

CASE NOS. 21962 and 21963

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

EXHIBITS

1. Applications and Proposed Ads
- 2-A. Landman's Affidavit (Case No. 21962)
- 2-. Landman's Affidavit (Case No. 21963)
3. Geologist's Affidavit
4. Affidavit of Notice
- 5-A. Pooling Checklist (Case No. 21962)
- 5-B. Pooling Checklist (Case No. 21963)

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21962

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 17 and the W/2W/2 of Section 8, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W/2W/2 of Section 17 and the W/2W/2 of Section 8, and has the right to drill a well thereon.
2. Applicant proposes to drill the Zach 17/8 B2MD Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate W/2W/2 of Section 17 and the W/2W/2 of Section 8 thereto. The well has a first take point in the SW/4SW/4 of 17 and a last take point in the NW/4NW/4 of Section 8.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 17 and the W/2W/2 of Section 8 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 /

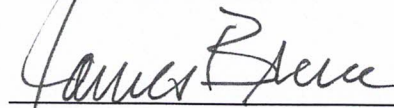
formation underlying the W/2W/2 of Section 17 and the W/2W/2 of Section 8, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the W/2W/2 of Section 17 and the W/2W/2 of Section 8 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 17 and the W/2W/2 of Section 8;
- 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

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

Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit underlying the W/2W/2 of Section 17 and the W/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM. The unit will be dedicated to the Zach 17/8 B2MD Fed. Com. Well No. 1H, with a first take point in the SW/4SW/4 of 17 and a last take point in the NW/4NW/4 of Section 8. 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 24-1/2 miles west-southwest of Jal, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21962

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2W/2 of Section 8, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E/2W/2 of Section 17 and the E/2W/2 of Section 8, and has the right to drill a well thereon.
2. Applicant proposes to drill the Zach 17/8 B2NC Fed. Com. Well No. 3H to a depth sufficient to test the Bone Spring formation, and to dedicate E/2W/2 of Section 17 and the E/2W/2 of Section 8 thereto. The well has a first take point in the SE/4SW/4 of 17 and a last take point in the NE/4NW/4 of Section 8.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2W/2 of Section 17 and the E/2W/2 of Section 8 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

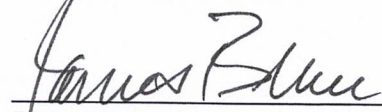
formation underlying the E/2W/2 of Section 17 and the E/2W/2 of Section 8, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the E/2W/2 of Section 17 and the E/2W/2 of Section 8 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the E/2W/2 of Section 17 and the E/2W/2 of Section 8;
- 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

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

Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM. The unit will be dedicated to the Zach 17/8 B2NC Fed. Com. Well No. 3H, with a first take point in the SE/4SW/4 of 17 and a last take point in the NE/4NW/4 of Section 8. 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 24-1/2 miles west-southwest of Jal, New Mexico.

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 21962

VERIFIED STATEMENT OF CY SHOOK

Cy Shook, 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 worked as a petroleum landman for 15 years.
2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have simply refused to voluntarily commit their interests to the well.
 - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 320-acre horizontal spacing unit in the Bone Spring formation comprised of W2W2 of Sections 8 & 17, Township 26 South, Range 33 East, NMPM. The unit will be dedicated to the Zach 17/8 B2MD Fed Com #1H, a horizontal well with a surface location in Unit M of Section 17 and a final take point in Unit D of Section 8. There are no depth severances in the Bone Spring Formation
 - (d) The parties being pooled and their 27.09479% working interest is set forth in Attachment B. Their current and correct addresses is also set forth.
 - (e) Attachment C contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them.

EXHIBIT

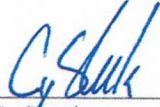
2-A

- (f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (g) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (h) Attachment D is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area Lea County.
- (i) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (j) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (k) Applicant requests that it be designated operator of the well.
- (l) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

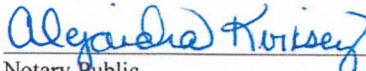
Cy Shook, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information,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



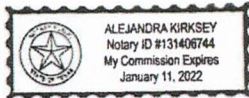
Cy Shook

SUBSCRIBED AND SWORN TO before me this 27th day of May 2021 by Cy Shook.

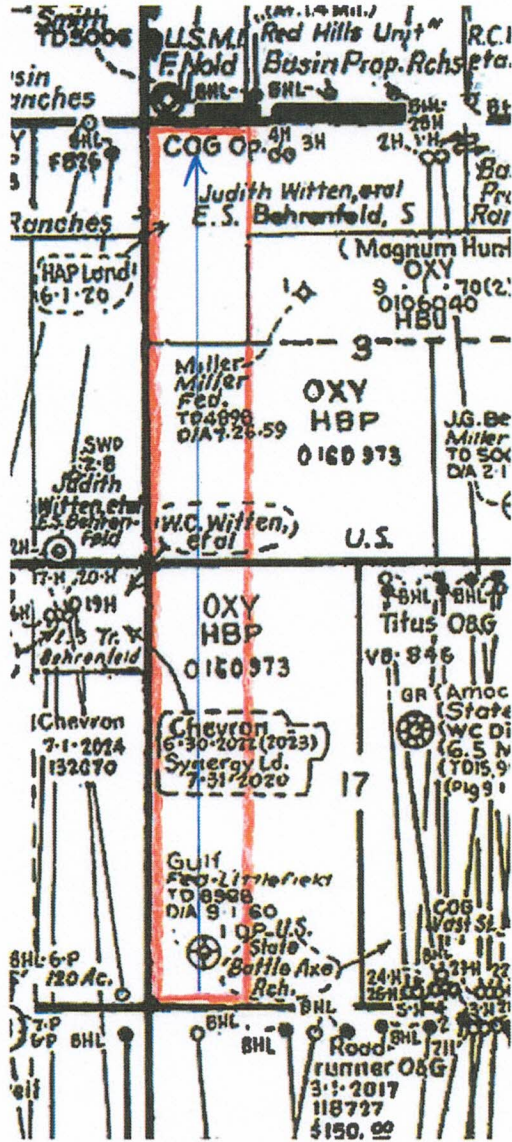
My Commission Expires: Jan 11, 2022



Notary Public



Land Plat Case # 21962



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 ZACH 17/8 B2MD FED COM			6 Well Number 1H				
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3261'				
10 Surface Location									
UL or lot no. D	Section 20	Township 26S	Range 33E	Lot Idn	Feet from the 210	North/South line NORTH	Feet from the 1130	East/West line WEST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 8	Township 26S	Range 33E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 330	East/West line WEST	County LEA
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.						

