

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 22235

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the N/2S/2 of Section 1 and the N/2S/2 of Section 2, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2S/2 of Section 1 and the N/2S/2 of Section 2, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation:

(i) the Desert Eagle 1/2 B2IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 1 and last take point in the NW/4SW/4 of Section 2; and

(ii) the Desert Eagle 1/2 B3IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 1 and last take point in the NW/4SW/4 of Section 2.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2S/2 of Section 1 and the N/2S/2 of Section 2 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 wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

EXHIBIT 1

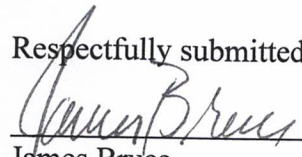
Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the N/2S/2 of Section 1 and the N/2S/2 of Section 2, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the N/2S/2 of Section 1 and the N/2S/2 of Section 2 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/2S/2 of Section 1 and the N/2S/2 of Section 2;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the cost among the wells' 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 wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

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

Mewbourne Oil Company seeks an order pooling of all mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the N/2S/2 of Section 1 and the N/2S/2 of Section 2, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to (i) the Desert Eagle 1/2 B2IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 1 and last take point in the NW/4SW/4 of Section 2; and (ii) the Desert Eagle 1/2 B3IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 1 and last take point in the NW/4SW/4 of Section 2. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately approximately 14 miles north-northeast of Carlsbad, New Mexico.

22235

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

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

Case No. 22235

SELF-AFFIRMED STATEMENT OF TYLER JOLLY

Tyler Jolly deposes and states:

1. I am a landman for Mewbourne Oil Company (“Mewbourne”), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application:
 - (a) The purpose of these applications is to force pool working interest owners into the 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 were contacted months ago regarding the proposed well, but have simply failed or refused to voluntarily commit their interests to the wells. No one has objected to the application.
 - (c) In Case No. 22235, Mewbourne seeks an order pooling of all mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the N/2S/2 of Section 1 and the N/2S/2 of Section 2, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to (i) the Desert Eagle 1/2 B2IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 1 and last take point in the NW/4SW/4 of Section 2; and (ii) the Desert Eagle 1/2 B3IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 1 and last take point in the NW/4SW/4 of Section 2.
 - (d) Attachment A contains C-102s for the proposed wells, and land plats outlining the unit being pooled, the tracts in the unit, and the interest owners in the well unit.
 - (e) There are no depth severances in the Bone Spring formation.
 - (f) The current or last known addresses of the parties being pooled were provided to Mewbourne’s attorney for notice purposes. All interest owners were sent a copy of the well proposals, one addressed to working interest owners and one to unleased mineral interest owners. In addition to the proposal letters, marked as Attachment B, Mewbourne

EXHIBIT

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had numerous contacts with the largest working interest owners, and responded to contacts from the small, unleased mineral owners.

(g) In order to locate all interest owners Mewbourne examined the records of Eddy County and the Bureau of Land Management, as well as online tools or databases such as DrillingInfo and in-house online data searches.

(h) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells, or to locate the interest owners.

(i) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(j) Attachments C contains the Authorizations for Expenditure for the proposed wells. The estimated cost of each well is fair and reasonable, and is comparable to the cost of other wells of similar depths and length drilled in this area of Eddy County.

(k) 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 these types in this area of Eddy County. They are also the rates set forth in the Joint Operating Agreements for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

(l) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

(m) Mewbourne requests that it be designated operator of the wells.

(n) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

(o) The granting of this application is in the interests of conservation and the prevention of waste.

3. 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 2(o) 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: 3/15/22


Tyler Jolly

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 Pending		² Pool Code 65010		³ Pool Name Winchester; Bone Spring					
⁴ Property Code		⁵ Property Name DESERT EAGLE 1/2 B2IL FED COM			⁶ Well Number 1H				
⁷ OGRID NO 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3284'				
¹⁰ Surface Location									
UL or lot no. P	Section 1	Township 20S	Range 28E	Lot Idn	Feet from the 1260	North/South line SOUTH	Feet From the 205	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 2	Township 20S	Range 28E	Lot Idn	Feet from the 1310	North/South line SOUTH	Feet from the 100	East/West line WEST	County EDDY
¹² Dedicated Acres 320	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.

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1942"
N: 580433.9 - E: 595824.8

B: FOUND BRASS CAP "1942"
N: 583084.8 - E: 595826.9

C: FOUND BRASS CAP "1942"
N: 585701.1 - E: 595828.6

D: FOUND BRASS CAP "1942"
N: 585717.5 - E: 598482.2

E: FOUND BRASS CAP "1941"
N: 585733.7 - E: 601140.1

F: FOUND BRASS CAP "1941"
N: 585750.5 - E: 603795.4

G: FOUND BRASS CAP "1916"
N: 585767.2 - E: 606452.8

H: FOUND BRASS CAP "1916"
N: 583112.1 - E: 606467.2

I: FOUND BRASS CAP "1916"
N: 580470.7 - E: 606464.6

J: FOUND BRASS CAP "1942"
N: 580461.9 - E: 603798.9

K: FOUND BRASS CAP "1942"
N: 580454.6 - E: 601133.7

L: FOUND BRASS CAP "1942"
N: 580444.0 - E: 598479.0

M: FOUND BRASS CAP "1942"
N: 583106.0 - E: 601136.9

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

ATTACHMENT *A*

Signature _____ Date _____

Printed Name _____

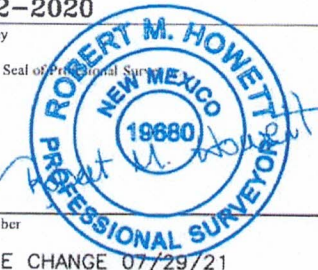
E-mail Address _____

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.

