

CASE NO. 21722

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

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

1. Application and Proposed Ad
2. Landman's Affidavit (Josh Anderson)
3. Geologist's Affidavit (Charles Crosby)
4. Notice Affidavit
5. Publication Notice
6. Pooling Checklist

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21722

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 Lots 3 and 4 (the N/2NW/4) of Section 2 and Lots 1-4 (the N/2N/2) of Section 3, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2NW/4 of Section 2 and the N/2N/2 of Section 3, and has the right to drill a well thereon.
2. Applicant proposes to drill the Loco Hills 2/3 B2CD Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate the N/2NW/4 of Section 2 and the N/2N/2 of Section 3 thereto. The well is a horizontal well with a first take point in Lot 3 of Section 2 and a last take point in Lot 4 of Section 3.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2NW/4 of Section 2 and the N/2N/2 of Section 3 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

EXHIBIT /

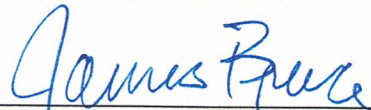
formation underlying the N/2NW/4 of Section 2 and the N/2N/2 of Section 3, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the N/2NW/4 of Section 2 and the N/2N/2 of Section 3 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 interests in the Bone Spring formation underlying the N/2NW/4 of Section 2 and the N/2N/2 of Section 3;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. _____:

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 Lots 3 and 4 (the N/2NW/4) of Section 2 and Lots 1-4 (the N/2N/2) of Section 3, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/3 B2CD Fed. Com. Well No. 1H, a horizontal well with a first take point in Lot 3 of Section 2 and a last take point in Lot 4 of Section 3. 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 3-1/2 miles southeast 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
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case Nos. 21722

SELF-AFFIRMED STATEMENT OF JOSH ANDERSON

Mitch Robb, being duly sworn upon his 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 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 filed herein:

(a) The purpose of this application is to force pool working interest owners into the Bone Spring 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 (i) are unlocatable, or (ii) have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well.

(c) A plat outlining the unit being pooled is submitted as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N2NW/4 (Lots 3 and 4) of Section 2 and the N/2N/2 (Lots 1-4) of Section 3, Township 18 South, Range 30 East N.M.P.M. The unit will be dedicated to the Loco Hills 2/3 B2CD Fed. Com. Well No. 1H. A Form C-102 for the well is also part of Attachment A.

There is no depth severance in the Bone Spring formation.

(d) The parties being pooled, and their interests, are set forth in Attachment B.

EXHIBIT

2

(e) In order to locate the interest owners, Mewbourne examined the county and Land Office records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.

(f) Attachment C is a summary of communications and sample copies of the proposal letters sent to the interest owners.

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

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

(i) Attachment D contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of 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. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

(l) Mewbourne requests that it be designated operator of the well.


(m) The attachments to this affidavit were prepared by me, or compiled from company business records.

(n) 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(n) 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.

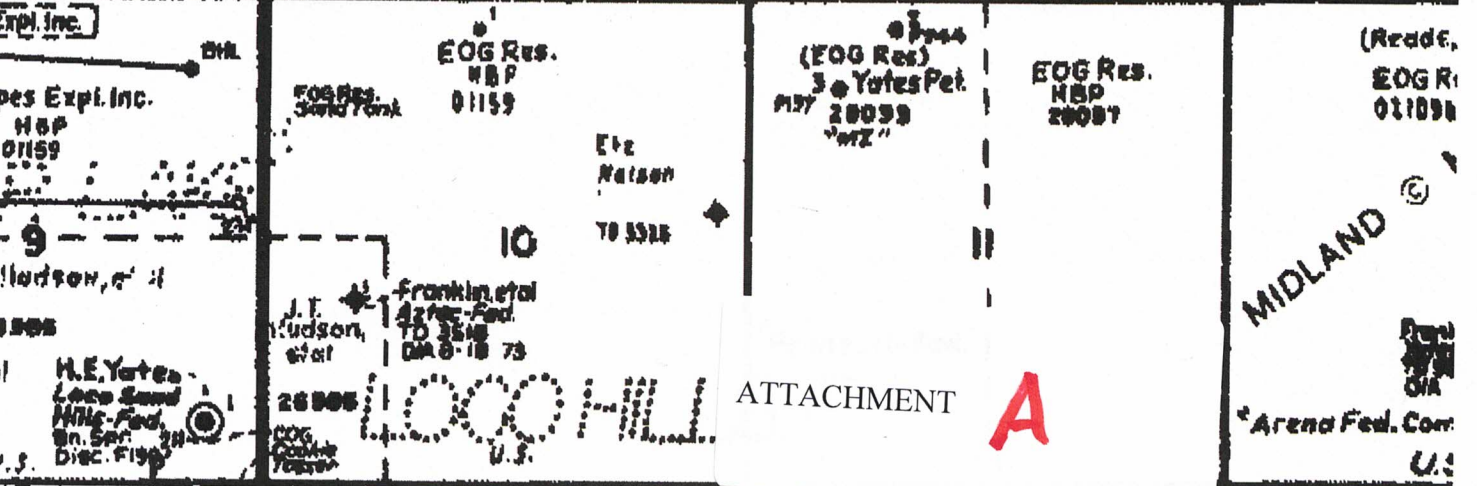
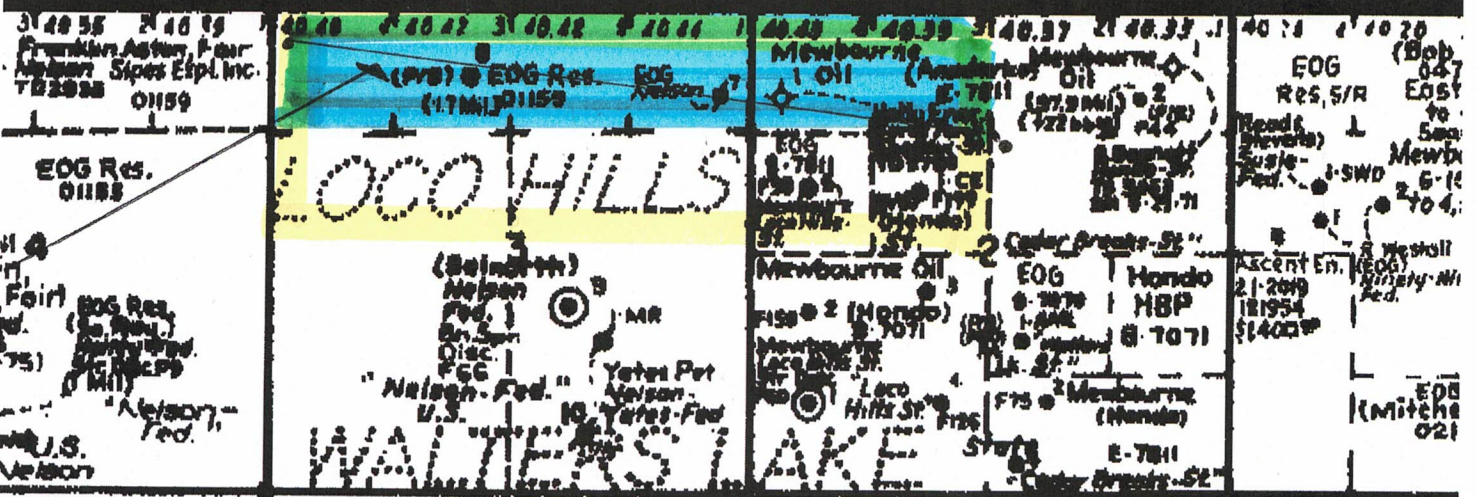
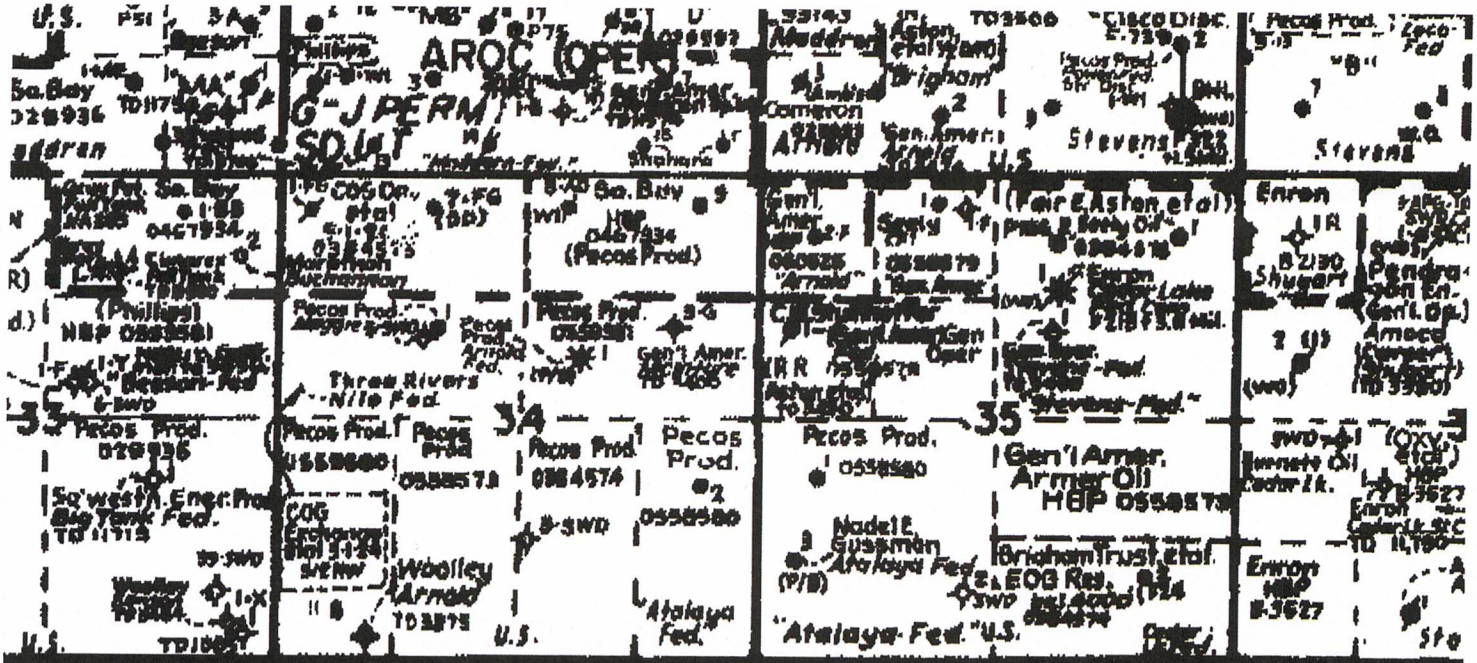
Date:

3/2/21

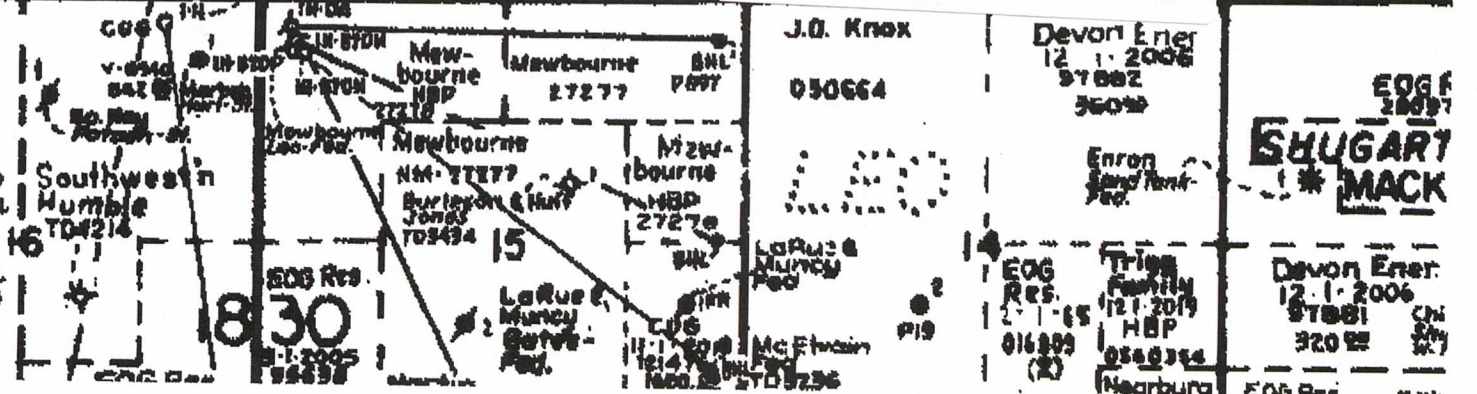


Josh Anderson

Loco Hills 2/3 B2CD Fed Con #14



ATTACHMENT A



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 LOCO HILLS 2/3 B2CD FED COM						⁶ Well Number 1H	
⁷ GRID NO.		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3637'	
¹⁰ Surface Location									
UL or lot no. G	Section 2	Township 18S	Range 30E	Lot Idn	Feet from the 1360	North/South line NORTH	Feet From the 2400	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. 4	Section 3	Township 18S	Range 30E	Lot Idn	Feet from the 400	North/South line NORTH	Feet from the 100	East/West line WEST	County EDDY
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.