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

<p>16</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION N 377497.1 - E 768831.7 LAT: 32.0356942° N LONG: 103.5991770° W</p> <p>BOTTOM HOLE N 388161.1 - E 767951.3 LAT: 32.0650232° N LONG: 103.6017850° W</p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <table border="0"> <tr> <td>A: FOUND BRASS CAP "1913" N 372421.7 - E 767741.1</td> <td>I: FOUND BRASS CAP "1913" N 385651.9 - E 772929.6</td> </tr> <tr> <td>B: FOUND BRASS CAP "1913" N 375063.7 - E 767720.4</td> <td>J: FOUND BRASS CAP "1913" N 383014.7 - E 772949.0</td> </tr> <tr> <td>C: FOUND BRASS CAP "1913" N 377699.3 - E 767700.4</td> <td>K: FOUND BRASS CAP "1913" N 380375.9 - E 772970.6</td> </tr> <tr> <td>D: FOUND BRASS CAP "1913" N 380341.1 - E 767680.1</td> <td>L: CALCULATED CORNER N 377735.7 - E 772989.6</td> </tr> <tr> <td>E: FOUND BRASS CAP "1939" N 382980.9 - E 767660.4</td> <td>M: FOUND BRASS CAP "1913" N 375095.7 - E 773009.6</td> </tr> <tr> <td>F: FOUND BRASS CAP "1913" N 385618.6 - E 767640.9</td> <td>N: FOUND BRASS CAP "1913" N 372456.8 - E 773029.3</td> </tr> <tr> <td>G: FOUND BRASS CAP "1913" N 388259.0 - E 767620.6</td> <td>O: FOUND BRASS CAP "1913" N 372440.5 - E 770383.5</td> </tr> <tr> <td>H: FOUND BRASS CAP "1913" N 388291.5 - E 772910.2</td> <td>P: FOUND BRASS CAP "1913" N 382997.7 - E 770302.6</td> </tr> </table>	A: FOUND BRASS CAP "1913" N 372421.7 - E 767741.1	I: FOUND BRASS CAP "1913" N 385651.9 - E 772929.6	B: FOUND BRASS CAP "1913" N 375063.7 - E 767720.4	J: FOUND BRASS CAP "1913" N 383014.7 - E 772949.0	C: FOUND BRASS CAP "1913" N 377699.3 - E 767700.4	K: FOUND BRASS CAP "1913" N 380375.9 - E 772970.6	D: FOUND BRASS CAP "1913" N 380341.1 - E 767680.1	L: CALCULATED CORNER N 377735.7 - E 772989.6	E: FOUND BRASS CAP "1939" N 382980.9 - E 767660.4	M: FOUND BRASS CAP "1913" N 375095.7 - E 773009.6	F: FOUND BRASS CAP "1913" N 385618.6 - E 767640.9	N: FOUND BRASS CAP "1913" N 372456.8 - E 773029.3	G: FOUND BRASS CAP "1913" N 388259.0 - E 767620.6	O: FOUND BRASS CAP "1913" N 372440.5 - E 770383.5	H: FOUND BRASS CAP "1913" N 388291.5 - E 772910.2	P: FOUND BRASS CAP "1913" N 382997.7 - E 770302.6		<p>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.</p> <p>Signature _____ Date _____ Printed Name _____ E-mail Address _____</p> <p>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.</p> <p>03/01/2021 Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____ 19680 Certificate Number</p>
A: FOUND BRASS CAP "1913" N 372421.7 - E 767741.1	I: FOUND BRASS CAP "1913" N 385651.9 - E 772929.6																	
B: FOUND BRASS CAP "1913" N 375063.7 - E 767720.4	J: FOUND BRASS CAP "1913" N 383014.7 - E 772949.0																	
C: FOUND BRASS CAP "1913" N 377699.3 - E 767700.4	K: FOUND BRASS CAP "1913" N 380375.9 - E 772970.6																	
D: FOUND BRASS CAP "1913" N 380341.1 - E 767680.1	L: CALCULATED CORNER N 377735.7 - E 772989.6																	
E: FOUND BRASS CAP "1939" N 382980.9 - E 767660.4	M: FOUND BRASS CAP "1913" N 375095.7 - E 773009.6																	
F: FOUND BRASS CAP "1913" N 385618.6 - E 767640.9	N: FOUND BRASS CAP "1913" N 372456.8 - E 773029.3																	
G: FOUND BRASS CAP "1913" N 388259.0 - E 767620.6	O: FOUND BRASS CAP "1913" N 372440.5 - E 770383.5																	
H: FOUND BRASS CAP "1913" N 388291.5 - E 772910.2	P: FOUND BRASS CAP "1913" N 382997.7 - E 770302.6																	

Job No.: LS21030159

TRACT OWNERHSIP
Zach 17/8 B2MD Fed Com #1H
Case # 21962
W2W2 of Sections 8 &17,
Township 26 South, Range 33 East
Lea County, New Mexico

W2W2 of Sections 8 &17,
Township 26 South, Range 33 East
Bone Spring Formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	72.90521%
*Concho Oil and Gas 600 W. Illinois Ave. Midland, TX 79701	3.248437%
*COG Operating LLC 600 W. Illinois Ave. Midland, TX 79701	23.846353%
Total	100.00000%

*** Total interest being pooled: 27.09479%**

Summary of Communication with Concho Oil & Gas LLC and COG Operating LLC

Case # 21962 & 21963
Compulsory Pooling Application

Case # 21962
Zach 17/8 B2MD Fed Com #1H (API# Pending)
210' FNL & 1130' FWL (Sec. 20) (SL)
100' FNL & 330' FWL (Sec. 8) (BHL)
W2W2 of Sections 8 & 17, T26S-R33E,
Lea County, New Mexico

Case # 21963
Zach 17/8 B2NC Fed Com #3H (API# Pending)
270' FSL & 1830' FWL (Sec. 17) (SL)
100' FNL & 1650' FWL (Sec. 8) (BHL)
E2W2 of Sections 8 & 17, T26S-R33E,
Lea County, New Mexico

4/7/2021: Sent Proposal via certified mail and received.
4/26/2021: Emailed with Baylor Mitchell

ATTACHMENT C

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

April 5, 2021

Certified Mail

Concho Oil & Gas LLC
600 W. Illinois Ave.
Midland, TX 79701
Attn: Permian Land Manager

Re: Well Proposals
Zach 17/8 B2MD Fed Com #1H
Zach 17/8 B2MD Fed Com #2H
Zach 17/8 B2NC Fed Com #3H
Zach 17/8 B2NC Fed Com #4H
W2 of Sections 8 and 17
T-26-S, R-33-E, Lea County, New Mexico

Dear Owner:

Mewbourne Oil Company hereby proposes the four wells detailed below.

Zach 17/8 B2MD Fed Com #1H

The Zach 17/8 B2MD Fed Com #1H will be at a surface location 210' FNL & 1130' FWL in Sec. 20, T26-R33E and a bottom hole location approximately 100' FNL & 330' FWL in Sec. 8. We anticipate drilling to an approximate vertical depth of 10,824' and an approximate measured depth of 21,354'. The estimated cost to casing point for this well is \$2,388,300 and the estimated cost of a producing well is \$6,870,500. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the W2W2 of Sections 8 and 17.

Zach 17/8 B2MD Fed Com #2H

The Zach 17/8 B2MD Fed Com #2H will be at a surface location 210' FNL & 1220' FWL in Sec. 20, T26-R33E and a bottom hole location approximately 100' FNL & 990' FWL in Sec. 8. We anticipate drilling to an approximate vertical depth of 10,539' and an approximate measured depth of 21,069'. The estimated cost to casing point for this well is \$2,381,000 and the estimated cost of a producing well is \$6,861,100. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the W2W2 of Sections 8 and 17.

Zach 17/8 B2NC Fed Com #3H

The Zach 17/8 B2NC Fed Com #3H will be at a surface location 270' FSL & 1830' FWL in Sec. 17 and a bottom hole location approximately 100' FNL & 1650' FWL in Sec. 8. We anticipate

drilling to an approximate vertical depth of 10,826' and an approximate measured depth of 20,873'. The estimated cost to casing point for this well is \$2,389,300 and the estimated cost of a producing well is \$6,871,800. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the E2W2 of Sections 8 and 17.

Zach 17/8 B2NC Fed Com #4H

The Zach 17/8 B2NC Fed Com #4H will be at a surface location 270' FSL & 1950' FWL in Sec. 17 and a bottom hole location approximately 100' FNL & 2310' FWL in Sec. 8. We anticipate drilling to an approximate vertical depth of 10,514' and an approximate measured depth of 20,575'. The estimated cost to casing point for this well is \$2,380,600 and the estimated cost of a producing well is \$6,860,600. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the E2W2 of Sections 8 and 17.

Enclosed are originals of Mewbourne's AFEs well cost estimate for each well. To make your election to participate in the proposed well or wells by properly executing and returning the AFEs. If you elect to participate, Mewbourne proposes to amend the Contract Area of the Operating Agreement dated December 10, 2020 to include the Bone Spring formation.

You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance".

Feel free to contact me if you have any questions or would like to discuss this proposal in greater detail. I can be reached by phone at (432) 682-3715 or via email at cshook@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY



Cy Shook
Landman

Cy Shook

From: webmaster@simplecertifiedmail.com
Sent: Wednesday, April 7, 2021 5:56 PM
To: Cy Shook
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846804059005 and reference number of Zach 17/8 was successfully delivered to Permian Land Manager at COG Operating LLC

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
1111 Commonwealth Blvd, Suite 103
Dallas, TX 75201-1444
888-462-1750 ext. 2 assistance@simplecertifiedmail.com

Cy Shook

From: webmaster@simplecertifiedmail.com
Sent: Wednesday, April 7, 2021 5:56 PM
To: Cy Shook
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846804042854 and reference number of Zach 17/8 was successfully delivered to Permian Land Manager at Concho Oil & Gas LLC

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 Dominionwealth Court, Suite 113
Dallas, TX 75241-4447
[888-462-1750 ext. 2](tel:888-462-1750) assistance@simplecertifiedmail.com

SimpleCertifiedMail.com

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: ZACH 17/8 B2MD FED COM #1H		Prospect: 2ND BONE SPRING	
Location: SL: 210' FNL & 1130' FWL (20); BHL: 100' FNL & 330' FWL (8)		County: Lea ST: NM	
Sec. 17/8	Blk: 	Survey: 	TWP: 26S RNG: 33E Prop. TVD: 10824 TMD: 21354

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$8,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0108	\$200,000	0180-0206	\$15,000
Daywork / Turnkey / Footage Drilling 17 days drlg / 3 days comp @ \$18,550/d		0180-0110	\$336,800	0180-0210	\$59,400
Fuel 1700 gal/day @ \$3.00/gal		0180-0114	\$92,600	0180-0214	\$580,200
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$70,000	0180-0220	
Mud - Specialized		0180-0121	\$110,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$30,000
Cementing		0180-0125	\$80,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$336,400
Casing / Tubing / Snubbing Service		0180-0134	\$18,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation 60 Stg 20MM gal & 20MM lbs				0180-0241	\$1,450,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$35,000	0180-0245	\$356,000
Bits		0180-0148	\$74,800	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$10,000
Welding, Construction, & Maint. Services		0180-0169	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$28,800	0180-0270	\$40,000
Directional Services Includes vertical control		0180-0175	\$216,800		
Equipment Rental		0180-0180	\$116,700	0180-0280	\$7,500
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,600	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	
Company Supervision		0180-0195	\$108,000	0180-0295	\$97,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$36,600	0180-0299	\$71,700
TOTAL			\$1,868,000		\$3,658,900