11-02-2020

Date of Survey

Signature and Seal of Professional Surveyor



19680
Certificate Number

REV: NAME CHANGE 07/29/21

16

GEODETIC DATA
NAD 83 GRID - NM EAST

BOTTOM HOLE
LAT: 32.5991416° N
LONG: 104.1560730° W

SURFACE LOCATION
LAT: 32.5990505° N
LONG: 104.1225129° W

100' **205'**

1310' **1260'**

LOT 4 Ac. 39.04 **LOT 3 Ac. 39.11** **LOT 2 Ac. 39.19** **LOT 1 Ac. 39.26** **LOT 4 Ac. 39.39** **LOT 3 Ac. 39.56** **LOT 2 Ac. 39.74** **LOT 1 Ac. 39.91**

1 **2**

S 89°38'48" W 2654.24' **S 89°39'00" W 2658.57'** **S 89°38'20" W 2656.03'** **S 89°38'20" W 2658.09'**

N 00°02'47" E 2651.52' **N 00°02'13" E 2616.99'** **N 00°04'06" E 2628.33'** **N 00°18'39" W 2655.83'**

N 00°04'11" E 2652.02' **N 00°03'21" E 2642.04'**

S 89°46'55" W 2654.84' **S 89°46'13" W 2655.40'** **S 89°50'34" W 2665.81'** **S 89°48'47" W 2666.42'**

Job No: LS20100620R

District I
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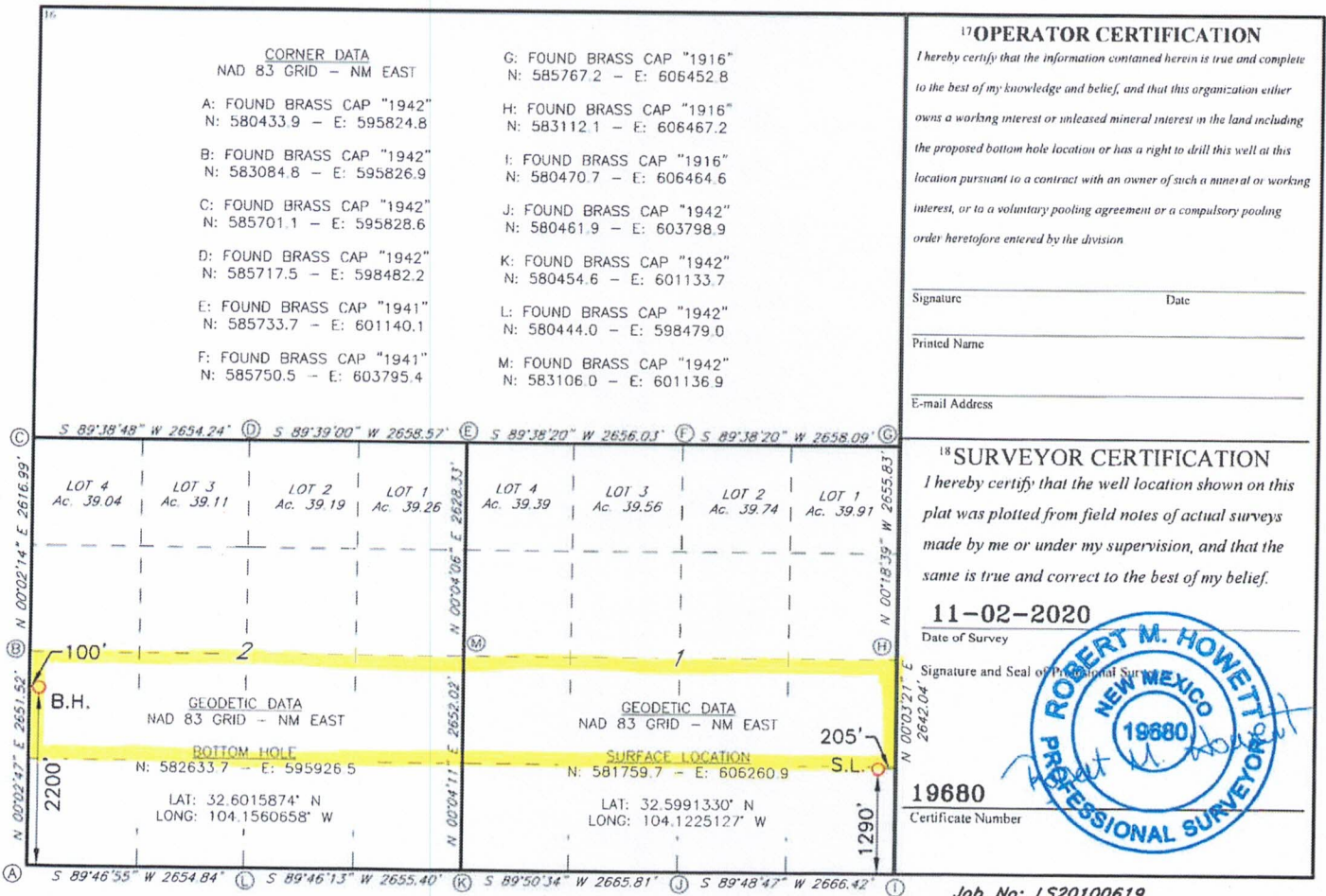
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number Pending		² Pool Code 65010		³ Pool Name Winchester i Bone Spring					
⁴ Property Code		⁵ Property Name DESERT EAGLE 1/2 B3IL FED COM			⁶ Well Number 1H				
⁷ GRID NO 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3284'				
¹⁰ Surface Location									
UL or lot no P	Section 1	Township 20S	Range 28E	Lot Idn	Feet from the 1290	North/South line SOUTH	Feet From the 205	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no L	Section 2	Township 20S	Range 28E	Lot Idn	Feet from the 2200	North/South line SOUTH	Feet from the 100	East/West line WEST	County EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

