

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



May 16, 2018

Mr. Tim Harrington, Reservoir Engineer
Mewbourne Oil Company
P. O. Box 7698
Tyler, TX 75711

RE: Administrative Order SWD-1628; First Extension of Deadline to Commence Injection

San Lorenzo SWD Well No. 2 (API 30-015-Pending)

Unit L, Sec 15, T25S, R28E, NMPM, Eddy County, New Mexico

Order Date: June 1, 2016

Injection into the Devonian formation; permitted interval: approximately 14420 feet to 15800 feet

Dear Mr. Harrington:

Reference is made to your request on behalf of Mewbourne Oil Company (the "operator") to extend the deadline stipulated in order SWD-1628 based upon the approval date of June 1, 2016, to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence.

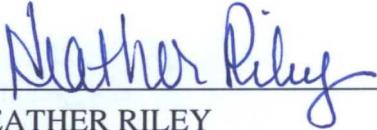
It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order except for notification of affected person. A review for the completion of new wells within the Area of Review that penetrated the approved injection interval did not reveal any changes. One change in ownership required the notification of EOG Y Resources, Inc. with a copy of the application.

The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the existing order is hereby extended until June 1, 2019. All

requirements of the above referenced administrative order and agreements in the application remain in full force and effect.

Sincerely,



HEATHER RILEY
Director

HR/prg

cc: Oil Conservation Division – Artesia District Office
New Mexico State land Office – Oil, Gas and Minerals Division
SWD-1628



MEWBOURNE
OIL COMPANY

April 24, 2018

New Mexico Oil Conservation Division
Attn: Mr. Phillip Goetze
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

SUBJECT: Request for Permit Extension of SWD -1628
San Lorenzo SWD #2
API: 42-025-pending
1575' FSL, 590' FWL, Unit L
Sec 15, Twp 25S, Rge 28E
Eddy County, NM

Dear Mr. Goetze:

The purpose of this letter is to request a one year permit extension for SWD-1628 that is scheduled to expire on 6/1/2018. Mewbourne Oil Company has significant oil and gas drilling activity planned in this area in the next year, and we would like to retain this permit in case the capacity of our current company operated salt water disposal system and commercial outlets are unable to service our water production demand.

Per your guidance, we have re-reviewed wells and operators within the ½ mile Area of Review (AOR).

Wells within ½ Mile AOR

Attached is an updated tabulation of wells within the one-half area of review (AOR). One permitted location, that was highlighted in the original well tabulation, has been drilled and completed but this horizontal wellbore does not penetrate the proposed disposal interval.

Operators within ½ Mile AOR

An offset operator review indicates that there was one operator change since our original application was submitted. EOG Y Resources, Inc. now operates former Yates Petroleum wells and a copy of the C-108 application packet was mailed to them (return receipt attached).

Please contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink that reads "Tim R. Harrington". The signature is written in a cursive style with a large, stylized initial "T".

Tim Harrington
Reservoir Engineer
tharrington@mewbourne.com
903-534-7647

| Well Direction | API | Lease Name | Well Num | Original Operator | Current Operator | Location | Footage | Field Name | State | County Name | Status | Final Status | IP Prod Form Name | Diller TD | TYD | Form # TD Name | Other App Penetrated Name | Prod Depth | Prod Form | Permit Date | Spud Date | Comm Date |
|----------------|---------------|--------------------------|----------|----------------------|----------------------|---------------------|-----------------------------------|-------------|-------|-------------|---------|--------------|-------------------|-----------|-------|----------------|----------------------------|------------|-------------|-------------|------------|------------|
| VERTICAL | 300153070000 | STAT /56/COM | 1 | AMCO PROD CO | MENWOLINE OIL CO | 255 28E 15 | 1980 FSL 660 FWL CONGRESS SECTION | WULCAT | NM | EDDY | Plugged | D&A-DG | BONE SPRING | 13690 | 13690 | MORROW | PENNSYLVANIA MORROWAN | 7500 | MORROW | 1979-12-03 | 1979-12-31 | 1980-01-17 |
| VERTICAL | 300153070001 | MVCO STATE '15' | 1 | MVCO INDUSTRIES INC | MENWOLINE OIL CO | 255 28E 15 | 1980 FSL 660 FWL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Plugged | OIL-WO | BONE SPRING | 13690 | 13690 | MORROW | PENNSYLVANIA MORROWAN | 7500 | BONE SPRING | 1985-07-14 | 1985-07-24 | 1985-07-27 |
| VERTICAL | 3001530670002 | SAN LORENZO SWD | 1 | MENWOLINE OIL CO | MENWOLINE OIL CO | 255 28E 15 | 1980 FSL 660 FWL CONGRESS SECTION | SWD | NM | EDDY | Active | SRW | BONE SPRING | 13690 | 13690 | PENNSYLVANIA | PENNSYLVANIA UNDERFERTALTD | 6300 | DELAWARE | 2012-09-21 | 2012-12-08 | 2013-01-08 |
| HORIZONTAL | 3001540400000 | SAN LORENZO 15 DM | 1H | MENWOLINE OIL CO | MENWOLINE OIL CO | 255 28E 15 | 330 FNL 660 FWL CONGRESS SECTION | UNNAMED | NM | EDDY | Active | OIL | WOLF-CAMP | 14560 | 10538 | WOLF-CAMP | PENMAN WOLF-CAMP | 14750 | WOLF-CAMP | 2012-06-19 | 2012-07-23 | 2012-12-06 |
| VERTICAL | 3001539520000 | GLUE '16 STATE | 1 | HCW EXPLORATION INC | HCW EXPLORATION INC | 255 28E 16 | 1980 FSL 660 FWL CONGRESS SECTION | WULCAT | NM | EDDY | Plugged | D&A | BONE SPRING | 7500 | 7500 | BONE SPRING | PENMAN LEONARDIAN | 8400 | BONE SPRING | 1981-10-24 | 1981-11-03 | 1982-05-15 |
| HORIZONTAL | 3001539530000 | MVCO 16 STATE COM | 7 | MARROB ENERGY CORP | COG OPERATING LLC | 255 28E 16 W2 SE SW | 660 FSL 350 FWL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Active | OIL | BONE SPRING | 8836 | 7113 | BONE SPRING | PENMAN LEONARDIAN | 10100 | BONE SPRING | 2009-04-03 | 2009-04-21 | 2009-07-19 |
| VERTICAL | 3001541740000 | MVCO 21 STATE COM | 4H | COG OPERATING LLC | COG OPERATING LLC | 255 28E 21 | 190 FSL 980 FEL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Permit | PENMIT | | | | | | 9400 | BONE SPRING | 2013-10-17 | | |
| HORIZONTAL | 3001538316000 | PINOCHE BHP STATE COM | 2H | VATES PETROLEUM CORP | VATES PETROLEUM CORP | 255 28E 22 NW NW | 660 FNL 330 FWL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Pilot | PLOT | BONE SPRING | 7500 | 7418 | BONE SPRING | PENMAN LEONARDIAN | 7500 | BONE SPRING | 2010-11-30 | 2010-12-18 | 2010-12-30 |
| HORIZONTAL | 3001538316010 | PINOCHE BHP STATE COM | 2H | VATES PETROLEUM CORP | VATES PETROLEUM CORP | 255 28E 22 NW NW | 660 FNL 330 FWL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Active | OIL-WO | BONE SPRING | 11380 | 6904 | BONE SPRING | PENMAN LEONARDIAN | 11265 | BONE SPRING | 2010-11-30 | 2010-12-30 | 2011-03-09 |
| HORIZONTAL | 3001540724000 | DANDELION WINE STATE COM | 1H | COG OPERATING LLC | COG OPERATING LLC | 255 28E 15 | 190 FSL 990 FWL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Cancel | AB-LOC | | | | | | 12910 | BONE SPRING | 2012-09-20 | | |