¹⁶

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916"
N: 643759.8 - E: 653515.9

B: FOUND BRASS CAP "1916"
N: 646397.6 - E: 653507.4

C: FOUND BRASS CAP "1916"
N: 649049.6 - E: 653498.5

D: FOUND BRASS CAP "1916"
N: 649060.9 - E: 658777.2

E: FOUND BRASS CAP "1916"
N: 649074.2 - E: 664053.7

F: FOUND BRASS CAP "1916"
N: 646426.4 - E: 664062.2

G: FOUND BRASS CAP "1916"
N: 643788.5 - E: 664071.1

H: FOUND BRASS CAP "1916"
N: 643780.8 - E: 661430.5

I: FOUND BRASS CAP "1916"
N: 643770.9 - E: 658794.1

J: FOUND BRASS CAP "1916"
N: 643765.2 - E: 656154.0

K: FOUND BRASS CAP "1916"
N: 646409.3 - E: 658785.5

GEODETIC DATA
NAD 83 GRID - NM EAST

BOTTOM HOLE
LAT: 32.7826386° N
LONG: 103.9680471° W

SURFACE LOCATION
LAT: 32.7799720° N
LONG: 103.9418366° W

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 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.

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.

11-16-2020
Date of Survey

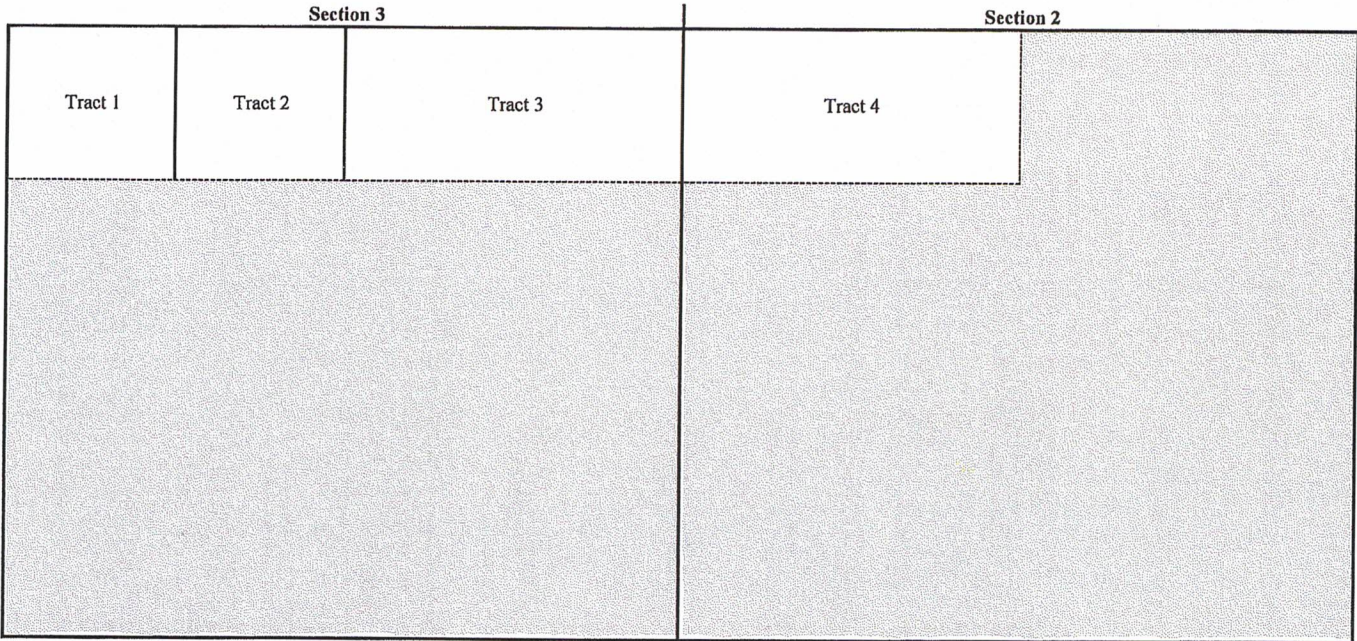
Signature and Seal of Professional Surveyor _____

19680
Certificate Number

Job No: LS20110690

Section Plat
 Loco Hills 2/3 B2CD Fed Com #1H
 N/2NW/4 of Section 2 & N/2N/2 of Section 3

T18S-R30E, Eddy County, NM



Tract 1: Lot 4 of Section 3 - Federal Lease NMNM-01159

Mewbourne Oil Company
 Warwick-Artemis, LLC
 Read & Stevens, Inc.
 Unit Petroleum Company
 Slayton Investments, LLC
 Cannon Exploration Company
 Mesa Petroleum Company
 Roy L. Crow
 James D. Brown, Jr.
 A&S Operating, Inc.

Tract 3: Lots 1 & 2 of Section 3 - Federal Lease NMNM-01159

Mewbourne Oil Company
 Warwick-Artemis, LLC
 Unit Petroleum Company
 Read & Stevens, Inc.
 Slayton Investments, LLC
 Cannon Exploration Company
 Mesa Petroleum Company
 Roy L. Crow
 James D. Brown, Jr.
 A&S Operating, Inc.

Tract 2: Lot 3 of Section 3 - Federal Lease NMNM-01159

Mewbourne Oil Company
 Mark D. Wilson Family Partnership, L.P.
 Warwick-Artemis, LLC
 Read & Stevens, Inc.
 Slayton Investments, LLC
 Rio Pecos Corporation
 Cannon Exploration Company
 James D. Brown, Jr.
 Mesa Petroleum Company

Tract 4: Lots 3 & 4 of Section 2 - State Lease E-7811

Mewbourne Oil Company
 EOG Resources, Inc.
 SEP Permian, LLC
 A&S Operating, Inc.

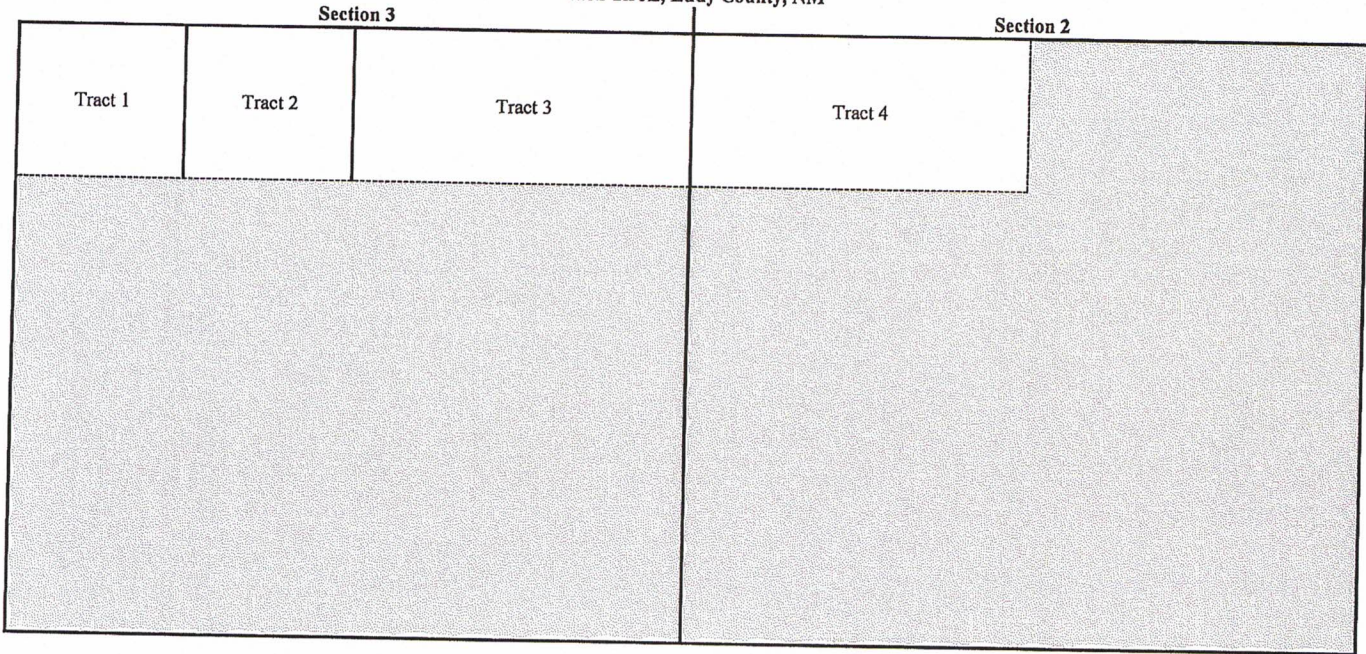
ATTACHMENT

B

RECAPITULATION FOR LOCO HILLS 2/3 B2CD FED COM #1H

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	40.4	16.659794%
2	40.42	16.668041%
3	80.86	33.344330%
4	80.82	33.327835%
TOTAL	242.5	100.000000%

T18S-R30E, Eddy County, NM



TRACT OWNERSHIP
N/2N/2 of Section 3 & N/2NW/4 of Section 2

Bone Spring Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	83.035423%
*SEP Permian, LLC 920 Memorial City Way, Suite 1000 Houston, TX 77024	4.541418%
*Read & Stevens, Inc. P.O. Box 1518 Roswell, NM 88202	4.167010%
*EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702	4.155331%
*Unit Petroleum Company 8200 S. Unit Dr. Tulsa, OK 74132	3.428888%
*Roy L. Crow Unlocatable	0.671930%
*Mesa Petroleum Company Unlocatable	0.666722%
TOTAL	100.000000%
Total Interest Being Pooled:	17.631299%

OWNERSHIP BY TRACT

Lot 4 of Section 3

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	84.549039%
Read & Stevens, Inc.	6.250000%
Unit Petroleum Company	6.857211%
Mesa Petroleum Company	1.000000%
Roy L. Crow	1.343750%
TOTAL	100.000000%

Lot 3 of Section 3

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	92.750000%
Read & Stevens, Inc.	6.250000%
Mesa Petroleum Company	1.000000%
TOTAL	100.000000%

Lots 1 & 2 of Section 3

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	84.549039%
Unit Petroleum Company	6.857211%
Read & Stevens, Inc.	6.250000%
Mesa Petroleum Company	1.000000%
Roy L. Crow	1.343750%
TOTAL	100.000000%

Lots 3 & 4 of Section 2

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	73.905448%
SEP Permian, LLC	13.626502%
EOG Resources, Inc.	12.468050%
TOTAL	100.000000%

Summary of Communications
Loco Hills 2/3 B2CD Fed Com #1H
N/2N/2 of Section 3-T18S-R30E, Eddy County, NM &
N/2NW/4 of Section 2-T18S-R30E, Eddy County, NM

EOG Resources, Inc.:

9/26/2018: Mailed a Working Interest Unit, Loco Hills 2/3 B2CD Fed Com #1H Well Proposal to the above listed party.