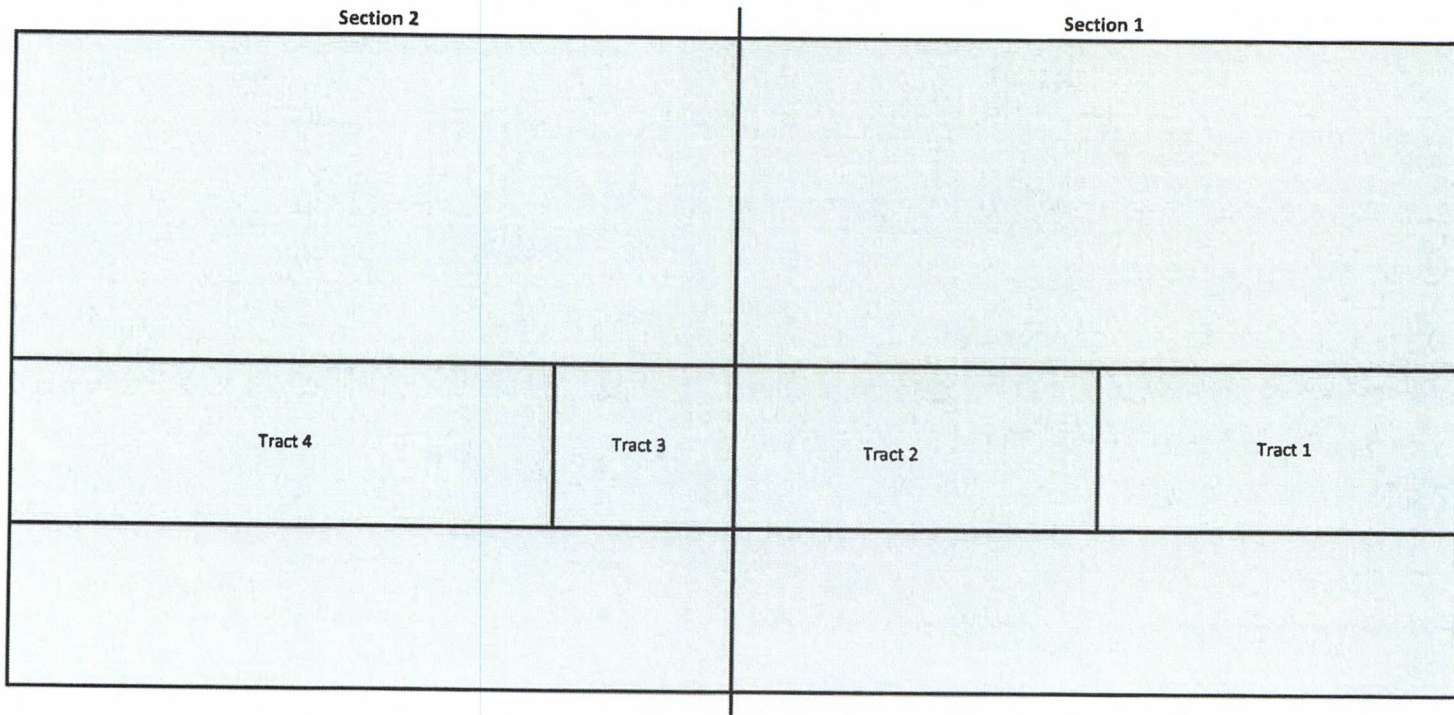
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



**Section Plat
Desert Eagle 1/2 B2IL Fed Com #1H
N2S2 of Section 1 and N2S2 of Section 2**

T20S-R28E, Eddy County, NM

T20S-R28E, Eddy County, NM



Tract 1: N2SE4 of Section 1 - Federal Lease NMNM 26683

Mewbourne Oil Company (40.916666%)
 OXY USA WTP Limited Partnership (40.375000%)
 OXY Y-1 Company (9.333334%)
 Vladin, LLC (6.250000%)
 Alpha Energy Partners, LLC (2.125000%)
 Jo Ann Yates (1.000000%)

Tract 3: NE4SE4 of Section 2 - State of NM Lease K-6598

Endeavor Energy Resources (50.000000%)
 OXY USA WTP Limited Partnership (50.000000%)

Tract 2: N2SW4 of Section 1 - Federal Lease NMNM 17098

Challenger Crude, Ltd. (31.250000%)
 Amtex Petroleum Corporation, Trust 988 (18.750000%)
 Alpha Energy Partners (18.750000%)
 Heirs of D. C. Underwood (12.500000%)
 The Charla Geraldine Williamson Trust (6.250000%)
 The Estate of J. C. Williamson, deceased (6.250000%)
 OXY USA WTP Limited Partnership (6.250000%)

Tract 4: NW4SE4 and N2SW4 of Section 2 - State of NM Lease K-5090

Endeavor Energy Resources (50.000000%)
 OXY USA WTP Limited Partnership (50.000000%)

RECAPITULATION FOR Desert Eagle 1/2 B2IL Fed Com #1H

Tract Number	Number of Acres Committeed	Percentage of Interest in Communitized Area
1	80.00	25.000000%
2	80.00	25.000000%
3	40.00	12.500000%
4	120.00	37.500000%
TOTAL	320.00	100.000000%

Ownership by Tract Desert Eagle 1/2 B2IL Fed Com #1H

Tract 1: N2SE4 of Section 1 - Federal Lease NMNM 26683

Entity/Individual	Interest	Gross Acres
Mewbourne Oil Company	40.916666000%	80
OXY USA WTP Limited Partnership	40.375000000%	80
OXY Y-1 Company	9.333334000%	80
Vladin, LLC	6.250000000%	80
Alpha Energy Partners, LLC	2.125000000%	80
Jo Ann Yates	1.000000000%	80
Total	100.000000000%	80