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 885' - 13 3/8" 54.5# J-55 ST&C @ \$38.50/ft		0181-0794	\$34,500		
Casing (8.1" - 10.0") 4785' - 9 5/8" 40# HCL80 LT&C @ \$25.77/ft		0181-0795	\$131,700		
Casing (6.1" - 8.0") 11085' - 7" 29# HCP-110 LT&C @ \$27.00/ft		0181-0796	\$319,100		
Casing (4.1" - 6.0") 10750' - 4 1/2" 13.5# P-110 BPN @ \$14.50/ft				0181-0797	\$166,500
Tubing 10330' - 2 7/8" 6.5# EUE tbq @ \$7.82/ft				0181-0798	\$86,300
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion liner hanger				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift Packer				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps (1/2) TPI/CP/circ. pump				0181-0886	\$8,000
Storage Tanks (1/2) 6 - 750 bbl/5 - 750 bbl coated/1 - GB				0181-0890	\$30,000
Emissions Control Equipment (1/2) VRTs/VRU/KOs				0181-0892	\$10,400
Separation / Treating Equipment (1/2) horz. sep./vert. sep./HT				0181-0895	\$77,500
Automation / Metering Equipment				0181-0898	\$20,000
Line Pipe & Valves - Gathering				0181-0900	\$25,000
Fittings / Valves & Accessories				0181-0906	\$129,000
Cathodic Protection				0181-0908	\$3,800
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$82,800
Pipeline Construction				0181-0920	\$29,000
TOTAL			\$520,300		\$823,300
SUBTOTAL			\$2,388,300		\$4,482,200

TOTAL WELL COST \$6,870,500

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium. Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: H. Buckley Date: 03/23/2021

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

ATTACHMENT D

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 21963

VERIFIED STATEMENT OF CY SHOOK

Cy Shook, 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 worked as a petroleum landman for 15 years.
2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have simply refused to voluntarily commit their interests to the well.
 - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 320-acre horizontal spacing unit in the Bone Spring formation comprised of E2W2 of Sections 8 & 17, Township 26 South, Range 33 East, NMPM. The unit will be dedicated to the Zach 17/8 B2NC Fed Com #3H, a horizontal well with a surface location in Unit N of Section 17 and a final take point in Unit C of Section 8. There are no depth severances in the Bone Spring Formation
 - (d) The parties being pooled and their 17.193228% working interest is set forth in Attachment B. Their current and correct addresses is also set forth.
 - (e) Attachment C contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them.

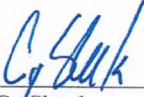
EXHIBIT 2-B

- (f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (g) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (h) Attachment D is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area Lea County.
- (i) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (j) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (k) Applicant requests that it be designated operator of the well.
- (l) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)


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



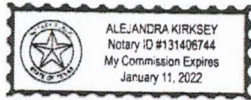
Cy Shook

SUBSCRIBED AND SWORN TO before me this ²⁷th day of ~~February~~ ^{May} 2021 by Cy Shook.

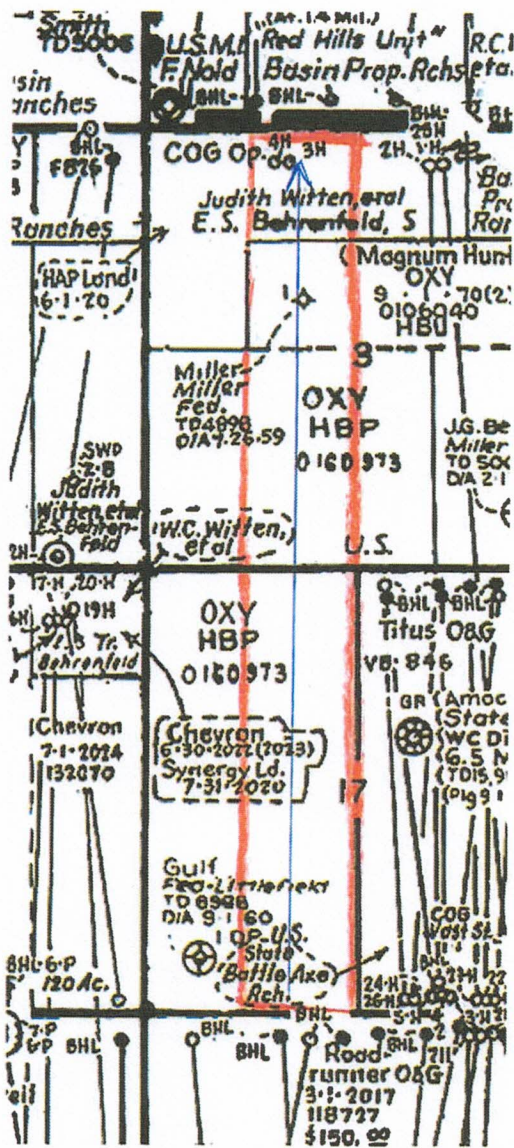
My Commission Expires: Jan 11, 2022



Notary Public



Land Plat Case # 21963



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, Artec, 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

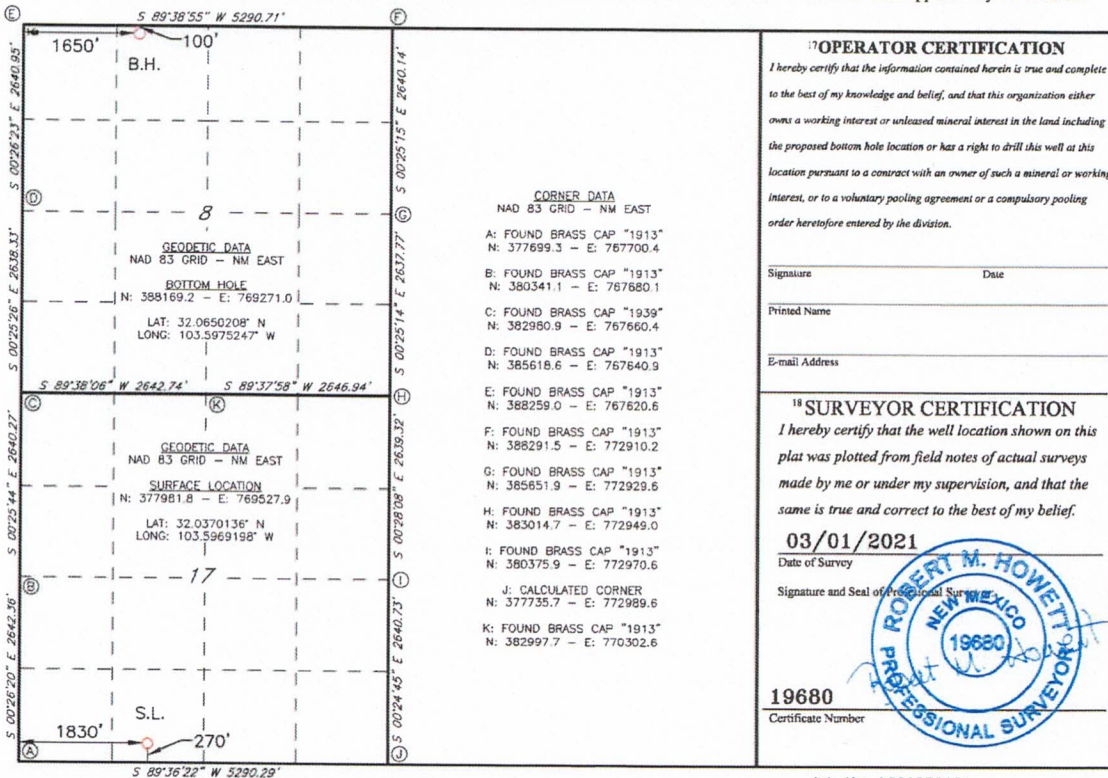
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name ZACH 17/8 B2NC FED COM				6 Well Number 3H			
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY				9 Elevation 3268'			
10 Surface Location									
UL or lot no. N	Section 17	Township 26S	Range 33E	Lot Idn	Feet from the 270	North/South line SOUTH	Feet From the 1830	East/West line WEST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. C	Section 8	Township 26S	Range 33E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1650	East/West line WEST	County LEA
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



TRACT OWNERSHIP
Zach 17/8 B2NC Fed Com #3H
Case # 21963
E2W2 of Sections 8 & 17,
Township 26 South, Range 33 East
Lea County, New Mexico

E2W2 of Sections 8 & 17,
Township 26 South, Range 33 East
Bone Spring Formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	82.806772%
*Concho Oil and Gas 600 W. Illinois Ave. Midland, TX 79701	1.624219%
*COG Operating LLC 600 W. Illinois Ave. Midland, TX 79701	15.569009%
Total	100.00000%

*** Total interest being pooled: 17.193228%**

ATTACHMENT *B*

Summary of Communication with Concho Oil & Gas LLC and COG Operating LLC

Case # 21962 & 21963
Compulsory Pooling Application

Case # 21962
Zach 17/8 B2MD Fed Com #1H (API# Pending)
210' FNL & 1130' FWL (Sec. 20) (SL)
100' FNL & 330' FWL (Sec. 8) (BHL)
W2W2 of Sections 8 & 17, T26S-R33E,
Lea County, New Mexico

Case # 21963
Zach 17/8 B2NC Fed Com #3H (API# Pending)
270' FSL & 1830' FWL (Sec. 17) (SL)
100' FNL & 1650' FWL (Sec. 8) (BHL)
E2W2 of Sections 8 & 17, T26S-R33E,
Lea County, New Mexico

4/7/2021: Sent Proposal via certified mail and received.
4/26/2021: Emailed with Baylor Mitchell

ATTACHMENT C

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

April 5, 2021

Certified Mail

Concho Oil & Gas LLC
600 W. Illinois Ave.
Midland, TX 79701
Attn: Permian Land Manager

Re: Well Proposals
Zach 17/8 B2MD Fed Com #1H
Zach 17/8 B2MD Fed Com #2H
Zach 17/8 B2NC Fed Com #3H
Zach 17/8 B2NC Fed Com #4H
W2 of Sections 8 and 17
T-26-S, R-33-E, Lea County, New Mexico

Dear Owner:

Mewbourne Oil Company hereby proposes the four wells detailed below.

Zach 17/8 B2MD Fed Com #1H

The Zach 17/8 B2MD Fed Com #1H will be at a surface location 210' FNL & 1130' FWL in Sec. 20, T26-R33E and a bottom hole location approximately 100' FNL & 330' FWL in Sec. 8. We anticipate drilling to an approximate vertical depth of 10,824' and an approximate measured depth of 21,354'. The estimated cost to casing point for this well is \$2,388,300 and the estimated cost of a producing well is \$6,870,500. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the W2W2 of Sections 8 and 17.

Zach 17/8 B2MD Fed Com #2H

The Zach 17/8 B2MD Fed Com #2H will be at a surface location 210' FNL & 1220' FWL in Sec. 20, T26-R33E and a bottom hole location approximately 100' FNL & 990' FWL in Sec. 8. We anticipate drilling to an approximate vertical depth of 10,539' and an approximate measured depth of 21,069'. The estimated cost to casing point for this well is \$2,381,000 and the estimated cost of a producing well is \$6,861,100. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the W2W2 of Sections 8 and 17.

Zach 17/8 B2NC Fed Com #3H

The Zach 17/8 B2NC Fed Com #3H will be at a surface location 270' FSL & 1830' FWL in Sec. 17 and a bottom hole location approximately 100' FNL & 1650' FWL in Sec. 8. We anticipate

drilling to an approximate vertical depth of 10,826' and an approximate measured depth of 20,873'. The estimated cost to casing point for this well is \$2,389,300 and the estimated cost of a producing well is \$6,871,800. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the E2W2 of Sections 8 and 17.

Zach 17/8 B2NC Fed Com #4H

The Zach 17/8 B2NC Fed Com #4H will be at a surface location 270' FSL & 1950' FWL in Sec. 17 and a bottom hole location approximately 100' FNL & 2310' FWL in Sec. 8. We anticipate drilling to an approximate vertical depth of 10,514' and an approximate measured depth of 20,575'. The estimated cost to casing point for this well is \$2,380,600 and the estimated cost of a producing well is \$6,860,600. These costs are more fully detailed in the AFE enclosed herewith. If successful, the project area for this well will be comprised of the E2W2 of Sections 8 and 17.

Enclosed are originals of Mewbourne's AFEs well cost estimate for each well. To make your election to participate in the proposed well or wells by properly executing and returning the AFEs. If you elect to participate, Mewbourne proposes to amend the Contract Area of the Operating Agreement dated December 10, 2020 to include the Bone Spring formation.

You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance".

Feel free to contact me if you have any questions or would like to discuss this proposal in greater detail. I can be reached by phone at (432) 682-3715 or via email at cshook@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY



Cy Shook
Landman

Cy Shook

From: webmaster@simplecertifiedmail.com
Sent: Wednesday, April 7, 2021 5:56 PM
To: Cy Shook
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846804042854 and reference number of Zach 17/8 was successfully delivered to Permian Land Manager at Concho Oil & Gas LLC

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 27513-4447
888-462-1750 ext. 2 assistance@simplecertifiedmail.com

©2019 SimpleCertifiedMail.com All rights reserved.

Cy Shook

From: webmaster@simplecertifiedmail.com
Sent: Wednesday, April 7, 2021 5:56 PM
To: Cy Shook
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846804059005 and reference number of Zach 17/8 was successfully delivered to Permian Land Manager at COG Operating LLC

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
Dary, NC 27511-4447
888-462-1750 ext. 2 assistance@simplecertifiedmail.com

©2019 SimpleCertifiedMail.com. All rights reserved.

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: ZACH 17/8 B2NC FED COM #3H		Prospect: 2ND BONE SPRING	
Location: SL: 270' FSL & 1830' FWL (17); BHL: 100' FNL & 1650' FWL (8)		County: Lea	ST: NM
Sec. 17/8	Bk: 	Survey: 	TWP: 26S RNG: 33E Prop. TVD: 10826 TMD: 20873

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$8,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$15,000
Daywork / Turnkey / Footage Drilling	17 days drig / 3 days comp @ \$18,550/d	0180-0110	\$336,800	0180-0210	\$59,400
Fuel	1700 gal/day @ \$3.00/gal	0180-0114	\$92,600	0180-0214	\$580,200
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$70,000	0180-0220	
Mud - Specialized		0180-0121	\$110,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$30,000
Cementing		0180-0125	\$80,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$336,400
Casing / Tubing / Snubbing Service		0180-0134	\$18,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation	60 Stg 20MM gal & 20MM lbs			0180-0241	\$1,450,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$35,000	0180-0245	\$356,000
Bits		0180-0148	\$74,800	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$10,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$28,800	0180-0270	\$40,000
Directional Services	Includes vertical control	0180-0175	\$216,800		
Equipment Rental		0180-0180	\$116,700	0180-0280	\$7,500
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,600	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	
Company Supervision		0180-0195	\$108,000	0180-0295	\$97,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$36,600	0180-0299	\$71,700
TOTAL			\$1,868,000		\$3,658,900

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	885' - 13 3/8" 54.5# J-55 ST&C @ \$36.50/ft	0181-0794	\$34,500		
Casing (8.1" - 10.0")	4785' - 9 5/8" 40# HCL80 LT&C @ \$25.77/ft	0181-0795	\$131,700		
Casing (6.1" - 8.0")	11099' - 7" 29# HCP-110 LT&C @ \$27.00/ft	0181-0796	\$320,100		
Casing (4.1" - 6.0")	10750' - 4 1/2" 13.5# P-110 BPN @ \$14.50/ft			0181-0797	\$166,500
Tubing	10371' - 2 7/8" 6.5# EUE tbq @ \$7.82/ft			0181-0799	\$86,600
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion liner hanger			0181-0871	\$50,000
Subsurface Equip. & Artificial Lift	Packer			0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps	(1/2) TP/CP/circ. pump			0181-0886	\$8,000
Storage Tanks	(1/2) 6 - 750 bbl/S - 750 bbl coated/1 - GB			0181-0890	\$30,000
Emissions Control Equipment	(1/2) VRTs/VRU/KOs			0181-0892	\$10,400
Separation / Treating Equipment	(1/2) horz. sep./vert. sep./HT			0181-0895	\$77,500
Automation / Metering Equipment				0181-0898	\$20,000
Line Pipe & Valves - Gathering				0181-0900	\$25,000
Fittings / Valves & Accessories				0181-0905	\$129,000
Cathodic Protection				0181-0908	\$3,800
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$82,800
Pipeline Construction				0181-0920	\$29,000
TOTAL			\$521,300		\$823,600
SUBTOTAL			\$2,389,300		\$4,482,500
TOTAL WELL COST			\$6,871,800		

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium. Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: H. Buckley	Date: 03/23/2021
Company Approval: _____	Date: _____
Joint Owner Interest: _____ Amount: _____	
Joint Owner Name: _____	Signature: _____

ATTACHMENT D

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

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

Case No. 21962, 21963

VERIFIED STATEMENT OF ROGER TOWNSEND

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

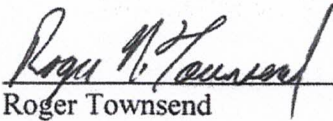
Roger Townsend, being duly sworn upon his oath, deposes and states:

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 this case. 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 of the 2nd Bone Spring formation, mapped on the top of the correlative 2nd Bone Spring marker. It shows that structure dips to the south, and that the planned wellbores would drill updip. It also shows a line of cross-section, A-A'.
 - (b) Attachment B is a gross isopach of the 2nd Bone Spring Sand, the test zone for the proposed Zach 17/8 B2MD Fed Com 1H, and the Zach 17/8 B2NC Fed Com 3H. It shows that the sand across the well unit has a gross thickness of approximately 450 feet.
 - (c) Attachment C is a North-South cross-section. The well logs on the cross-section give a representative sample of the 2nd Bone Spring formation in this area. The target zone for the wells is the lower 2nd Bone Spring Sand, and these zones are continuous across the well unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.

EXHIBIT

3

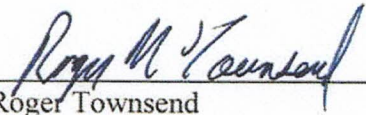
- (b) Each quarter section in the unit will contribute more or less equally to production.
- (c) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.
5. Attachment D contains information from other wells drilled in the immediate area. There are numerous 2nd Bone Spring sand wells, and the preferred orientation is for standup units. The completed wells in the area are commercial.
6. Attachment E is the Survey Calculation Report for wells: Zach 17/8 B2MD Fed Com 1H, and the Zach 17/8 B2NC Fed Com 3H. The producing interval of the proposed well will be orthodox. The Pool code is Bradley, Bone Spring (7280).


Roger Townsend

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

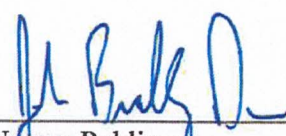
Roger Townsend, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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



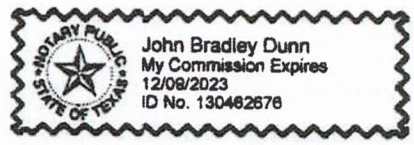
Roger Townsend

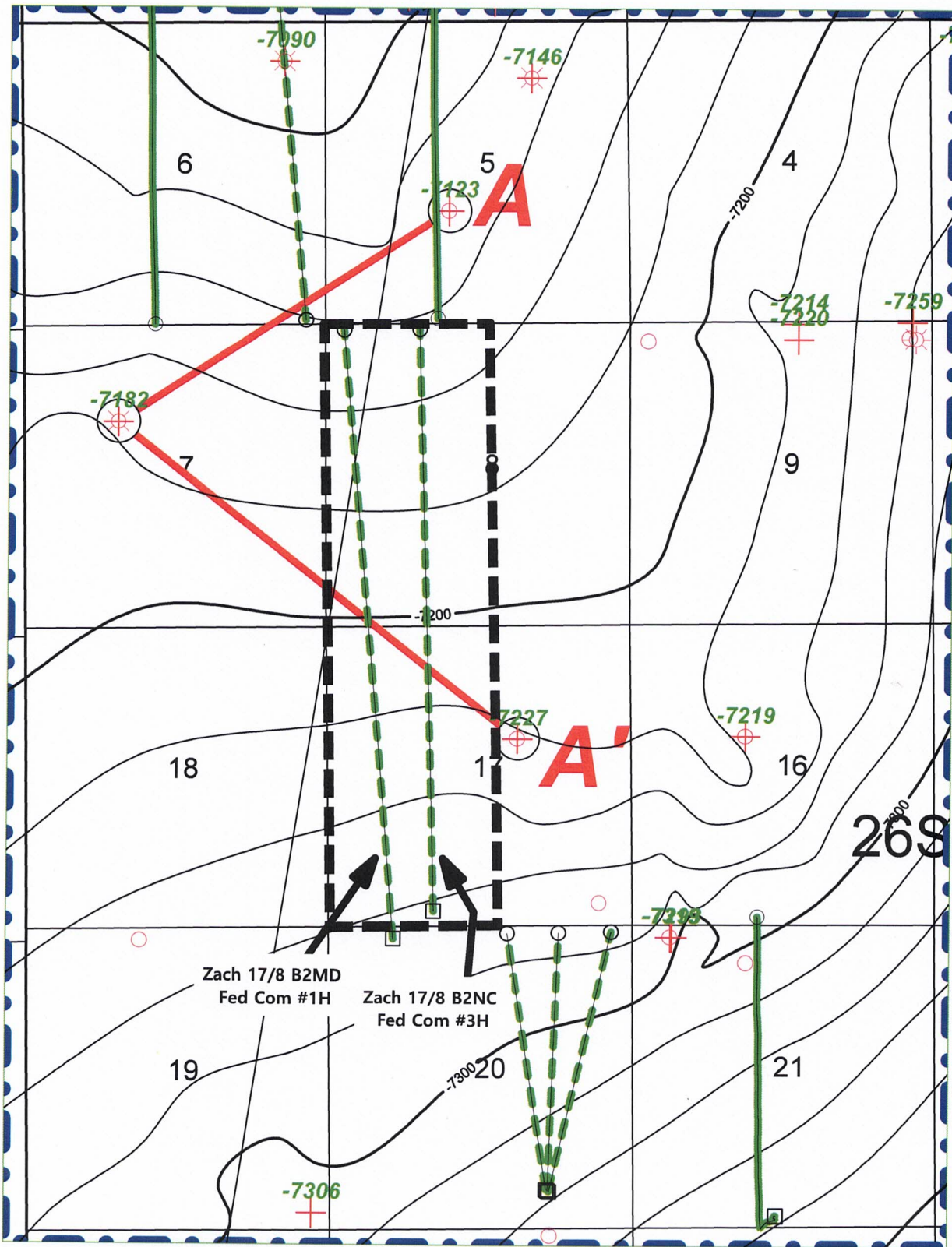
SUBSCRIBED AND SWORN TO before me this 1st day of June, 2021 by Roger Townsend.

My Commission Expires: 12/09/2023



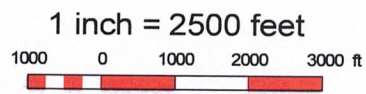
Notary Public





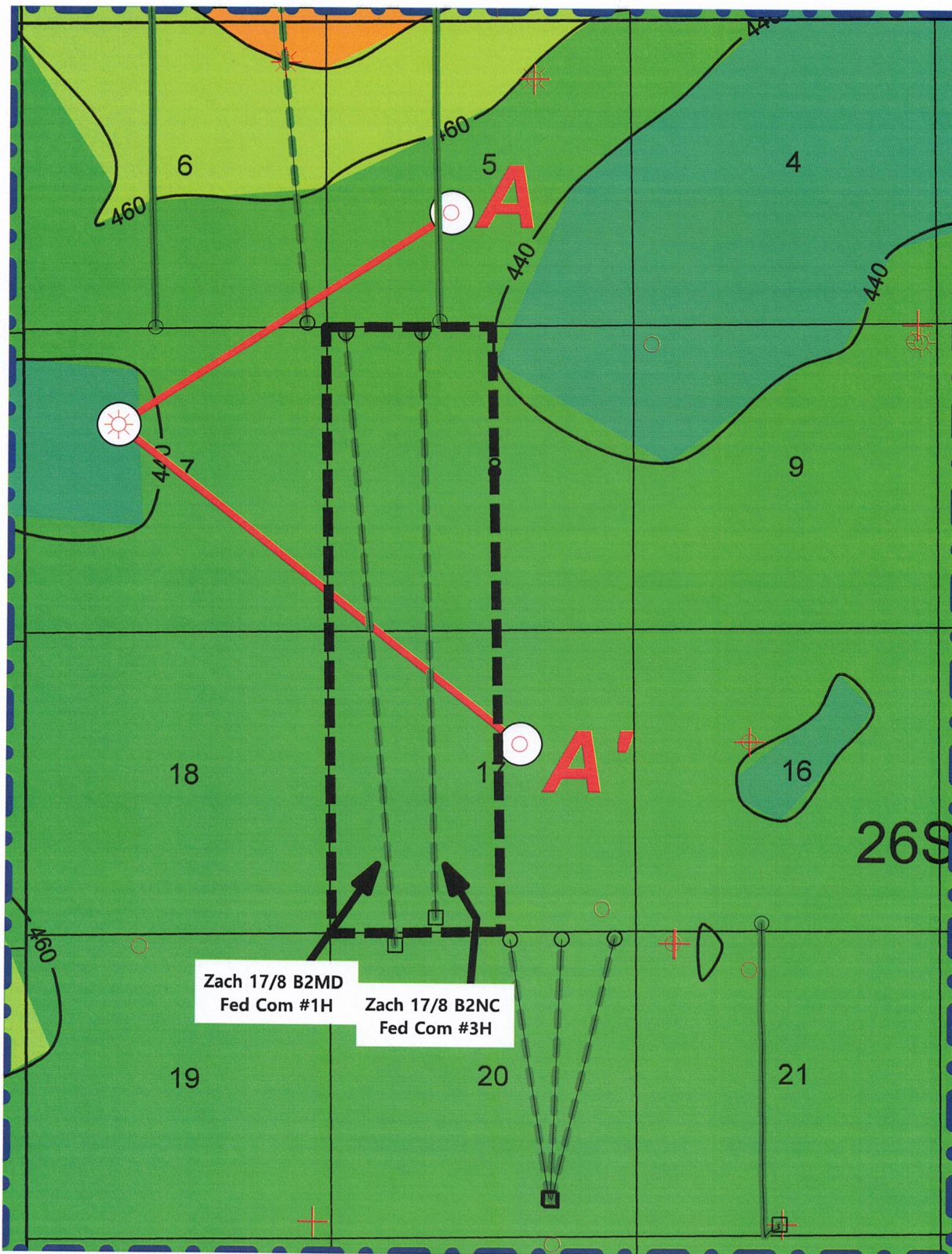
2nd BS Activity

- Permitted
- Drilled



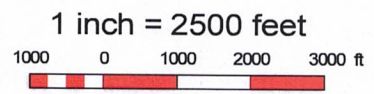
MOC Mewbourne Oil Company		
Zach 17/8 B2MD Fed Com 1H-21962 Zach 17/8 B2NC Fed Com 3H-21963 Structure Top 2 nd BS Sd (C.I. = 20')		
Author: A. Tompsett	Scale: 1" = 2500'	Date: 22 May 2011
	Page: 1 of 1	Editor:

ATTACHMENT *A*



Zach 17/8 B2MD
Fed Com #1H Zach 17/8 B2NC
Fed Com #3H

2nd BS Activity
 - - - Permitted
 ——— Drilled



MOC Mewbourne Oil Company		
Zach 17/8 B2MD Fed Com 1H-21962 Zach 17/8 B2NC Fed Com 3H-21963 Isopach 2 nd BS Sd (C.I. = 20')		
Lea County, NM		
Author: R. Tewarsand	Scale: 1" = 3500'	Date: 11/20/2021
		Page: 1 of 1

ATTACHMENT *B*

Zach 17/8 B2MD, NC Fed Com 1H, 3H

A

A'

30052814400
CHAREX ENERGY CO OF COLORADO
RED HILLS UNIT 3
1980 FBUZ180 FWM
TWP: 26 S - Range: 33 E - Sec. 5

30052306020
BTA OIL PRODUCERS LLC
MESA 8 #110, JAP 1
3E NW
TWP: 26 S - Range: 33 E - Sec. 7

30052678000
ENDEAVOR ENERGY RESOURCES LP
STATE OIL 1
1980 FNU1980 FEL
TWP: 26 S - Range: 33 E - Sec. 17

5K 26S 33E

7F 26S 33E

17G 26S 33E

2nd BS Sd Top

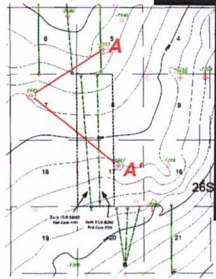
2nd BS Sd Top

2nd BS Sd Lower

2nd BS Sd Lower

3rd BS Carb Top

3rd BS Carb Top



TD=17597.00

TD=18000.00

TD=15914.00

Zach 17/8 B2MD Fed Com 1H
Zach 17/8 B2NC Fed Com 3H

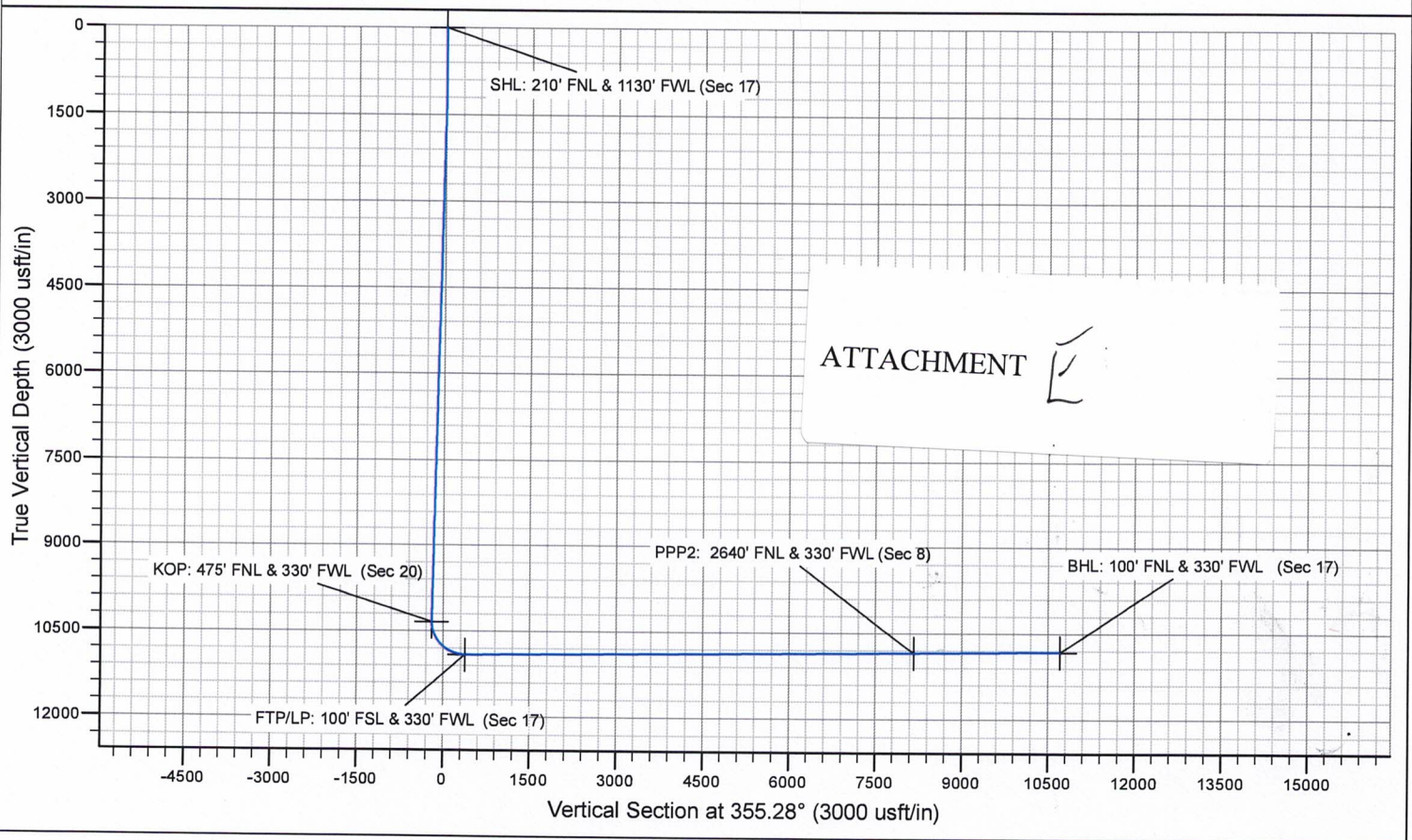
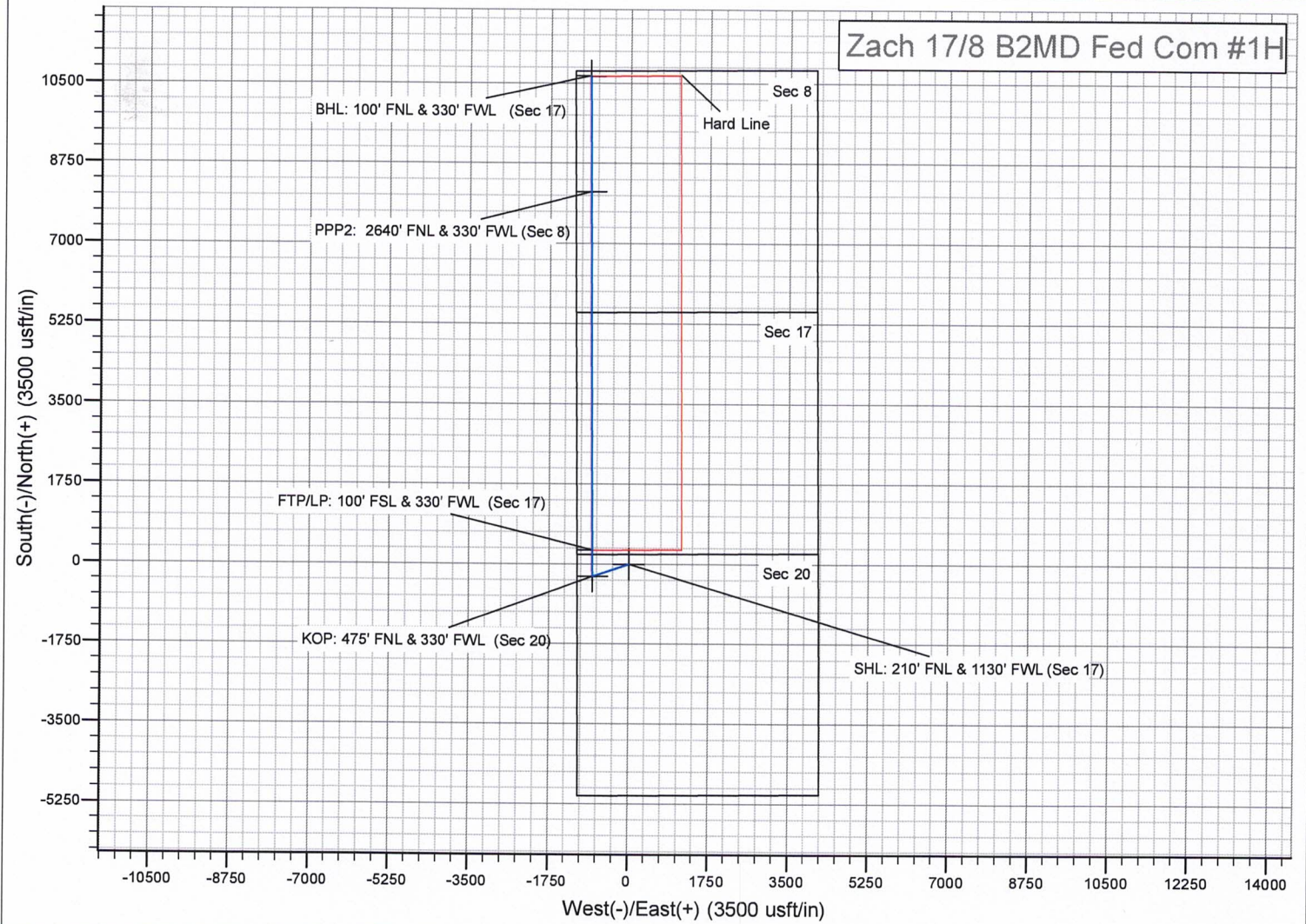
ATTACHMENT **C**

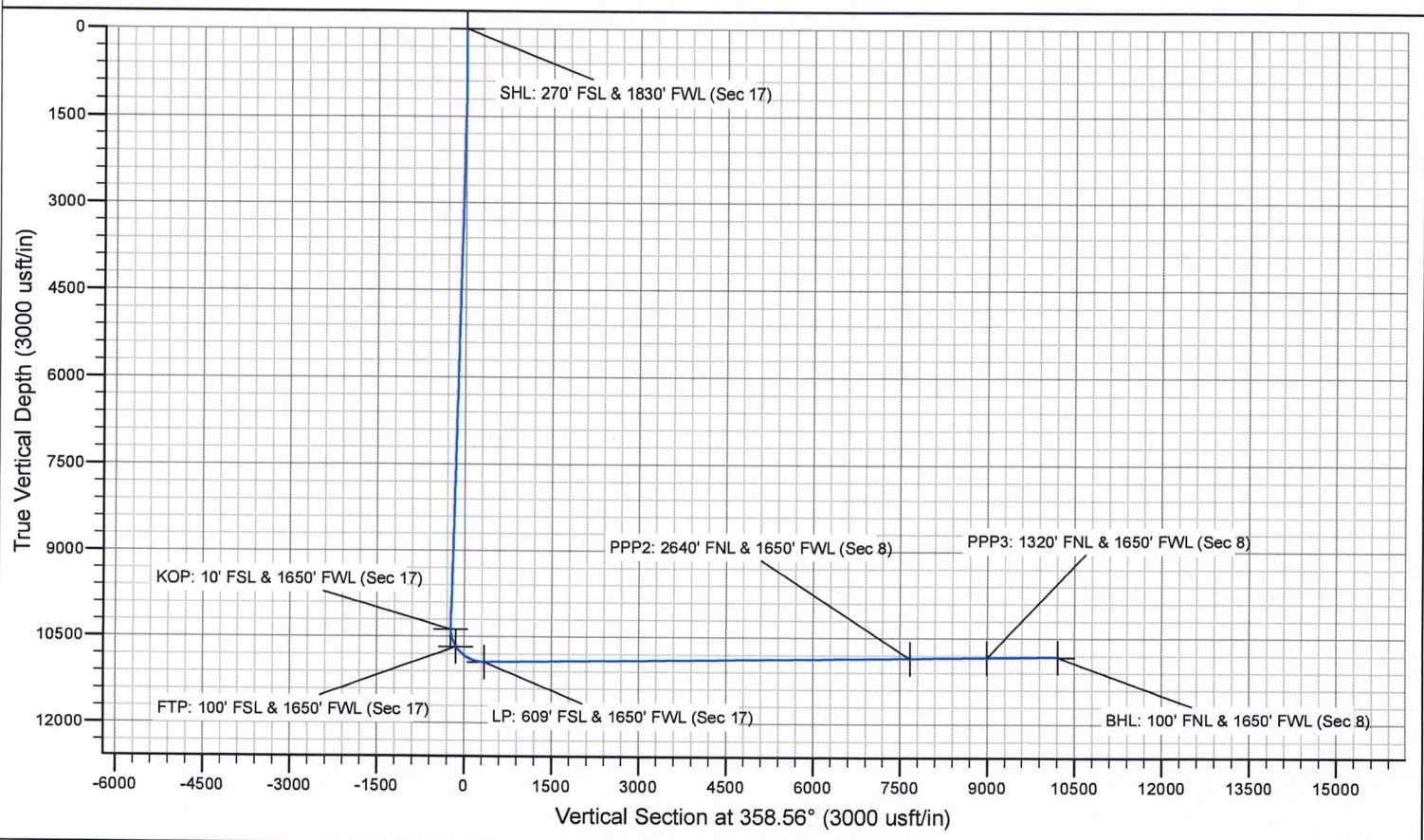
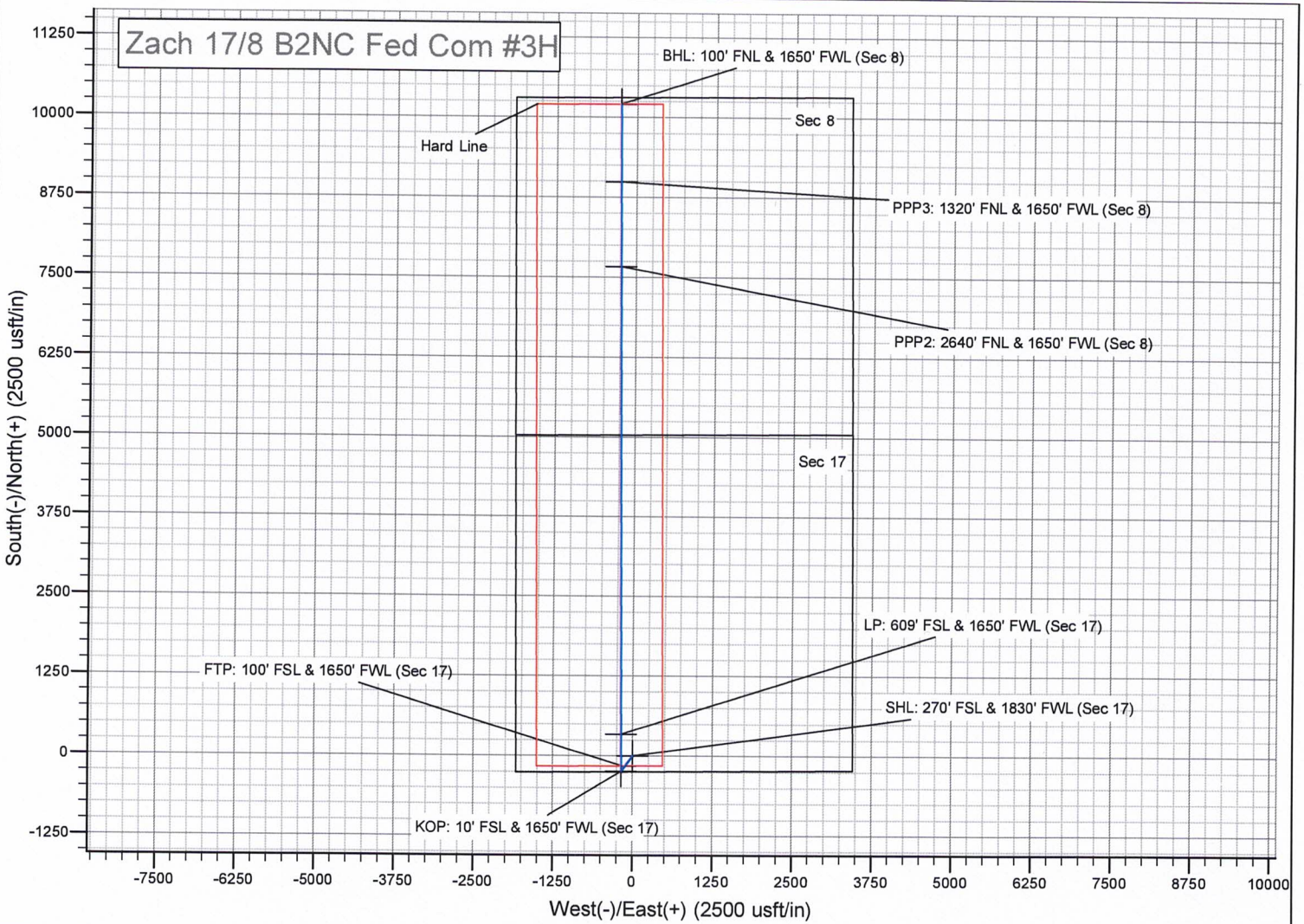
Zach Area 2nd Bone Spring Production

API	Lease Name	Well Num	Operator Name	Location	Oil Cum MBO	Gas Cum BCF	Wtr Cum MBW	First Prod Date	NS/EW	Zone
30025420440000	OPHELIA 27	501H	EOG RESOURCES INC	26S 33E 27G	221	0.60	256	2015-02-01	NS	2nd BS SD
30025421100000	FEARLESS BSF FEDERAL COM	2H	EOG RESOURCES INC	25S 32E 26A NE	380	1.03	674	2017-05-01	NS	2nd BS SD
30025421540000	BROWN BEAR 36 STATE	502H	EOG RESOURCES INC	25S 33E 36D	172	0.65	511	2015-03-01	NS	2nd BS SD
30025421560000	LOMAS ROJAS 26 STATE COM	501H	EOG RESOURCES INC	25S 33E 26P	293	0.76	668	2016-05-01	NS	2nd BS SD
30025421570000	LOMAS ROJAS 26 STATE COM	502H	EOG RESOURCES INC	25S 33E 26P	264	0.70	459	2016-05-01	NS	2nd BS SD
30025433630100	ZIA HILLS 25E FEDERAL COM	404H	CONOCOPHILLIPS CO	26S 32E 25B NE	153	0.32	203	2020-02-01	NS	2nd BS SD
30025433640000	ZIA HILLS 25E FEDERAL COM	402H	CONOCOPHILLIPS CO	26S 32E 25B NE	391	0.93	351	2019-09-01	NS	2nd BS SD
30025433770000	ZIA HILLS 25E FEDERAL COM	403H	CONOCOPHILLIPS CO	26S 32E 25B NE	143	0.44	186	2020-02-01	NS	2nd BS SD
30025452870000	LOMAS ROJAS 26 STATE COM	503H	EOG RESOURCES INC	25S 33E 26B	240	0.61	336	2018-11-01	NS	2nd BS SD
30025452880000	LOMAS ROJAS 26 STATE COM	504H	EOG RESOURCES INC	25S 33E 26C	255	0.64	496	2018-11-01	NS	2nd BS SD
30025455050000	FEARLESS 26 FEDERAL COM	503H	EOG RESOURCES INC	25S 32E 26B NE	307	0.86	1010	2019-11-01	NS	2nd BS SD
30025455060000	FEARLESS 26 FEDERAL COM	504H	EOG RESOURCES INC	25S 32E 26B NE	368	1.07	673	2019-11-01	NS	2nd BS SD
30025455240000	GEM 36 STATE COM	502H	EOG RESOURCES INC	25S 32E 36A	182	0.55	292	2019-06-01	NS	2nd BS SD
30025455290000	GEM 36 STATE COM	501H	EOG RESOURCES INC	25S 32E 36A	176	0.57	341	2019-06-01	NS	2nd BS SD
30025457550000	LOMAS ROJAS 26 STATE COM	505H	EOG RESOURCES INC	25S 33E 26D	168	0.47	341	2019-08-01	NS	2nd BS SD
30025457560000	LOMAS ROJAS 26 STATE COM	506H	EOG RESOURCES INC	25S 33E 26D	154	0.42	385	2019-08-01	NS	2nd BS SD
30025463890000	GEM 36 STATE COM	503H	EOG RESOURCES INC	25S 32E 36B	77	0.17	122	2020-11-01	NS	2nd BS SD
30025463900000	GEM 36 STATE COM	504H	EOG RESOURCES INC	25S 32E 36B	63	0.14	108	2020-11-01	NS	2nd BS SD
30025463910000	GEM 36 STATE COM	505H	EOG RESOURCES INC	25S 32E 36C	88	0.18	130	2020-11-01	NS	2nd BS SD
30025463920000	GEM 36 STATE COM	506H	EOG RESOURCES INC	25S 32E 36D	92	0.18	147	2020-11-01	NS	2nd BS SD
30025474950000	PANZA 36 FEDERAL COM	501H	EOG RESOURCES INC	25S 32E 36D NW NW	85	0.21	153	2020-11-01	NS	2nd BS SD
30025447490000	EL MAR 21 B2NC FEDERAL COM	1H	MEWBOURNE OIL CO	26S 33E 21N SE SW	209	0.68	307	2018-10-01	NS	2nd BS SD

ATTACHMENT D

Zach 17/8 B2MD Fed Com #1H





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

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

Case Nos. 21962 and 21963

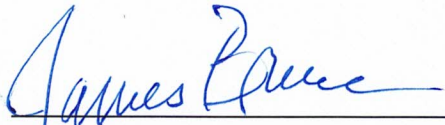
SELF-AFFIRMED STATEMENT OF NOTICE

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 receipt are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 6/11/21



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

May 13, 2021

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Wolfcamp wells in (i) the W/2W2 of Section 19 and the W/2W/2 of Section 18 (Case No. 21962), and (ii) the E/2W/2 of Section 19 and the E/2E/W of Section 18 (Case No. 21963), all in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, June 3, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 27, 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

COG Operating LLC
Concho Oil & Gas LLC
600 West Illinois Avenue
Midland, Texas 79701

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

7020 0640 0000 1389 5292

Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$

Postmark
Here

Sent To	COG + Concho
Street and Apt. 1	600 West Illinois Ave
City, State, ZIP+4	Midland, Texas 79701

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21962
Date:	June 3, 2021
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No.14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Zach Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Not yet assigned to a pool
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	
Orientation:	South-North
Description: TRS/County	W/2W/2 §17 and W/2W/2 §8-26S-33E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-A-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Zach 17/8 B2MD Fed. Com. Well No. 1H API No. 30-025-Pending SHL: 210 FNL & 1130 FWL §20 BHL: 100 FNL & 330 FWL §8 FTP: 100 FSL & 330 FWL §17 LTP: 100 FNL & 330 FWL §8 Bone Spring/TVD 10824 feet/MD 21354 feet
Horizontal Well First and Last Take Points	See above

EXHIBIT 5-A

Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2-A
Requested Risk Charge	Cost + 200%/Exhibit 2-A, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Not necessary
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-A-B
Pooled Parties (including ownership type)	Exhibit 2-A-B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-A-C
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-A-C
Overhead Rates In Proposal Letter	Exhibit 2-A-C
Cost Estimate to Drill and Complete	Exhibit 2-A-D
Cost Estimate to Equip Well	Exhibit 2-A-D
Cost Estimate for Production Facilities	Exhibit 2-A-D
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-A
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A-A
Tracts	Exhibit 2-A-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-A--B
General Location Map (including basin)	Exhibit 2-A-A
Well Bore Location Map	Exhibit 2-A-A

Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 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):	<i>James Bruce</i>
Date:	June 1, 2021

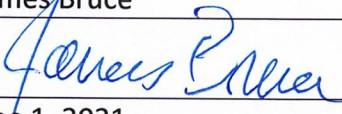
COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21963
Date:	June 3, 2021
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No.14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Zach Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Not yet assigned to a pool
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	
Orientation:	South-North
Description: TRS/County	E/2W/2 §17 and E/2W/2 §8-26S-33E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Zach 17/8 B2NC Fed. Com. Well No. 1H API No. 30-025-Pending SHL: 270 FSL & 1830 FWL §17 BHL: 100 FNL & 1650 FWL §8 FTP: 100 FSL & 1650 FWL §17 LTP: 100 FNL & 1650 FWL §8 Bone Spring/TVD 10826 feet/MD 20873 feet
Horizontal Well First and Last Take Points	See above

EXHIBIT 5-B

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

Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 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:	June 1, 2021