10/1/2018: The above listed party received and signed for the certified mailing of the above captioned Well Proposal.

1/5/2019: Mailed a Working Interest Unit, Loco Hills 2/3 Joint Operating Agreement to the above listed party.

1/11/2019: The above listed party received and signed for the certified mailing of the above captioned JOA.

12/10/2019: Met with above listed party regarding Working Interest Unit and Well Proposal.

5/8/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

9/30/2020: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

10/2/2020: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/14/2021: Mailed the Re-Proposed Loco Hills 2/3 B2CD Fed Com #1H Well Proposal, to the above listed party. The well was Re-Proposed due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

1/19/2021: The above listed party received and signed for the certified mailing of the above captioned Well Proposal.

1/19/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/5/2021: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/9/2021: Met with above listed party regarding Working Interest Unit and Well Proposal.

2/16/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Ongoing: Mewbourne is currently negotiating with EOG Resources, Inc. to acquire all or a portion of their interest.

Read & Stevens, Inc.:

9/26/2018: Mailed a Working Interest Unit, Loco Hills 2/3 B2CD Fed Com #1H Well Proposal to the above listed party.

10/2/2018: The above listed party received and signed for the certified mailing of the above captioned Well Proposal.

1/5/2019: Mailed a Working Interest Unit, Loco Hills 2/3 Joint Operating Agreement to the above listed party.

1/14/2019: The above listed party received and signed for the certified mailing of the above captioned JOA.

5/7/2020: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

5/8/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

11/18/2020: Mailed the Re-Proposed Loco Hills 2/3 B2CD Fed Com #1H Well Proposal, to the above listed party. The well was Re-Proposed due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

1/4/2021: The above listed party received and signed for the certified mailing of the above captioned Well Proposal.

1/19/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/4/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/16/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/17/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

ATTACHMENT 

Ongoing: Mewbourne is currently negotiating with Read & Stevens, Inc. to acquire all or a portion of their interest.

Unit Petroleum Company:

9/26/2018: Mailed a Working Interest Unit, Loco Hills 2/3 B2CD Fed Com #1H Well Proposal to the above listed party.

10/1/2018: The above listed party received and signed for the certified mailing of the above captioned Well Proposal.

1/5/2019: Mailed a Working Interest Unit, Loco Hills 2/3 Joint Operating Agreement to the above listed party.

1/11/2019: The above listed party received and signed for the certified mailing of the above captioned JOA.

11/18/2020: Mailed the Re-Proposed Loco Hills 2/3 B2CD Fed Com #1H Well Proposal, to the above listed party. The well was Re-Proposed due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

12/1/2020: The above listed party received and signed for the certified mailing of the above captioned Well Proposal.

12/2/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

12/15/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

12/16/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/4/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/5/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/11/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/13/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Ongoing: Mewbourne is currently negotiating with Unit Petroleum Company to acquire all or a portion of their interest.

SEP Permian, LLC:

9/26/2018: Mailed a Working Interest Unit, Loco Hills 2/3 B2CD Fed Com #1H Well Proposal to the above listed party's predecessor in title.

10/1/2018: The above listed party's predecessor in title received and signed for the certified mailing of the above captioned Well Proposal.

1/5/2019: Mailed a Working Interest Unit, Loco Hills 2/3 Joint Operating Agreement to the above listed party's predecessor in title.

1/11/2019: The above listed party's predecessor in title received and signed for the certified mailing of the above captioned JOA.

11/18/2020: Mailed the Re-Proposed Loco Hills 2/3 B2CD Fed Com #1H Well Proposal, to the above listed party. The well was Re-Proposed due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

11/23/2020: The above listed party received and signed for the certified mailing of the above captioned Well Proposal.

12/1/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

12/10/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/7/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/14/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/9/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/10/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/23/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/25/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Ongoing: Mewbourne is currently negotiating with SEP Permian, LLC to acquire all or a portion of their interest.

Roy L. Crow:

9/26/2018: Tried to mail a Working Interest Unit, Loco Hills 2/3 B2CD Fed Com #1H Well Proposal to the above listed party.

N/A: The above listed party never received or signed for the certified mailing of the above captioned Well Proposal and was returned to sender.

1/5/2019: Tried to mailed a Working Interest Unit, Loco Hills 2/3 Joint Operating Agreement to the above listed party.

N/A: The above listed party never received or signed for the certified mailing of the above captioned JOA and it was returned to sender.

2/2/2021: Tried to mailed the Re-Proposed Loco Hills 2/3 B2CD Fed Com #1H Well Proposal, to the above listed party. The well was Re-Proposed due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

N/A: The above listed party never received or signed for the certified mailing of the above captioned Well Proposal and it was returned to sender.

Ongoing: Mewbourne was never able to find a viable address for the above listed party.

Mesa Petroleum Company:

2/2/2021: Tried to mailed the Re-Proposed Loco Hills 2/3 B2CD Fed Com #1H Well Proposal, to the above listed party. The well was Re-Proposed due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

N/A: The above listed party never received or signed for the certified mailing of the above captioned Well Proposal and it was returned to sender.

Ongoing: Mewbourne was never able to find a viable address for the above listed party and it is believed it is no longer in existence.

MEWBOURNE OIL COMPANY

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

September 26, 2018

Via: Certified Mail

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
Loco Hills 2/3 B2CD Fed Com #1H
Loco Hills 2/3 B2FE Fed Com #1H
W/2 of Section 2, T18S-R30E
All of Section 3, T18S-R30E
Eddy County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 962.50 acre Working Interest Unit ("WIU") covering the W/2 of the above captioned Section 2 and all of the above captioned Section 3 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation.

Mewbourne hereby proposes to drill and operate the following horizontal Bone Spring wells:

1. Loco Hills 2/3 B2CD Fed Com #1H located at a surface location 1310' FNL & 2475' FEL of Section 2, with a bottom hole location 400' FNL & 100' FWL of Section 3, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 7,815' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 15,395.
2. Loco Hills 2/3 B2FE Fed Com #1H located at a surface location 1340' FNL & 2475' FEL of Section 2, with a bottom hole location 2085' FNL & 100' FWL of Section 3, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 7,890' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 15,470.

Regarding the above, enclosed for your further handling and information are copies of our Authorization For Expenditure ("AFE") for the Loco Hills 2/3 B2CD Fed Com #1H and Loco Hills 2/3 B2FE Fed Com #1H wells.

Please indicate your participation election by having each AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will follow the well proposals shortly.

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

Sincerely,

MEWBOURNE OIL COMPANY

Raymond R. Winkeljohn

Ray Winkeljohn
Landman



October 1, 2018

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8106 9994 5035 0604 50.

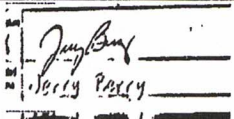
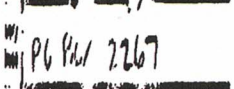
Item Details

Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	October 1, 2018, 7:33 am
Location:	MIDLAND, TX 79702
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	EOG Resources Inc

Shipment Details

Weight:	2.0oz
----------------	-------

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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

EOG Resources, Inc.
Attn: Land Manager
5509 CHAMPIONS DR
MIDLAND, TX 79706
Reference #: proposed bs wells loco hills RW
Item ID: proposed bs wells loco hills

MEWBOURNE OIL COMPANY

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

January 5, 2019

Via: Certified Mail

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Land Manager

Re: Loco Hills 2/3 Working Interest Unit
Section 2, T18S, R30E (W/2)
Section 3, T18S, R30E (All)
Eddy County, New Mexico

Ladies and Gentlemen:

Pursuant to our Well Proposal Letter dated September 26, 2018, please find (1) the included Operating Agreement dated October 1, 2018, by and between Mewbourne Oil Company as Operator and Dugan Production Corp., et al, as Non-Operators and (3) sets of signature pages for your execution. Please return only the executed (3) sets of signature pages to my attention at the above address.

Should you have any questions regarding the above, please email me at rwinkeljohn@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



January 11, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5037 7106 93.

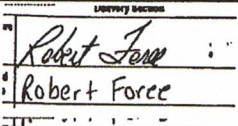
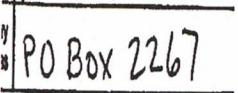
Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: January 11, 2019, 7:32 am
Location: MIDLAND, TX 79702
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: EOG Resources Inc

Shipment Details

Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient:	 Robert Force
Address of Recipient:	 PO Box 2267

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

EOG Resources, Inc.
Attn: Clay Haggard
5509 CHAMPIONS DR
MIDLAND, TX 79706
Reference #: Loco Hills 2 3 WIU RW
Item ID: Loco Hills 2 3 WIU

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

January 14, 2021

Via Certified Mail

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Land Manager

Re: Loco Hills "2/3" B2CD Fed Com No. 1H
1380' FNL & 2475' FEL (SL) (Sec. 2)
400' FNL & 100' FWL (BHL) (Sec. 3)
W/2 of Section 2 & All of Section 3, T18S, R30E
Eddy County, New Mexico

To Whom It May Concern:

Due to the length of time that has passed, Mewbourne Oil Company ("Mewbourne") would like to retract the previous proposal for the Loco Hills 2/3 B2CD Fed Com No. 1H sent to you by letter dated September 26, 2018 and replace said proposal with this proposal for the Loco Hills 2/3 B2CD Fed Com No. 1H.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 962.50 acre Working Interest Unit ("WIU") covering the W/2 of the above captioned Section 2 and all of the above captioned Section 3 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,932 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,497 feet. The N/2NW/4 of the captioned Section 2 and the N/2N/2 of the captioned Section 3 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated November 16, 2020 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. A copy of the proposed Joint Operating Agreement has already been forwarded to you.

Should you have any questions regarding the above, please email me at janderson@mewbourne.com or call me at (432) 682-3715.

Sincerely,
MEWBOURNE OIL COMPANY



Josh Anderson, RPL
Landman

Josh Anderson

From: webmaster@simplecertifiedmail.com
Sent: Tuesday, January 19, 2021 12:14 PM
To: Josh Anderson
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846552335635 and reference number of Loco Hills 2/3 was successfully delivered to Land Manager at EOG Resources Inc.

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

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

Regards,

The Client Services Group-Assistance

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

©2019 SimpleCertifiedMail.com All rights reserved.