Tract 2: N2SW4 of Section 1 - Federal Lease NMNM 17098

Entity/Individual	Interest	Gross Acres
Challenger Crude, Ltd. A Texas Limited Partnership, the sole General Partner of which is Challenger Crude (87)	31.250000%	80
First National Bank, Trustee, Amtex Petroleum Corporation, Trust 988	18.750000%	80
Alpha Energy Partners	18.750000%	80
Heirs of D. C. Underwood (David Clifford Underwood)	12.500000%	80
Eric Chancy Croft & Elizabeth Ann Williamson, Co-Trustees of the Charla Geraldine Williamson Trust	6.250000%	80
Lois Geraldine Williamson, Personal Representative of the Estate of J. C. Williamson, deceased	6.250000%	80
OXY USA WTP Limited Partnership	6.250000%	80
Total	100.000000%	80

Tract 3: NE4SE4 of Section 2 - State of NM Lease K-6598

Entity/Individual	Interest	Gross Acres
Endeavor Energy Resources	50.000000000%	40.00
OXY USA WTP Limited Partnership	50.000000000%	40.00
Total	100.000000000%	40.00

Tract 4: NW4SE4 and N2SW4 of Section 2 - State of NM Lease K-5090

Entity/Individual	Interest	Gross Acres
Endeavor Energy Resources	50.000000000%	120.00
OXY USA WTP Limited Partnership	50.000000000%	120.00
Total	100.000000000%	120.00

Spacing Unit Ownership

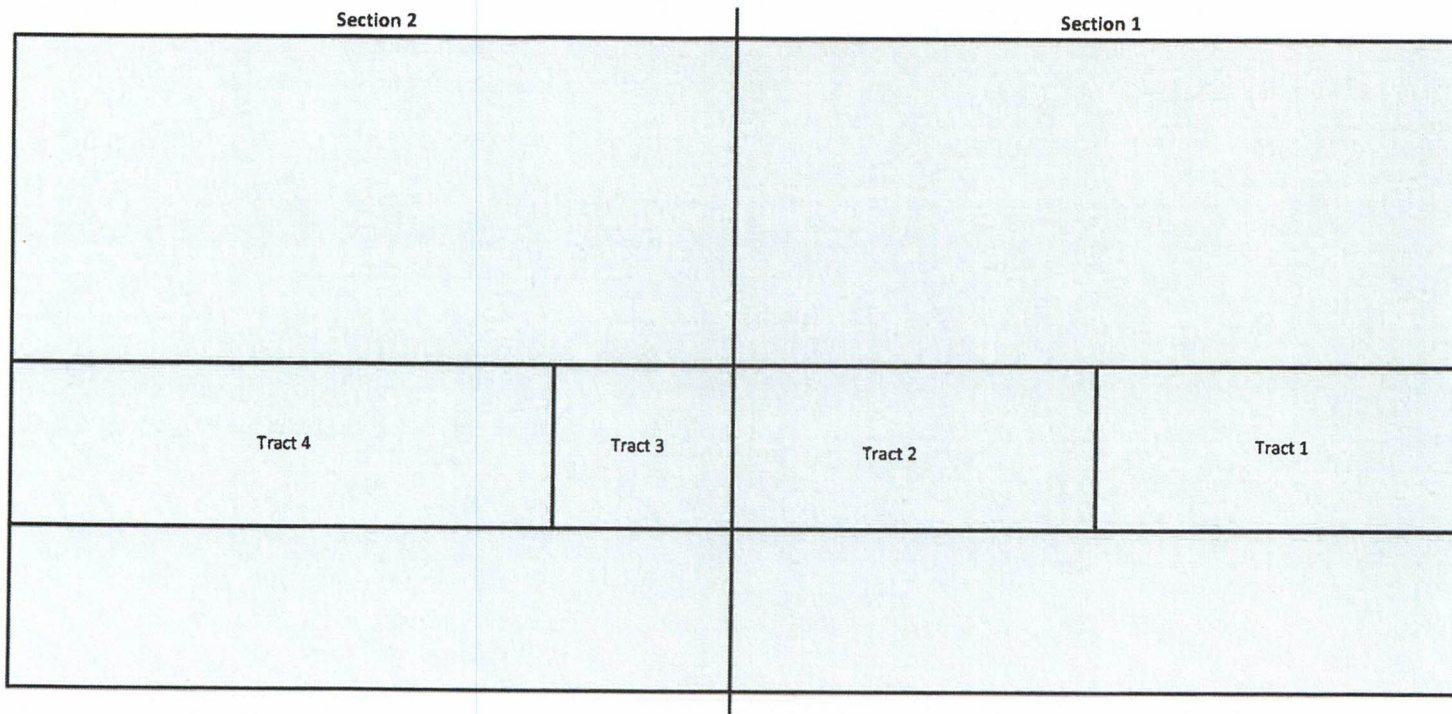
Desert Eagle 1/2 B2IL Fed Com #1H	Percentage
Mewbourne Oil Company, et al.	40.447917%
OXY USA WTP Limited Partnership	36.656250%
Challenger Crude, Ltd. A Texas Limited Partnership, the sole General Partner of which is	7.812500%
First National Bank, Trustee, Amtex Petroleum Corporation, Trust 988	4.687500%
Heirs of D. C. Underwood (David Clifford Underwood)	3.125000%
OXY Y-1 Company	2.333334%
Eric Chancy Croft & Elizabeth Ann Williamson, Co-Trustees of the Charla Geraldine Willi	1.562500%
Lois Geraldine Williamson, Personal Representative of the Estate of J. C. Williamson, de	1.562500%
Vladin, LLC	1.562500%
Jo Ann Yates	0.250000%
Total	100.000000%

