EDDY
Dedicated Acres 319.78	s 13 Joint	or Infill 14	Consolidation	Code 15 (Order No.					

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

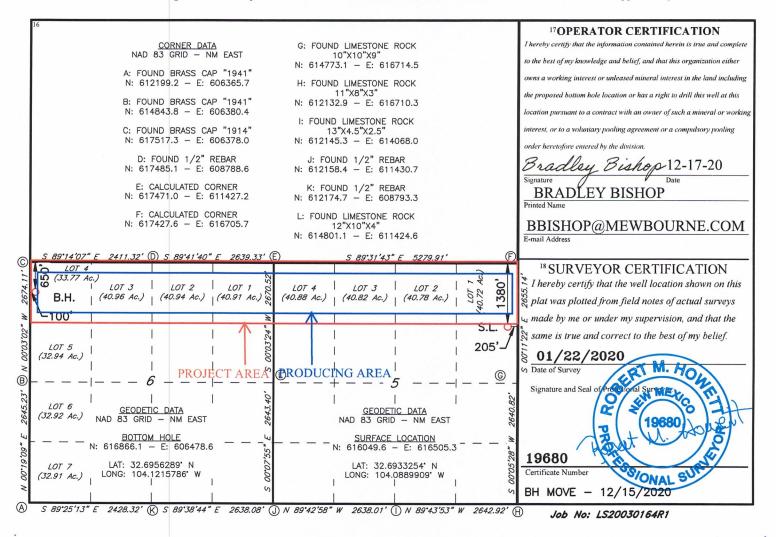


EXHIBIT 2

TRACT OWNERSHIP - CONTRACTUAL
Gobbler 5/6 B3AD State Com #2H
N/2N/2 of Section 5 & N/2N/2 of Section 6,
Township 19 South, Range 29 East
Eddy County, New Mexico

Bone Spring Formation:

	% Leasehold Interest
Mewbourne Oil Company, et al	33.1114263%
500 West Texas, Ste. 1020	
Midland, Texas 79701	
	30.150640%
MRC Delaware Resources, LLC	30.13004070
5400 LBJ Freeway, Suite 1500	
Dallas, Texas 75240	
*Chevron U.S.A. Inc.	13.450400%
6301 Deauville Blvd.	
Midland, Texas 79706	
Water Francis Componenties	7.100130%
Yates Energy Corporation P.O. Box 2323	7.10013070
Roswell, New Mexico 88202	
OXY USA WTP LP	3.636861%
5 Greenway Plaza, Ste. 110	
Houston, Texas 77046-0521	
	2 2050420/
Jalapeño Corporation	3.385942%
P.O. Box 1216	
Albuquerque, New Mexico 87103-1216	
MRC Spiral Resources, LLC	3.161478%
5400 LBJ Freeway, Suite 1500	
Dallas, Texas 75240	
MRC Explorers Resources, LLC	3.161478%
5400 LBJ Freeway, Suite 1500	
Dallas, Texas 75240	
Alpha Energy Partners, LLC	1.578381%
P.O. Box 10701	1.0.002,0
Midland, Texas 79702	
Wildiand, Tondo 7 57 0 to	

Big Three Energy Group P.O. Box 429 Roswell, New Mexico 88202		0.444956%
TXLA Oil and Gas, LLC 6207 Lavendale Avenue Dallas, Texas 75230		0.254261%
*Emma Lou Evertson 4100 Vinkemulder Road Coconut Creek, Florida 33073		0.193498%
John Cieszinski, Trustee of The Cieszinski Trust 2737 81 st Street Lubbock, Texas 79423-2229		0.127993%
Nadel & Gussman Capitan, LLC 15 East 5 th Street, Ste. 3300 Tulsa, Oklahoma 74103-4340		0.074044%
Roger B. Hardee 13402 Misty Orchard Lane Sugar Land, Texas 77478		0.042664%
*Kris H. Youell 103 Lariat Drive Boerne, Texas 78006		0.042664%
Kellie Halabrin 4206 Shadow Elm Woods San Antonio, Texas 78249		0.042664%
*T.J. Hall, III P.O. Box 11025 Knoxville, Tennessee 37939		0.035961%
*Timothy R. MacDonald 3003 Paleo Point College Station, Texas 77845		0.003417%
*Maverick Oil & Gas Corporation 1001 West Wall Street Midland, Texas 79701		0.001138%
	Total	100.00000%