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: LOCO HILLS 2/3 B2CD FED COM #1H		Prospect: LOCO HILLS	
Location: SL: 1380 FNL & 2475 FEL (2); BHL: 400 FNL & 100 FWL (3)		County: Eddy	ST: NM
Sec: 2	Blk: 	Survey: 	TWP: 18S RNG: 30E Prop. TVD: 7932 TMD: 15497

INTANGIBLE COSTS 0180				CODE	TCP	CODE	CC
Regulatory Permits & Surveys				0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation				0180-0105	\$40,000	0180-0205	\$25,000
Location / Restoration				0180-0106	\$185,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling 28 days drlg / 3 days comp @ \$18550/d				0180-0110	\$554,700	0180-0210	\$59,400
Fuel 1700 gal/day @ \$1.3/gal				0180-0114	\$66,100	0180-0214	\$159,000
Alternate Fuels				0180-0115		0180-0215	
Mud, Chemical & Additives				0180-0120	\$200,000	0180-0220	
Mud - Specialized				0180-0121		0180-0221	
Horizontal Drillout Services						0180-0222	\$150,000
Stimulation Toe Preparation						0180-0223	\$25,000
Cementing				0180-0125	\$100,000	0180-0225	\$25,000
Logging & Wireline Services				0180-0130	\$2,300	0180-0230	\$251,000
Casing / Tubing / Snubbing Services				0180-0134	\$20,000	0180-0234	\$40,000
Mud Logging				0180-0137	\$25,000		
Stimulation 44 Stg 14.5 MM gal / 14.5 MM lb						0180-0241	\$885,000
Stimulation Rentals & Other						0180-0242	\$100,000
Water & Other				0180-0145	\$50,000	0180-0245	\$277,000
Bits				0180-0148	\$128,200	0180-0248	\$5,000
Inspection & Repair Services				0180-0150	\$50,000	0180-0250	\$5,000
Misc. Afr & 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	\$25,000
Welding, Construction & Maint. Services				0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision				0180-0170		0180-0270	\$12,000
Directional Services Includes Vertical Control				0180-0175	\$387,500		
Equipment Rental				0180-0180	\$203,300	0180-0280	\$15,000
Well / Lease Legal				0180-0184	\$5,000	0180-0284	
Well / Lease Insurance				0180-0185	\$4,800	0180-0285	
Intangible Supplies				0180-0188	\$8,000	0180-0288	\$1,000
Damages				0180-0190	\$3,000	0180-0290	
Pipeline Interconnect, ROW Easements				0180-0192		0180-0292	
Company Supervision				0180-0195	\$297,600	0180-0295	\$86,400
Overhead Fixed Rate				0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 2% (TCP) 2% (CC)				0180-0199	\$50,500	0180-0299	\$45,100
TOTAL					\$2,577,000		\$2,300,400

TANGIBLE COSTS 0181				CODE	TCP	CODE	CC
Casing (19.1" - 30")				0181-0793			
Casing (10.1" - 19.0") 550' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/R				0181-0794	\$18,900		
Casing (8.1" - 10.0") 3825' - 9 5/8" 40# HCL80 LT&C @ \$25.77/R				0181-0795	\$105,300		
Casing (6.1" - 8.0") 8200' - 7" 29# HCP-110 LT&C @ \$21.47/R				0181-0796	\$188,000		
Casing (4.1" - 6.0") 8120' - 4 1/2" 13.5# P-110 BPN @ \$11.72/R						0181-0797	\$101,600
Tubing 7450' - 2 7/8" 6.5# L-80 Tbg @ \$4.54/R						0181-0798	\$36,100
Drilling Head				0181-0860	\$40,000		
Tubing Head & Upper Section						0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger						0181-0871	\$45,000
Subsurface Equip. & Artificial Lift						0181-0880	
Pumping Unit Systems						0181-0885	
Service Pumps						0181-0886	\$6,000
Storage Tanks (1/3) 8 - 750 bbl OT/7 - 750 bbl WT/1 - Gun Bbl						0181-0890	\$115,000
Emissions Control Equipment (1/3) VRTs/VRU/FIare/KOs						0181-0892	\$82,000
Separation / Treating Equipment (1/3) 30"x10"x1k# 3ph/48"x15"x1k# Horiz/Heater Treater						0181-0895	\$89,000
Automation Metering Equipment						0181-0898	\$42,000
Line Pipe & Valves - Gathering (1/3) 1 mile Steel Gas & Poly Water						0181-0900	\$24,000
Fittings / Valves & Accessories						0181-0906	\$184,000
Cathodic Protection						0181-0908	\$5,000
Electrical Installation						0181-0909	\$84,000
Equipment Installation						0181-0910	\$75,000
Pipeline Construction (1/3) 1 mile Steel Gas & Poly Water						0181-0920	\$50,000
TOTAL					\$362,200		\$968,700
SUBTOTAL					\$2,929,200		\$3,269,100
TOTAL WELL COST					\$6,198,300		

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 re-drilling 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: Andy Taylor Date: 11/12/2020

Company Approval: *M. White* Date: 11/16/2020

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

D

ATTACHMENT

**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 Nos. 21722

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

Charles Crosby 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 Second Bone Spring Sand. It shows that structure dips gently to the southeast. It also shows Bone Spring wells in the area, and a line of cross-section.
 - (b) Attachment B is a Second Bone Spring Sand Gross Thickness map.
 - (c) Attachment C is a cross section showing the Second Bone Spring Sand, the target zones for the proposed well. The well logs on the cross-section give a representative sample of the Second Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) The target zone is continuous and of relatively uniform thickness across the well unit.
 - (c) Each quarter-quarter section in the well unit will contribute more or less equally to production.

EXHIBIT

3

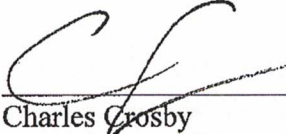
(d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.

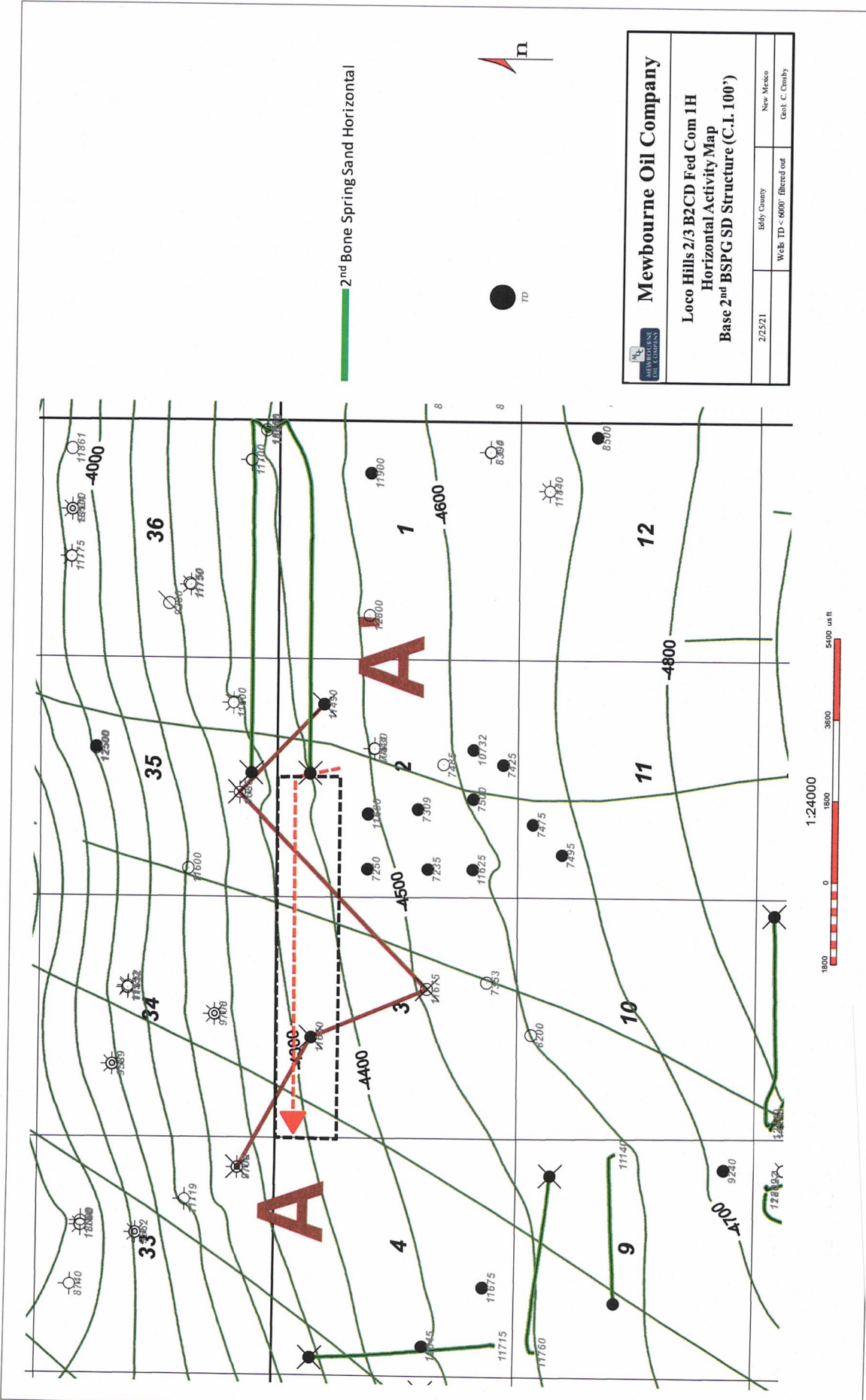
5. Attachment D contains information from other Second Bone Spring Sand wells drilled in this area. There are both standup and laydown Bone Spring wells in this area, but with a preference for lay down wells.

6. Attachment E is a Planning Report for the proposed well. The producing interval of the well 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.

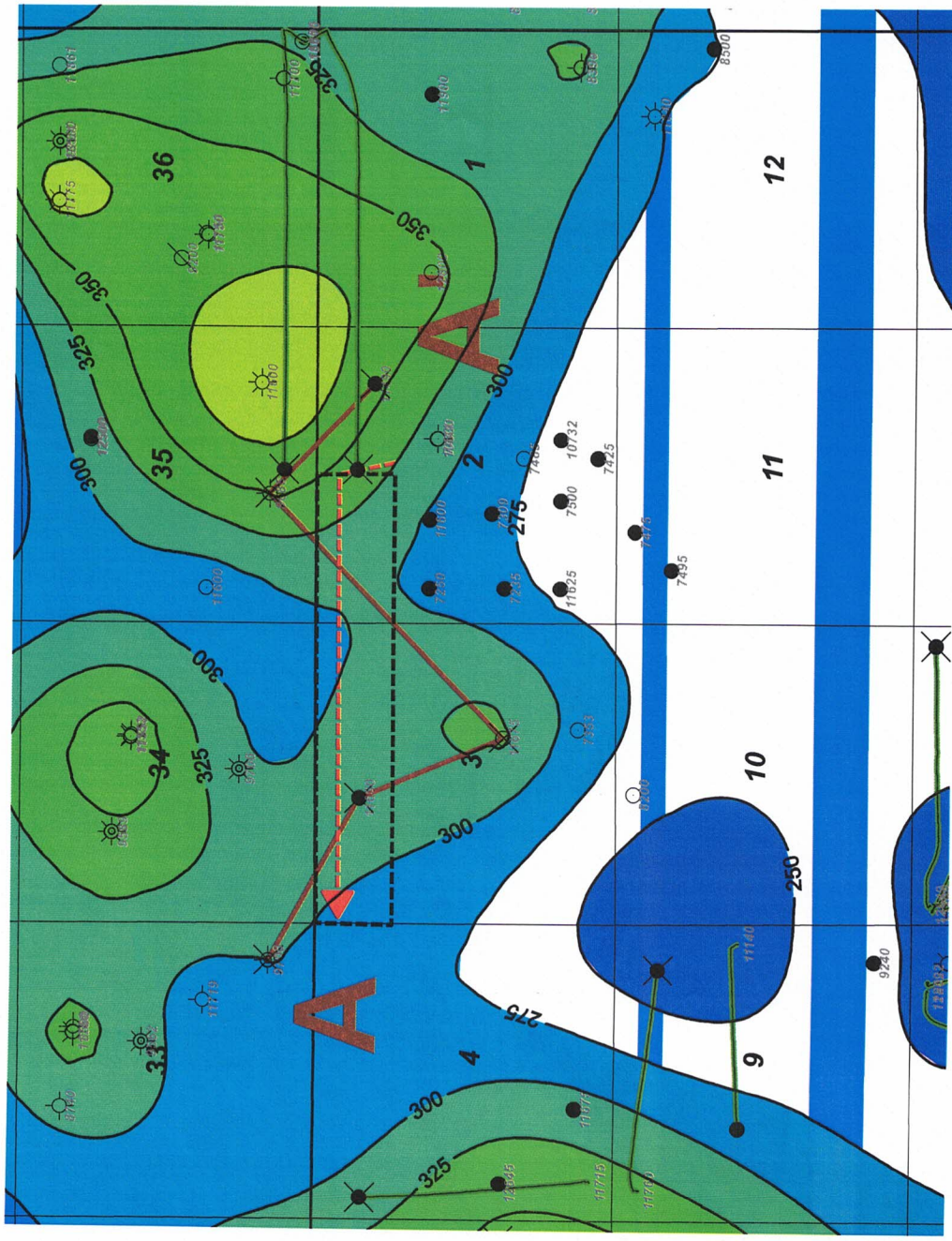
Date: 3/2/21


Charles Crosby

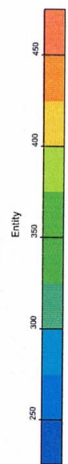


Mewbourne Oil Company	
Loco Hills 2/3 BZCD Fed Com 1H Horizontal Activity Map Base 2 nd BSPG SD Structure (C.I. 100')	
22521	Eddy County Web: TD-600' filtered out
	New Mexico Geol. C. Crosby

