

CASE NOS. 22015 and 20016

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

EXHIBITS

- A. Applications and Proposed Ads
- B. Landman's Affidavit (Case No. 22015)
- C. Landman's Affidavit (Case No. 22016)
- D. Geologist's Affidavit
- E. Affidavit of Notice
- F. Pooling Checklists

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 22015

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 W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29, and has the right to drill a well thereon.
2. Applicant proposes to drill the North Wilson Deep Unit Well No. 3H to a depth sufficient to test the Bone Spring formation, with a first take point in the NW/4SW/4 of Section 17 and a last take point in the SW/4NW/4 of Section 29.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29 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 W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29, pursuant to NMSA 1978 §70-2-17.

EXHIBIT

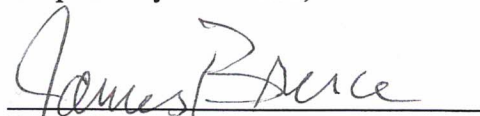
A

5. The pooling of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29 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 W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing 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 and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. _____:

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.

Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29, Township 21 South, Range 35 East, NMPM. The unit will be dedicated to the North Wilson Deep Unit Well No. 3H, with a first take point in the NW/4SW/4 of Section 17 and a last take point in the SW/4NW/4 of Section 29. 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 8 miles west-southwest of Oil Center, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 22016

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 E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

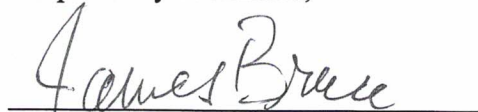
1. Applicant is an interest owner in the E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29, and has the right to drill a well thereon.
2. Applicant proposes to drill the North Wilson Deep Unit Well No. 4H to a depth sufficient to test the Bone Spring formation, with a first take point in the NE/4SW/4 of Section 17 and a last take point in the SE/4NW/4 of Section 29.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29 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 E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29 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 E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing 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 and completing 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, Lea County, New Mexico.

Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29, Township 21 South, Range 35 East, NMPM. The unit will be dedicated to the North Wilson Deep Unit Well No. 4H, with a first take point in the NE/4SW/4 of Section 17 and a last take point in the SE/4NW/4 of Section 29. 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 8 miles west-southwest of Oil Center, 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, LEA COUNTY, NEW MEXICO.**

Case No. 22015

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 an associate landman for two years and a landman for three 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 11 years of land work experience.

2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Bone Spring formation horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well but have failed or refused to voluntarily commit their interests to the well. All interest owners have been located.

(c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 320.00-acre horizontal spacing unit in the Bone Spring Formation comprised of the W2SW of Section 17, the W2W2 of Section 20 and the W2NW of Section 29, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the North Wilson Deep Unit #3H. 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

B

- (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them, delivery receipts for each and copies of all email correspondence as listed.
- (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 Lea 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 Lea County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Applicant requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

ASalgado
Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 23rd day of June, 2021 by Adriana Salgado.

My Commission Expires: 12/09/2023

[Signature]
Notary Public

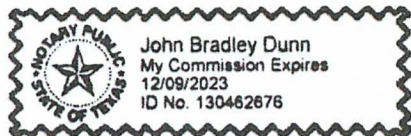
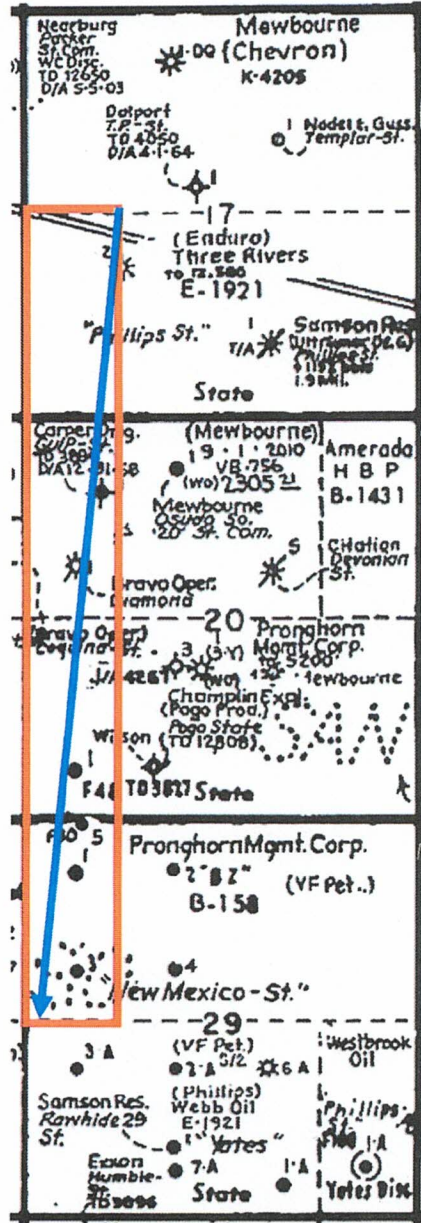


EXHIBIT 1

North Wilson Deep Unit #3H



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: (505) 748-1283 Fax: (505) 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

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name NORTH WILSON DEEP UNIT			6 Well Number 3H
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3662'

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
F	17	21S	35E		2330	NORTH	1600	WEST	LEA

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	29	21S	35E		2540	NORTH	440	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.

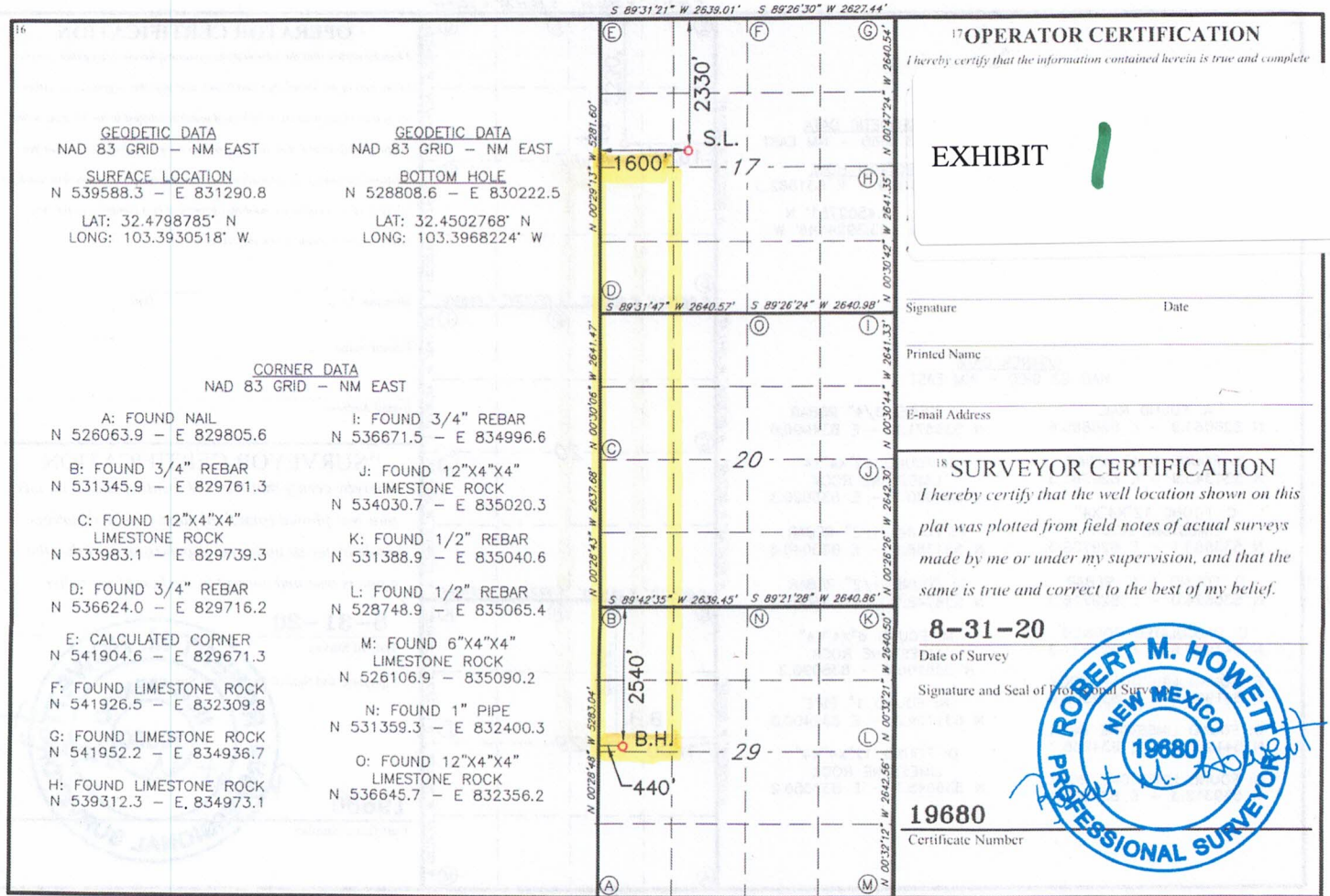


Exhibit 2

TRACT OWNERSHIP
North Wilson Deep Unit #3H
W2SW of Section 17, W2W2 of Section 20 & W2NW of Section 29,
Township 21 South, Range 35 East
Lea County, New Mexico

Bone Spring Formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company 500 West Texas, Ste. 1020 Midland, Texas 79701	47.500000%
Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002	25.000000%
*COG Exchange Properties II, LLC 600 W. Illinois Ave. Midland, Texas 79701	17.810000%
*Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102	6.250000%
Zorro Partners 616 Texas Street Fort Worth, Texas 76102-4612	1.250000%
Javelina Partners 616 Texas Street Fort Worth, Texas 76102-4612	1.250000%
*COG Operating, LLC 600 W. Illinois Ave. Midland, Texas 79701	0.940000%
Total	100.000000%

***Total interest being pooled: 25.000000%**

EXHIBIT 3

Summary of Communications
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H

Company Name: COG Exchange Properties II, LLC & COG Operating, LLC		
Date:	Communicated with:	Comments/Actions:
1/27/2021	Baylor Mitchell	Mailed well proposals via certified mail dated 1/27/2021.
1/29/2021		Certified Mail receipt showed successful delivery at 2:57 PM
1/20/2021, 1/22/2021, 1/26/2021, 1/27/2021, 2/4/2021, 2/10/2021, 2/22/2021, 3/1/2021, 3/2/2021, 3/8/2021, 3/9/2021, 3/10/2021, 3/12/2021, 3/15/2021, 3/16/2021, 3/17/2021, 3/22/2021, 3/26/2021, 3/29/2021, 4/1/2021, 4/6/2021, 4/8/2021, 4/14/2021, 4/16/2021, 4/22/2021, 5/5/2021, 5/6/2021, 5/7/2021, 5/13/2021, 5/24/2021, 5/25/2021, 6/3/2021, 6/8/2021, 6/9/2021, 6/10/2021, 6/15/2021, 6/18/2021, 6/21/2021, 6/22/2021	Mike Wallace, Sean Johnson & Baylor Mitchell	There have been constant negotiations with the COG parties in order to agree upon and execute a Joint Operating Agreement.

Company Name: Devon Energy Corporation		
Date:	Communicated with:	Comments/Actions:
1/27/2021	Andy Bennett	Mailed well proposals via certified mail dated 1/27/2021.
2/01/2021		Certified Mail receipt showed successful delivery at 4:51 PM
2/16/2021	Andy Bennett	Devon emailed me asking questions on well spud dates and letting me know they were running numbers.
2/18/2021	Andy Bennett	I emailed Devon to answer questions and try to negotiate a JOA with them.
2/19/2021	Andy Bennett	Devon emailed to asked with Mewbourne wanted to purchase their interest in the unit.
2/24/2021	Andy Bennett	I emailed Devon with an offer for Mewbourne to purchase their interest in the unit.
2/24/2021	Andy Bennett	Devon responded that they would talk about this offer with their team.
2/24/2021	Andy Bennett	I emailed Devon to let them know their NRI per the DTO we had rendered.
3/2/2021	Andy Bennett	I followed up with Devon regarding any updates they had on our offer.
3/4/2021	Andy Bennett	Devon responded that they were still reviewing our offer.
3/17/2021	Andy Bennett	I followed up with Devon regarding any updates they had on our offer.
3/17/2021	Andy Bennett	Devon responded that they were not willing to accept our offer.
3/17/2021	Andy Bennett	I responded asking if they could let us know what offer they needed to move the deal along.
3/22/2021	Andy Bennett	Devon stated that their team's valuation was pretty far off from our offer so they don't see us being able to agree to a number. So, they didn't respond to me anymore with an offer that they'd like to see us give.

MEWBOURNE OIL COMPANY

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

January 27, 2021

Via: Certified Mail

COG Exchange Properties II, LLC
600 W. Illinois Ave.
Midland, TX 79701
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H
SW of Section 17, T21S-R35E
W2 of Section 20, T21S-R35E
NW of Section 29, T21S-R35E
Lea County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill and operate the following horizontal Bone Spring wells for oil and gas production:

1. North Wilson Deep Unit #3H located at a surface location 2330' FNL & 1600' FWL of Section 17, with a bottom hole location 2540' FNL & 440' FWL of Section 29, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 10,123' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,588'. The project area for this well consists of W2SW of Section 17, W2W2 of Section 20, and W2NW of Section 29 in T21S-R35E.
2. North Wilson Deep Unit #4H located at a surface location 2330' FNL & 1630' FWL of Section 17, with a bottom hole location 2535' FNL & 1800' FWL of Section 29, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,910' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,300'. The project area for this well consists of E2SW of Section 17, E2W2 of Section 20, and E2NW of Section 29 in T21S-R35E.

Regarding the above, enclosed for your further handling and information is a copy of our Authorization For Expenditure ("AFE") for each of the above wells. Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof.

Feel free to contact me at (432) 682-3715 or via email at asalgado@mewbourne.com if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

MEWBOURNE OIL COMPANY

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

January 27, 2021

Via: Certified Mail

COG Operating LLC
600 W. Illinois Ave.
Midland, TX 79701
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H
SW of Section 17, T21S-R35E
W2 of Section 20, T21S-R35E
NW of Section 29, T21S-R35E
Lea County, New Mexico

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Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Friday, January 29, 2021 2:57 PM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846587478444 and reference number of NWDU 3H 4H WELL PROPOSALS was successfully delivered to COG Operating LLC at Land Manager

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

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447

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

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MEWBOURNE OIL COMPANY

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

January 27, 2021

Via: Certified Mail

Devon Energy Production Company, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H
SW of Section 17, T21S-R35E
W2 of Section 20, T21S-R35E
NW of Section 29, T21S-R35E
Lea County, New Mexico

Dear Ladies and Gentlemen:

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Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Monday, February 1, 2021 4:51 PM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846587482816 and reference number of NWDU 3H 4H WELL PROPOSALS was successfully delivered to Devon Energy Production Company, L.P. at Attn: Land Manager

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

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447

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

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MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: **NORTH WILSON DEEP UNIT #3H** Prospect: **NORTH WILSON DEEP UNIT**
 Location: **SL: 2330 FNL & 1600 FWL (17); BHL: 2540 FNL & 440 FWL (29)** County: **Lea** ST: **NM**
 Sec. **17** Blk: Survey: TWP: **21S** RNG: **35E** Prop. TVD: **10123** TMD: **20588**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$33,000
Daywork / Turnkey / Footage Drilling	30 days drlg / 3 days comp @ \$18,250/d	0180-0110	\$584,700	0180-0210	\$58,500
Fuel	1700 gal/day @ \$1.30/gal	0180-0114	\$70,800	0180-0214	\$260,000
Mud, Chemical & Additives		0180-0120	\$170,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$200,000
Cementing		0180-0125	\$80,000	0180-0225	\$25,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$300,000
Casing / Tubing / Snubbing Service		0180-0134	\$18,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation	50 Stg 19.8 MM gal / 19.8 MM lb			0180-0241	\$1,270,000
Stimulation Rentals & Other				0180-0242	\$160,000
Water & Other		0180-0145	\$35,000	0180-0245	\$625,000
Bits		0180-0148	\$128,200	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$30,000
Welding Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$21,000
Directional Services	Includes Vertical Control	0180-0175	\$418,500		
Equipment Rental		0180-0180	\$227,300	0180-0280	\$24,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,600	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
ROW & Easements		0180-0192		0180-0292	\$5,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$336,000	0180-0295	\$96,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$52,200	0180-0299	\$65,800
TOTAL			\$2,661,600		\$3,357,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1890' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$64,900		
Casing (8.1" - 10.0")	5690' - 9 5/8" 40# HCL80 LT&C @ \$26.51/ft	0181-0795	\$161,100		
Casing (6.1" - 8.0")	10070' - 7" 29# HCP-110 LT&C @ \$21.47/ft	0181-0796	\$230,900		
Casing (4.1" - 6.0")	10750' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft			0181-0797	\$134,600
Tubing	9380' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft			0181-0798	\$45,500
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$45,000
Sucker Rods				0181-0875	
Subsurface Equipment	Packer			0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	(1/2) VRU/HTB/Transfer			0181-0886	\$60,000
Tanks - Oil	(1/2) 6 - 750 bbl			0181-0890	\$60,000
Tanks - Water	(1/2) 5 - 750 bbl coated			0181-0891	\$55,000
Separation / Treating Equipment	(1/2) VRT/Flare/30"x10"x1k 3ph/48"x15"x1k# hor. 3ph/G			0181-0895	\$150,000
Heater Treaters, Line Heaters	8"x20"x75# HT			0181-0897	\$27,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	(1/2) 1 mile Poly SWD & 1 mile Steel Gas			0181-0900	\$46,500
Fittings / Valves & Accessories				0181-0906	\$232,500
Cathodic Protection	Inc. automation			0181-0908	\$75,000
Electrical Installation				0181-0909	\$112,500
Equipment Installation				0181-0910	\$112,500
Pipeline Construction	(1/2) 1 mile Poly SWD & 1 mile Steel Gas			0181-0920	\$97,500
TOTAL			\$491,900		\$1,323,600
SUBTOTAL			\$3,153,500		\$4,681,400

TOTAL WELL COST \$7,834,900

Extra Expense Insurance

I elect 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.

Prepared by: H. Buckley Date: 9/14/2020
 Company Approval: _____ Date: _____
 Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ Signature: _____

EXHIBIT 4

**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, LEA COUNTY, NEW MEXICO.**

Case No. 22016

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 an associate landman for two years and a landman for three 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 11 years of land work experience.

2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Bone Spring formation horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well but have failed or refused to voluntarily commit their interests to the well. All interest owners have been located.

(c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 320.00-acre horizontal spacing unit in the Bone Spring Formation comprised of the E2SW of Section 17, the E2W2 of Section 20 and the E2NW of Section 29, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the North Wilson Deep Unit #3H. 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

C

- (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them, delivery receipts for each and copies of all email correspondence as listed.
- (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 Lea 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 Lea County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Applicant requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

ASalgado
Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 23rd day of June, 2021 by Adriana Salgado.

My Commission Expires: 12/09/2023

[Signature]
Notary Public



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

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name NORTH WILSON DEEP UNIT						6 Well Number 4H	
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3662'	
10 Surface Location									
UL or lot no. F	Section 17	Township 21S	Range 35E	Lot Idn	Feet from the 2330	North/South line NORTH	Feet From the 1630	East/West line WEST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. F	Section 29	Township 21S	Range 35E	Lot Idn	Feet from the 2535	North/South line NORTH	Feet from the 1800	East/West line WEST	County LEA
12 Dedicated Acres	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.

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N 539588.6 - E 831320.8
LAT: 32.4798785° N
LONG: 103.3929546° W

BOTTOM HOLE
N 528819.9 - E 831582.3
LAT: 32.4502751° N
LONG: 103.3924146° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND NAIL N 526063.9 - E 829805.6	I: FOUND 3/4" REBAR N 536671.5 - E 834996.6
B: FOUND 3/4" REBAR N 531345.9 - E 829761.3	J: FOUND 12"x4"x4" LIMESTONE ROCK N 534030.7 - E 835020.3
C: FOUND 12"x4"x4" LIMESTONE ROCK N 533983.1 - E 829739.3	K: FOUND 1/2" REBAR N 531388.9 - E 835040.6
D: FOUND 3/4" REBAR N 536624.0 - E 829716.2	L: FOUND 1/2" REBAR N 528748.9 - E 835065.4
E: CALCULATED CORNER N 541904.6 - E 829671.3	M: FOUND 6"x4"x4" LIMESTONE ROCK N 526106.9 - E 835090.2
F: FOUND LIMESTONE ROCK N 541926.5 - E 832309.8	N: FOUND 1" PIPE N 531359.3 - E 832400.3
G: FOUND LIMESTONE ROCK N 541952.2 - E 834936.7	O: FOUND 12"x4"x4" LIMESTONE ROCK N 536645.7 - E 832356.2
H: FOUND LIMESTONE ROCK N 539312.3 - E 834973.1	

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including

EXHIBIT 1

Signature _____
Printed Name _____
E-mail Address _____

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

8-31-20

Date of Survey _____
Signature and Seal of Professional Surveyor _____

19680

Certificate Number _____

Job No.: LS20080405

Exhibit 2

**TRACT OWNERSHIP
North Wilson Deep Unit #4H
E2SW of Section 17, E2W2 of Section 20 & E2NW of Section 29,
Township 21 South, Range 35 East
Lea County, New Mexico**

Bone Spring Formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company 500 West Texas, Ste. 1020 Midland, Texas 79701	47.500000%
Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002	25.000000%
*COG Exchange Properties II, LLC 600 W. Illinois Ave. Midland, Texas 79701	17.810000%
*Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102	6.250000%
Zorro Partners 616 Texas Street Fort Worth, Texas 76102-4612	1.250000%
Javelina Partners 616 Texas Street Fort Worth, Texas 76102-4612	1.250000%
*COG Operating, LLC 600 W. Illinois Ave. Midland, Texas 79701	0.940000%
Total	100.000000%

***Total interest being pooled: 25.000000%**

EXHIBIT 3

Summary of Communications
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H

Company Name: COG Exchange Properties II, LLC & COG Operating, LLC		
Date:	Communicated with:	Comments/Actions:
1/27/2021	Baylor Mitchell	Mailed well proposals via certified mail dated 1/27/2021.
1/29/2021		Certified Mail receipt showed successful delivery at 2:57 PM
1/20/2021, 1/22/2021, 1/26/2021, 1/27/2021, 2/4/2021, 2/10/2021, 2/22/2021, 3/1/2021, 3/2/2021, 3/8/2021, 3/9/2021, 3/10/2021, 3/12/2021, 3/15/2021, 3/16/2021, 3/17/2021, 3/22/2021, 3/26/2021, 3/29/2021, 4/1/2021, 4/6/2021, 4/8/2021, 4/14/2021, 4/16/2021, 4/22/2021, 5/5/2021, 5/6/2021, 5/7/2021, 5/13/2021, 5/24/2021, 5/25/2021, 6/3/2021, 6/8/2021, 6/9/2021, 6/10/2021, 6/15/2021, 6/18/2021, 6/21/2021, 6/22/2021	Mike Wallace, Sean Johnson & Baylor Mitchell	There have been constant negotiations with the COG parties in order to agree upon and execute a Joint Operating Agreement.

Company Name: Devon Energy Corporation		
Date:	Communicated with:	Comments/Actions:
1/27/2021	Andy Bennett	Mailed well proposals via certified mail dated 1/27/2021.
2/01/2021		Certified Mail receipt showed successful delivery at 4:51 PM
2/16/2021	Andy Bennett	Devon emailed me asking questions on well spud dates and letting me know they were running numbers.
2/18/2021	Andy Bennett	I emailed Devon to answer questions and try to negotiate a JOA with them.
2/19/2021	Andy Bennett	Devon emailed to asked with Mewbourne wanted to purchase their interest in the unit.
2/24/2021	Andy Bennett	I emailed Devon with an offer for Mewbourne to purchase their interest in the unit.
2/24/2021	Andy Bennett	Devon responded that they would talk about this offer with their team.
2/24/2021	Andy Bennett	I emailed Devon to let them know their NRI per the DTO we had rendered.
3/2/2021	Andy Bennett	I followed up with Devon regarding any updates they had on our offer.
3/4/2021	Andy Bennett	Devon responded that they were still reviewing our offer.
3/17/2021	Andy Bennett	I followed up with Devon regarding any updates they had on our offer.
3/17/2021	Andy Bennett	Devon responded that they were not willing to accept our offer.
3/17/2021	Andy Bennett	I responded asking if they could let us know what offer they needed to move the deal along.
3/22/2021	Andy Bennett	Devon stated that their team's valuation was pretty far off from our offer so they don't see us being able to agree to a number. So, they didn't respond to me anymore with an offer that they'd like to see us give.

MEWBOURNE OIL COMPANY

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

January 27, 2021

Via: Certified Mail

COG Exchange Properties II, LLC
600 W. Illinois Ave.
Midland, TX 79701
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H
SW of Section 17, T21S-R35E
W2 of Section 20, T21S-R35E
NW of Section 29, T21S-R35E
Lea County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill and operate the following horizontal Bone Spring wells for oil and gas production:

1. North Wilson Deep Unit #3H located at a surface location 2330' FNL & 1600' FWL of Section 17, with a bottom hole location 2540' FNL & 440' FWL of Section 29, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 10,123' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,588'. The project area for this well consists of W2SW of Section 17, W2W2 of Section 20, and W2NW of Section 29 in T21S-R35E.
2. North Wilson Deep Unit #4H located at a surface location 2330' FNL & 1630' FWL of Section 17, with a bottom hole location 2535' FNL & 1800' FWL of Section 29, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,910' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,300'. The project area for this well consists of E2SW of Section 17, E2W2 of Section 20, and E2NW of Section 29 in T21S-R35E.

Regarding the above, enclosed for your further handling and information is a copy of our Authorization For Expenditure ("AFE") for each of the above wells. Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof.

Feel free to contact me at (432) 682-3715 or via email at asalgado@mewbourne.com if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

January 27, 2021

Via: Certified Mail

COG Operating LLC

600 W. Illinois Ave.

Midland, TX 79701

Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H
SW of Section 17, T21S-R35E
W2 of Section 20, T21S-R35E
NW of Section 29, T21S-R35E
Lea County, New Mexico

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Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Friday, January 29, 2021 2:57 PM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846587478444 and reference number of NWDU 3H 4H WELL PROPOSALS was successfully delivered to COG Operating LLC at Land Manager

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"

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Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447

[888-462-1750 ext. 2](tel:888-462-1750) | assistance@simplecertifiedmail.com

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MEWBOURNE OIL COMPANY

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

January 27, 2021

Via: Certified Mail

Devon Energy Production Company, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #3H
North Wilson Deep Unit #4H
SW of Section 17, T21S-R35E
W2 of Section 20, T21S-R35E
NW of Section 29, T21S-R35E
Lea County, New Mexico

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Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Monday, February 1, 2021 4:51 PM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846587482816 and reference number of NWDU 3H 4H WELL PROPOSALS was successfully delivered to Devon Energy Production Company, L.P. at Attn: Land Manager

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

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447
[888-462-1750 ext. 2](tel:888-462-1750) | assistance@simplecertifiedmail.com

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MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: **NORTH WILSON DEEP UNIT #4H** Prospect: **NORTH WILSON DEEP UNIT**
 Location: **SL: 2330 FNL & 1630 FWL (17); BHL: 2535 FNL & 1800 FWL (29)** County: **Lea** ST: **NM**
 Sec. **17** Blk: Survey: TWP: **21S** RNG: **35E** Prop. TVD: **9910** TMD: **20300**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$33,000
Daywork / Turnkey / Footage Drilling	30 days drlg / 3 days comp @ \$18,250/d	0180-0110	\$584,700	0180-0210	\$58,500
Fuel	1700 gal/day @ \$1.30/gal	0180-0114	\$70,800	0180-0214	\$260,000
Mud, Chemical & Additives		0180-0120	\$170,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$200,000
Cementing		0180-0125	\$80,000	0180-0225	\$25,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$300,000
Casing / Tubing / Snubbing Service		0180-0134	\$18,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation	50 Stg 19.8 MM gal / 19.8 MM lb			0180-0241	\$1,270,000
Stimulation Rentals & Other				0180-0242	\$160,000
Water & Other		0180-0145	\$35,000	0180-0245	\$625,000
Bits		0180-0148	\$128,200	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$30,000
Welding Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$21,000
Directional Services	Includes Vertical Control	0180-0175	\$418,500		
Equipment Rental		0180-0180	\$227,300	0180-0280	\$24,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,600	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
ROW & Easements		0180-0192		0180-0292	\$5,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$336,000	0180-0295	\$96,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$52,200	0180-0299	\$65,800
TOTAL			\$2,661,600		\$3,357,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1890' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$64,900		
Casing (8.1" - 10.0")	5690' - 9 5/8" 40# HCL80 LT&C @ \$26.51/ft	0181-0795	\$161,100		
Casing (6.1" - 8.0")	9855' - 7" 29# HCP-110 LT&C @ \$21.47/ft	0181-0796	\$226,000		
Casing (4.1" - 6.0")	10750' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft			0181-0797	\$134,600
Tubing	9165' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft			0181-0798	\$44,400
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$45,000
Sucker Rods				0181-0875	
Subsurface Equipment	Packer			0181-0880	\$10,000
Artificial Lift Systems	Gas Lift Valves			0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	(1/2) VRU/HTB/Transfer			0181-0886	\$60,000
Tanks - Oil	(1/2) 6 - 750 bbl			0181-0890	\$60,000
Tanks - Water	(1/2) 5 - 750 bbl coated			0181-0891	\$55,000
Separation / Treating Equipment	(1/2) VRT/Flare/30"x10"x1k 3ph/48"x15"x1k# hor. 3ph/G			0181-0895	\$150,000
Heater Treaters, Line Heaters	8'x20'x75# HT			0181-0897	\$27,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering	(1/2) 1 mile Poly SWD & 1 mile Steel Gas			0181-0900	\$46,500
Fittings / Valves & Accessories				0181-0906	\$232,500
Cathodic Protection	Inc. automation			0181-0908	\$75,000
Electrical Installation				0181-0909	\$112,500
Equipment Installation				0181-0910	\$112,500
Pipeline Construction	(1/2) 1 mile Poly SWD & 1 mile Steel Gas			0181-0920	\$97,500
TOTAL			\$487,000		\$1,322,500
SUBTOTAL			\$3,148,600		\$4,680,300

TOTAL WELL COST \$7,828,900

Extra Expense Insurance

I elect 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.

Prepared by: H. Buckley Date: 9/14/2020

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

EXHIBIT 4

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

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

Case No. 22015

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

Case No. 22016

SELF-AFFIRMED STATEMENT OF JORDAN CARRELL

Jordan Carrell deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
 - (a) Attachment A is a structure map on the base of the 2nd Bone Spring Sand. It shows that structure dips to the southwest. It also shows Bone Spring wells in the area, and a line of cross-section.
 - (b) Attachment B is a 2nd Bone Spring Sand Gross Thickness Map.
 - (c) Attachment C is a cross section of the 2nd Bone Spring Sand showing the target zones in the North Wilson Deep Unit Well Nos. 3H and 4H. The 3H well will target the lower 2nd Bone Spring Sand, and the 4H well will target the upper 2nd Second Bone Spring Sand.

The well logs on the cross-section give a representative sample of the 2nd Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well units.

4. I conclude from the maps that:
 - (a) The horizontal spacing units are justified from a geologic standpoint.
 - (b) The target zones are continuous and of relatively uniform thickness across the well units.

EXHIBIT **D**

(c) Each quarter-quarter section in the well units will contribute more or less equally to production from the target zone.

(d) There is no faulting or other geologic impediment in the area which will affect drilling of the subject wells.

5. Attachment D contains production information from other Second Bone Spring Sand wells drilled in this area. The Second Bone Spring wells in this area are all standup wells.

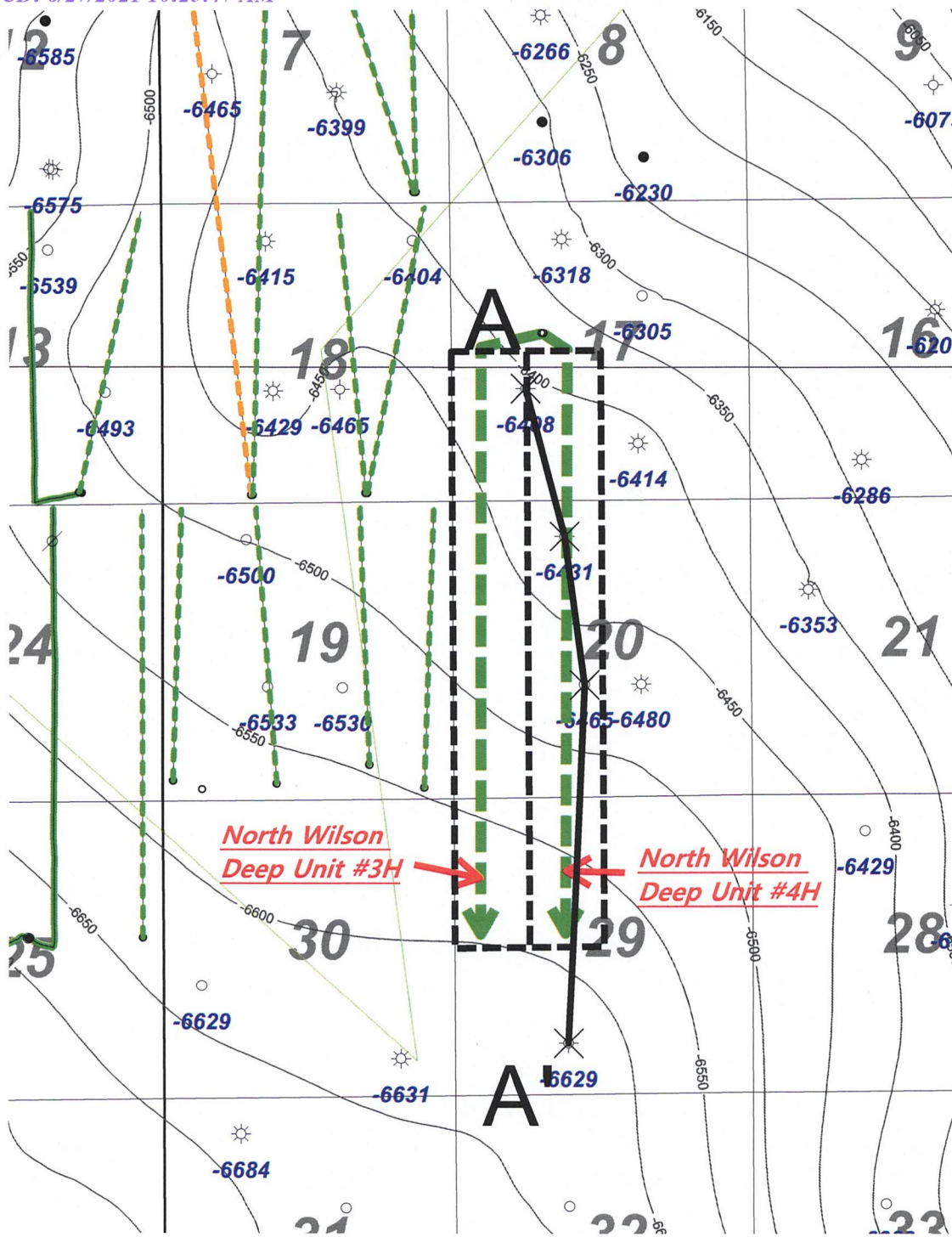
6. Attachment E contains the horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

7. I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 6 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 6-24-2021



Jordan Carrell






Wells deeper than 7000'



2nd BSPG Base
(sub sea ft)

BSPG Horizontal Color Code

-  1st BSPG Sand Permit
-  2nd BSPG Sand Permit
-  2nd BSPG Sand Well



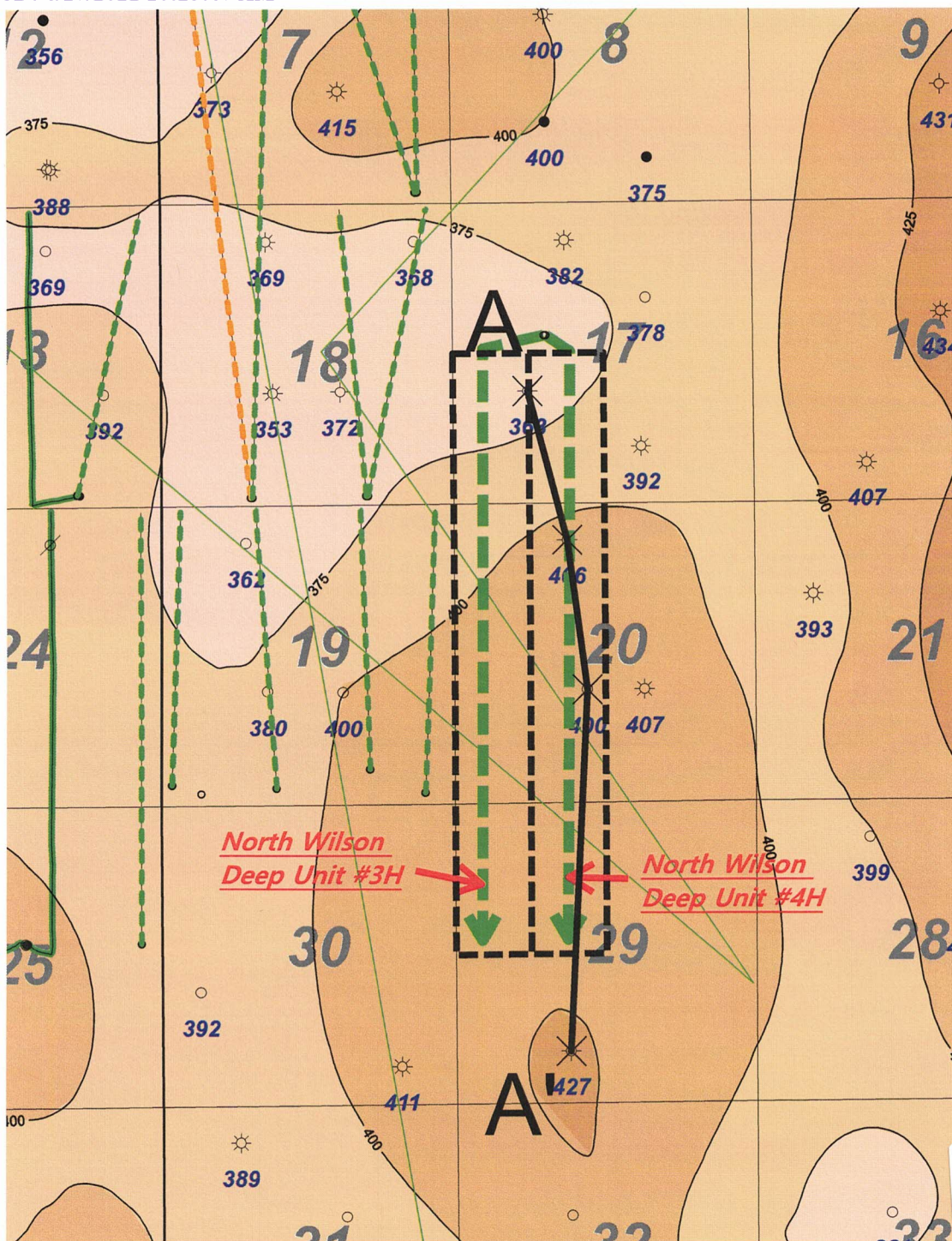
1 inch = 2200 feet



MOC Mewbourne Oil Company		
North Wilson Deep Unit #3H & #4H Base of 2 nd BSPG Structure Map C.I. = 50'		
6/17/21	Lea County	New Mexico
Scale: 1" = 2200'		

A

ATTACHMENT






Wells deeper than 7000'

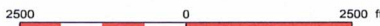


TD

**2nd BSPG Sd
gross thickness (ft)**

BSPG Horizontal Color Code

-  1st BSPG Sand Permit
-  2nd BSPG Sand Permit
-  2nd BSPG Sand Well



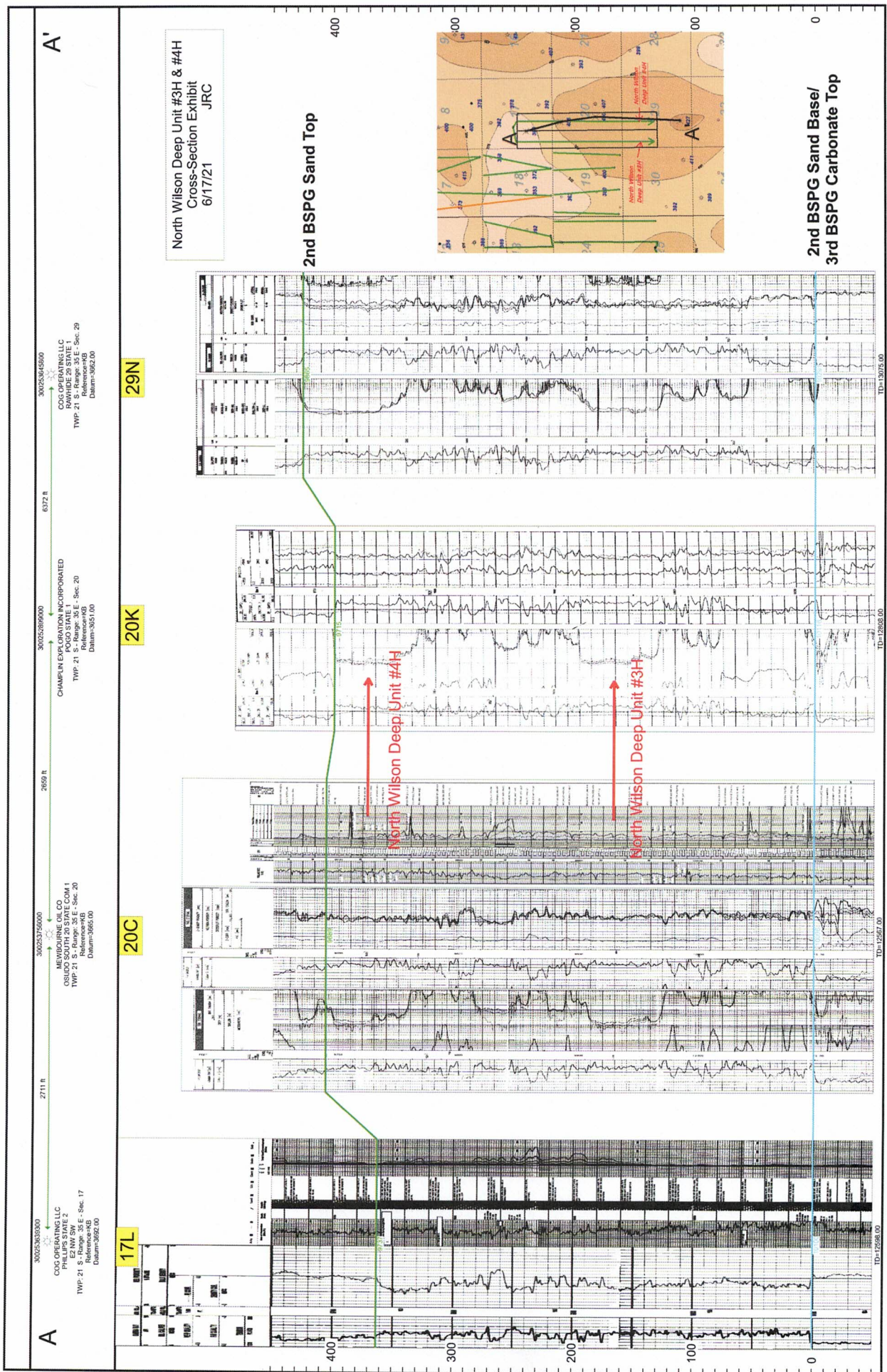
1 inch = 2200 feet



MOC Mewbourne Oil Company		
North Wilson Deep Unit #3H & #4H 2nd BSPG Sand Gross Thickness Isopach Map C.I. = 25'		
6/17/21	Lea County	New Mexico
Scale: 1" = 2200'		



ATTACHMENT



C

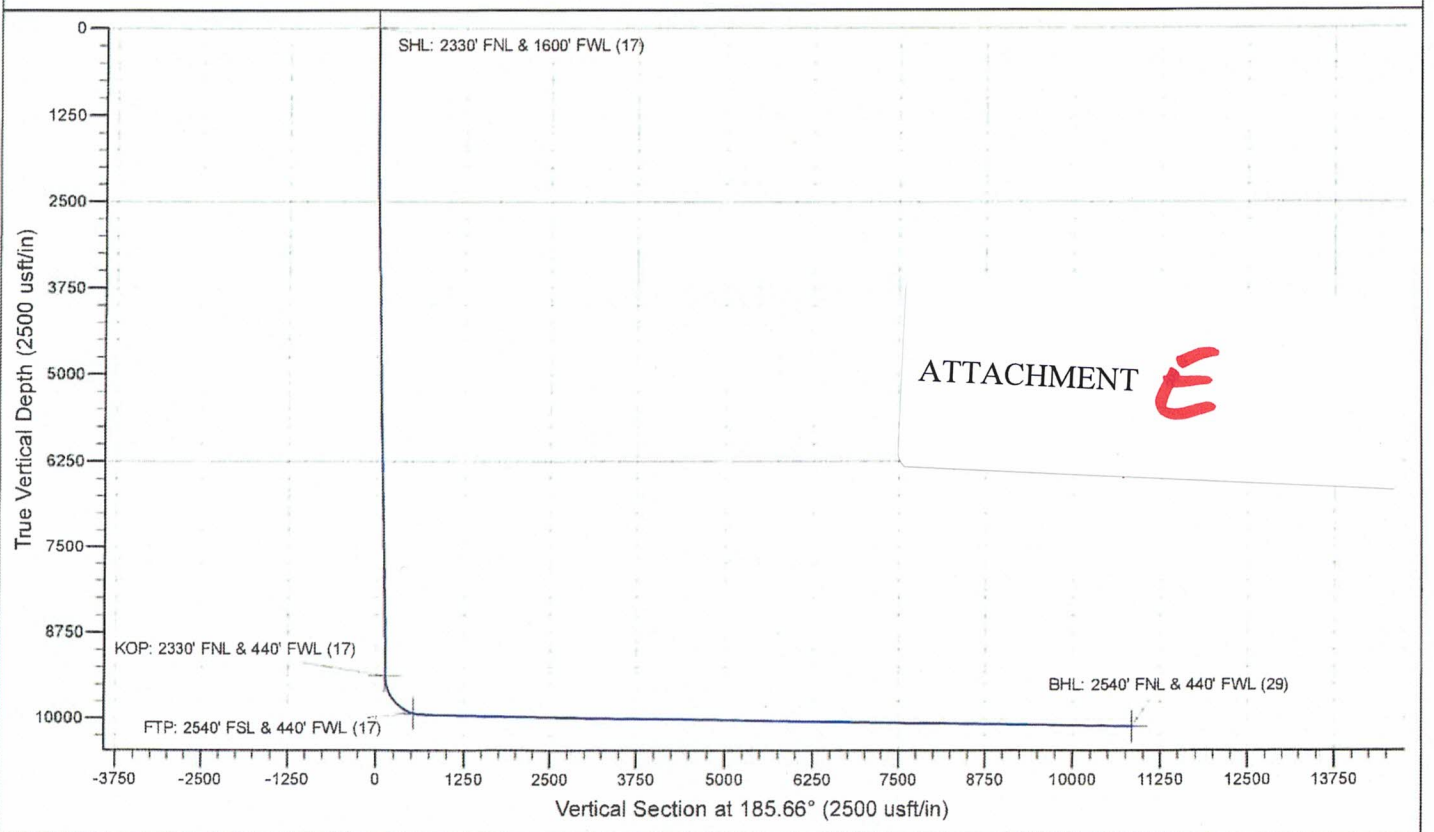
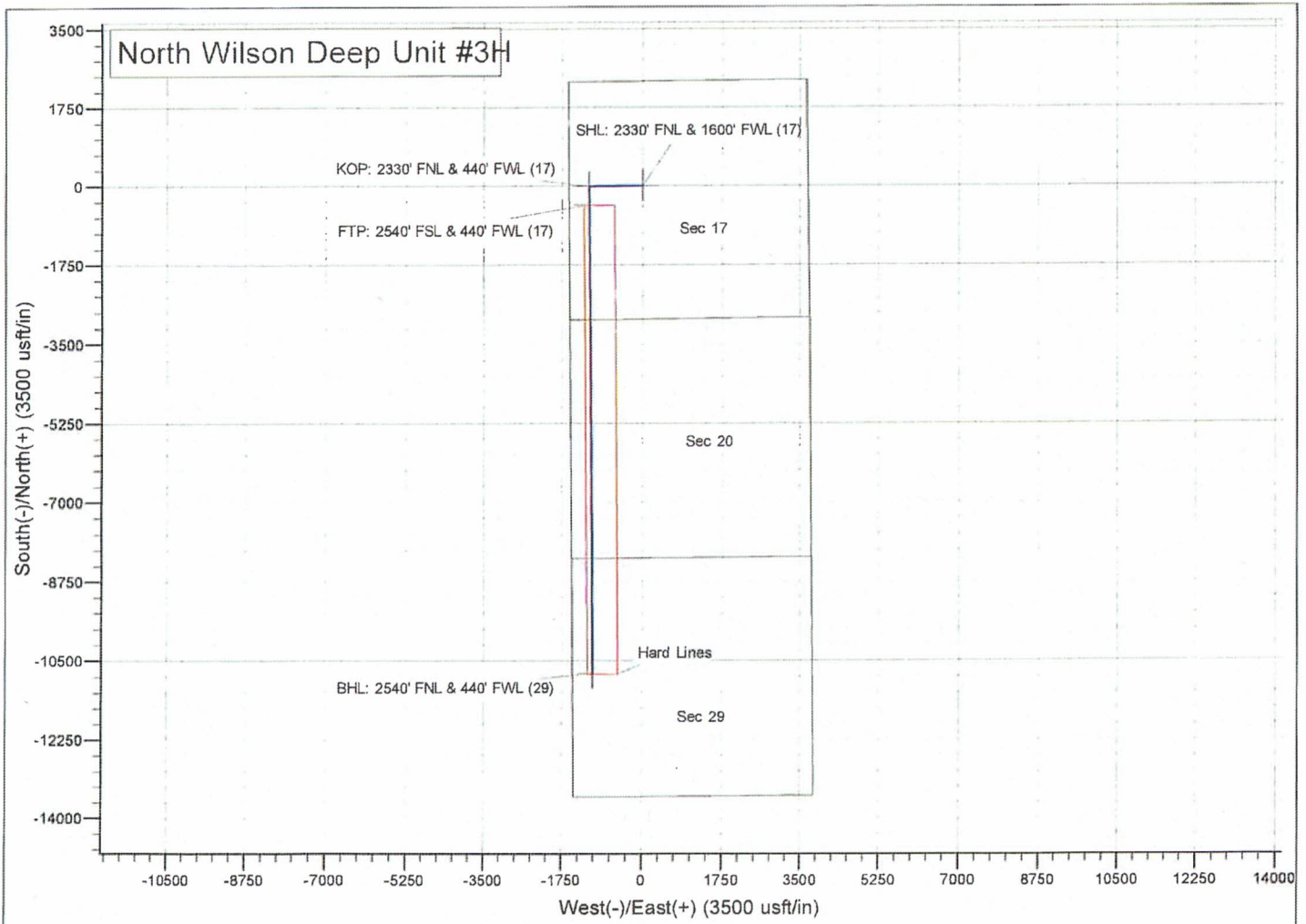
ATTACHMENT

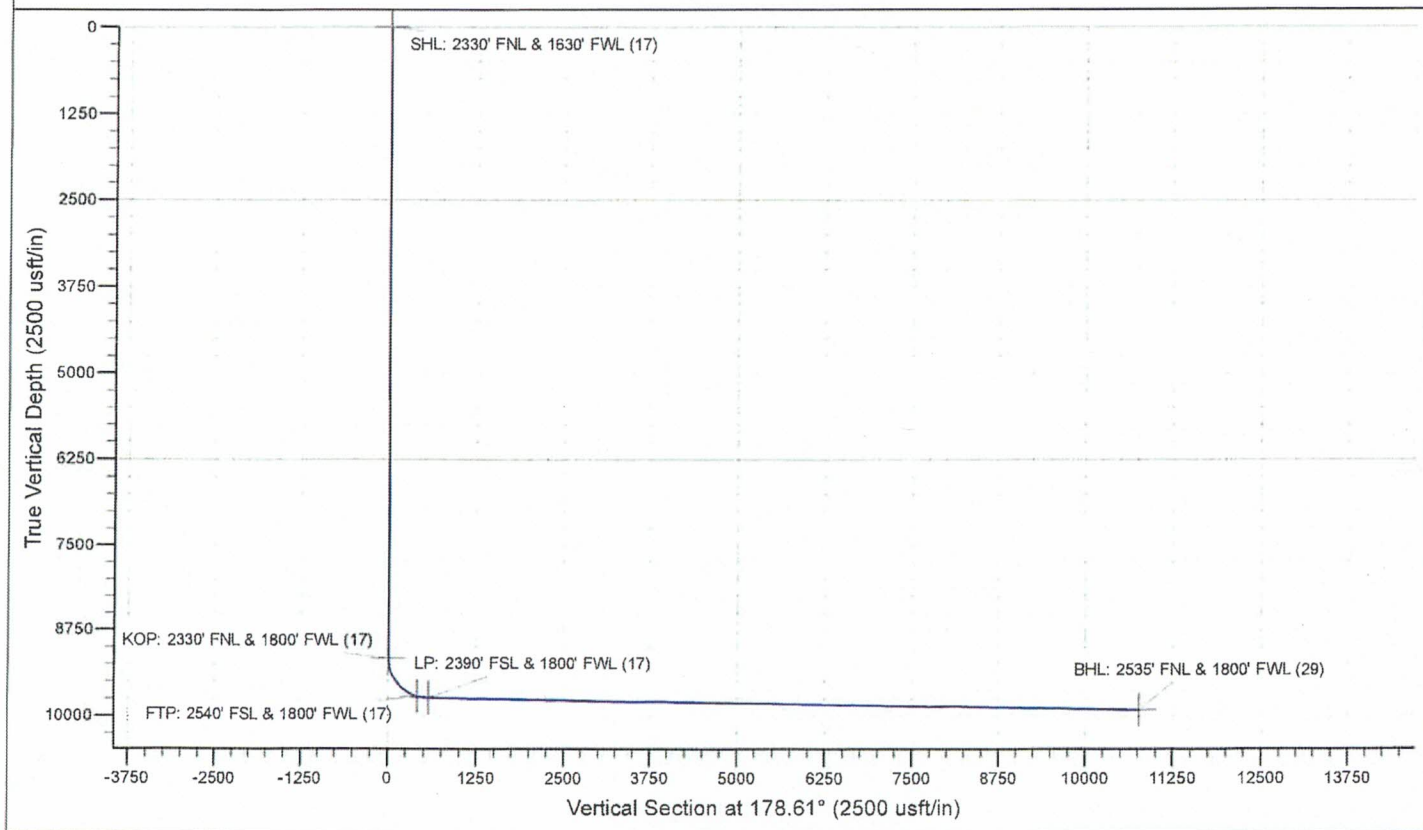
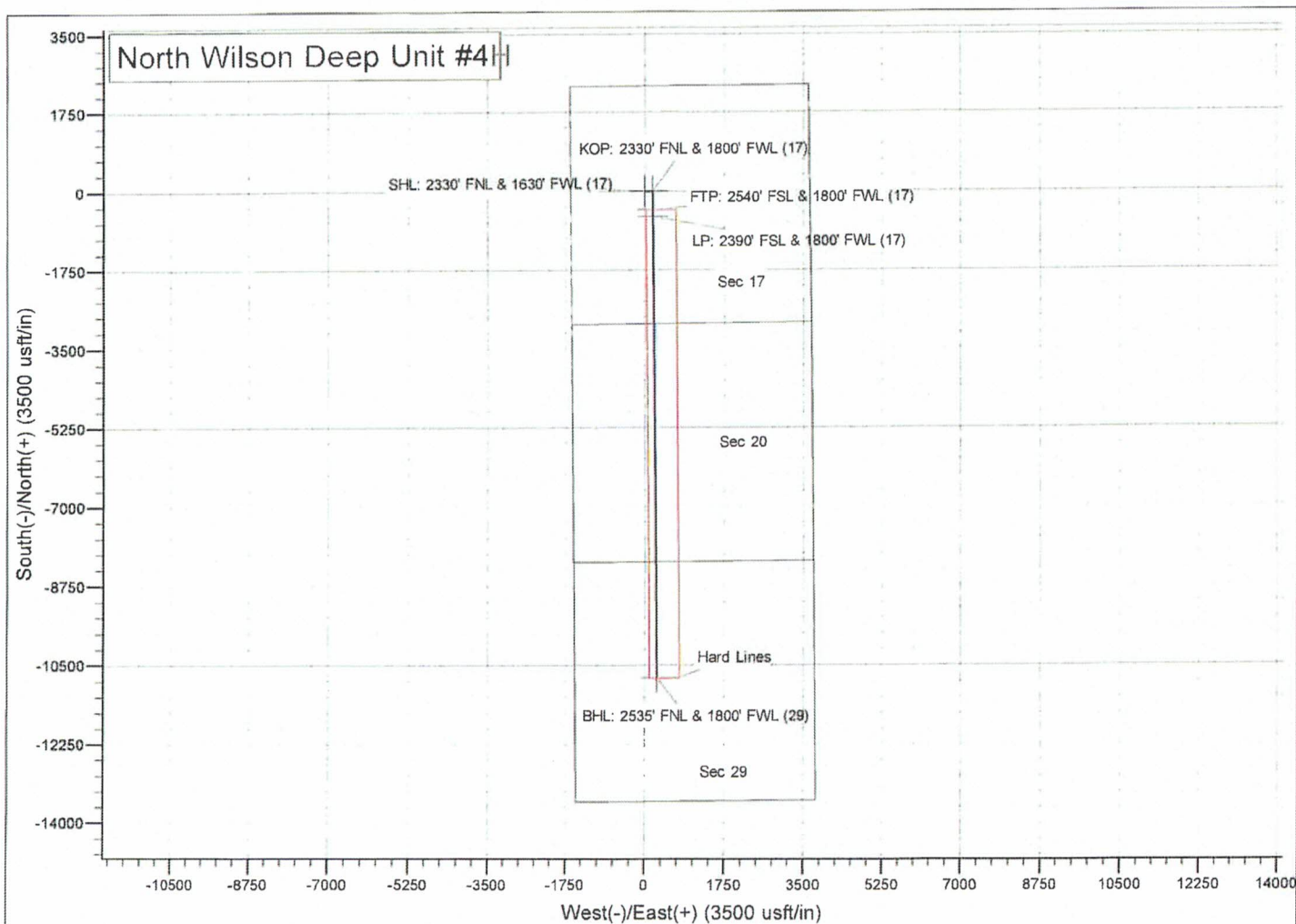
2nd Bone Spring Sand Horizontal Production Data Table

Operator	API	Location	Comp Date	Cum Oil (MBO)	Cum Gas (BCF)	Cum Water (MBW)	NS/EW	HZ Target
NEWBOURNE OIL CO	300254540200	25G24B-21S/34E	12/1/2020	132	0.2	152	NS	Lower 2nd BSPG Sd
NEWBOURNE OIL CO	300254540100	25F24C-21S/34E	12/1/2020	125	0.2	137	NS	Lower 2nd BSPG Sd
NEWBOURNE OIL CO	300254540000	25E24D-21S/34E	11/23/2019	296	0.5	332	NS	Lower 2nd BSPG Sd
MAZDOR PRODUCTION CO	300254543400	13OB-21S/34E	4/12/2019	67	0.1	109	NS	Upper 2nd BSPG Sd
NEWBOURNE OIL CO	300254505900	6BW-21S/35E	3/13/2019	97	0.1	168	NS	Lower 2nd BSPG Sd
CENTENNIAL RESOURCES	300254602100	7G6B-22S/35E	10/31/2019	261	0.4	274	NS	Lower 2nd BSPG Sd
CENTENNIAL RESOURCES	300254633100	7G6B-22S/35E	10/31/2019	231	0.5	273	NS	Upper 2nd BSPG Sd
CENTENNIAL RESOURCES	300254258300	5NC-22S/35E	11/1/2015	182	0.3	208	NS	Lower 2nd BSPG Sd

ATTACHMENT







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

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

Case Nos. 22016 and 22016

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 6/27/21

James Bruce
James Bruce

EXHIBIT **E**

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

June 10, 2021

To: Persons on Exhibit A


Ladies and gentlemen:

Enclosed are copies of two applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Bone Spring wells in (i) the W/2SW/4 of Section 17, the W/2W/2 of Section 20, and the W/2NW/4 of Section 29 (Case No. 22105), and (ii) the E/2SW/4 of Section 17, the E/2W/2 of Section 20, and the E/2NW/4 of Section 29 (Case No. 22016), all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, July 1, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters 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, June 24, 2021. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

ATTACHMENT



Exhibit A

COG Exchange Properties II, LLC
COG Operating LLC
600 West Illinois Avenue
Midland, Texas 79701

Attention: Baylor Mitchell

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

Attention: Andy Bennett

USPS Tracking®

Tracking FAQs

Track Another Package +

Remove

Tracking Number: 70202450000213628846

Your item was delivered at 8:43 am on June 22, 2021 in OKLAHOMA CITY, OK 73102.

Status:

Delivered

June 22, 2021 at 8:43 am

OKLAHOMA CITY, OK 73102

Get Updates
Delivered

Text & Email Updates

Tracking History

Product Information

See Less

9498 29ET 2000 0542 0202

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT <i>Domestic Mail Only</i>	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee \$ _____	Postmark Here
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ _____	
Total Postage and Fees \$ _____	
Sent To Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102	
Street and Apt. No., or P.O. Box No. City, State, ZIP+4®	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

Feedback

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs

USPS Tracking®

Tracking FAQs

Track Another Package +

Remove

Tracking Number: 70202450000213628839

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Status:

In Transit to Next Facility

June 24, 2021

Get Updates
In-Transit

Text & Email Updates

Tracking History

June 24, 2021

In Transit to Next Facility

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

June 20, 2021, 11:21 pm

Departed USPS Regional Facility
MIDLAND TX DISTRIBUTION CENTER

June 19, 2021, 4:56 pm

Arrived at USPS Regional Facility
MIDLAND TX DISTRIBUTION CENTER

June 15, 2021, 9:14 pm

Departed USPS Facility
ALBUQUERQUE, NM 87101

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee \$ _____ Extra Services & Fees (check box, add fee as appropriate) <input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ Postage \$ _____ Total Postage and Fees \$ _____	Postmark Here
Sent To Street and Apt. No., or PO City, State, ZIP+4®	COG Exchange Properties II, LLC COG Operating LLC 600 West Illinois Avenue Midland, Texas 79701
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

Feedback

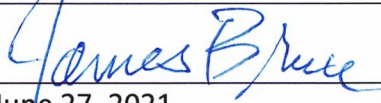
COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case:	22015
Date:	July 1, 2021
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No.14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	North Wilson Deep Unit wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Wilson; Bone Spring, North (Pool Code 97704)
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	Quarter-quarter sections
Orientation:	North-South
Description: TRS/County	W/2SW/4 §17, W/2W/2 §20, and W/2NW/4 §29-21S-35E, NMPPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits B-1 and B-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	North Wilson Deep Unit Well No. 3H API No. 30-025-Pending SHL: 2330 FNL & 1600 FWL §17 BHL: 2540 FNL & 440 FWL §29 FTP: 2540 FSL & 440 FWL §17 LTP: 2540 FNL & 440 FWL §29 Bone Spring/TVD 10123 feet/MD 20588 feet
Horizontal Well First and Last Take	See above

EXHIBIT

F

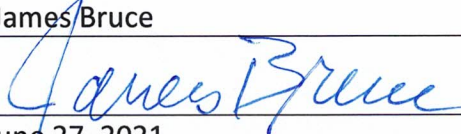
Points	
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit B
Requested Risk Charge	Cost + 200%/Exhibit B, page 2
Notice of Hearing	
Proposed Notice of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

Well Bore Location Map	Exhibits B-1 and D-E
Structure Contour Map - Subsea Depth	Exhibit D-A
Cross Section Location Map (including wells)	Exhibit D-C
Cross Section (including Landing Zone)	Exhibit D-C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	June 27, 2021

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case:	22016
Date:	July 1, 2021
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No.14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	North Wilson Deep Unit wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Wilson; Bone Spring, North (Pool Code 97704)
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	Quarter-quarter sections
Orientation:	North-South
Description: TRS/County	E/2SW/4 §17, E/2W/2 §20, and E/2NW/4 §29-21S-35E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits C-1 and C-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	North Wilson Deep Unit Well No. 4H API No. 30-025-Pending SHL: 2330 FNL & 1630 FWL §17 BHL: 2535 FNL & 1800 FWL §29 FTP: 2540 FSL & 1800 FWL §17 LTP: 2535 FNL & 1800 FWL §29 Bone Spring/TVD 9910 feet/MD 20300 feet
Horizontal Well First and Last Take	See above

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

Well Bore Location Map	Exhibits C-1 and D-E
Structure Contour Map - Subsea Depth	Exhibit D-A
Cross Section Location Map (including wells)	Exhibit D-C
Cross Section (including Landing Zone)	Exhibit D-C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	June 27, 2021