Parties highlighted in Red are being pooled

**Section Plat
Desert Eagle 1/2 B3IL Fed Com #1H
N2S2 of Section 1 and N2S2 of Section 2**

T20S-R28E, Eddy County, NM

T20S-R28E, Eddy County, NM



Tract 1: N2SE4 of Section 1 - Federal Lease NMNM 26683

- Mewbourne Oil Company (40.916666%)
- OXY USA WTP Limited Partnership (40.375000%)
- OXY Y-1 Company (9.333334%)
- Vladin, LLC (6.250000%)
- Alpha Energy Partners, LLC (2.125000%)
- Jo Ann Yates (1.000000%)

Tract 3: NE4SE4 of Section 2 - State of NM Lease K-6598

- Endeavor Energy Resources (50.000000%)
- OXY USA WTP Limited Partnership (50.000000%)

Tract 2: N2SW4 of Section 1 - Federal Lease NMNM 17098

- Challenger Crude, Ltd. (31.250000%)
- Amtex Petroleum Corporation, Trust 988 (18.750000%)
- Alpha Energy Partners (18.750000%)
- Heirs of D. C. Underwood (12.500000%)
- The Charla Geraldine Williamson Trust (6.250000%)
- The Estate of J. C. Williamson, deceased (6.250000%)
- OXY USA WTP Limited Partnership (6.250000%)

Tract 4: NW4SE4 and N2SW4 of Section 2 - State of NM Lease K-5090

- Endeavor Energy Resources (50.000000%)
- OXY USA WTP Limited Partnership (50.000000%)

RECAPITULATION FOR Desert Eagle 1/2 B3IL Fed Com #1H

Tract Number	Number of Acres Committeed	Percentage of Interest in Communitized Area
1	80.00	25.000000%
2	80.00	25.000000%
3	40.00	12.500000%
4	120.00	37.500000%
TOTAL	320.00	62.500000%

Ownership by Tract Desert Eagle 1/2 B3IL Fed Com #1H

Tract 1: N2SE4 of Section 1 - Federal Lease NMNM 26683

Entity/Individual	Interest	Gross Acres
Mewbourne Oil Company	40.916666000%	80
OXY USA WTP Limited Partnership	40.375000000%	80
OXY Y-1 Company	9.333334000%	80
Vladin, LLC	6.250000000%	80
Alpha Energy Partners, LLC	2.125000000%	80
Jo Ann Yates	1.000000000%	80
Total	100.000000000%	80

Tract 2: N2SW4 of Section 1 - Federal Lease NMNM 17098

Entity/Individual	Interest	Gross Acres
Challenger Crude, Ltd. A Texas Limited Partnership, the sole General Partner of which is Challenger Crude	31.250000%	80
First National Bank, Trustee, Amtex Petroleum Corporation, Trust 988	18.750000%	80
Alpha Energy Partners	18.750000%	80
Heirs of D. C. Underwood (David Clifford Underwood)	12.500000%	80
Eric Chancy Croft & Elizabeth Ann Williamson, Co-Trustees of the Charla Geraldine Williamson Trust	6.250000%	80
Lois Geraldine Williamson, Personal Representative of the Estate of J. C. Williamson, deceased	6.250000%	80
OXY USA WTP Limited Partnership	6.250000%	80
Total	100.000000%	80

Tract 3: NE4SE4 of Section 2 - State of NM Lease K-6598

Entity/Individual	Interest	Gross Acres
Endeavor Energy Resources	50.000000000%	40.00
OXY USA WTP Limited Partnership	50.000000000%	40.00
Total	100.000000000%	40.00

Tract 4: NW4SE4 and N2SW4 of Section 2 - State of NM Lease K-5090

Entity/Individual	Interest	Gross Acres
Endeavor Energy Resources	50.000000000%	120.00
OXY USA WTP Limited Partnership	50.000000000%	120.00
Total	100.000000000%	120.00

Spacing Unit Ownership

Desert Eagle 1/2 B31L Fed Com #1H	Percentage
Mewbourne Oil Company, et al.	40.447917%
OXY USA WTP Limited Partnership	36.656250%
Challenger Crude, Ltd. A Texas Limited Partnership, the sole General Partner of which is Challenge	7.812500%
First National Bank, Trustee, Amtex Petroleum Corporation, Trust 988	4.687500%
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Lois Geraldine Williamson, Personal Representative of the Estate of J. C. Williamson, deceased	1.562500%
Vladin, LLC	1.562500%
Jo Ann Yates	0.250000%
Total	100.000000%

Parties highlighted in Red are being pooled

MEWBOURNE OIL COMPANY

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

July 19, 2021

Via Certified Mail

OXY USA WTP Limited Partnership
5 Greenway Plaza
Suite 110
Houston, TX 77046-0521

Re: Desert Eagle Working Interest Unit
Desert Eagle 1/2 B2AD FED COM #1H
Desert Eagle 1/2 B2HE FED COM #1H
Desert Eagle 1/2 B2IL FED COM #1H
Desert Eagle 1/2 B2PM FED COM #1H
Desert Eagle 1/2 B3AD Fed Com #1H
Desert Eagle 1/2 B3IL Fed Com #1H
Desert Eagle 1/2 B3PM Fed Com #1H
Desert Eagle 1/2 W0AD Fed Com #1H
Desert Eagle 1/2 W0EH Fed Com #1H
Desert Eagle 1/2 W0PM Fed Com #1H
Sections 1 and 2, T20S, R28E
Eddy County, New Mexico

ATTACHMENT *B*

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising of Section 1 and Section 2, T20S, R28E, Eddy County, New Mexico and drilling the following ten (10) horizontal tests:

- 1) Desert Eagle 1/2 B2AD FED COM #1H – APD in process
Surface Location: 1380' FNL & 205' FEL (Section 1)
Bottom Hole Location: 660' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7480'
Proposed Total Measured Depth: 17788'
Target: 2nd Bone Spring Sand
- 2) Desert Eagle 1/2 B2HE FED COM #1H – APD in process
Surface Location: 1500' FNL & 205' FEL (Section 1)
Bottom Hole Location: 1980' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7474'
Proposed Total Measured Depth: 17799'
Target: 2nd Bone Spring Sand
- 3) Desert Eagle 1/2 B2IL FED COM #1H – APD in process
Surface Location: 1370' FSL & 205' FEL (Section 1)
Bottom Hole Location: 1980' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7471'
Proposed Total Measured Depth: 17839'
Target: 2nd Bone Spring Sand

- 4) Desert Eagle 1/2 B2PM FED COM #1H – APD in process
Surface Location: 1250' FSL & 205' FEL (Section 1)
Bottom Hole Location: 660' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7492'
Proposed Total Measured Depth: 17851'
Target: 2nd Bone Spring Sand
- 5) Desert Eagle 1/2 B3AD FED COM #1H – APD in process
Surface Location: 1440' FNL & 205' FEL (Section 1)
Bottom Hole Location: 1310' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8719'
Proposed Total Measured Depth: 18986'
Target: 3rd Bone Spring Sand
- 6) Desert Eagle 1/2 B3IL FED COM #1H – APD in process
Surface Location: 1290' FSL & 205' FEL (Section 1)
Bottom Hole Location: 2200' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8735'
Proposed Total Measured Depth: 19049'
Target: 3rd Bone Spring Sand
- 7) Desert Eagle 1/2 B3PM FED COM #1H – APD in process
Surface Location: 1230' FSL & 205' FEL (Section 1)
Bottom Hole Location: 400' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8755'
Proposed Total Measured Depth: 19086'
Target: 3rd Bone Spring Sand
- 8) Desert Eagle 1/2 W0AD FED COM #1H – APD in process
Surface Location: 1410' FNL & 205' FEL (Section 1)
Bottom Hole Location: 400' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8993'
Proposed Total Measured Depth: 19274'
Target: Wolfcamp Sand
- 9) Desert Eagle 1/2 W0EH FED COM #1H – APD in process
Surface Location: 1470' FNL & 205' FEL (Section 1)
Bottom Hole Location: 2200' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8984'
Proposed Total Measured Depth: 19288'
Target: Wolfcamp Sand
- 10) Desert Eagle 1/2 W0PM FED COM #1H – APD in process
Surface Location: 1260' FSL & 205' FEL (Section 1)
Bottom Hole Location: 1310' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 9005'
Proposed Total Measured Depth: 19282'
Target: Wolfcamp Sand

Regarding the wells targeting the 3rd Bone Spring Sand and Wolfcamp Sand intervals, enclosed are updated AFEs reflecting current costs.

The wells are planned to be pad drilled with the first well tentatively planned to spud 1st quarter 2022 depending on commodity prices. In the event you elect to participate in the proposed wells, please execute the enclosed AFEs before returning them to the undersigned within thirty (30) days. Our proposed Operating Agreement will follow covering Sections 1 and 2 and listing a non-consent penalty of 300%/100% and COPAS drilling/producing rates of \$8000/month and \$800/month respectively. Please enclose your most current well information requirements with your executed AFEs so that we may supply well data when available.

In lieu of participating, MOC is open to a term assignment or farmout for your interest. Please contact me at (432) 682-3715 or via email at arodrigues@mewbourne.com if you have any questions.

Very truly yours,

MEWBOURNE OIL COMPANY



Ariana Rodrigues
Land Department

Enclosures



July 29, 2021

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8368 9784 6185 6569 85.**

Item Details

Status:	Delivered to Agent for Final Delivery
Status Date / Time:	July 29, 2021, 9:44 am
Location:	HOUSTON, TX 77046
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Oxy USA Inc

Shipment Details

Weight: 3.0oz

Recipient Signature

Signature of Recipient: (Authorized Agent)	Covid19 SL4611
Address of Recipient:	5 Greenway 110 Houston 77046

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Oxy USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 Reference #: Desert Eagle

MEWBOURNE OIL COMPANY

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

July 19, 2021

Via Certified Mail

Walter Frederick Wigzell, Trustee of the Wigzell 2009 Trust
1302 S Rusk Street
Weatherford, TX 76086

Re: Desert Eagle Working Interest Unit
Desert Eagle 1/2 B2AD FED COM #1H
Desert Eagle 1/2 B2HE FED COM #1H
Desert Eagle 1/2 B2IL FED COM #1H
Desert Eagle 1/2 B2PM FED COM #1H
Desert Eagle 1/2 B3AD Fed Com #1H
Desert Eagle 1/2 B3IL Fed Com #1H
Desert Eagle 1/2 B3PM Fed Com #1H
Desert Eagle 1/2 W0AD Fed Com #1H
Desert Eagle 1/2 W0EH Fed Com #1H
Desert Eagle 1/2 W0PM Fed Com #1H
Sections 1 and 2, T20S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising of Section 1 and Section 2, T20S, R28E, Eddy County, New Mexico and drilling the following ten (10) horizontal tests:

- 1) Desert Eagle 1/2 B2AD FED COM #1H – APD in process
Surface Location: 1380' FNL & 205' FEL (Section 1)
Bottom Hole Location: 660' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7480'
Proposed Total Measured Depth: 17788'
Target: 2nd Bone Spring Sand
- 2) Desert Eagle 1/2 B2HE FED COM #1H – APD in process
Surface Location: 1500' FNL & 205' FEL (Section 1)
Bottom Hole Location: 1980' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7474'
Proposed Total Measured Depth: 17799'
Target: 2nd Bone Spring Sand
- 3) Desert Eagle 1/2 B2IL FED COM #1H – APD in process
Surface Location: 1370' FSL & 205' FEL (Section 1)
Bottom Hole Location: 1980' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7471'
Proposed Total Measured Depth: 17839'
Target: 2nd Bone Spring Sand

- 4) Desert Eagle 1/2 B2PM FED COM #1H – APD in process
Surface Location: 1250' FSL & 205' FEL (Section 1)
Bottom Hole Location: 660' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 7492'
Proposed Total Measured Depth: 17851'
Target: 2nd Bone Spring Sand
- 5) Desert Eagle 1/2 B3AD FED COM #1H – APD in process
Surface Location: 1440' FNL & 205' FEL (Section 1)
Bottom Hole Location: 1310' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8719'
Proposed Total Measured Depth: 18986'
Target: 3rd Bone Spring Sand
- 6) Desert Eagle 1/2 B3IL FED COM #1H – APD in process
Surface Location: 1290' FSL & 205' FEL (Section 1)
Bottom Hole Location: 2200' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8735'
Proposed Total Measured Depth: 19049'
Target: 3rd Bone Spring Sand
- 7) Desert Eagle 1/2 B3PM FED COM #1H – APD in process
Surface Location: 1230' FSL & 205' FEL (Section 1)
Bottom Hole Location: 400' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8755'
Proposed Total Measured Depth: 19086'
Target: 3rd Bone Spring Sand
- 8) Desert Eagle 1/2 W0AD FED COM #1H – APD in process
Surface Location: 1410' FNL & 205' FEL (Section 1)
Bottom Hole Location: 400' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8993'
Proposed Total Measured Depth: 19274'
Target: Wolfcamp Sand
- 9) Desert Eagle 1/2 W0EH FED COM #1H – APD in process
Surface Location: 1470' FNL & 205' FEL (Section 1)
Bottom Hole Location: 2200' FNL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 8984'
Proposed Total Measured Depth: 19288'
Target: Wolfcamp Sand
- 10) Desert Eagle 1/2 W0PM FED COM #1H – APD in process
Surface Location: 1260' FSL & 205' FEL (Section 1)
Bottom Hole Location: 1310' FSL & 100' FWL (Section 2)
Proposed Total Vertical Depth: 9005'
Proposed Total Measured Depth: 19282'
Target: Wolfcamp Sand

The wells are planned to be pad drilled with the first well tentatively planned to spud 1st quarter 2022 depending on commodity prices. In the event you elect to participate in the proposed wells, please execute the enclosed AFEs before returning them to the undersigned within thirty (30) days. Our proposed Operating Agreement will follow covering Sections 1 and 2 and listing a non-consent penalty of 300%/100% and COPAS drilling/producing rates of \$8000/month and \$800/month respectively. Please enclose your most current well information requirements with your executed AFEs so that we may supply well data when available.

In lieu of participating, MOC hereby offers \$1,000 per net acre delivering an 80% NRI for a three (3) year term assignment. This offer is subject to confirmation of title, term assignment form, and final management approval.

Please contact me at (432) 682-3715 or via email at arodrigues@mewbourne.com if you have any questions.

Very truly yours,

MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read 'Ariana Rodrigues', written over a circular stamp or mark.

Ariana Rodrigues
Land Department

Enclosures



July 28, 2021

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8368 9784 6186 0701 86.**

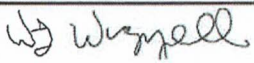
Item Details

Status: Delivered, Left with Individual
Status Date / Time: July 28, 2021, 12:39 pm
Location: WEATHERFORD, TX 76086
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Trustee of the Wigzell 2009 Trust

Shipment Details

Weight: 2.0oz

Recipient Signature

Signature of Recipient: 
 Address of Recipient: 1302 S RUSK ST
 WEATHERFORD, TX 76086

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Trustee of the Wigzell 2009 Trust
 Walter Frederick Wagzell
 1302 S. Rusk St.
 Weatherford, TX 76086
 Reference #: Desert Eagle

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: DESERT EAGLE 1/2 B2IL FED COM #1H		Prospect: DESERT EAGLE 1/2	
Location: SL: 1370 FSL & 205 FEL (1); BHL: 1980 FSL & 100 FWL (2)		County: EDDY ST: NM	
Sec. 1/2	Blk: 	Survey: 	TWP: 20S RNG: 28E Prop. TVD: 7471 TMD: 17839

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$55,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$60,000
Daywork / Turnkey / Footage Drilling	26 days drlg / 3 days comp @ \$19,500/d	0180-0110	\$541,500	0180-0210	\$62,500
Fuel	1700 gal/day @ \$3.00/gal	0180-0114	\$141,600	0180-0214	\$256,600
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$65,000	0180-0220	
Mud - Specialized		0180-0121	\$85,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$30,000
Cementing		0180-0125	\$85,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$355,900
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$32,000		
Stimulation	49 Stg 20.2MM gal & 20.2MM lbs			0180-0241	\$1,750,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other					
Bits		0180-0145	\$35,000	0180-0245	\$385,200
Inspection & Repair Services		0180-0148	\$85,400	0180-0248	\$5,000
Misc. Air & Pumping Services		0180-0150	\$50,000	0180-0250	\$5,000
Testing & Flowback Services		0180-0154		0180-0254	\$10,000
Completion / Workover Rig		0180-0158	\$12,000	0180-0258	\$24,000
Rig Mobilization				0180-0260	\$10,500
Transportation		0180-0164	\$150,000		
Welding, Construction, & Maint. Services		0180-0165	\$30,000	0180-0265	\$20,000
Contract Services & Supervision		0180-0168	\$4,000	0180-0268	\$15,000
Directional Services	Includes vertical control	0180-0170	\$105,300	0180-0270	\$54,500
Equipment Rental		0180-0175	\$275,100		
Well / Lease Legal		0180-0180	\$216,800	0180-0280	\$22,400
Well / Lease Insurance		0180-0184	\$5,000	0180-0284	
Intangible Supplies		0180-0185	\$5,000	0180-0285	
Damages		0180-0188	\$8,000	0180-0288	\$1,000
Pipeline Interconnect & ROW Easements		0180-0190	\$15,000	0180-0290	\$1,000
Company Supervision		0180-0192		0180-0292	\$5,000
Overhead Fixed Rate		0180-0195	\$143,600	0180-0295	\$44,550
Contingencies	5% (TCP) 5% (CC)	0180-0196	\$10,000	0180-0296	\$20,000
		0180-0199	\$119,900	0180-0299	\$181,200
TOTAL			\$2,517,500		\$3,804,350

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	425' - 13 3/8" 54.5# J-55 ST&C @ \$48.00/ft	0181-0794	\$21,800		
Casing (8.1" - 10.0")	3110' - 9 5/8" 40# HCL80 LT&C @ \$38.00/ft	0181-0795	\$126,200		
Casing (6.1" - 8.0")	7901' - 7" 29# HCP-110 LT&C @ \$28.50/ft	0181-0796	\$240,500		
Casing (4.1" - 6.0")	10737.57' - 4 1/2" 13.5# P-110 BPN @ \$15.50/ft			0181-0797	\$177,700
Tubing	7166' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.00/ft			0181-0798	\$99,500
Drilling Head		0181-0860	\$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	(1/4) TP/CP/circ. pump			0181-0886	\$8,000
Storage Tanks	(1/4) 6 - 750 bbl/5 - 750 bbl coated/1 - GB			0181-0890	\$112,000
Emissions Control Equipment	(1/4) VRTs/VRU/KOs			0181-0892	\$76,000
Separation / Treating Equipment	(1/4) horz. sep./vert. sep./HT			0181-0895	\$74,000
Automation / Metering Equipment				0181-0898	\$38,000
Line Pipe & Valves - Gathering	(1/4) 1/2 mile gas & water			0181-0900	\$33,000
Fittings / Valves & Accessories				0181-0906	\$132,000
Cathodic Protection				0181-0908	\$7,500
Electrical Installation				0181-0909	\$69,000
Equipment Installation				0181-0910	\$75,000
Pipeline Construction	(1/4) 1/2 mile gas & water			0181-0920	\$40,000
TOTAL			\$423,500		\$1,046,700
SUBTOTAL			\$2,941,000		\$4,851,050

TOTAL WELL COST \$7,792,050

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: 07/16/2021

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

ATTACHMENT C

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: DESERT EAGLE 1/2 B3IL FED COM #1H		Prospect: DESERT EAGLE 1/2	
Location: SL: 1290 FSL & 205 FEL (1); BHL: 2200 FSL & 100 FWL (2)		County: EDDY ST: NM	
Sec. 1/2	Blk: 	Survey: 	TWP: 20S RNG: 28E Prop. TVD: 8735 TMD: 19049

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys					
Location / Road / Site / Preparation					
Location / Restoration					
Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$19,500/d					
Fuel 1700 gal/day @ \$3.00/gal					
Alternate Fuels					
Mud, Chemical & Additives					
Mud - Specialized					
Horizontal Drillout Services					
Stimulation Toe Preparation					
Cementing					
Logging & Wireline Services					
Casing / Tubing / Snubbing Service					
Mud Logging					
Stimulation 78 Stg 20.2MM gal & 20.2MM lbs					
Stimulation Rentals & Other					
Water & Other					
Bits					
Inspection & Repair Services					
Misc. Air & Pumping Services					
Testing & Flowback Services					
Completion / Workover Rig					
Rig Mobilization					
Transportation					
Welding, Construction, & Maint. Services					
Contract Services & Supervision					
Directional Services Includes vertical control					
Equipment Rental					
Well / Lease Legal					
Well / Lease Insurance					
Intangible Supplies					
Damages					
Pipeline Interconnect & ROW Easements					
Company Supervision					
Overhead Fixed Rate					
Contingencies 5% (TCP) 5% (CC)					
TOTAL			\$2,528,700		\$4,025,450

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")					
Casing (10.1" - 19.0") 425' - 13 3/8" 54.5# J-55 ST&C @ \$48.00/ft					
Casing (8.1" - 10.0") 3110' - 9 5/8" 40# HCL80 LT&C @ \$38.00/ft					
Casing (6.1" - 8.0") 9067.48' - 7" 29# HCP-110 LT&C @ \$28.50/ft					
Casing (4.1" - 6.0") 10781.53' - 4 1/2" 13.5# P-110 BPN @ \$15.50/ft					
Tubing 8314' - 3 1/2" 9.2# L-80 IPC @ \$13.90/ft					
Drilling Head					
Tubing Head & Upper Section					
Horizontal Completion Tools Completion liner hanger					
Subsurface Equip. & Artificial Lift Packer					
Pumping Unit Systems					
Service Pumps (1/4) TP/CP/circ. pump					
Storage Tanks (1/4) 6 - 750 bbl/5 - 750 bbl coated/1 - GB					
Emissions Control Equipment (1/4) VRTs/VRU/KOs					
Separation / Treating Equipment (1/4) horz. sep./vert. sep./HT					
Automation / Metering Equipment					
Line Pipe & Valves - Gathering (1/4) 1/2 mile gas & water					
Fittings / Valves & Accessories					
Cathodic Protection					
Electrical Installation					
Equipment Installation					
Pipeline Construction (1/4) 1/2 mile gas & water					
TOTAL			\$459,000		\$1,071,400
SUBTOTAL			\$2,987,700		\$5,096,850
TOTAL WELL COST					\$8,084,550

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: 07/15/2021

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____