ATTACHMENT **A**



Lower 2nd BSPG SD Gross Thickness (C.I. 25')
Color Filled Contour



2nd Bone Spring Sand Horizontal



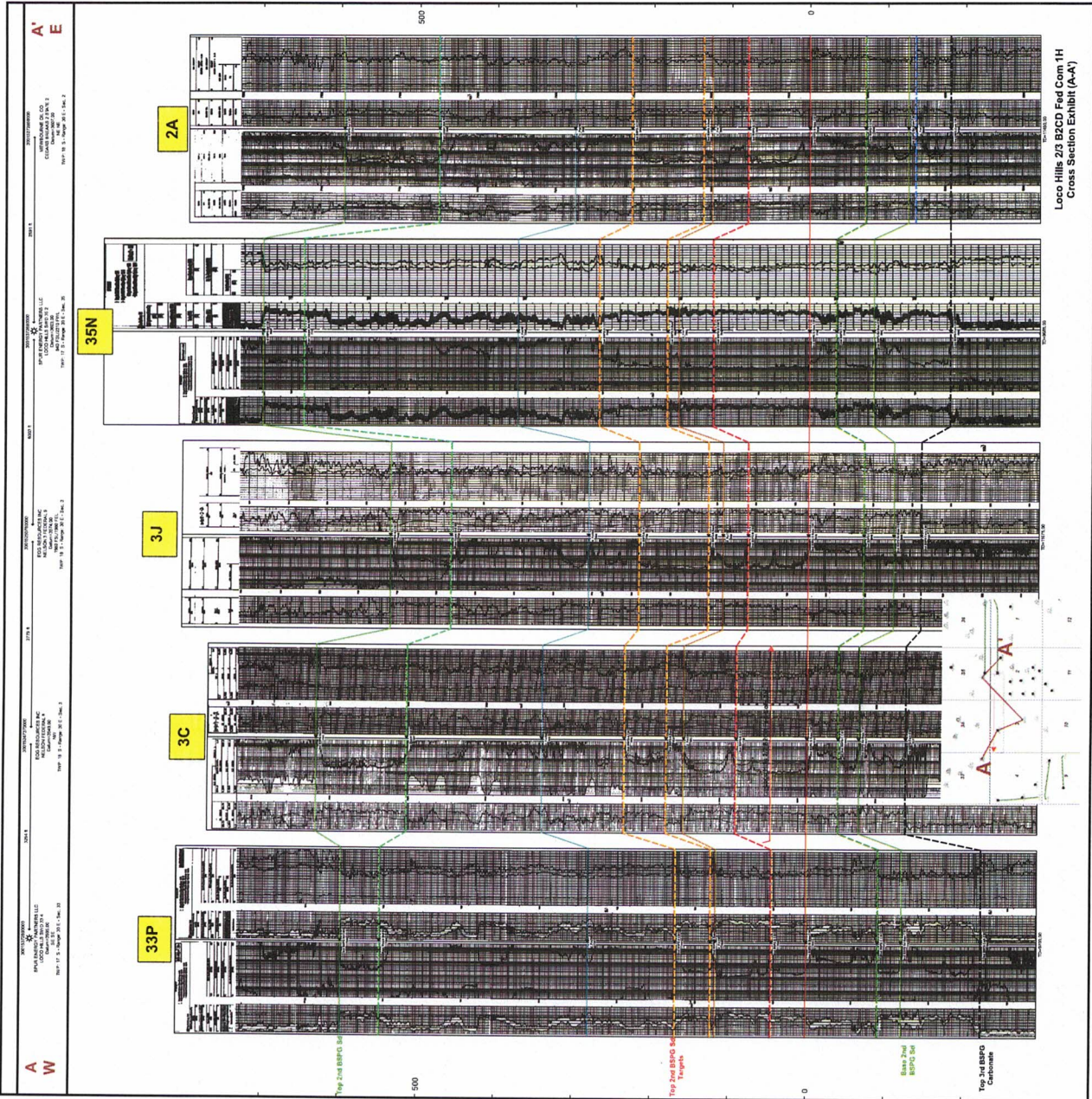
Mewbourne Oil Company

Loco Hills 2/3 B2CD Fed Com 1H
Horizontal Activity Map
Lower 2nd BSPG Sand Gross Thickness (C.I. 25')

22521	Eddy County	New Mexico
	Wellb TD < 6000' Filtered out	Geol: C. Crosby



ATTACHMENT



ATTACHMENT



Loco Hills Area 2nd Bone Spring Sand Production Table

Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gase (Bcf)	Cum Wtr (Mbw)	NS/EW	Zone
Sand Tank 9 Federal Com 1H	EOG	30015362700000	9D/18S/30E	10/18/2008	71.3	0.18	14.1	EW	2nd Bone Spring Sand
Sand Tank 9 Federal 2H	EOG	30015365810000	9H/18S/30E	2/4/2009	29.6	0.04	18.5	EW	2nd Bone Spring Sand
Sand Tank 4 Federal 1H	EOG	30015373160000	4M/18S/30E	11/27/2009	69.7	0.24	15.4	NS	2nd Bone Spring Sand
Leo 15 DA Federal Com 1H	Mewbourne	30015421850000	15D/18S/30E	9/1/2014	299.6	0.68	79.1	EW	2nd Bone Spring Sand
Loco Hills 1/2 B2AB Fed Com 1H	Mewbourne	30015455820000	36P/17S/30E	6/4/2019	336.1	0.37	241.6	EW	2nd Bone Spring Sand
Gemini 36/35 B2PO Federal Com 1H	Mewbourne	30015456390000	36P/17S/30E	6/4/2019	249.4	0.18	226.3	EW	2nd Bone Spring Sand

ATTACHMENT





MEWBOURNE
OIL COMPANY

Mewbourne Oil Company

Eddy Co., NM (NAD 83)

Loco Hills Pad

Loco Hills 2-3 B2CD Fed Com 1H

OH

Plan: Plan #1

Standard Planning Report

28 January, 2021

ATTACHMENT

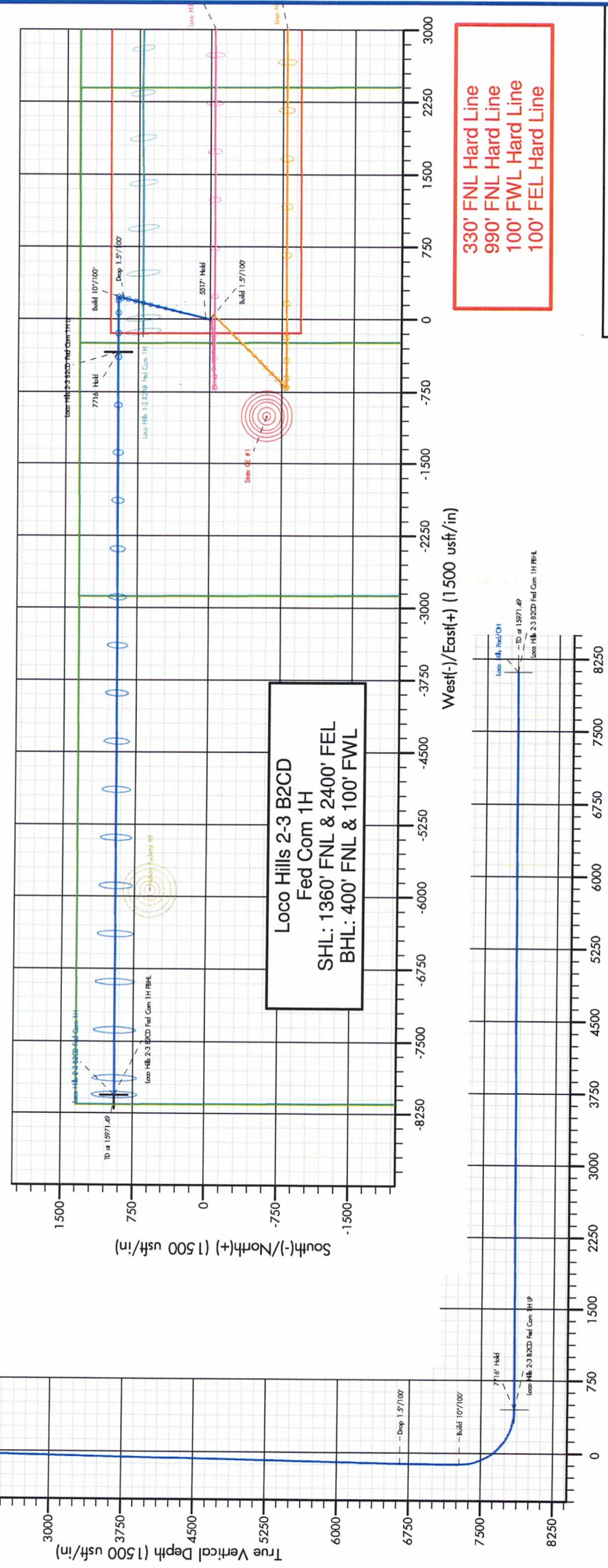
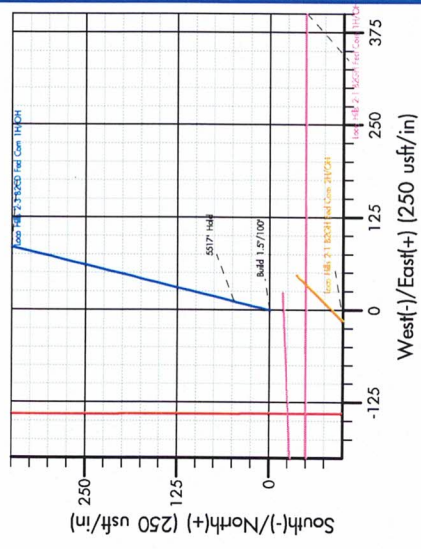


ALTITUDE
ENERGY PARTNERS



Azimuths to Grid North
 True North: -0.21°
 Magnetic North: 6.90°
 Magnetic Field
 Strength: 47952.8nT
 Dip Angle: 60.55°
 Date: 1/28/2021
 Model: HDGM2021