NO WELLS PENETRATE THE PROPOSED DISPOSAL INTERVAL

Changes to Tabulation of Wells Within 1/2 Mile Radius
 4/29/2018

OPERATOR CHANGE

NO WELLS PENETRATE THE PROPOSED DISPOSAL INTERVAL

| | | | | | | | | | | | | | | | | | | | | | | |
|------------|---------------|-----------------------|----|----------------------|----------------------|------------------|----------------------------------|-------------|----|------|--------|--------|-------------|-------|------|-------------|-------------------|-------|-------------|------------|------------|------------|
| HORIZONTAL | 3001541740000 | MVCO 21 STATE COM | 4H | COG OPERATING LLC | COG OPERATING LLC | 255 28E 21 | 190 FSL 980 FEL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Active | OIL | BONE SPRING | 18059 | 8163 | BONE SPRING | BONE SPRING | 18003 | BONE SPRING | 2013-10-17 | 6/5/2017 | 3/8/2018 |
| HORIZONTAL | 3001538316010 | PINOCHE BHP STATE COM | 2H | VATES PETROLEUM CORP | EOG Y RESOURCES, INC | 255 28E 22 NW NW | 660 FNL 330 FWL CONGRESS SECTION | SAN LORENZO | NM | EDDY | Active | OIL-WO | BONE SPRING | 11380 | 6904 | BONE SPRING | PENMAN LEONARDIAN | 11265 | BONE SPRING | 2010-11-30 | 2010-12-30 | 2011-03-09 |

Updated (4/23/2018) Listing of Notified Persons

San Lorenzo SWD #2 Application
1575 FSL & 590 FWL
Section 15, T25S, R28E, Eddy County, NM

Surface Owner

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504

Original Offsetting Operators

COG Operating LLC
One Concho Center
600 W. Illinois Ave
Midland, TX 79701

Yates Petroleum, Inc.
104 S. Fourth Street
Artesia, NM 88210

Revised Offsetting Operator

EOG Y Resources, Inc.
104 S. Fourth Street
Artesia, NM 88210



Shipment Receipt

Transaction Date: 23 Apr 2018

Tracking Number:

1ZF698E80195328231

① ADDRESS INFORMATION

Ship To:

EOG Y RESOURCES, INC.
105 S. 4th Street
ARTESIA NM 882102177

Ship From:

Mewbourne Oil Company
Kim Ripka
3901 South Broadway
TYLER TX 75701
Telephone:903-561-2900
email:rmcdaniel@mewbourne.com

Return Address:

Mewbourne Oil Company
Kim Ripka
3901 South Broadway
TYLER TX 75701
Telephone:903-561-2900
email:rmcdaniel@mewbourne.com

② PACKAGE INFORMATION

| | WEIGHT | DIMENSIONS / PACKAGING | DECLARED VALUE | REFERENCE NUMBERS |
|----|-----------------------------|------------------------|----------------|-------------------|
| 1. | Letter (Letter billable) | UPS Letter | | |

Tracking: UPS

Page 1 of 1



Proof of Delivery

Close Window

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

Tracking Number: 1ZF698E80195328231
Service: UPS Next Day Air®
Shipped/Billed On: 23/04/2018
Delivered On: 24/04/2018 15:38
Delivered To: ARTESIA, NM, US
Received By: ERMA
Left At: Front desk

Thank you for giving us this opportunity to serve you.

Sincerely,

UPS

Tracking results provided by UPS: 25/04/2018 9:35 ET