

CASE NOS. 22241 ans 22242

PART I

**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. \_\_\_\_\_

**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.

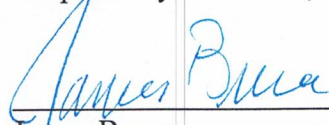
EXHIBIT

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,



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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.**

Case 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:

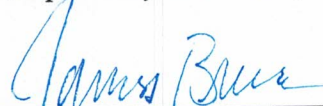
1. Applicant is an interest owner in the N/2N/2 of Section 5 and the N/2N/2 of Section 6, and has the right to drill a well thereon.
2. Applicant proposes to drill the Gobbler 5/6 B3AD State Com. Well No. 2H to a depth sufficient to test the Bone Spring formation, with a first take point in the NE/4NE/4 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.

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,



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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-A



- (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.

VERIFICATION

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )

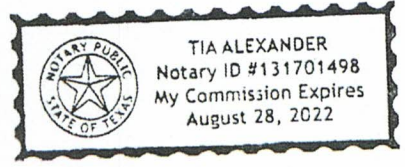
Adriana Salgado, being duly sworn upon his oath, deposes and states that: She is a Landman for Mewbourne Oil Company; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge,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

Asalgado  
Adriana Salgado

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

My Commission Expires: 8-28-22

TIA  
Notary Public



# 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**

<sup>1</sup> API Number <b>30 015 - 47883</b>		<sup>2</sup> Pool Code <b>49553</b>		<sup>3</sup> Pool Name <b>PALMILLO EAST - BONE SPRING</b>					
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>GOBBLER 5/6 B3AD STATE COM</b>						<sup>6</sup> Well Number <b>2H</b>	
<sup>7</sup> OGRID NO. <b>14744</b>		<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>						<sup>9</sup> Elevation <b>3410'</b>	
<sup>10</sup> Surface Location									
UL or lot no. <b>H</b>	Section <b>5</b>	Township <b>19S</b>	Range <b>29E</b>	Lot Idn	Feet from the <b>1380</b>	North/South line <b>NORTH</b>	Feet From the <b>205</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>4</b>	Section <b>6</b>	Township <b>19S</b>	Range <b>29E</b>	Lot Idn	Feet from the <b>650</b>	North/South line <b>NORTH</b>	Feet from the <b>100</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
<sup>12</sup> Dedicated Acres <b>319.78</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p><sup>16</sup></p> <p style="text-align: center;"><u>CORNER DATA</u></p> <p>NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1941" N: 612199.2 - E: 606365.7</p> <p>B: FOUND BRASS CAP "1941" N: 614843.8 - E: 606380.4</p> <p>C: FOUND BRASS CAP "1914" N: 617517.3 - E: 606378.0</p> <p>D: FOUND 1/2" REBAR N: 617485.1 - E: 608788.6</p> <p>E: CALCULATED CORNER N: 617471.0 - E: 611427.2</p> <p>F: CALCULATED CORNER N: 617427.6 - E: 616705.7</p> <p>G: FOUND LIMESTONE ROCK 10"X10"X9" N: 614773.1 - E: 616714.5</p> <p>H: FOUND LIMESTONE ROCK 11"X8"X3" N: 612132.9 - E: 616710.3</p> <p>I: FOUND LIMESTONE ROCK 13"X4.5"X2.5" N: 612145.3 - E: 614068.0</p> <p>J: FOUND 1/2" REBAR N: 612158.4 - E: 611430.7</p> <p>K: FOUND 1/2" REBAR N: 612174.7 - E: 608793.3</p> <p>L: FOUND LIMESTONE ROCK 12"X10"X4" N: 614801.1 - E: 611424.6</p>										<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>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 the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Bradley Bishop</i> 12-17-20                  Signature Date  <b>BRADLEY BISHOP</b>                  Printed Name  <b>BBISHOP@MEWBOURNE.COM</b>                  E-mail Address</p>	
<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p><b>01/22/2020</b>                  Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p style="text-align: center;"><b>19680</b>                  Certificate Number</p> <p><b>BH MOVE - 12/15/2020</b></p>										<p style="text-align: center;"><b>ROBERT M. HOWETT</b>                  NEW MEXICO                  19680                  PROFESSIONAL SURVEYOR</p>	
<p><sup>19</sup></p> <p style="text-align: center;"><b>PROJECT AREA</b> <b>PRODUCING AREA</b></p> <p style="text-align: center;"><b>6</b> <b>5</b></p> <p style="text-align: center;"><b>100'</b> <b>1380'</b> <b>205'</b></p> <p style="text-align: center;"><b>LOT 4 (33.77 Ac.)</b> <b>LOT 3 (40.96 Ac.)</b> <b>LOT 2 (40.94 Ac.)</b> <b>LOT 1 (40.91 Ac.)</b> <b>LOT 4 (40.88 Ac.)</b> <b>LOT 3 (40.82 Ac.)</b> <b>LOT 2 (40.78 Ac.)</b> <b>LOT 1 (40.72 Ac.)</b></p> <p style="text-align: center;"><b>LOT 5 (32.94 Ac.)</b> <b>LOT 6 (32.92 Ac.)</b> <b>LOT 7 (32.91 Ac.)</b></p> <p style="text-align: center;"><u>GEODETIC DATA</u>                  NAD 83 GRID - NM EAST</p> <p style="text-align: center;"><u>BOTTOM HOLE</u>                  N: 616866.1 - E: 606478.6</p> <p style="text-align: center;"><u>SURFACE LOCATION</u>                  N: 616049.6 - E: 616505.3</p> <p style="text-align: center;"><u>GEODETIC DATA</u>                  NAD 83 GRID - NM EAST</p> <p style="text-align: center;"><u>BOTTOM HOLE</u>                  LAT: 32.6956289° N                  LONG: 104.1215786° W</p> <p style="text-align: center;"><u>SURFACE LOCATION</u>                  LAT: 32.6933254° N                  LONG: 104.0889909° W</p>										<p><b>19680</b>                  Certificate Number</p> <p><b>BH MOVE - 12/15/2020</b></p>	
<p>S 89°14'07" E 2411.32' (D) S 89°41'40" E 2639.33' (E) S 89°31'43" E 5279.91' (F)</p> <p>S 89°25'13" E 2428.32' (K) S 89°38'44" E 2638.08' (J) N 89°42'58" W 2638.01' (I) N 89°43'53" W 2642.92' (H)</p> <p>N 00°19'08" E 2645.23' (C) N 00°03'02" W 2674.11' (A)</p> <p>N 00°19'08" E 2645.23' (C) N 00°03'02" W 2674.11' (A)</p> <p>S 00°07'55" E 2643.40' (G) S 00°03'24" W 2670.52' (F)</p> <p>S 00°05'28" W 2640.82' (G)</p>										<p><b>Job No: LS20030164R1</b></p>	

# 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:**

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

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 Vinkermulder Road Coconut Creek, Florida 33073	0.193498%
John Cieszinski, Trustee of The Cieszinski Trust 2737 81 <sup>st</sup> Street Lubbock, Texas 79423-2229	0.127993%
Nadel & Gussman Capitan, LLC 15 East 5 <sup>th</sup> 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%
<b>Total</b>	<b>100.00000%</b>

**\*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

Company Name: Chevron U.S.A. Inc.		
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 Name: 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 Name: 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 Name: 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.



## MEWBOURNE OIL COMPANY

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

<p>Re: Gobbler 5/6 B3HE State Com #2H 1410' FNL &amp; 205' FEL (SL) (Sec 5) 2000' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,577' MD: 18,517' Proration Unit/Project Area: N2N2</p>	<p>Gobbler 5/6 B3AD State Com #2H 1380' FNL &amp; 205' FEL (SL) (Sec 5) 650' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2</p>
---	--

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Well Name	Estimated Cost to Casing Poin	Estimated Cost of Producing Well
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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% non-consent 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](mailto:asalgado@mewbourne.com).

Sincerely,  
MEWBOURNE OIL COMPANY

*Asalgado*

Adriana Salgado  
Landman

**Adriana Salgado**

---

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Regards,

*The Client Services Group-Assistance*

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## MEWBOURNE OIL COMPANY

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

<p>Re: Gobbler 5/6 B3HE State Com #2H 1410' FNL &amp; 205' FEL (SL) (Sec 5) 2000' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,577' MD: 18,517' Proration Unit/Project Area: N2N2</p>	<p>Gobbler 5/6 B3AD State Com #2H 1380' FNL &amp; 205' FEL (SL) (Sec 5) 650' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2</p>
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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](mailto:asalgado@mewbourne.com).

Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Salgado  
Landman

**Adriana Salgado**

---

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Regards,

*The Client Services Group-Assistance*

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

**MEWBOURNE OIL COMPANY**

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

<p>Re: Gobbler 5/6 B3HE State Com #2H 1410' FNL &amp; 205' FEL (SL) (Sec 5) 2000' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,577' MD: 18,517' Proration Unit/Project Area: N2N2</p>	<p>Gobbler 5/6 B3AD State Com #2H 1380' FNL &amp; 205' FEL (SL) (Sec 5) 650' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2</p>
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Sincerely,  
**MEWBOURNE OIL COMPANY**



Adriana Salgado  
Landman

**Adriana Salgado**

---

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Regards,

*The Client Services Group-Assistance*

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Danvers, MA 01923-1947

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

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**MEWBOURNE OIL COMPANY**

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

<p>Re: Gobbler 5/6 B3HE State Com #2H 1410' FNL &amp; 205' FEL (SL) (Sec 5) 2000' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,577' MD: 18,517' Proration Unit/Project Area: N2N2</p>	<p>Gobbler 5/6 B3AD State Com #2H 1380' FNL &amp; 205' FEL (SL) (Sec 5) 650' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2</p>
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Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Salgado  
Landman

Mewbourne Oil Company  
Adriana Saigado  
500 WEST TEXAS AVE  
STE 1020  
MIDLAND TX 79701

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**MEWBOURNE OIL COMPANY**

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

<p>Re: Gobbler 5/6 B3HE State Com #2H 1410' FNL &amp; 205' FEL (SL) (Sec 5) 2000' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,577' MD: 18,517' Proration Unit/Project Area: N2N2</p>	<p>Gobbler 5/6 B3AD State Com #2H 1380' FNL &amp; 205' FEL (SL) (Sec 5) 650' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2</p>
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Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Salgado  
Landman

**Adriana Salgado**

---

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Regards,

*The Client Services Group-Assistance*

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Daly, NC 27111-4447  
**888-462-1750 ext. 2 [assistance@simplecertifiedmail.com](mailto:assistance@simplecertifiedmail.com)**

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## MEWBOURNE OIL COMPANY

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

<p>Re: Gobbler 5/6 B3HE State Com #2H 1410' FNL &amp; 205' FEL (SL) (Sec 5) 2000' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,577' MD: 18,517' Proration Unit/Project Area: N2N2</p>	<p>Gobbler 5/6 B3AD State Com #2H 1380' FNL &amp; 205' FEL (SL) (Sec 5) 650' FNL &amp; 100' FWL (BHL) (Sec 6) Sections 5 &amp; 6, T19S, R29E Eddy County, New Mexico TVD: 8,535' MD: 18,507' Proration Unit/Project Area: N2N2</p>
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Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Salgado  
Landman

**Adriana Salgado**

---

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Regards,

*The Client Services Group-Assistance*

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1700 Commonwealth Court, Suite 100  
Reno, NC 27511-4447

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

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# EXHIBIT 4

## MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name: <b>GOBBLER 5/6 B3AD STATE COM #2H</b>		Prospect: <b>GOBBLER 5</b>	
Location: <b>SL: 1380 FNL &amp; 205 FEL (5); BHL: 650 FNL &amp; 100 FWL (6)</b>		County: <b>EDDY</b> ST: <b>NM</b>	
Sec. <b>5</b>	Blk: <b></b>	Survey: <b></b>	TWP: <b>19S</b> RNG: <b>29E</b> Prop. TVD: <b>8535</b> TMD: <b>18507</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$8,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$18,800
Daywork / Turnkey / Footage Drilling 20 days drlg / 3 days comp @ \$19,550/d		0180-0110	\$417,600	0180-0210	\$62,600
Fuel 1700 gal/day @ \$3.00/gal		0180-0114	\$108,900	0180-0214	\$384,800
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$50,000	0180-0220	
Mud - Specialized		0180-0121	\$85,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$75,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$342,000
Casing / Tubing / Snubbing Service		0180-0134	\$16,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation 61 Stg 20.2MM gal & 20.2MM lbs				0180-0241	\$1,658,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$35,000	0180-0245	\$256,800
Bits		0180-0148	\$64,100	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	\$20,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$35,900	0180-0270	\$39,300
Directional Services Includes vertical control		0180-0175	\$263,300		
Equipment Rental		0180-0180	\$177,200	0180-0280	\$25,300
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,200	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$151,200	0180-0295	\$93,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 10% (TCP) 10% (CC)		0180-0199	\$200,700	0180-0299	\$349,600
<b>TOTAL</b>			<b>\$2,207,400</b>		<b>\$3,845,300</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793	\$34,600		
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") 10775' - 4 1/2" 13.5# P-110 BPN @ \$15.50/ft				0181-0797	\$178,400
Tubing 8190' - 2 7/8" 6.5# EUE tbg @ \$13.00/ft				0181-0798	\$113,700
Drilling Head		0181-0880	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion liner hanger				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift Packer				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps (1/2) TP/CP/circ. pump				0181-0886	\$16,000
Storage Tanks (1/2) 6 - 750 bbl/5 - 750 bbl coated/1 - GB				0181-0890	\$169,300
Emissions Control Equipment (1/2) VRTs/VRU/KOs				0181-0892	\$151,900
Separation / Treating Equipment (1/2) horz. sep./vert. sep./HT				0181-0895	\$147,500
Automation / Metering Equipment				0181-0898	\$75,000
Line Pipe & Valves - Gathering (1/2) 1/2 mile gas & water				0181-0900	\$24,000
Fittings / Valves & Accessories				0181-0906	\$225,000
Cathodic Protection				0181-0908	\$8,000
Electrical Installation				0181-0909	\$125,000
Equipment Installation				0181-0910	\$100,000
Pipeline Construction (1/2) 1/2 mile gas & water				0181-0920	\$65,000
<b>TOTAL</b>			<b>\$409,500</b>		<b>\$1,503,800</b>
<b>SUBTOTAL</b>			<b>\$2,616,900</b>		<b>\$5,349,100</b>

<b>TOTAL WELL COST</b>	<b>\$7,966,000</b>
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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: <u>T. Cude</u>	Date: <u>10/28/2021</u>
Company Approval: _____	Date: _____
Joint Owner Interest: _____ Amount: _____	Signature: _____