WELL DETAILS: Loco Hills 2-3 B2CD Fed Com 1H									
+N/-S	+E/-W	Northing	Longitude						
0.00	0.00	647708.60	-103.941837						
WELLBORE TARGET DETAILS (UAT/LONG)									
Name	TVD	+N/-S	+E/-W	Northing	Eastings	Shope			
Loco Hills 2-3 B2CD Fed Com 1H PBHL	7818.00	941.30	-8058.80	648649.90	653599.80	Point			
Loco Hills 2-3 B2CD Fed Com 1H LP	7848.00	958.70	-342.01	648667.30	661316.59	Point			
SECTION DETAILS									
MD	Inc	Azi	TYD	+N/-S	+E/-W	Dleg	Trace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	Build 1.5°/100'
1217.66	9.26	13.65	1214.97	48.42	11.76	1.50	13.65	-0.06	5517' Hold
6734.73	9.26	13.65	6660.07	911.57	221.41	0.00	0.00	-114.16	Drop 1.5°/100'
7352.40	0.00	269.87	7275.05	960.00	233.17	1.50	180.00	-120.22	Build 10°/100'
8254.62	90.22	269.87	7848.00	958.70	-342.01	10.00	0.00	450.92	7716' Hold
15971.49	90.22	269.87	7818.00	941.30	-8058.80	0.00	0.00	8113.59	TD at 15971.49



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Loco Hills 2-3 B2CD Fed Com 1H
Company:	Mewbourne Oil Company	TVD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Project:	Eddy Co., NM (NAD 83)	MD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Site:	Loco Hills Pad	North Reference:	Grid
Well:	Loco Hills 2-3 B2CD Fed Com 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Project	Eddy Co., NM (NAD 83)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Loco Hills Pad				
Site Position:		Northing:	647,708.60 usft	Latitude:	32.779972
From:	Map	Easting:	661,658.60 usft	Longitude:	-103.941837
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "		

Well	Loco Hills 2-3 B2CD Fed Com 1H					
Well Position	+N/-S	0.00 usft	Northing:	647,708.60 usft	Latitude:	32.779972
	+E/-W	0.00 usft	Easting:	661,658.60 usft	Longitude:	-103.941837
Position Uncertainty	0.00 usft		Wellhead Elevation:	usft	Ground Level:	3,637.00 usft
Grid Convergence:	0.21 °					

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM2021	1/28/2021	7.12	60.55	47,952.80000000

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	276.66

Plan Survey Tool Program	Date	1/28/2021		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	15,971.49 Plan #1 (OH)	MWD + HDGM	
			MWD + HDGM - Standard	

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,217.66	9.26	13.65	1,214.97	48.42	11.76	1.50	1.50	0.00	13.65	
6,734.73	9.26	13.65	6,660.07	911.57	221.41	0.00	0.00	0.00	0.00	
7,352.40	0.00	269.87	7,275.05	960.00	233.17	1.50	-1.50	0.00	180.00	
8,254.62	90.22	269.87	7,848.00	958.70	-342.01	10.00	10.00	0.00	0.00	Loco Hills 2-3 B2CD F
15,971.49	90.22	269.87	7,818.00	941.30	-8,058.80	0.00	0.00	0.00	0.00	Loco Hills 2-3 B2CD F

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Loco Hills 2-3 B2CD Fed Com 1H
Company:	Mewbourne Oil Company	TVD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Project:	Eddy Co., NM (NAD 83)	MD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Site:	Loco Hills Pad	North Reference:	Grid
Well:	Loco Hills 2-3 B2CD Fed Com 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
370.00	0.00	0.00	370.00	0.00	0.00	0.00	0.00	0.00	0.00
Rustler									
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
Build 1.5°/100'									
610.00	0.15	13.65	610.00	0.01	0.00	0.00	1.50	1.50	0.00
Salt Top									
700.00	1.50	13.65	699.99	1.27	0.31	-0.16	1.50	1.50	0.00
800.00	3.00	13.65	799.91	5.09	1.24	-0.64	1.50	1.50	0.00
900.00	4.50	13.65	899.69	11.44	2.78	-1.43	1.50	1.50	0.00
1,000.00	6.00	13.65	999.27	20.33	4.94	-2.55	1.50	1.50	0.00
1,100.00	7.50	13.65	1,098.57	31.75	7.71	-3.98	1.50	1.50	0.00
1,200.00	9.00	13.65	1,197.54	45.70	11.10	-5.72	1.50	1.50	0.00
1,217.66	9.26	13.65	1,214.97	48.42	11.76	-6.06	1.50	1.50	0.00
5517' Hold									
1,300.00	9.26	13.65	1,296.24	61.30	14.89	-7.68	0.00	0.00	0.00
1,400.00	9.26	13.65	1,394.93	76.95	18.69	-9.64	0.00	0.00	0.00
1,500.00	9.26	13.65	1,493.63	92.59	22.49	-11.60	0.00	0.00	0.00
1,506.46	9.26	13.65	1,500.00	93.60	22.74	-11.72	0.00	0.00	0.00
Salt Base									
1,600.00	9.26	13.65	1,592.32	108.24	26.29	-13.56	0.00	0.00	0.00
1,683.77	9.26	13.65	1,675.00	121.35	29.47	-15.20	0.00	0.00	0.00
Yates									
1,700.00	9.26	13.65	1,691.02	123.88	30.09	-15.51	0.00	0.00	0.00
1,800.00	9.26	13.65	1,789.71	139.53	33.89	-17.47	0.00	0.00	0.00
1,900.00	9.26	13.65	1,888.41	155.17	37.69	-19.43	0.00	0.00	0.00
2,000.00	9.26	13.65	1,987.11	170.82	41.49	-21.39	0.00	0.00	0.00
2,063.73	9.26	13.65	2,050.00	180.79	43.91	-22.64	0.00	0.00	0.00
Seven Rivers									
2,100.00	9.26	13.65	2,085.80	186.47	45.29	-23.35	0.00	0.00	0.00
2,200.00	9.26	13.65	2,184.50	202.11	49.09	-25.31	0.00	0.00	0.00
2,300.00	9.26	13.65	2,283.19	217.76	52.89	-27.27	0.00	0.00	0.00
2,400.00	9.26	13.65	2,381.89	233.40	56.69	-29.23	0.00	0.00	0.00
2,500.00	9.26	13.65	2,480.58	249.05	60.49	-31.19	0.00	0.00	0.00
2,600.00	9.26	13.65	2,579.28	264.69	64.29	-33.15	0.00	0.00	0.00
2,666.59	9.26	13.65	2,645.00	275.11	66.82	-34.45	0.00	0.00	0.00
Queen									
2,700.00	9.26	13.65	2,677.97	280.34	68.09	-35.11	0.00	0.00	0.00
2,800.00	9.26	13.65	2,776.67	295.98	71.89	-37.07	0.00	0.00	0.00
2,854.04	9.26	13.65	2,830.00	304.43	73.94	-38.13	0.00	0.00	0.00
Grayburg									
2,900.00	9.26	13.65	2,875.36	311.63	75.69	-39.03	0.00	0.00	0.00
3,000.00	9.26	13.65	2,974.06	327.27	79.49	-40.99	0.00	0.00	0.00
3,100.00	9.26	13.65	3,072.76	342.92	83.29	-42.95	0.00	0.00	0.00
3,200.00	9.26	13.65	3,171.45	358.56	87.09	-44.90	0.00	0.00	0.00
3,300.00	9.26	13.65	3,270.15	374.21	90.89	-46.86	0.00	0.00	0.00
3,400.00	9.26	13.65	3,368.84	389.85	94.69	-48.82	0.00	0.00	0.00
3,500.00	9.26	13.65	3,467.54	405.50	98.49	-50.78	0.00	0.00	0.00

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Loco Hills 2-3 B2CD Fed Com 1H
Company:	Mewbourne Oil Company	TVD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Project:	Eddy Co., NM (NAD 83)	MD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Site:	Loco Hills Pad	North Reference:	Grid
Well:	Loco Hills 2-3 B2CD Fed Com 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,537.96	9.26	13.65	3,505.00	411.44	99.93	-51.53	0.00	0.00	0.00
San Andres									
3,600.00	9.26	13.65	3,566.23	421.14	102.29	-52.74	0.00	0.00	0.00
3,700.00	9.26	13.65	3,664.93	436.79	106.09	-54.70	0.00	0.00	0.00
3,800.00	9.26	13.65	3,763.62	452.43	109.89	-56.66	0.00	0.00	0.00
3,900.00	9.26	13.65	3,862.32	468.08	113.69	-58.62	0.00	0.00	0.00
4,000.00	9.26	13.65	3,961.01	483.72	117.49	-60.58	0.00	0.00	0.00
4,100.00	9.26	13.65	4,059.71	499.37	121.29	-62.54	0.00	0.00	0.00
4,200.00	9.26	13.65	4,158.41	515.01	125.09	-64.50	0.00	0.00	0.00
4,300.00	9.26	13.65	4,257.10	530.66	128.89	-66.46	0.00	0.00	0.00
4,400.00	9.26	13.65	4,355.80	546.30	132.69	-68.42	0.00	0.00	0.00
4,500.00	9.26	13.65	4,454.49	561.95	136.49	-70.38	0.00	0.00	0.00
4,600.00	9.26	13.65	4,553.19	577.59	140.29	-72.33	0.00	0.00	0.00
4,700.00	9.26	13.65	4,651.88	593.24	144.09	-74.29	0.00	0.00	0.00
4,800.00	9.26	13.65	4,750.58	608.88	147.89	-76.25	0.00	0.00	0.00
4,855.14	9.26	13.65	4,805.00	617.51	149.99	-77.33	0.00	0.00	0.00
Bone Spring									
4,900.00	9.26	13.65	4,849.27	624.53	151.69	-78.21	0.00	0.00	0.00
5,000.00	9.26	13.65	4,947.97	640.17	155.49	-80.17	0.00	0.00	0.00
5,100.00	9.26	13.65	5,046.66	655.82	159.29	-82.13	0.00	0.00	0.00
5,200.00	9.26	13.65	5,145.36	671.46	163.09	-84.09	0.00	0.00	0.00
5,300.00	9.26	13.65	5,244.06	687.11	166.89	-86.05	0.00	0.00	0.00
5,400.00	9.26	13.65	5,342.75	702.75	170.69	-88.01	0.00	0.00	0.00
5,500.00	9.26	13.65	5,441.45	718.40	174.49	-89.97	0.00	0.00	0.00
5,600.00	9.26	13.65	5,540.14	734.04	178.29	-91.93	0.00	0.00	0.00
5,700.00	9.26	13.65	5,638.84	749.69	182.09	-93.89	0.00	0.00	0.00
5,800.00	9.26	13.65	5,737.53	765.33	185.89	-95.85	0.00	0.00	0.00
5,900.00	9.26	13.65	5,836.23	780.98	189.69	-97.81	0.00	0.00	0.00
6,000.00	9.26	13.65	5,934.92	796.62	193.49	-99.77	0.00	0.00	0.00
6,100.00	9.26	13.65	6,033.62	812.27	197.29	-101.72	0.00	0.00	0.00
6,200.00	9.26	13.65	6,132.31	827.91	201.09	-103.68	0.00	0.00	0.00
6,300.00	9.26	13.65	6,231.01	843.56	204.89	-105.64	0.00	0.00	0.00
6,400.00	9.26	13.65	6,329.71	859.20	208.69	-107.60	0.00	0.00	0.00
6,500.00	9.26	13.65	6,428.40	874.85	212.49	-109.56	0.00	0.00	0.00
6,600.00	9.26	13.65	6,527.10	890.50	216.29	-111.52	0.00	0.00	0.00
6,700.00	9.26	13.65	6,625.79	906.14	220.09	-113.48	0.00	0.00	0.00
6,734.73	9.26	13.65	6,660.07	911.57	221.41	-114.16	0.00	0.00	0.00
Drop 1.5°/100'									
6,800.00	8.29	13.65	6,724.57	921.25	223.76	-115.37	1.50	-1.50	0.00
6,900.00	6.79	13.65	6,823.71	933.99	226.86	-116.97	1.50	-1.50	0.00
6,911.37	6.62	13.65	6,835.00	935.28	227.17	-117.13	1.50	-1.50	0.00
1st Bone Spring Sand									
7,000.00	5.29	13.65	6,923.15	944.21	229.34	-118.25	1.50	-1.50	0.00
7,100.00	3.79	13.65	7,022.83	951.90	231.21	-119.21	1.50	-1.50	0.00
7,200.00	2.29	13.65	7,122.69	957.04	232.46	-119.86	1.50	-1.50	0.00
7,300.00	0.79	13.65	7,222.65	959.65	233.09	-120.18	1.50	-1.50	0.00
7,352.40	0.00	269.87	7,275.05	960.00	233.17	-120.22	1.50	-1.50	0.00
Build 10°/100'									
7,400.00	4.76	269.87	7,322.60	959.99	231.20	-118.26	10.00	10.00	0.00
7,450.00	9.76	269.87	7,372.18	959.98	224.88	-111.99	10.00	10.00	0.00
7,457.95	10.55	269.87	7,380.00	959.98	223.48	-110.60	10.00	10.00	0.00
2nd Bone Spring Sand									
7,500.00	14.76	269.87	7,421.02	959.95	214.27	-101.45	10.00	10.00	0.00