^{*}Total interest being pooled: 13.727078%

EXHIBIT 3

Summary of Communications

Gobbler 5/6 B3AD State Com #2H Gobbler 5/6 B3HE State Com #2H

Date:	Communicated with:	Comments/Actions:
7/29/2021	Land Manager	Mailed well proposals via certified mail dated 7/29/21.
8/2/2021		Certified Mail receipt showed successful delivery at 6:05 PM
8/5/2021	Bennett Massie	Followed up by email regarding ongoing JOA negotiations.
8/5/2021	Bennett Massie	Bennett emailed me back stating they were internally reviewing our JOA still.
8/19/2021	Bennett Massie	Followed up by email regarding ongoing JOA negotiations.
8/19/2021	Bennett Massie	Bennett emailed me letting me know I should hear something by next week.
8/31/2021	Bennett Massie	Followed up by email regarding ongoing JOA negotiations.
8/31/2021	Bennett Massie	Bennett emailed me back stating they were internally reviewing our JOA still.
9/9/2021	Bennett Massie	Followed up by email asking for an updated on their JOA review.
9/13/2021	Bennett Massie	Bennett emailed me stating he was meeting with the attorney tomorrow to discuss the JOA and he'd get back to me.
9/13/2021	Bennett Massie	Emailed Bennett back to let him know we would have to pool them if we didn't hear back from them soon.
9/14/2021	Scott Sabrsula	Emailed Scott to see if they had an update after meeting with their attorney yesterday.
9/14/2021	Scott Sabrsula	Scott emailed me back stating he didn't meet with them, but Bennett was handling this.
9/14/2021	Bennett Massie	Bennett emailed me stating the attorney was missing background information on the wells and he needed more information from another attorney in order to review.
9/22/2021	Bennett Massie	Followed up by email asking for an updated on their JOA review.
9/23/2021	Bennett Massie	Bennett emailed me to let me know everything should be signed by 10/1/21 or 10/8/21.
10/7/2021	Bennett Massie	Followed up by email asking for an updated on their JOA review.
10/8/2021	Bennett Massie	Bennett emailed me to let me know their attorney was still reviewing and hadn't gotten back to him.
10/8/2021	Bennett Massie	Emailed Bennett letting him know that we would have to move forward with pooling them if we didn't receive signature pages by 10/15/2021.
10/15/2021	Bennett Massie	Bennett emailed me letting me know they didn't want to be pooled but they also did not have any forms signed.
10/15/2021	Bennett Massie	Emailed Bennett and gave them yet another extension to 10/22/2021.
10/22/2021	Bennett Massie	Bennett emailed me letting me know they didn't want to be pooled but they also did not have any forms signed. They want even more time.

Company Na	me: Emma Lou Evertson	
Date:	Communicated with:	Comments/Actions:
7/29/2021		Mailed well proposals via certified mail dated 7/29/2021.
8/6/2021		Certified Mail receipt showed successful delivery at 1:36 PM.
12/2/2020		Mail JOA proposal via certified mail dated 12/2/2020.
12/7/2020		Certified Mail receipt showed successful delivery at 4:05 PM.

Company Na	ame: Kris H. Youell	
Date:	Communicated with:	Comments/Actions:
7/29/2021		Mailed well proposals via certified mail dated 7/29/2021.
8/2/2021		Certified Mail receipt showed successful delivery at 6:05 PM.

Company Na	ame: T.J. Hall III	
Date:	Communicated with:	Comments/Actions:
7/29/2021		Mailed well proposals via certified mail dated 7/29/2021.
		Mail was returned undeliverable. Cannot locate another address.

Company Name: Timothy R. MacDonald			
Date:	Communicated with:	Comments/Actions:	
7/29/2021		Mailed well proposals via certified mail dated 7/29/2021.	
8/2/2021		Certified Mail receipt showed successful delivery at 6:05 PM.	

Company Name: Maverick Oil & Gas Corporation			
Date:	Communicated with:	Comments/Actions:	
7/29/2021		Mailed well proposals via certified mail dated 7/29/2021.	
7/30/2021		Certified Mail receipt showed successful delivery at 10:50 AM.	

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

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

July 29, 2021

Via Certified Mail

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

Re:

Gobbler 5/6 B3HE State Com #2H 1410' FNL & 205' FEL (SL) (Sec 5)

2000' FNL & 100' FWL (BHL) (Sec 6) Sections 5 & 6, T19S, R29E

Eddy County, New Mexico TVD: 8,577' MD: 18,517'

Proration Unit/Project Area: N2N2

Gobbler 5/6 B3AD State Com #2H

1380' FNL & 205' FEL (SL) (Sec 5) 650' FNL & 100' FWL (BHL) (Sec 6)

Sections 5 & 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507'

Proration Unit/Project Area: N2N2

Dear Sir or Madam:

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

The estimated costs for these wells are as follows:

Well Name	Estimated Cost to Casing Poin	Estimated Cost of Producing Well
Gobbler 5/6 B3HE State Com #2H	\$2,617,800	\$7,967,300
Gobbler 5/6 B3AD State Com #2H	\$2,616,900	\$7,966,000

These costs are more fully detailed in the AFEs enclosed herewith. To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 5 and All of Section 6, Township 19 South, Range 29 East, Eddy County, New Mexico. Our Joint Operating Agreement, to follow, will contain 100%/300% nonconsent penalty, \$8,000.00/\$800 drilling/producing rates, be limited to the Bone Spring formation and MOC will be listed as Operator. This JOA has been previously sent to Chevron U.S.A. Inc.