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Loco Hills 2-3 B2CD Fed Com 1H
Company:	Mewbourne Oil Company	TVD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Project:	Eddy Co., NM (NAD 83)	MD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Site:	Loco Hills Pad	North Reference:	Grid
Well:	Loco Hills 2-3 B2CD Fed Com 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
7,550.00	19.76	269.87	7,468.76	959.92	199.44	-86.72	10.00	10.00	0.00	
7,600.00	24.76	269.87	7,515.02	959.88	180.50	-67.92	10.00	10.00	0.00	
7,650.00	29.76	269.87	7,559.45	959.83	157.61	-45.19	10.00	10.00	0.00	
7,700.00	34.76	269.87	7,601.72	959.77	130.93	-18.69	10.00	10.00	0.00	
7,750.00	39.76	269.87	7,641.50	959.70	100.66	11.36	10.00	10.00	0.00	
7,800.00	44.76	269.87	7,678.49	959.62	67.05	44.73	10.00	10.00	0.00	
7,850.00	49.76	269.87	7,712.41	959.54	30.34	81.19	10.00	10.00	0.00	
7,900.00	54.76	269.87	7,743.01	959.45	-9.19	120.44	10.00	10.00	0.00	
7,950.00	59.76	269.87	7,770.04	959.36	-51.23	162.19	10.00	10.00	0.00	
8,000.00	64.76	269.87	7,793.31	959.26	-95.47	206.11	10.00	10.00	0.00	
8,050.00	69.76	269.87	7,812.63	959.15	-141.57	251.89	10.00	10.00	0.00	
8,100.00	74.76	269.87	7,827.86	959.04	-189.18	299.16	10.00	10.00	0.00	
8,150.00	79.76	269.87	7,838.88	958.93	-237.93	347.57	10.00	10.00	0.00	
8,200.00	84.76	269.87	7,845.61	958.82	-287.46	396.76	10.00	10.00	0.00	
8,254.62	90.22	269.87	7,848.00	958.70	-342.01	450.92	10.00	10.00	0.00	
7716' Hold										
8,300.00	90.22	269.87	7,847.82	958.60	-387.39	495.98	0.00	0.00	0.00	
8,400.00	90.22	269.87	7,847.44	958.37	-487.38	595.28	0.00	0.00	0.00	
8,500.00	90.22	269.87	7,847.05	958.15	-587.38	694.58	0.00	0.00	0.00	
8,600.00	90.22	269.87	7,846.66	957.92	-687.38	793.87	0.00	0.00	0.00	
8,700.00	90.22	269.87	7,846.27	957.70	-787.38	893.17	0.00	0.00	0.00	
8,800.00	90.22	269.87	7,845.88	957.47	-887.38	992.47	0.00	0.00	0.00	
8,900.00	90.22	269.87	7,845.49	957.24	-987.38	1,091.77	0.00	0.00	0.00	
9,000.00	90.22	269.87	7,845.10	957.02	-1,087.38	1,191.06	0.00	0.00	0.00	
9,100.00	90.22	269.87	7,844.71	956.79	-1,187.38	1,290.36	0.00	0.00	0.00	
9,200.00	90.22	269.87	7,844.32	956.57	-1,287.38	1,389.66	0.00	0.00	0.00	
9,300.00	90.22	269.87	7,843.94	956.34	-1,387.38	1,488.96	0.00	0.00	0.00	
9,400.00	90.22	269.87	7,843.55	956.12	-1,487.37	1,588.26	0.00	0.00	0.00	
9,500.00	90.22	269.87	7,843.16	955.89	-1,587.37	1,687.55	0.00	0.00	0.00	
9,600.00	90.22	269.87	7,842.77	955.67	-1,687.37	1,786.85	0.00	0.00	0.00	
9,700.00	90.22	269.87	7,842.38	955.44	-1,787.37	1,886.15	0.00	0.00	0.00	
9,800.00	90.22	269.87	7,841.99	955.22	-1,887.37	1,985.45	0.00	0.00	0.00	
9,900.00	90.22	269.87	7,841.60	954.99	-1,987.37	2,084.74	0.00	0.00	0.00	
10,000.00	90.22	269.87	7,841.21	954.76	-2,087.37	2,184.04	0.00	0.00	0.00	
10,100.00	90.22	269.87	7,840.83	954.54	-2,187.37	2,283.34	0.00	0.00	0.00	
10,200.00	90.22	269.87	7,840.44	954.31	-2,287.37	2,382.64	0.00	0.00	0.00	
10,300.00	90.22	269.87	7,840.05	954.09	-2,387.37	2,481.93	0.00	0.00	0.00	
10,400.00	90.22	269.87	7,839.66	953.86	-2,487.36	2,581.23	0.00	0.00	0.00	
10,500.00	90.22	269.87	7,839.27	953.64	-2,587.36	2,680.53	0.00	0.00	0.00	
10,600.00	90.22	269.87	7,838.88	953.41	-2,687.36	2,779.83	0.00	0.00	0.00	
10,700.00	90.22	269.87	7,838.49	953.19	-2,787.36	2,879.12	0.00	0.00	0.00	
10,800.00	90.22	269.87	7,838.10	952.96	-2,887.36	2,978.42	0.00	0.00	0.00	
10,900.00	90.22	269.87	7,837.72	952.74	-2,987.36	3,077.72	0.00	0.00	0.00	
11,000.00	90.22	269.87	7,837.33	952.51	-3,087.36	3,177.02	0.00	0.00	0.00	
11,100.00	90.22	269.87	7,836.94	952.28	-3,187.36	3,276.31	0.00	0.00	0.00	
11,200.00	90.22	269.87	7,836.55	952.06	-3,287.36	3,375.61	0.00	0.00	0.00	
11,300.00	90.22	269.87	7,836.16	951.83	-3,387.36	3,474.91	0.00	0.00	0.00	
11,400.00	90.22	269.87	7,835.77	951.61	-3,487.35	3,574.21	0.00	0.00	0.00	
11,500.00	90.22	269.87	7,835.38	951.38	-3,587.35	3,673.50	0.00	0.00	0.00	
11,600.00	90.22	269.87	7,834.99	951.16	-3,687.35	3,772.80	0.00	0.00	0.00	
11,700.00	90.22	269.87	7,834.61	950.93	-3,787.35	3,872.10	0.00	0.00	0.00	
11,800.00	90.22	269.87	7,834.22	950.71	-3,887.35	3,971.40	0.00	0.00	0.00	
11,900.00	90.22	269.87	7,833.83	950.48	-3,987.35	4,070.69	0.00	0.00	0.00	
12,000.00	90.22	269.87	7,833.44	950.25	-4,087.35	4,169.99	0.00	0.00	0.00	

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Loco Hills 2-3 B2CD Fed Com 1H
Company:	Mewbourne Oil Company	TVD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Project:	Eddy Co., NM (NAD 83)	MD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Site:	Loco Hills Pad	North Reference:	Grid
Well:	Loco Hills 2-3 B2CD Fed Com 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
12,100.00	90.22	269.87	7,833.05	950.03	-4,187.35	4,269.29	0.00	0.00	0.00
12,200.00	90.22	269.87	7,832.66	949.80	-4,287.35	4,368.59	0.00	0.00	0.00
12,300.00	90.22	269.87	7,832.27	949.58	-4,387.35	4,467.89	0.00	0.00	0.00
12,400.00	90.22	269.87	7,831.88	949.35	-4,487.34	4,567.18	0.00	0.00	0.00
12,500.00	90.22	269.87	7,831.50	949.13	-4,587.34	4,666.48	0.00	0.00	0.00
12,600.00	90.22	269.87	7,831.11	948.90	-4,687.34	4,765.78	0.00	0.00	0.00
12,700.00	90.22	269.87	7,830.72	948.68	-4,787.34	4,865.08	0.00	0.00	0.00
12,800.00	90.22	269.87	7,830.33	948.45	-4,887.34	4,964.37	0.00	0.00	0.00
12,900.00	90.22	269.87	7,829.94	948.23	-4,987.34	5,063.67	0.00	0.00	0.00
13,000.00	90.22	269.87	7,829.55	948.00	-5,087.34	5,162.97	0.00	0.00	0.00
13,100.00	90.22	269.87	7,829.16	947.77	-5,187.34	5,262.27	0.00	0.00	0.00
13,200.00	90.22	269.87	7,828.77	947.55	-5,287.34	5,361.56	0.00	0.00	0.00
13,300.00	90.22	269.87	7,828.39	947.32	-5,387.34	5,460.86	0.00	0.00	0.00
13,400.00	90.22	269.87	7,828.00	947.10	-5,487.33	5,560.16	0.00	0.00	0.00
13,500.00	90.22	269.87	7,827.61	946.87	-5,587.33	5,659.46	0.00	0.00	0.00
13,600.00	90.22	269.87	7,827.22	946.65	-5,687.33	5,758.75	0.00	0.00	0.00
13,700.00	90.22	269.87	7,826.83	946.42	-5,787.33	5,858.05	0.00	0.00	0.00
13,800.00	90.22	269.87	7,826.44	946.20	-5,887.33	5,957.35	0.00	0.00	0.00
13,900.00	90.22	269.87	7,826.05	945.97	-5,987.33	6,056.65	0.00	0.00	0.00
14,000.00	90.22	269.87	7,825.66	945.75	-6,087.33	6,155.94	0.00	0.00	0.00
14,100.00	90.22	269.87	7,825.28	945.52	-6,187.33	6,255.24	0.00	0.00	0.00
14,200.00	90.22	269.87	7,824.89	945.29	-6,287.33	6,354.54	0.00	0.00	0.00
14,300.00	90.22	269.87	7,824.50	945.07	-6,387.33	6,453.84	0.00	0.00	0.00
14,400.00	90.22	269.87	7,824.11	944.84	-6,487.32	6,553.13	0.00	0.00	0.00
14,500.00	90.22	269.87	7,823.72	944.62	-6,587.32	6,652.43	0.00	0.00	0.00
14,600.00	90.22	269.87	7,823.33	944.39	-6,687.32	6,751.73	0.00	0.00	0.00
14,700.00	90.22	269.87	7,822.94	944.17	-6,787.32	6,851.03	0.00	0.00	0.00
14,800.00	90.22	269.87	7,822.55	943.94	-6,887.32	6,950.32	0.00	0.00	0.00
14,900.00	90.22	269.87	7,822.17	943.72	-6,987.32	7,049.62	0.00	0.00	0.00
15,000.00	90.22	269.87	7,821.78	943.49	-7,087.32	7,148.92	0.00	0.00	0.00
15,100.00	90.22	269.87	7,821.39	943.27	-7,187.32	7,248.22	0.00	0.00	0.00
15,200.00	90.22	269.87	7,821.00	943.04	-7,287.32	7,347.51	0.00	0.00	0.00
15,300.00	90.22	269.87	7,820.61	942.81	-7,387.32	7,446.81	0.00	0.00	0.00
15,400.00	90.22	269.87	7,820.22	942.59	-7,487.31	7,546.11	0.00	0.00	0.00
15,500.00	90.22	269.87	7,819.83	942.36	-7,587.31	7,645.41	0.00	0.00	0.00
15,600.00	90.22	269.87	7,819.44	942.14	-7,687.31	7,744.71	0.00	0.00	0.00
15,700.00	90.22	269.87	7,819.06	941.91	-7,787.31	7,844.00	0.00	0.00	0.00
15,800.00	90.22	269.87	7,818.67	941.69	-7,887.31	7,943.30	0.00	0.00	0.00
15,900.00	90.22	269.87	7,818.28	941.46	-7,987.31	8,042.60	0.00	0.00	0.00
15,971.49	90.22	269.87	7,818.00	941.30	-8,058.80	8,113.59	0.00	0.00	0.00
TD at 15971.49									

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Loco Hills 2-3 B2CD Fed Com 1H
Company:	Mewbourne Oil Company	TVD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Project:	Eddy Co., NM (NAD 83)	MD Reference:	KB=27 @ 3664.00usft (Patterson 558)
Site:	Loco Hills Pad	North Reference:	Grid
Well:	Loco Hills 2-3 B2CD Fed Com 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Loco Hills 2-3 B2CD Fec - plan hits target center - Point	0.00	0.00	7,818.00	941.30	-8,058.80	648,649.90	653,599.80	32.782639	-103.968047
Loco Hills 2-3 B2CD Fec - plan hits target center - Point	0.00	0.00	7,848.00	958.70	-342.01	648,667.30	661,316.59	32.782611	-103.942938

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
370.00	370.00	Rustler				
610.00	610.00	Salt Top				
1,506.46	1,500.00	Salt Base				
1,683.77	1,675.00	Yates				
2,063.73	2,050.00	Seven Rivers				
2,666.59	2,645.00	Queen				
2,854.04	2,830.00	Grayburg				
3,537.96	3,505.00	San Andres				
4,855.14	4,805.00	Bone Spring				
6,911.37	6,835.00	1st Bone Spring Sand				
7,457.95	7,380.00	2nd Bone Spring Sand				

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment	
		+N/-S (usft)	+E/-W (usft)		
600.00	600.00	0.00	0.00	Build 1.5"/100'	
1,217.66	1,214.97	48.42	11.76	5517' Hold	
6,734.73	6,660.07	911.57	221.41	Drop 1.5"/100'	
7,352.40	7,275.05	960.00	233.17	Build 10"/100'	
8,254.62	7,848.00	958.70	-342.01	7716' Hold	
15,971.49	7,818.00	941.30	-8,058.80	TD at 15971.49	

**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. 21722

SELF-AFFIRMED STATEMENT OF NOTICE

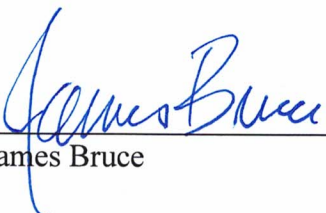
COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

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:

5/2/21



James Bruce

EXHIBIT

4

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

February 11, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application (Case No. 21722), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking the compulsory pooling of a horizontal spacing unit in the Bone Spring formation underlying the N/2NW/4 of Section 2 and the N/2N/2 of Section 3, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico, for the purpose of drilling the Loco Hills 2/3 B2CD Fed. Com. Well No. 1H.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 4, 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter 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, February 25, 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

A

EXHIBIT A

EOG Resources, Inc. Midland Division - Land Dept. P.O. Box 2267 Midland, Texas 79702	SEP Permian, LLC 920 Memorial City Way, Suite 1000 Houston, Texas 77024	Unit Petroleum Company 8200 South Unit Drive Tulsa, Oklahoma 74132 Attn: Land Manager
Westway Petro 6440 North Central Expressway, Suite 308 Dallas, TX 75206 Attn: Mike Read	Roy L. Crow Unlocatable	Mesa Petroleum Co. Unlocatable
Todd Memorial Trust P.O. Box 1973 Roswell, New Mexico 88202	Read & Stevens, Inc. P.O. Box 1518 Roswell, New Mexico 88202-1518 Attn: Land Manager	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Todd Memorial Trust
P.O. Box 1973
Roswell, New Mexico 88202



2. Article Addressed to: **7020 0640 0000 1387 1586** (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

**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)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Postmark Here

Todd Memorial Trust
P.O. Box 1973
Roswell, New Mexico 88202

Sent To _____
Street and Apt. No., or PO Box No. _____
City, State, Zip+4® _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature *J. Avarado* Agent

B. Received by (Printed Name) *J. Avarado* Addressee

C. Date of Delivery *10/21*

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: *20*

3. Service Type

Priority Mail Express®

Registered Mail™

Adult Signature Restricted Delivery

Certified Mail®

Collect on Delivery

Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Domestic Return Receipt

(over \$500)

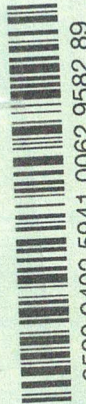
PS Form 3811, July 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Read & Stevens, Inc.
P.O. Box 1518
Roswell, New Mexico 88202-1518



2. Article Addressed to: **7020 0640 0000 1387 1582** (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

**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)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Postmark Here

Sent To _____
Street and Apt. No., or PO Box _____
City, State, Zip+4® _____

Read & Stevens, Inc.
P.O. Box 1518
Roswell, New Mexico 88202-1518

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature *M. Navak* Agent

B. Received by (Printed Name) *M. Navak* Addressee

C. Date of Delivery _____

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: _____



3. Service Type

Priority Mail Express®

Registered Mail™

Adult Signature Restricted Delivery

Certified Mail®

Collect on Delivery

Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Domestic Return Receipt

(over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

7020 0640 0000 1387 1593

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)
 Return Receipt (hardcopy) \$ _____
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$
Total Postage and Fees

\$
Sent To Westway Petro
6440 North Central Expressway, Suite
308
Dallas, TX 75206
Attn: Mike Read
Street and Apt. No.,
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7020 0640 0000 1387 1555

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)
 Return Receipt (hardcopy) \$ _____
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$
Total Postage and Fees

\$
Sent To Unit Petroleum Company
8200 South Unit Drive
Tulsa, Oklahoma 74132
Attn: Land Manager
Street and Apt. No., or PO Box No.
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7020 0640 0000 1387 1609

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)
 Return Receipt (hardcopy) \$ _____
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$
Total Postage and Fees

\$
Sent To EOG Resources, Inc.
Midland Division - Land Dept.
P.O. Box 2267
Midland, Texas 79702
Street and Apt. No., or PO
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7020 0640 0000 1387 1579

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)
 Return Receipt (hardcopy) \$ _____
 Return Receipt (electronic) \$ _____
 Certified Mail Restricted Delivery \$ _____
 Adult Signature Required \$ _____
 Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$
Total Postage and Fees

\$
Sent To SEP Permian, LLC
920 Memorial City Way, Suite
1000
Houston, Texas 77024
Street and Apt. No., or PO Box
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Affidavit of Publication

Ad # 0004605695

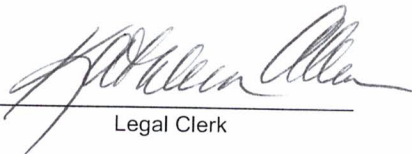
This is not an invoice

JAMES BRUCE ATTORNEY AT LAW
POBOX 1056

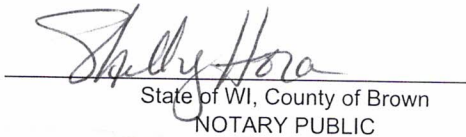
SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

02/18/2021


Legal Clerk

Subscribed and sworn before me this February 18, 2021:


State of WI, County of Brown
NOTARY PUBLIC

8-25-23

My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

Ad # 0004605695
PO #: Loco Hills
of Affidavits 1

This is not an invoice

NOTICE

To: EOG Resources, Inc., Westway Petro, Todd Memorial Trust, SEP Permian, LLC, Roy L. Crow. Read & Stevens, Inc., Unit Petroleum Company, and Mesa Petroleum Co., or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division (Case No. 21722) seeking an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2NW/4 of Section 2 and the N/2N2 of Section 3, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Loco Hills 2/3 B2CD Fed. Com. Well No. 1H, a horizontal well a first take point in the NE/4NW/4 of Section 2 and a last take point in the NW/4NW/4 of Section 3. 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.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 4, 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter 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, January 25, 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. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, jamesbruc@aol.com. The unit is located approximately 3-1/2 miles southeast of Loco Hills, New Mexico.

February 18, 2021

EXHIBIT

5

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

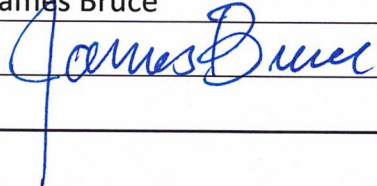
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: #21722	APPLICANT'S RESPONSE
Date: March 4, 2021	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company, OGRID 14744
Applicant's Counsel:	James Bruce
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	EOG Resources, Inc.
Well Family	Loco Hills
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Loco Hills Bone Spring East Pool, Code 39513
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	242.50 acres
Building Blocks:	40 acres
Orientation:	East to West
Description: TRS/County	N/2NW/4 of Section 2-T18S-R30E, Eddy County N/2N/2 of Section 3-T18S-R30E, Eddy 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	No
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

EXHIBIT

6

	Loco Hills 2/3 B2CD Fed. Com. Well No. 1H; SHL 1380' FNL & 2400' FEL Sec. 2; BHL 400' FNL & 100' FWL Sec. 3; Laydown
Well #2	
Horizontal Well First and Last Take Points	FTP: 400' FNL & 2540' FWL (Sec. 2); LTP: 400' FNL & 100' FWL (Sec. 3)
Completion Target (Formation, TVD and MD)	Bone Spring Formation; TVD: 7,932'; MD: 15,497'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Ex. 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Ex. 4
Proof of Published Notice of Hearing (10 days before hearing)	Ex. 5
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Ex. 2-B
Tract List (including lease numbers and owners)	Ex. 2-B
Pooled Parties (including ownership type)	Ex. 2-B
Unlocatable Parties to be Pooled	Ex. 2-C
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Ex. 2-C
List of Interest Owners (ie Exhibit A of JOA)	Ex. 2-B
Chronology of Contact with Non-Joined Working Interests	Ex. 2-C
Overhead Rates In Proposal Letter	Ex. 2-C
Cost Estimate to Drill and Complete	Ex. 2-D

Cost Estimate to Equip Well	Ex. 2-D
Cost Estimate for Production Facilities	Ex. 2-D
Geology	
Summary (including special considerations)	Ex. 3
Spacing Unit Schematic	Ex. 3-A
Gunbarrel/Lateral Trajectory Schematic	Ex. 3-A and 3-C
Well Orientation (with rationale)	Ex. 3
Target Formation	Second Bone Spring Sand
HSU Cross Section	Ex. 3-C
Depth Severance Discussion	Ex. 3-C
Forms, Figures and Tables	
C-102	Ex. 2-A
Tracts	Ex. 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Ex. 2-B
General Location Map (including basin)	Ex. 2-A
Well Bore Location Map	Ex. 2-A
Structure Contour Map - Subsea Depth	Ex. 3-A
Cross Section Location Map (including wells)	Ex. 3-C
Cross Section (including Landing Zone)	Ex. 3-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:	2-Mar-21