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

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

Sincerely,

MEWBOURNE OIL COMPANY

asalgado.

Adriana Salgado

From:

To:

webmaster@simplecertifiedmail.com

Sent:

Monday, August 2, 2021 6:05 PM Adriana Salgado

Subject:

[EXT] Document Delivered



AND THE REPORT OF THE PROPERTY OF THE PROPERTY OF THE SAME AND THE PROPERTY OF THE PROPERTY OF

Document Delivered

A document with a tracking code of 9414836897846206618855 and reference number of Gobbler 5/6 was successfully delivered to Chevron U.S.A. Inc.

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

i in va Venifesti in var kir John norweath ur tr. Vikus iss ny iko godini wwi

888-462-1750 ext. 2 assistance@simplecertifiedmail.com

\$1,119 dimo Dia chi sista (bri il conti eser es

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

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

July 29, 2021

Via Certified Mail

Emma Lou Evertson 4100 Vinkemulder Road Coconut Creek, Florida 33073

Re:

Gobbler 5/6 B3HE State Com #2H
1410' FNL & 205' FEL (SL) (Sec 5)
2000' FNL & 100' FWL (BHL) (Sec 6)
Sections 5 & 6, T19S, R29E
Eddy County, New Mexico
TVD: 8,577' MD: 18,517'
Proration Unit/Project Area: N2N2

Gobbler 5/6 B3AD State Com #2H 1380' FNL & 205' FEL (SL) (Sec 5) 650' FNL & 100' FWL (BHL) (Sec 6) Sections 5 & 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2

Dear Sir or Madam:

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

The estimated costs for these wells are as follows:

Well Name	Estimated Cost to Casing Poin	Estimated Cost of Producing Well
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Gobbler 5/6 B3AD State Com #2H	\$2,616,900	\$7,966,000

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

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

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

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado

From:

webmaster@simplecertifiedmail.com

Sent:

Friday, August 6, 2021 1:36 PM

To:

Adriana Salgado

Subject:

[EXT] Document Delivered

×

SECTION TO SECRETARIO DE LA SECTION ENTREMENTANT. LE COMMENSACION DE L'EXPERTANT DE L'EXPERTANT DE L'EXPERTANT DE L

Document Oalivered

A document with a tracking code of 9414836897846206641242 and reference number of Gobbler 5/6 was successfully delivered to Emma Lou Evertson at Emma Lou Evertson

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Regards,

The Client Services Group-Assistance

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888-462-1750 ext. 2 assistance@simplecertifiedmail.com

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

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

July 29, 2021

Via Certified Mail

Kris H. Youell 103 Lariat Drive Boerne, Texas 78006

Re:

Gobbler 5/6 B3HE State Com #2H 1410' FNL & 205' FEL (SL) (Sec 5) 2000' FNL & 100' FWL (BHL) (Sec 6) Sections 5 & 6, T19S, R29E

Eddy County, New Mexico
TVD: 8,577' MD: 18,517'

Proration Unit/Project Area: N2N2

Gobbler 5/6 B3AD State Com #2H 1380' FNL & 205' FEL (SL) (Sec 5)

650' FNL & 100' FWL (BHL) (Sec 6)

Sections 5 & 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2

Dear Sir or Madam:

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

The estimated costs for these wells are as follows:

Well Name	Estimated Cost to Casing Poin	Estimated Cost of Producing Well
Gobbler 5/6 B3HE State Com #2H	\$2,617,800	\$7,967,300
Gobbler 5/6 B3AD State Com #2H	\$2,616,900	\$7,966,000

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

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

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

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado

From:

webmaster@simplecertifiedmail.com Monday, August 2, 2021 6:05 PM

Sent: To:

Adriana Salgado

Subject:

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A document with a tracking code of 9414836897846206646520 and reference number of Gobbler 5/6 was successfully delivered to Kris H. Youell

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If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

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

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

July 29, 2021

Via Certified Mail

T.J. Hall, III P.O. Box 11025 Knoxville, Tennessee 37939

Re:

Gobbler 5/6 B3HE State Com #2H 1410' FNL & 205' FEL (SL) (Sec 5)

2000' FNL & 100' FWL (BHL) (Sec 6)

Sections 5 & 6, T19S, R29E Eddy County, New Mexico TVD: 8,577' MD: 18,517'

Proration Unit/Project Area: N2N2

Gobbler 5/6 B3AD State Com #2H

1380' FNL & 205' FEL (SL) (Sec 5) 650' FNL & 100' FWL (BHL) (Sec 6)

Sections 5 & 6, T19S, R29E Eddy County, New Mexico

TVD: 8,535' MD: 18,507'

Proration Unit/Project Area: N2N2

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

Sincerely,

MEWBOURNE OIL COMPANY

STE 1020 MIDLAND TX 79701

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Mewbourne Oil Company Adriana Salgado 500 WEST TEXAS AVE

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T.J.HALL,III P.O. BOX F11025 **KNOXVILLE TN 37939**

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

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

July 29, 2021

Via Certified Mail

Timothy R. MacDonald 3003 Paleo Point College Station, Texas 77845

Re:

Gobbler 5/6 B3HE State Com #2H
1410' FNL & 205' FEL (SL) (Sec 5)
2000' FNL & 100' FWL (BHL) (Sec 6)
Sections 5 & 6, T19S, R29E
Eddy County, New Mexico
TVD: 8,577' MD: 18,517'
Proration Unit/Project Area: N2N2

Gobbler 5/6 B3AD State Com #2H 1380' FNL & 205' FEL (SL) (Sec 5) 650' FNL & 100' FWL (BHL) (Sec 6) Sections 5 & 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2

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

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado

From:

webmaster@simplecertifiedmail.com

Sent:

Monday, August 2, 2021 6:05 PM

To:

Adriana Salgado

Subject:

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A document with a tracking code of 9414836897846206656932 and reference number of Gobbler 5/6 was successfully delivered to Timothy R. MacDonald

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Regards,

The Client Services Group-Assistance

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

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

July 29, 2021

Via Certified Mail

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

Re:

Gobbler 5/6 B3HE State Com #2H
1410' FNL & 205' FEL (SL) (Sec 5)
2000' FNL & 100' FWL (BHL) (Sec 6)
Sections 5 & 6, T19S, R29E
Eddy County, New Mexico
TVD: 8,577' MD: 18,517'

Proration Unit/Project Area: N2N2

Gobbler 5/6 B3AD State Com #2H 1380' FNL & 205' FEL (SL) (Sec 5) 650' FNL & 100' FWL (BHL) (Sec 6) Sections 5 & 6, T19S, R29E Eddy County, New Mexico TVD: 8.535' MD: 18,507'

Proration Unit/Project Area: N2N2

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

Sincerely,

MEWBOURNE OIL COMPANY

asalgada.

Adriana Salgado

From:

webmaster@simplecertifiedmail.com

Sent:

Friday, July 30, 2021 10:50 AM Adriana Salgado

To: Subject:

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A document with a tracking code of 9414836897846206661936 and reference number of Gobbler 5/6 was successfully delivered to E. Scott Kimbrough at Maverick OII & Gas Corp.

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Regards,

The Client Services Group-Assistance

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888-462-1750 ext. 2 assistance@simplecertifiedmail.com

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MEWBOURNE OIL COMPANY **FXHIBIT 4** AUTHORIZATION FOR EXPENDITURE Prospect: GOBBLER 5 Well Name: GOBBLER 5/6 B3AD STATE COM #2H ST: NM Location: SL: 1380 FNL & 205 FEL (5); BHL: 650 FNL & 100 FWL (6) County: EDDY RNG: 29E Prop. TVD: 8535 TMD: 18507 195 TWP: 5 Blk: Survey: Sec. CODE CODE **INTANGIBLE COSTS 0180** \$8,000 0180-0200 0180-0100 Regulatory Permits & Surveys \$35,000 0180-0205 \$35,000 0180-0105 Location / Road / Site / Preparation \$18,800 \$200,000 0180-0206 0180-0106 Location / Restoration \$62,600 \$417,600 0180-0210 20 days drlg / 3 days comp @ \$19,550/d Daywork / Turnkey / Footage Drilling 0180-0110 \$384,800 \$108,900 0180-0214 1700 gal/day @ \$3.00/gal 0180-0114 Fuel 0180-0215 0180-0115 Alternate Fuels 0180-0120 \$50,000 0180-0220 Mud, Chemical & Additives \$85,000 0180-0221 0180-0121 Mud - Specialized \$150,000 0180-0222 Horizontal Drillout Services 0180-0223 \$25,000 Stimulation Toe Preparation \$30,000 0180-0125 \$75,000 0180-0225 Cementing \$342,000 \$2,300 0180-0230 Logging & Wireline Services 0180-0130 \$40,000 \$16,000 0180-0234 0180-0134 Casing / Tubing / Snubbing Service \$30,000 0180-0137 Mud Logging \$1,658,000 0180-0241 61 Stg 20.2MM gal & 20.2MM lbs Stimulation \$200,000 0180-0242 Stimulation Rentals & Other \$35,000 0180-0245 \$256,800 0180-0145 Water & Other 564,100 0180-0248 \$5,000 0180-0148 Bits \$50,000 0180-0250 \$5.000 0180-0150 Inspection & Repair Services \$10,000 0180-0154 0180-0254 Misc. Air & Pumping Services \$24,000 0180-0158 \$12,000 0180-0258 Testing & Flowback Services 0180-0260 \$10,500 Completion / Workover Rig \$120,000 Rig Mobilization 0180-0164 \$20,000 \$30,000 0180-0265 0180-0165 Transportation \$15,000 0180-0168 \$4,000 0180-0268 Welding, Construction, & Maint. Services Contract Services & Supervision 0180-0170 \$35,900 0180-0270 \$39,300 Includes vertical control 0180-0175 \$263,300 **Directional Services** \$25,300 0180-0180 \$177,200 0180-0280 Equipment Rental 0180-0184 \$5,000 0180-0284 Weil / Lease Legal \$4,200 0180-0285 0180-0185 Well / Lease Insurance \$10,000 \$7,000 0180-0288 Intangible Supplies 0180-0188 \$10,000 \$10,000 0180-0290 Damages 0180-0190 \$5,000 Pipeline Interconnect & ROW Easements 0180-0192 0180-0292 Company Supervision 0180-0195 \$151,200 0180-0295 \$93,600 \$10,000 0180-0296 \$20,000 Overhead Fixed Rate 0180-0196 10% (TCP) 10% (CC) 0180-0199 \$200,700 0180-0299 \$349,600 Contingencies TOTAL \$2,207,400 \$3,845,300 TANGIBLE COSTS 0181 Casing (19.1" - 30") \$34,600 0181-0793 Casing (10.1" - 19.0") 500' - 13 3/8" 54.5# J-55 ST&C @ \$48.00/ft 0181-0794 \$25,600 Casing (8.1" - 10.0") 1150' - 9 5/8" 40# HCL80 LT&C @ \$38.00/ft 0181-0795 \$46,700 Casing (6.1" - 8.0") 8790' - 7" 29# HCP-110 LT&C @ \$28.50/ft 0181-0796 \$267,600 Casing (4.1" - 6.0") 0181-0797 \$178,400 10775' - 4 1/2" 13.5# P-110 BPN @ \$15.50/ft \$113,700 0181-0798 Tubing 8190' - 2 7/8" 6.5# EUE tbg @ \$13.00/ft \$35,000 0181-0860 Drilling Head \$30,000 Tubing Head & Upper Section 0181-0870 \$50,000 Horizontal Completion Tools Completion liner hanger 0181-0871 \$25,000 Subsurface Equip. & Artificial Lift 0181-0880 Pumping Unit Systems 0181-0885 Service Pumps 0181-0886 \$16,000 (1/2) TP/CP/circ. pump (1/2) 6 - 750 bbl/5 - 750 bbl coated/1 - GB Storage Tanks 0181-0890 \$169,300 **Emissions Control Equipment** 0181-0892 \$151,900 (1/2) VRTs/VRU/KOs Separation / Treating Equipment 0181-0895 \$147 500 (1/2) horz. sep./vert. sep./HT Automation / Metering Equipment 0181-0898 \$75,000 \$24,000 Line Pipe & Valves - Gathering (1/2) 1/2 mile gas & water 0181-0900 \$225,000 Fittings / Valves & Accessories 0181-0906 Cathodic Protection 0181-0908 \$8,000 \$125,000 Electrical Installation 0181-0909 0181-0910 \$100,000 Equipment Installation (1/2) 1/2 mile gas & water 0181-0920 \$65,000 Pipeline Construction TOTAL \$409,500 \$1,503,800 SUBTOTAL \$2,616,900 \$5,349,100 TOTAL WELL COST \$7,966,000 Extra Expense Insurance Lelect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.

Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185 I elect to purchase my own well control insurance policy. If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance 10/28/2021 Company Approval Joint Owner Interest: Amount:

Signature:

Joint Owner Name: