

**CASE NOS. 21724 & 21725**

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

**MEWBOURNE OIL COMPANY'S EXHIBIT LIST**

1. Application and Proposed Notice
2. Landman's Affidavit (Case 21724)
3. Landman's Affidavit (Case 21725)
4. Geologist's Affidavit
5. Notice Affidavit
6. Pooling Checklist

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 21724

**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2 of Section 23 and the N/2 of Section 24, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation: (a) the Chile Verde W0DA 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4NW/4 of Section 23 and a last take point in the NE/4NE/4 of Section 24; and (b) the Chile Verde W0EH 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 23 and a last take point in the SE/4NE/4 of Section 24. The producing interval of each well will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 23 and the N/2 of Section 24 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

EXHIBIT |

Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 23 and the N/2 of Section 24, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 23 and the N/2 of Section 24 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 Wolfcamp formation underlying the N/2 of Section 23 and the N/2 of Section 24;
- B. Designating applicant as operator of the proposed wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

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 Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0DA 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4NW/4 of Section 23 and a last take point in the NE/4NE/4 of Section 24; and (b) the Chile Verde W0EH 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 23 and a last take point in the SE/4NE/4 of Section 24. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4-1/2 miles northeast of Carlsbad, New Mexico.

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 21725

**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2 of Section 23 and the S/2 of Section 24, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation: (a) the Chile Verde W0LI 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 23 and a last take point in the NE/4SE/4 of Section 24; and (b) the Chile Verde W0MP 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 23 and a last take point in the SE/4SE/4 of Section 24. The producing interval of each well will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 23 and the S/2 of Section 24 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

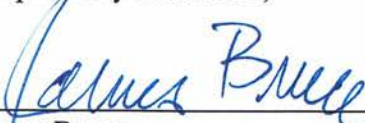
Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the S/2 of Section 23 and the S/2 of Section 24, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Wolfcamp formation underlying the S/2 of Section 23 and the S/2 of Section 24 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 Wolfcamp formation underlying the S/2 of Section 23 and the S/2 of Section 24;
- B. Designating applicant as operator of the proposed wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

Attorney for Mewbourne Oil Company

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 Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0LI 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 23 and a last take point in the NE/4SE/4 of Section 24; and (b) the Chile Verde W0MP 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 23 and a last take point in the SE/4SE/4 of Section 24. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4 miles northeast of Carlsbad, 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 No. 21724**

**SELF-AFFIRMED STATEMENT OF JOSH ANDERSON**

Josh Anderson 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 Wolfcamp horizontal spacing unit described below, and in wells to be drilled in the units.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests to the wells.

(c) A plat outlining the units being pooled is submitted as Attachment A. Mewbourne seeks orders pooling all mineral interests in the Wolfcamp formation underlying the following horizontal spacing unit:

The N/2 of Section 23 and the N/2 of Section 24, Township 21 South, Range 27 East, NMPM.

C-102s for the wells are submitted as part of Attachment A.

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

(e) There is no depth severance in the Wolfcamp formation.

EXHIBIT 2



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

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

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

(i) Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs 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 wells.

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

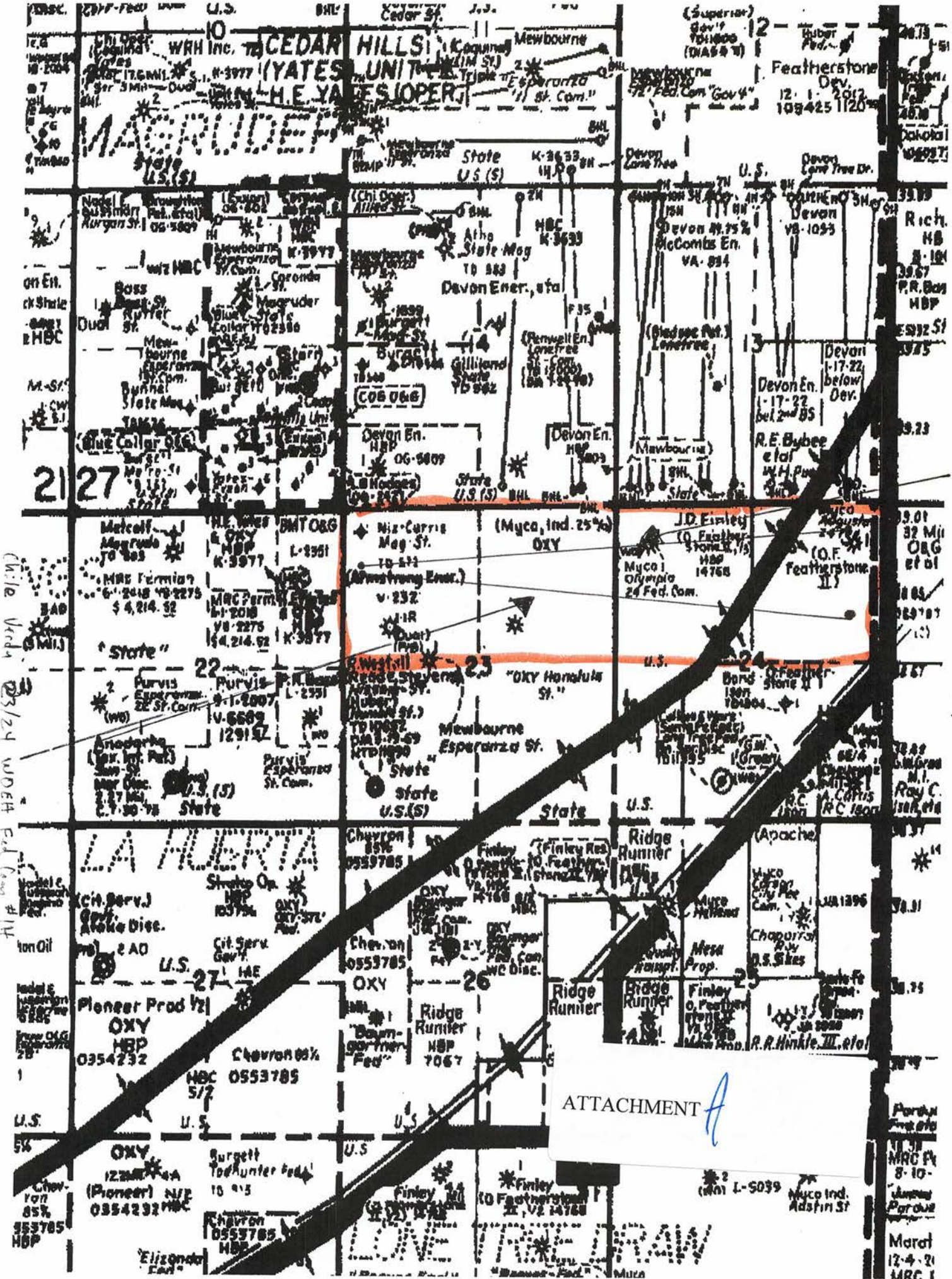
(n) The granting of this application is in the interests of conservation and the prevention of waste.

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:

6/15/21

  
Josh Anderson



ATTACHMENT A

C.W.I.L.E. Vender 2/3/24 WDA Fed Com # 1H

C.W.I.L.E. Vender 2/3/24 WDA Fed Com # 1H

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 <b>CHILE VERDE 23/24 WODA FED COM</b>						6 Well Number <b>1H</b>	
7 GRID NO.		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>						9 Elevation <b>3244'</b>	
10 Surface Location									
UL or lot no. <b>D</b>	Section <b>23</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>1115</b>	North/South line <b>NORTH</b>	Feet From the <b>380</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
11 Bottom Hole Location If Different From Surface									
UL or lot no. <b>A</b>	Section <b>24</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>NORTH</b>	Feet from the <b>100</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
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 style="text-align: center;"><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1943" N: 530499.9 - E: 592004.8</p> <p>B: FOUND BRASS CAP "1943" N: 533152.5 - E: 591999.4</p> <p>C: FOUND BRASS CAP "1943" N: 535806.1 - E: 591985.8</p> <p>D: FOUND BRASS CAP "1943" N: 535824.6 - E: 594655.4</p> <p>E: FOUND BRASS CAP "1943" N: 535844.8 - E: 597324.4</p> <p>F: FOUND BRASS CAP "1943" N: 535884.9 - E: 600001.9</p> <p>G: FOUND BRASS CAP "1943" N: 535925.1 - E: 602680.8</p> <p>H: FOUND BRASS CAP "1916" N: 530599.3 - E: 602729.8</p> <p>I: FOUND 1/2" REBAR W/RED PLASTIC CAP "PE &amp; PS 5412" N: 530538.9 - E: 600049.5</p> <p>J: FOUND BRASS CAP "1943" N: 530531.8 - E: 597368.8</p> <p>K: FOUND BRASS CAP "1943" N: 530516.1 - E: 594688.2</p> <p>L: FOUND BRASS CAP "1943" N: 533189.1 - E: 597346.9</p>		<p><b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p style="text-align: center;"><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p style="text-align: center;"><u>SURFACE LOCATION</u> N: 534694.0 - E: 592371.4 LAT: 32.4698282° N LONG: 104.1678522° W</p> <p style="text-align: center;"><u>BOTTOM HOLE</u> N: 535263.8 - E: 602586.9 LAT: 32.4713467° N LONG: 104.1347243° W</p>		<p><b>18 SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p><b>10-07-2020</b> Date of Survey</p> <p>Signature and Seal of Professional Surveyor </p> <p><b>19880</b> Certificate Number</p>
<p>S 89°36'10" W 2670.36' (D) S 89°33'57" W 2669.69' (E) S 89°08'30" W 2678.47' (F) S 89°08'26" W 2679.84' (G)</p> <p>1115' S.L. 380'</p> <p>23</p> <p>660' B.H. 100'</p> <p>24</p> <p>N 00°17'41" W 2654.29' (C) N 00°29'05" W 2656.44' (E) N 00°28'22" W 2658.04' (C) N 00°31'36" W 5327.30' (G)</p> <p>N 00°06'59" W 2653.24' (C) N 00°17'41" W 2654.29' (C)</p>		<p><b>19880</b> Certificate Number</p> <p>Job No: LS20090492</p>

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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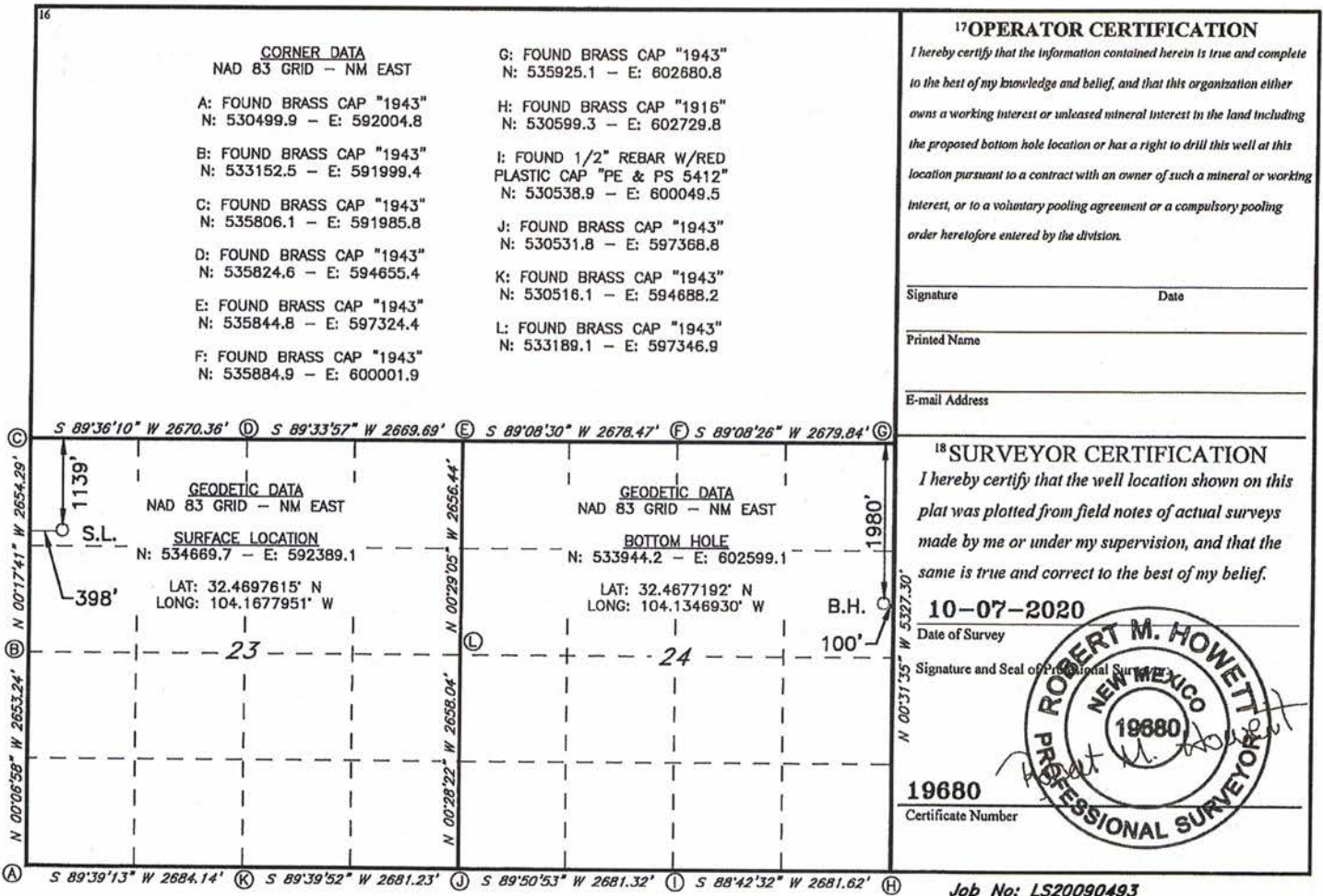
Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>CHILE VERDE 23/24 WOEH FED COM</b>						<sup>6</sup> Well Number <b>1H</b>	
<sup>7</sup> OGRID NO.		<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>						<sup>9</sup> Elevation <b>3244'</b>	
<sup>10</sup> Surface Location									
UL or lot no. <b>D</b>	Section <b>23</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>1139</b>	North/South line <b>NORTH</b>	Feet From the <b>398</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>H</b>	Section <b>24</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>1980</b>	North/South line <b>NORTH</b>	Feet from the <b>100</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

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



**Section Plat**

Chile Verde 23/24 W0DA Fed Com #1H & Chile Verde 23/24 W0EH Fed Com #1H  
N/2 of Section 23 & N/2 of Section 24

T21S-R27E, Eddy County, NM

Section 23		Section 24	
Tract 1	Tract 2	Tract 3	Tract 4

**Tract 1: NW/4 of Section 23 - State Lease V-232**

Mewbourne Oil Company

**Tract 3: NW/4 of Section 24 - Federal Lease NM 14768-A**

Mewbourne Oil Company  
ABO Empire, LLC  
MRC Permian Company  
EOG Resources, Inc.  
OXY Y-1 Company

**Tract 2: NE/4 of Section 23 - State Lease V-232**

Occidental Permian Limited Partnership  
OXY Y-1 Company  
ABO Empire, LLC  
MRC Permian Company  
Sharbro Energy, LLC  
EOG Resources, Inc.

**Tract 4: NE/4 of Section 24 - Multiple Fee Leases**

Mewbourne Oil Company  
ABO Empire, LLC  
MRC Permian Company  
EOG Resources, Inc.  
OXY Y-1 Company

ATTACHMENT **B**

**RECAPITULATION FOR CHILE VERDE 23/24 W0DA FED COM #1H & CHILE VERDE 23/24 W0EH FED COM #1H**

Tract Number	Number of Acres Committeed	Percentage of Interst in Communitized Area
1	160	25.000000%
2	160	25.000000%
3	160	25.000000%
4	160	25.000000%
<b>TOTAL</b>	<b>640</b>	<b>100.000000%</b>

**T21S-R27E, Eddy County, NM**

Section 23

Section 24

Tract 1	Tract 2	Tract 3	Tract 4

**TRACT OWNERSHIP**  
**N/2 of Section 23 & N/2 of Section 24**

**Wolfcamp Formation:**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	56.862022%
*Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston, TX 77046	18.750000%
*OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046	15.931011%
*MRC Permian Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	8.456967%
<b>TOTAL</b>	<b>100.000000%</b>
<b>Total Interest Being Pooled:</b>	<b>43.137978%</b>

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**OWNERSHIP BY TRACT**

**NW/4 of Section 23**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

**NE/4 of Section 23**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	13.690476%
Occidental Permian Limited Partnership	75.000000%
OXY Y-1 Company	6.845238%
MRC Permian Company	4.464286%
<b>TOTAL</b>	<b>100.000000%</b>

**NW/4 of Section 24**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	58.549278%
OXY Y-1 Company	29.274639%
MRC Permian Company	12.176083%
<b>TOTAL</b>	<b>100.000000%</b>

**NE/4 of Section 24**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	55.208333%
OXY Y-1 Company	27.604167%
MRC Permian Company	17.187500%
<b>TOTAL</b>	<b>100.000000%</b>

**Summary of Communications**  
**Chile Verde 23/24 W0DA Fed Com #1H &**  
**Chile Verde 23/24 W0EH Fed Com #1H**  
**N/2 of Section 23-T21S-R27E, Eddy County, NM &**  
**N/2 of Section 24-T21S-R27E, Eddy County, NM:**  
**Chile Verde 23/24 W0LI Fed Com #1H &**  
**Chile Verde 23/24 W0MP Fed Com #1H**  
**S/2 of Section 23-T21S-R27E, Eddy County, NM &**  
**S/2 of Section 24-T21S-R27E, Eddy County, NM**

ATTACHMENT C

**Occidental Permian Limited Partnership:**

**10/7/2019:** Mailed a Working Interest Unit, Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals to the above listed party.

**10/15/2019:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals.

**10/17/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**10/23/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**10/24/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**11/10/2020:** Mailed a Working Interest Unit, Chile Verde 23/24 Joint Operating Agreement to the above listed party.

**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned JOA.

**11/11/2020:** Mailed the Revised AFEs for Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals. The wells AFEs were revised due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals revised AFEs.

**12/29/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**12/30/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

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

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

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

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

**3/22/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**4/8/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**5/11/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals

**5/20/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals

**Ongoing:** Mewbourne is currently negotiating with Occidental Permian Limited Partnership to acquire all or a portion of their interest.

**OXY Y-1 Company:**

**10/7/2019:** Mailed a Working Interest Unit, Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals to the above listed party.

**10/15/2019:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals.



**10/17/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**10/23/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**10/24/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**11/10/2020:** Mailed a Working Interest Unit, Chile Verde 23/24 Joint Operating Agreement to the above listed party.  
**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned JOA.  
**11/11/2020:** Mailed the Revised AFEs for Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals. The wells AFEs were revised due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.  
**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals revised AFEs.  
**12/29/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**12/30/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**1/4/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**1/19/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**2/10/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**2/23/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**3/22/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**4/8/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**5/11/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**5/20/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals

**Ongoing:** Mewbourne is currently negotiating OXY Y-1 Company to acquire all or a portion of their interest.

**MRC Permian Company:**

**10/7/2019:** Mailed a Working Interest Unit, Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals to the above listed party's predecessor in title.  
**10/9/2019:** The above listed party's predecessor in title received and signed for the certified mailing of the above captioned Well Proposals.  
**11/10/2020:** Mailed a Working Interest Unit, Chile Verde 23/24 Joint Operating Agreement to the above listed party.  
**11/14/2020:** The above listed party received and signed for the certified mailing of the above captioned JOA.  
**11/11/2020:** Mailed the Revised AFEs for Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals. The wells AFEs were revised due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.  
**11/17/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**11/17/2020:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**11/18/2020:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals revised AFEs.  
**12/29/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**2/10/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**4/12/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**4/13/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**4/16/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**5/19/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**Ongoing:** Mewbourne is currently negotiating with MRC Permian Company to acquire all or a portion of their interest.

**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715

October 7, 2019

Via Certified Mail

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" W0DA Fed Com No. 1H  
1170' FNL & 440' FWL (SL) (Sec. 23)  
660' FNL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,885 feet. The N/2 of the captioned Section 23 and the N/2 of the captioned Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated October 3, 2019 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. If you decide to participate, I will forward the Joint Operating Agreement for your execution.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Josh Anderson  
Landman

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

October 7, 2019

*Via Certified Mail*

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" W0EH Fed Com No. 1H  
1200' FNL & 440' FWL (SL) (Sec. 23)  
1980' FNL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,900 feet. The N/2 of the captioned Section 23 and the N/2 of the captioned Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated October 3, 2019 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. If you decide to participate, I will forward the Joint Operating Agreement for your execution.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson  
Landman

**Josh Anderson**

---

**From:** webmaster@simplecertifiedmail.com  
**Sent:** Tuesday, October 15, 2019 2:19 PM  
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**Subject:** [EXT] Document Delivered

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## Document Delivered

A document with a tracking code of 9414810699945044532696 and reference number of Chile Verde was successfully delivered to Matthew Cole at Occidental Permian Limited Partnership

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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 | [assistance@simplecertifiedmail.com](mailto:assistance@simplecertifiedmail.com)

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**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

November 10, 2020

Via Certified Mail

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Working Interest Unit  
Mewbourne's Chile Verde 23/44 Prospect  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated November 1, 2020, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposals/AFEs I sent by letters dated October 7, 2019.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**Josh Anderson**

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**From:** webmaster@simplecertifiedmail.com  
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## Document Delivered

A document with a tracking code of 9414836897846293940198 and reference number of Chile Verde 23/24 was successfully delivered to Matthew Cole at Occidental Permian Limited Partnership

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

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**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

November 11, 2020

*Via Certified Mail*

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" W0DA Fed Com No. 1H  
1115' FNL & 380' FWL (SL) (Sec. 23)  
660' FNL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Due to a recent revision of costs attributed to decreased service cost estimates, enclosed for your further handling is our updated and revised AFE dated November 9, 2020 for the captioned proposed well. The captioned well will be drilled 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,885 feet. The N/2 of the captioned Section 23 and the N/2 of the captioned Section 24 will be dedicated to the well as the proration unit. 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. Mewbourne's proposed Joint Operating Agreement has been previously provided.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman



**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715

November 11, 2020

Via Certified Mail

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" W0EH Fed Com No. 1H  
1139' FNL & 395' FWL (SL) (Sec. 23)  
1980' FNL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Due to a recent revision of costs attributed to decreased service cost estimates, enclosed for your further handling is our updated and revised AFE dated November 9, 2020 for the captioned proposed well. The captioned well will be drilled 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,900 feet. The N/2 of the captioned Section 23 and the N/2 of the captioned Section 24 will be dedicated to the well as the proration unit. 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. Mewbourne's proposed Joint Operating Agreement has been previously provided.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**Josh Anderson**

---

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**Subject:** [EXT] Document Delivered

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## Document Delivered

A document with a tracking code of 9402836897846290352104 and reference number of Chile Verde 23/44 was successfully delivered to Mathew Cole at Occidental Permian Limited Partnership

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

Regards,

*The Client Services Group-Assistance*

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

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# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: <b>CHILE VERDE 23/24 W0DA FED COM #1H</b>		Prospect: <b>WOLFCAMP SAND</b>
Location: <b>SL: 1115 FNL &amp; 380 FWL (23); BHL: 660 FNL &amp; 330 FEL (24)</b>		County: <b>Eddy</b> ST: <b>NM</b>
Sec. <b>23</b> Blk: <b></b> Survey: <b></b>	TWP: <b>21S</b> RNG: <b>27E</b> Prop. TVD: <b>9085</b>	TMD: <b>18885</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$70,000	0180-0205	\$30,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$395,000
Daywork / Turnkey / Footage Drilling 28 days drlg / 4 days comp @ \$18,550/d		0180-0110	\$515,100	0180-0210	\$79,200
Fuel 1700 gal/day @ \$1.30/gal		0180-0114	\$63,700	0180-0214	\$194,100
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$180,000	0180-0220	
Mud - Specialized		0180-0121		0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	
Cementing		0180-0125	\$140,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$395,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation 60 Stg 24.3MM gal & 24.3MM lbs				0180-0241	\$1,600,000
Stimulation Rentals & Other				0180-0242	\$185,000
Water & Other		0180-0145	\$60,000	0180-0245	\$494,300
Bits		0180-0148	\$138,800	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding, Construction, & Maint. Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$22,400
Directional Services Includes vertical control		0180-0175	\$368,500		
Equipment Rental		0180-0180	\$230,700	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$50,000
Company Supervision		0180-0195	\$259,200	0180-0295	\$107,700
Overhead Fixed Rate		0180-0198	\$10,000	0180-0298	\$20,000
Contingencies 10% (TCP) 5% (CC)		0180-0199	\$254,700	0180-0299	\$183,300
<b>TOTAL</b>			<b>\$2,801,200</b>		<b>\$3,849,500</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 300' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$10,300		
Casing (8.1" - 10.0") 2800' - 8 5/8" 36# J-55 LT&C @ \$24.42/ft		0181-0795	\$73,000		
Casing (8.1" - 8.0") 9215' - 7" 29# HCP-110 LT&C @ \$21.47/ft		0181-0796	\$211,300		
Casing (4.1" - 8.0") 10590' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft				0181-0797	\$132,600
Tubing 8515' - 2 7/8" 6.5# L-80 EUE tbg @ \$4.54/ft				0181-0798	\$41,300
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$35,000
Horizontal Completion Tools Completion liner hanger				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift Sys. Gas lift valves & packer				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Surface Pumps (1/2) SWD pump/circ pump/VRU				0181-0886	\$40,000
Storage Tanks (1/2) 5 - 750 bbl & 5 - 750 bbl coated				0181-0890	\$110,000
Emissions Control Equipment				0181-0892	
Separation / Treating Equipment GB,30"x10"x1k# 3ph,36"x15"x1k#,VRT,flare,6'x20'x75# HT				0181-0895	\$102,000
Automation / Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering				0181-0900	\$50,000
Fittings / Valves & Accessories				0181-0906	\$150,000
Cathodic Protection				0181-0908	\$10,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$70,000
Pipeline Construction				0181-0920	\$50,000
<b>TOTAL</b>			<b>\$329,600</b>		<b>\$930,900</b>
<b>SUBTOTAL</b>			<b>\$3,130,800</b>		<b>\$4,780,400</b>
<b>TOTAL WELL COST</b>					<b>\$7,911,200</b>

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: T. Cude Date: 11/9/2020

Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

ATTACHMENT D

# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: **CHILE VERDE 23/24 W0EH FED COM #1H** Prospect: **WOLFCAMP SAND**  
 Location: **SL: 1139 FNL & 395 FWL (23); BHL: 1980 FNL & 330 FEL (24)** County: **Eddy** ST: **NM**  
 Sec: **23** Blk:  Survey:  TWP: **21S** RNG: **27E** Prop. TVD: **9085** TMD: **18900**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$70,000	0180-0205	\$30,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$390,000
Daywork / Turnkey / Footage Drilling      28 days drlg / 4 days comp @ \$18,550/d		0180-0110	\$515,100	0180-0210	\$79,200
Fuel      1700 gal/day @ \$1.30/gal		0180-0114	\$63,700	0180-0214	\$194,100
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$180,000	0180-0220	
Mud - Specialized		0180-0121		0180-0221	
Horizontal Driftout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	
Cementing		0180-0125	\$140,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$395,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation      60 Stg 24.3MM gal & 24.3MM lbs				0180-0241	\$1,600,000
Stimulation Rentals & Other				0180-0242	\$185,000
Water & Other		0180-0145	\$60,000	0180-0245	\$494,300
Bits		0180-0148	\$138,800	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding, Construction, & Maint. Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$22,400
Directional Services      Includes vertical control		0180-0175	\$368,500		
Equipment Rental		0180-0180	\$230,700	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$50,000
Company Supervision		0180-0195	\$259,200	0180-0295	\$107,700
Overhead Fixed Rate		0180-0198	\$10,000	0180-0298	\$20,000
Contingencies      10% (TCP) 5% (CC)		0180-0199	\$254,700	0180-0299	\$183,300
<b>TOTAL</b>			<b>\$2,801,200</b>		<b>\$3,849,500</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")      300' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$10,300		
Casing (8.1" - 10.0")      2800' - 9 5/8" 36# J-55 LT&C @ \$24.42/ft		0181-0795	\$73,000		
Casing (6.1" - 8.0")      9230' - 7" 29# HCP-110 LT&C @ \$21.47/ft		0181-0796	\$211,600		
Casing (4.1" - 6.0")      10600' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft				0181-0797	\$132,700
Tubing      8515' - 2 7/8" 6.5# L-80 EUE tbg @ \$4.54/ft				0181-0798	\$41,300
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$35,000
Horizontal Completion Tools      Completion liner hanger				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift Sys.      Gas lift valves & packer				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Surface Pumps      (1/2) SWD pump/circ pump/VRU				0181-0886	\$40,000
Storage Tanks      (1/2) 5 - 750 bbl & 5 - 750 bbl coated				0181-0890	\$110,000
Emissions Control Equipment				0181-0892	
Separation / Treating Equipment      GB,30"x10"x1k# 3ph,36"x15"x1k#,VRT,flare,8'x20'x75# HT				0181-0895	\$102,000
Automation / Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering				0181-0900	\$50,000
Fittings / Valves & Accessories				0181-0906	\$150,000
Cathodic Protection				0181-0908	\$10,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$70,000
Pipeline Construction				0181-0920	\$50,000
<b>TOTAL</b>			<b>\$329,900</b>		<b>\$931,000</b>
<b>SUBTOTAL</b>			<b>\$3,131,100</b>		<b>\$4,780,500</b>

**TOTAL WELL COST      \$7,911,600**

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:                                 T. Cude                                 Date: 11/9/2020  
 Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**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 No. 21725**

**SELF-AFFIRMED STATEMENT OF JOSH ANDERSON**

Josh Anderson, 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 Wolfcamp horizontal spacing unit described below, and in wells to be drilled in the units.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests to the wells.

(c) A plat outlining the units being pooled is submitted as Attachment A. Mewbourne seeks orders pooling all mineral interests in the Wolfcamp formation underlying the following horizontal spacing unit:

The S/2 of Section 23 and the S/2 of Section 24, Township 21 South, Range 27 East, NMPM.

C-102s for the wells are submitted as part of Attachment A.

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

(e) There is no depth severance in the Wolfcamp formation.

EXHIBIT 3

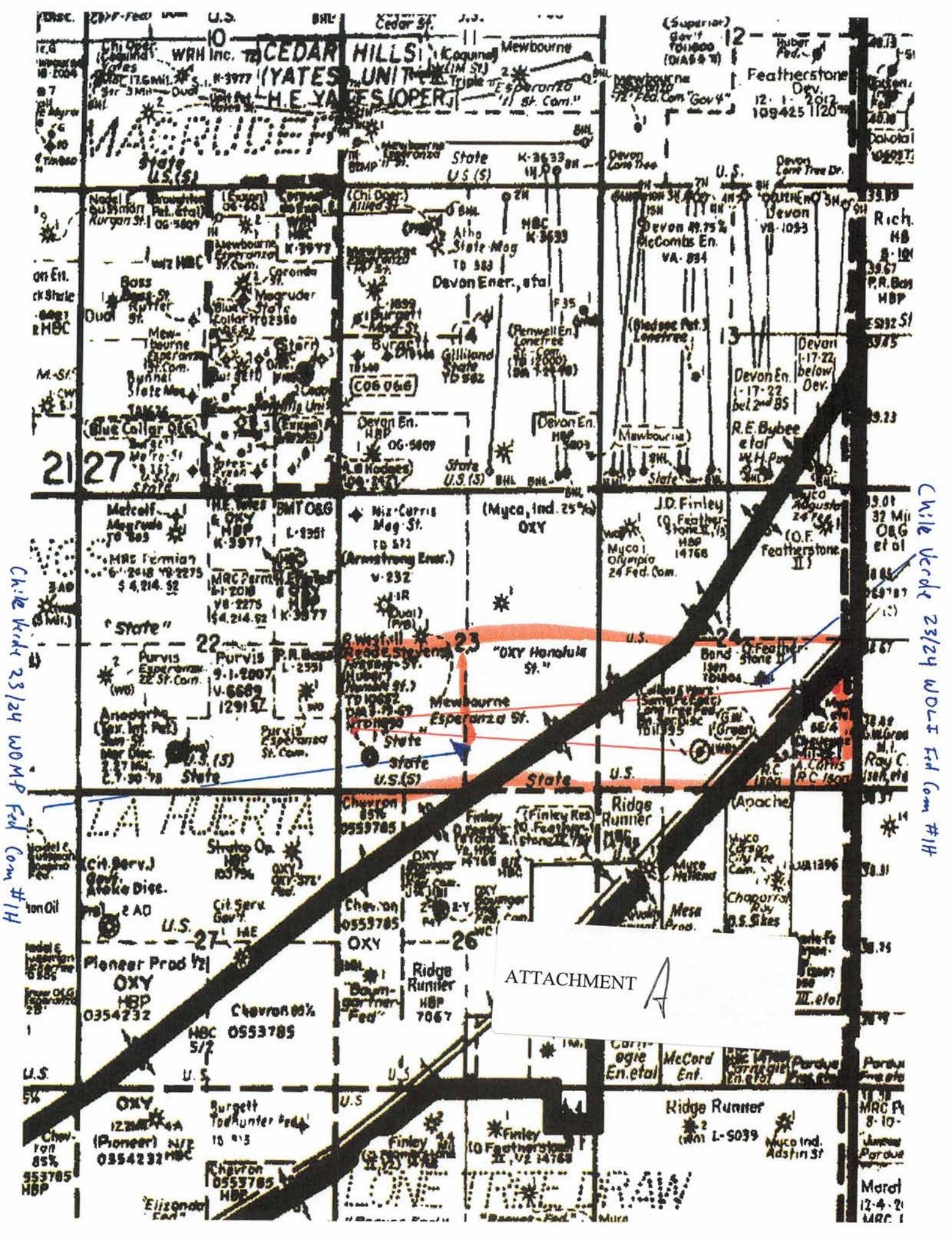
- (f) Attachment C is a summary of communications and sample copies of the proposal letters sent to the interest owners. All interest owners are locatable.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs 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 wells.
- (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:

6/15/21

  
\_\_\_\_\_  
Josh Anderson



ATTACHMENT  
A

Chile kids 23/24 WOMP Fed Com #11

Chile Verde 23/24 WOLT Fed Com #11

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 <b>CHILE VERDE 23/24 WOLI FED COM</b>						6 Well Number <b>1H</b>	
7 GRID NO.		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>						9 Elevation <b>3235'</b>	
10 Surface Location									
UL or lot no. <b>M</b>	Section <b>23</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>1230</b>	North/South line <b>SOUTH</b>	Feet From the <b>440</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
11 Bottom Hole Location If Different From Surface									
UL or lot no. <b>I</b>	Section <b>24</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>1980</b>	North/South line <b>SOUTH</b>	Feet from the <b>100</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
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><b>CORNER DATA</b> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1943" N: 530499.9 - E: 592004.8</p> <p>B: FOUND BRASS CAP "1943" N: 533152.5 - E: 591999.4</p> <p>C: FOUND BRASS CAP "1943" N: 535806.1 - E: 591985.8</p> <p>D: FOUND BRASS CAP "1943" N: 535824.6 - E: 594655.4</p> <p>E: FOUND BRASS CAP "1943" N: 535844.8 - E: 597324.4</p> <p>F: FOUND BRASS CAP "1943" N: 535884.9 - E: 600001.9</p> <p>G: FOUND BRASS CAP "1943" N: 535925.1 - E: 602680.8</p> <p>H: FOUND BRASS CAP "1916" N: 530599.3 - E: 602729.8</p> <p>I: FOUND 1/2" REBAR W/RED PLASTIC CAP "PE &amp; PS 5412" N: 530538.9 - E: 600049.5</p> <p>J: FOUND BRASS CAP "1943" N: 530531.8 - E: 597368.8</p> <p>K: FOUND BRASS CAP "1943" N: 530516.1 - E: 594688.2</p> <p>L: FOUND BRASS CAP "1943" N: 533189.1 - E: 597346.9</p>		<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>18 SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p><b>10-07-2020</b> Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p><b>19680</b> Certificate Number</p>			
<p>19</p> <p><b>GEODETIC DATA</b> NAD 83 GRID - NM EAST</p> <p><b>SURFACE LOCATION</b> N: 531732.2 - E: 592442.2 LAT: 32.4616867° N LONG: 104.1676376° W</p> <p><b>BOTTOM HOLE</b> N: 532576.5 - E: 602611.6 LAT: 32.4639597° N LONG: 104.1346605° W</p> <p>23      24</p> <p>440'      100'      B.H.</p> <p>1230'      1980'</p> <p>S 89°36'10" W 2670.36' (D) S 89°33'57" W 2669.69' (E) S 89°08'30" W 2678.47' (F) S 89°08'26" W 2679.84' (G)</p> <p>S 89°39'13" W 2684.14' (K) S 89°39'52" W 2681.23' (J) S 89°50'53" W 2681.32' (I) S 88°42'32" W 2681.62' (H)</p> <p>N 00°17'41" W 2654.29' (C) N 00°28'22" W 2658.04' (L) N 00°31'35" W 3327.30' (A)</p>			

Job No: LS20090494



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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 <b>CHILE VERDE 23/24 WOMP FED COM</b>						6 Well Number <b>1H</b>	
7 GRID NO.		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>						9 Elevation <b>3234'</b>	
10 Surface Location									
UL or lot no. <b>M</b>	Section <b>23</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>1200</b>	North/South line <b>SOUTH</b>	Feet from the <b>440</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
11 Bottom Hole Location If Different From Surface									
UL or lot no. <b>P</b>	Section <b>24</b>	Township <b>21S</b>	Range <b>27E</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>SOUTH</b>	Feet from the <b>100</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
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 "1943"  
N: 530499.9 - E: 592004.8

B: FOUND BRASS CAP "1943"  
N: 533152.5 - E: 591999.4

C: FOUND BRASS CAP "1943"  
N: 535806.1 - E: 591985.8

D: FOUND BRASS CAP "1943"  
N: 535824.6 - E: 594655.4

E: FOUND BRASS CAP "1943"  
N: 535844.8 - E: 597324.4

F: FOUND BRASS CAP "1943"  
N: 535884.9 - E: 600001.9

G: FOUND BRASS CAP "1943"  
N: 535925.1 - E: 602680.8

H: FOUND BRASS CAP "1916"  
N: 530599.3 - E: 602729.8

I: FOUND 1/2" REBAR W/RED  
PLASTIC CAP "PE & PS 5412"  
N: 530538.9 - E: 600049.5

J: FOUND BRASS CAP "1943"  
N: 530531.8 - E: 597368.8

K: FOUND BRASS CAP "1943"  
N: 530516.1 - E: 594688.2

L: FOUND BRASS CAP "1943"  
N: 533189.1 - E: 597346.9

GEODETIC DATA  
NAD 83 GRID - NM EAST

SURFACE LOCATION  
N: 531702.2 - E: 592442.3  
LAT: 32.4616042° N  
LONG: 104.1876375° W

GEODETIC DATA  
NAD 83 GRID - NM EAST

BOTTOM HOLE  
N: 531256.9 - E: 602623.8  
LAT: 32.4603323° N  
LONG: 104.1346291° 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.*

**10-07-2020**  
Date of Survey

Signature and Seal of Professional Surveyor

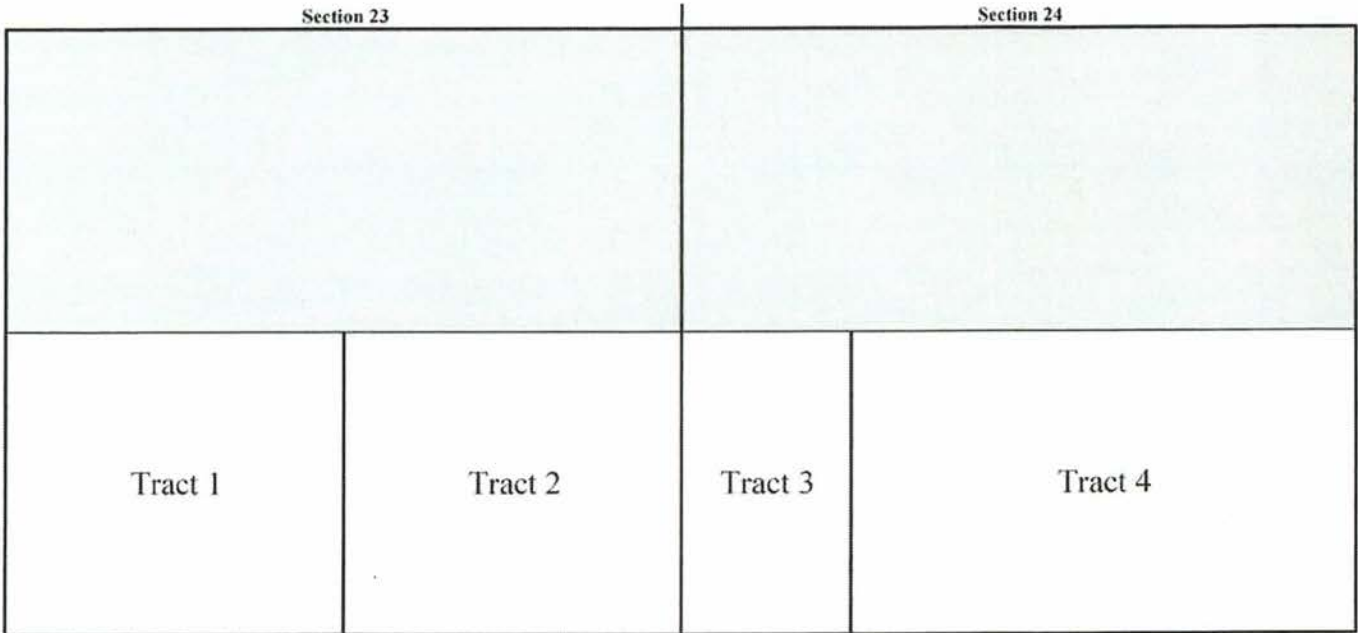
**19680**  
Certificate Number

Job No: LS20090495

**Section Plat**

Chile Verde 23/24 WOLI Fed Com #1H & Chile Verde 23/24 WOMP Fed Com #1H  
S/2 of Section 23 & S/2 of Section 24

T21S-R27E, Eddy County, NM



Tract 1: SW/4 of Section 23 - State Lease V-232  
Mewbourne Oil Company

Tract 3: W/2SW/4 of Section 24 - Federal Lease NM 14768-A  
Mewbourne Oil Company  
ABO Empire, LLC  
MRC Permian Company  
EOG Resources, Inc.  
OXY Y-1 Company

Tract 2: SE/4 of Section 23 - State Lease V-232  
Occidental Permian Limited Partnership  
OXY Y-1 Company  
ABO Empire, LLC  
MRC Permian Company  
Sharbro Energy, LLC  
EOG Resources, Inc.

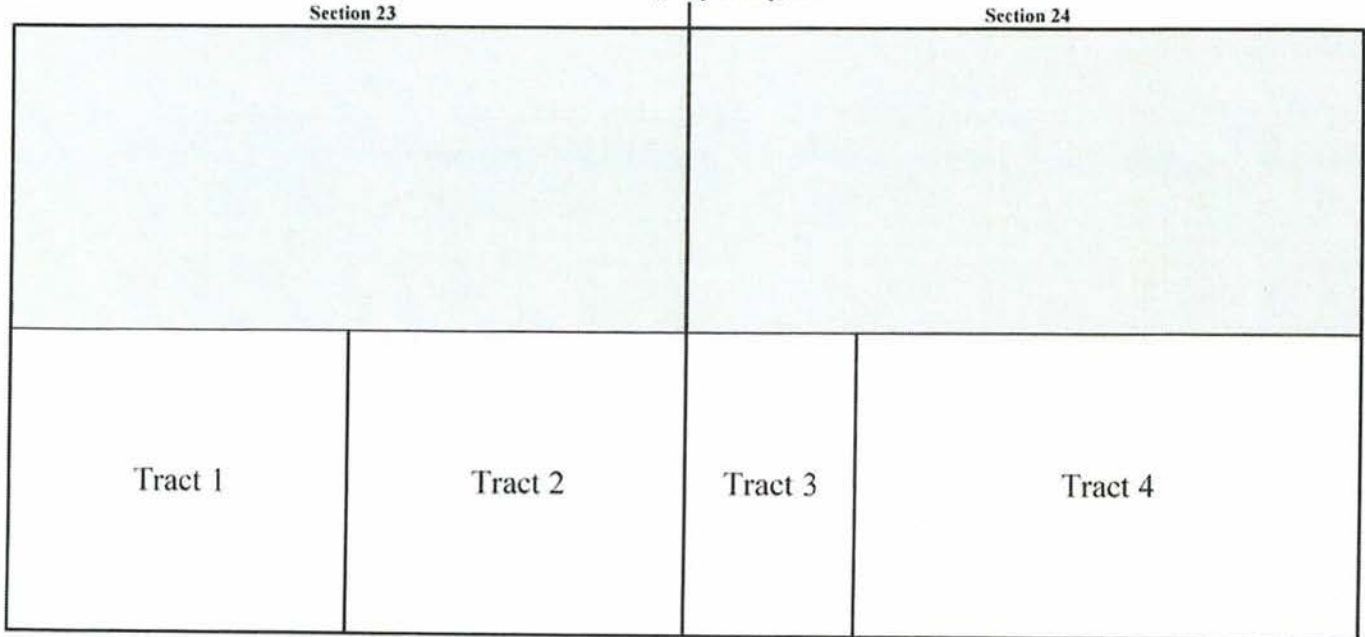
Tract 4: E/2SW/4 & SE/4 of Section 24 - Multiple Fee Leases  
Mewbourne Oil Company  
ABO Empire, LLC  
MRC Permian Company  
EOG Resources, Inc.  
OXY Y-1 Company

ATTACHMENT B

RECAPITULATION FOR CHILE VERDE 23/24 W0L1 FED COM #1H & CHILE VERDE 23/24 W0MP FED COM #1H

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	160	25.000000%
2	160	25.000000%
3	80	12.500000%
4	200	37.500000%
<b>TOTAL</b>	<b>600</b>	<b>100.000000%</b>

T21S-R27E, Eddy County, NM



**TRACT OWNERSHIP**  
**S/2 of Section 23 & S/2 of Section 24**

**Wolfcamp Formation:**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	57.721455%
*Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston, TX 77046	18.750000%
*OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046	16.025180%
*MRC Permian Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	7.503365%
<b>TOTAL</b>	<b>100.000000%</b>
<b>Total Interest Being Pooled:</b>	<b>42.278545%</b>

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**OWNERSHIP BY TRACT**

**SW/4 of Section 23**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

**SE/4 of Section 23**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	13.690476%
Occidental Permian Limited Partnership	75.000000%
OXY Y-1 Company	6.845238%
MRC Permian Company	4.464286%
<b>TOTAL</b>	<b>100.000000%</b>

**W/2SW/4 of Section 24**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	58.549278%
OXY Y-1 Company	29.274639%
MRC Permian Company	12.176083%
<b>TOTAL</b>	<b>100.000000%</b>

**E/2SW/4 & SE/4 of Section 24**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	58.613802%
OXY Y-1 Company	28.412109%
MRC Permian Company	12.974089%
<b>TOTAL</b>	<b>100.000000%</b>

**Summary of Communications**  
**Chile Verde 23/24 W0DA Fed Com #1H &**  
**Chile Verde 23/24 W0EH Fed Com #1H**  
**N/2 of Section 23-T21S-R27E, Eddy County, NM &**  
**N/2 of Section 24-T21S-R27E, Eddy County, NM:**  
**Chile Verde 23/24 W0LI Fed Com #1H &**  
**Chile Verde 23/24 W0MP Fed Com #1H**  
**S/2 of Section 23-T21S-R27E, Eddy County, NM &**  
**S/2 of Section 24-T21S-R27E, Eddy County, NM**

ATTACHMENT C

**Occidental Permian Limited Partnership:**

**10/7/2019:** Mailed a Working Interest Unit, Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals to the above listed party.

**10/15/2019:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals.

**10/17/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**10/23/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**10/24/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**11/10/2020:** Mailed a Working Interest Unit, Chile Verde 23/24 Joint Operating Agreement to the above listed party.

**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned JOA.

**11/11/2020:** Mailed the Revised AFEs for Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals. The wells AFEs were revised due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.

**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals revised AFEs.

**12/29/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**12/30/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

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

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

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

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

**3/22/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**4/8/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**5/11/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals

**5/20/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals

**Ongoing:** Mewbourne is currently negotiating with Occidental Permian Limited Partnership to acquire all or a portion of their interest.

**OXY Y-1 Company:**

**10/7/2019:** Mailed a Working Interest Unit, Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals to the above listed party.

**10/15/2019:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals.

**10/17/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**10/23/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**10/24/2019:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**11/10/2020:** Mailed a Working Interest Unit, Chile Verde 23/24 Joint Operating Agreement to the above listed party.  
**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned JOA.  
**11/11/2020:** Mailed the Revised AFEs for Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals. The wells AFEs were revised due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.  
**11/16/2020:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals revised AFEs.  
**12/29/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**12/30/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**1/4/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**1/19/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**2/10/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**2/23/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**3/22/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**4/8/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**5/11/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**5/20/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals

**Ongoing:** Mewbourne is currently negotiating OXY Y-1 Company to acquire all or a portion of their interest.

**MRC Permian Company:**

**10/7/2019:** Mailed a Working Interest Unit, Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals to the above listed party's predecessor in title.  
**10/9/2019:** The above listed party's predecessor in title received and signed for the certified mailing of the above captioned Well Proposals.  
**11/10/2020:** Mailed a Working Interest Unit, Chile Verde 23/24 Joint Operating Agreement to the above listed party.  
**11/14/2020:** The above listed party received and signed for the certified mailing of the above captioned JOA.  
**11/11/2020:** Mailed the Revised AFEs for Chile Verde 23/24 W0DA Fed Com #1H, Chile Verde 23/24 W0EH Fed Com #1H, Chile Verde 23/24 W0LI Fed Com #1H, & Chile Verde 23/24 W0MP Fed Com #1H Well Proposals. The wells AFEs were revised due to the climate of the industry partially due to the national pandemic, length of time, and reduced costs.  
**11/17/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**11/17/2020:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**11/18/2020:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals revised AFEs.  
**12/29/2020:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**2/10/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**4/12/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.  
**4/13/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**4/16/2021:** Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**5/19/2021:** Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

**Ongoing:** Mewbourne is currently negotiating with MRC Permian Company to acquire all or a portion of their interest.

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

October 7, 2019

*Via Certified Mail*

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" WOLI Fed Com No. 1H  
1230' FSL & 440' FWL (SL) (Sec. 23)  
1980' FSL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,900 feet. The S/2 of the captioned Section 23 and the S/2 of the captioned Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated October 3, 2019 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. If you decide to participate, I will forward the Joint Operating Agreement for your execution.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson  
Landman



**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715

October 7, 2019

Via Certified Mail

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" WOMP Fed Com No. 1H  
1200' FSL & 440' FWL (SL) (Sec. 23)  
660' FSL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,885 feet. The S/2 of the captioned Section 23 and the S/2 of the captioned Section 24 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated October 3, 2019 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. If you decide to participate, I will forward the Joint Operating Agreement for your execution.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Josh Anderson  
Landman

**Josh Anderson**

---

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A document with a tracking code of 9414810699945044532696 and reference number of Chile Verde was successfully delivered to Matthew Cole at Occidental Permian Limited Partnership

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Regards,

*The Client Services Group-Assistance*

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Cary, NC 27511-4447  
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**MEWBOURNE OIL COMPANY**

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

---

TELEPHONE (432) 682-3715

November 10, 2020

*Via Certified Mail*

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Working Interest Unit  
Mewbourne's Chile Verde 23/44 Prospect  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated November 1, 2020, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposals/AFEs I sent by letters dated October 7, 2019.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**Josh Anderson**

---

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A document with a tracking code of 9414836897846293940198 and reference number of Chile Verde 23/24 was successfully delivered to Matthew Cole at Occidental Permian Limited Partnership

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

Regards,

*The Client Services Group-Assistance*

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Cary, NC 27511-4447  
[888-462-1750 ext. 2](tel:888-462-1750) | [assistance@simplecertifiedmail.com](mailto:assistance@simplecertifiedmail.com)

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**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

November 11, 2020

Via Certified Mail

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" WOLI Fed Com No. 1H  
1230' FSL & 440' FWL (SL) (Sec. 23)  
1980' FSL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Due to a recent revision of costs attributed to decreased service cost estimates, enclosed for your further handling is our updated and revised AFE dated November 9, 2020 for the captioned proposed well. The captioned well will be drilled 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,900 feet. The S/2 of the captioned Section 23 and the S/2 of the captioned Section 24 will be dedicated to the well as the proration unit. 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. Mewbourne's proposed Joint Operating Agreement has been previously provided.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715

November 11, 2020

Via Certified Mail

Occidental Permian Limited Partnership  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Matthew Cole

Re: Chile Verde "23/24" WOMP Fed Com No. 1H  
1200' FSL & 440' FWL (SL) (Sec. 23)  
660' FSL & 330' FEL (BHL) (Sec. 24)  
Section 23/24, T21S, R27E  
Eddy County, New Mexico

To Whom It May Concern:

Due to a recent revision of costs attributed to decreased service cost estimates, enclosed for your further handling is our updated and revised AFE dated November 9, 2020 for the captioned proposed well. The captioned well will be drilled 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 9,085 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,885 feet. The S/2 of the captioned Section 23 and the S/2 of the captioned Section 24 will be dedicated to the well as the proration unit. 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. Mewbourne's proposed Joint Operating Agreement has been previously provided.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**Josh Anderson**

---

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

Regards,

*The Client Services Group-Assistance*

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Cary, NC 27511-4447  
[888-462-1750 ext. 2](tel:888-462-1750) | [assistance@simplecertifiedmail.com](mailto:assistance@simplecertifiedmail.com)

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## MEWBOURNE OIL COMPANY

### AUTHORIZATION FOR EXPENDITURE

Well Name: CHILE VERDE 23/24 W0LJ FED COM #1H Prospect: WOLFCAMP SAND  
 Location: SL: 1230 FSL & 440 FWL (23); BHL: 1980 FSL & 330 FEL (24) County: Eddy ST: NM  
 Sec. 23 Blk:      Survey:      TWP: 21S RNG: 27E Prop. TVD: 9085 TMD: 18900

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$70,000	0180-0205	\$30,000
Location / Restoration		0180-0108	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling	26 days drlg / 4 days comp @ \$18,550/d	0180-0110	\$515,100	0180-0210	\$79,200
Fuel	1700 gal/day @ \$1.30/gal	0180-0114	\$63,700	0180-0214	\$194,100
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$180,000	0180-0220	
Mud - Specialized		0180-0121		0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	
Cementing		0180-0125	\$140,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$395,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	60 Stg 24.3MM gal & 24.3MM lbs			0180-0241	\$1,600,000
Stimulation Rentals & Other				0180-0242	\$185,000
Water & Other		0180-0145	\$60,000	0180-0245	\$494,300
Bits		0180-0148	\$138,800	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding, Construction, & Maint. Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$22,400
Directional Services	Includes vertical control	0180-0175	\$368,500		
Equipment Rental		0180-0180	\$230,700	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$50,000
Company Supervision		0180-0195	\$259,200	0180-0295	\$107,700
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	10% (TCP) 5% (CC)	0180-0199	\$254,700	0180-0299	\$183,300
<b>TOTAL</b>			<b>\$2,801,200</b>		<b>\$3,849,500</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	300' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$10,300		
Casing (8.1" - 10.0")	2800' - 9 5/8" 36# J-55 LT&C @ \$24.42/ft	0181-0795	\$73,000		
Casing (6.1" - 8.0")	9230' - 7" 29# HCP-110 LT&C @ \$21.47/ft	0181-0796	\$211,600		
Casing (4.1" - 6.0")	10600' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft			0181-0797	\$132,700
Tubing	8515' - 2 7/8" 6.5# L-80 EUE tbq @ \$4.54/ft			0181-0798	\$41,300
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$35,000
Horizontal Completion Tools	Completion liner hanger			0181-0871	\$50,000
Subsurface Equip. & Artificial Lift Sys.	Gas lift valves & packer			0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Surface Pumps	(1/2) SWD pump/circ pump/VRU			0181-0886	\$40,000
Storage Tanks	(1/2) 5 - 750 bbl & 5 - 750 bbl coated			0181-0890	\$110,000
Emissions Control Equipment				0181-0892	
Separation / Treating Equipment	GB.30"x10"x1# 3ph,36"x15"x1# VRT,flare,8"x20"x75# HT			0181-0895	\$102,000
Automation / Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering				0181-0900	\$50,000
Fittings / Valves & Accessories				0181-0905	\$150,000
Cathodic Protection				0181-0908	\$10,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$70,000
Pipeline Construction				0181-0920	\$50,000
<b>TOTAL</b>			<b>\$329,900</b>		<b>\$931,000</b>
<b>SUBTOTAL</b>			<b>\$3,131,100</b>		<b>\$4,780,600</b>

**TOTAL WELL COST \$7,911,600**

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 0180-0165.

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: T. Cude Date: 11/9/2020  
 Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

ATTACHMENT D



**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: **CHILE VERDE 23/24 WOMP FED COM #1H** Prospect: **WOLFCAMP SAND**  
 Location: **SL: 1200 FSL & 440 FWL (23); BHL: 660 FSL & 330 FEL (24)** County: **Eddy** ST: **NM**  
 Sec. **23** Blk:  Survey:  TWP: **21S** RNG: **27E** Prop. TVD: **9085** TMD: **18885**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$70,000	0180-0205	\$30,000
Location / Restoration		0180-0108	\$200,000	0180-0208	\$30,000
Daywork / Turnkey / Footage Drilling	26 days drlg / 4 days comp @ \$18,550/d	0180-0110	\$515,100	0180-0210	\$79,200
Fuel	1700 gal/day @ \$1.30/gal	0180-0114	\$63,700	0180-0214	\$194,100
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$180,000	0180-0220	
Mud - Specialized		0180-0121		0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	
Cementing		0180-0125	\$140,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$395,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	60 Stg 24.3MM gal & 24.3MM lbs			0180-0241	\$1,800,000
Stimulation Rentals & Other				0180-0242	\$185,000
Water & Other		0180-0145	\$60,000	0180-0245	\$494,300
Bits		0180-0148	\$138,800	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$120,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding, Construction, & Maint. Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170		0180-0270	\$22,400
Directional Services	Includes vertical control	0180-0175	\$368,500		
Equipment Rental		0180-0180	\$230,700	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$50,000
Company Supervision		0180-0195	\$259,200	0180-0295	\$107,700
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	10% (TCP) 5% (CC)	0180-0199	\$254,700	0180-0299	\$183,300
<b>TOTAL</b>			<b>\$2,801,200</b>		<b>\$3,849,500</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
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Casing (8.1" - 10.0")	2800' - 9 5/8" 36# J-55 LT&C @ \$24.42/ft	0181-0795	\$73,000		
Casing (6.1" - 8.0")	9215' - 7" 29# HCP-110 LT&C @ \$21.47/ft	0181-0796	\$211,300		
Casing (4.1" - 6.0")	10590' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft			0181-0797	\$132,600
Tubing	8515' - 2 7/8" 6.5# L-80 EUE tbg @ \$4.54/ft			0181-0798	\$41,300
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$35,000
Horizontal Completion Tools	Completion liner hanger			0181-0871	\$50,000
Subsurface Equip. & Artificial Lift Sys.	Gas lift valves & packer			0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Surface Pumps	(1/2) SWD pump/circ pump/VRU			0181-0886	\$40,000
Storage Tanks	(1/2) 5 - 750 bbl & 5 - 750 bbl coated			0181-0890	\$110,000
Emissions Control Equipment				0181-0892	
Separation / Treating Equipment	GB.30"x10"x1# 3ph,36"x15"x1# VRT, flare, 8"x20"x75# HT			0181-0895	\$102,000
Automation / Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering				0181-0900	\$50,000
Fittings / Valves & Accessories				0181-0906	\$150,000
Cathodic Protection				0181-0908	\$10,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$70,000
Pipeline Construction				0181-0920	\$50,000
<b>TOTAL</b>			<b>\$329,600</b>		<b>\$930,900</b>
<b>SUBTOTAL</b>			<b>\$3,130,800</b>		<b>\$4,780,400</b>

**TOTAL WELL COST \$7,911,200**

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: T. Cude Date: 11/9/2020

Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

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

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

**Case Nos. 21724 - 21725**

**SELF-AFFIRMED STATEMENT OF CHARLES CROSBY**

COUNTY OF MIDLAND

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 top of the Wolfcamp formation, which accurately reflects the structure of the top of the Wolfcamp formation. It shows that structure dips gently to the southeast. It also shows Wolfcamp wells in the immediate area, and a line of cross-section.
  - (b) Attachment B is a Wolfcamp Sand Gross Thickness Map, which is the completion zone of the Chile Verde 23/24 wells which Mewbourne has proposed.
  - (c) Attachment C is a cross section of the Upper Wolfcamp. The well logs on the cross-section give a representative sample of the Wolfcamp in this area. The target zones for the wells are continuous and uniformly thick across the well units.
4. I conclude from the maps that:
  - (a) The horizontal spacing units are justified from a geologic standpoint.
  - (b) The target zone is continuous and of relatively uniform thickness across the well units.

EXHIBIT

4

(c) Each quarter section in each well unit will contribute more or less equally to production from the target zone.


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

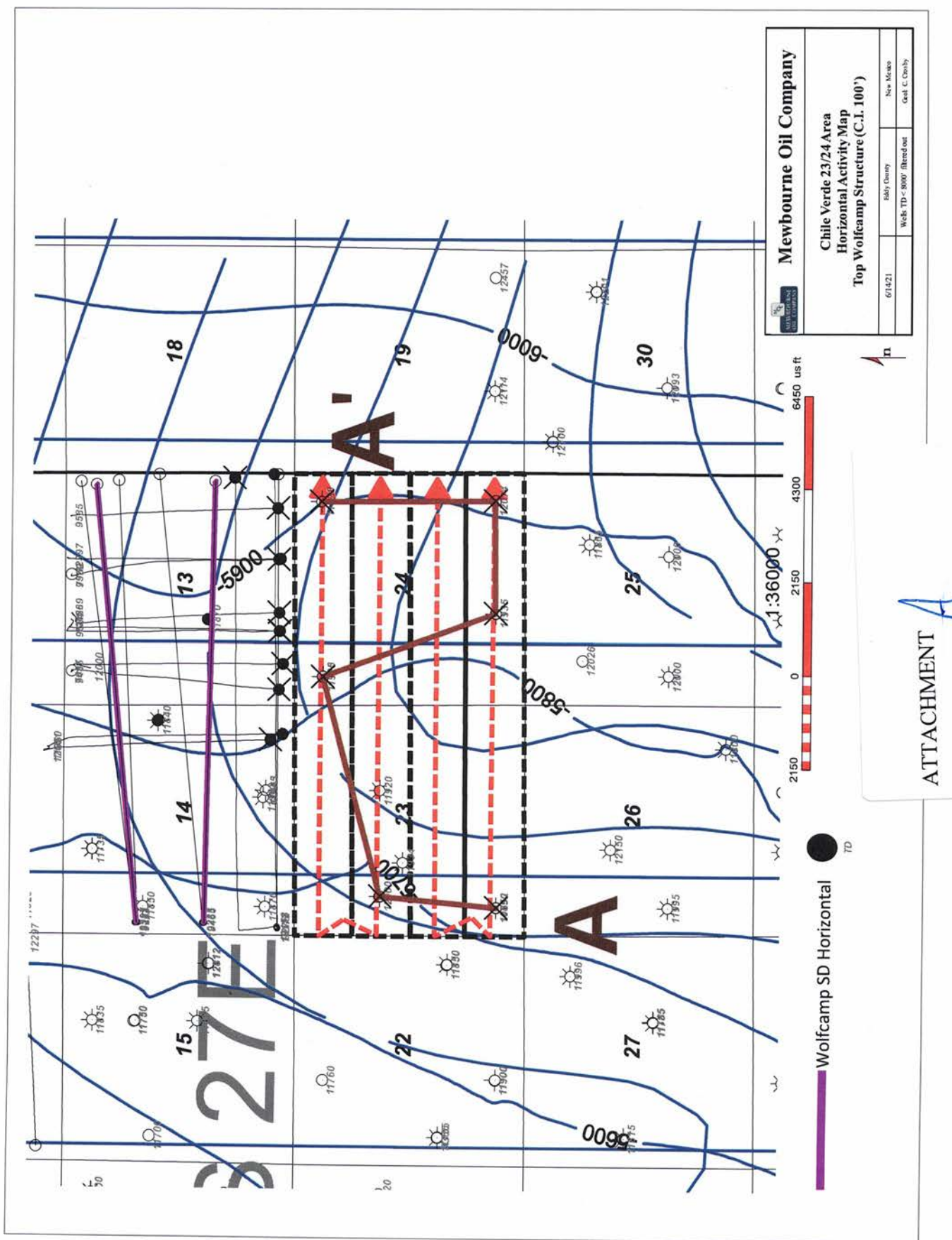
5. Attachment D contains information from nearby Wolfcamp Sand wells drilled in this area. There are few wells in this area, but the drilled and completed wells indicate that laydown wells are a reasonable method to develop the reservoir in these sections.

6. Attachment E contains the horizontal drilling plans for the proposed wells. The producing interval of the wells 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.

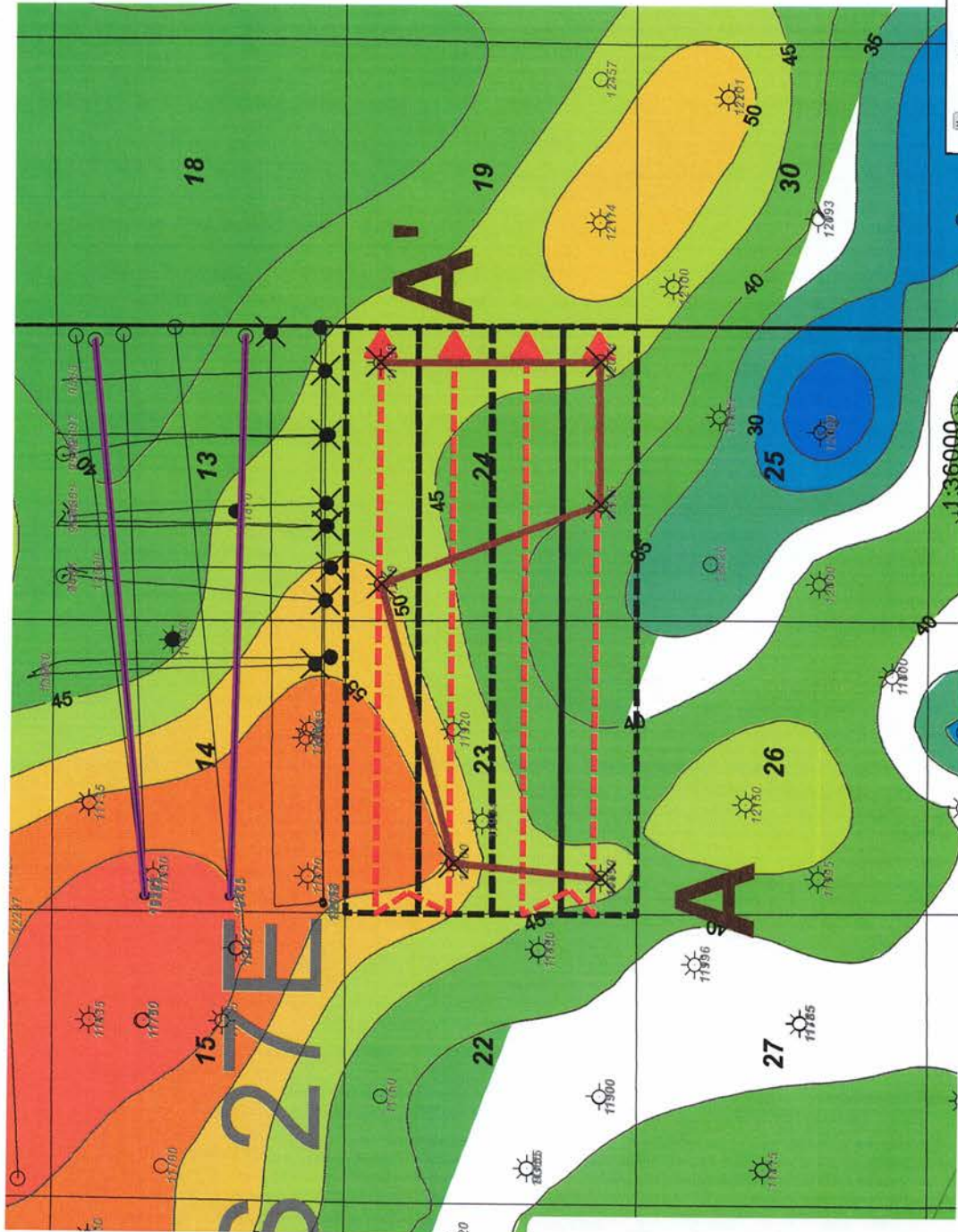
Date: 6/15/21

  
\_\_\_\_\_  
Charles Crosby



<b>Chile Verde 23/24 Area Horizontal Activity Map Top Wolfcamp Structure (C.I. 100')</b>	
6/14/21	84th County
Well: TD - 800' (Hered out)	New Mexico
Geol. C. Oshby	

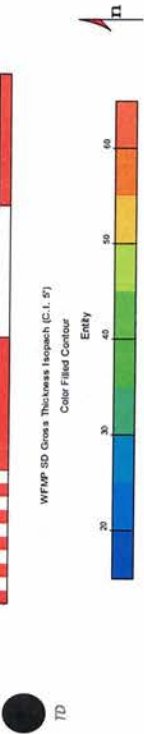
ATTACHMENT **A**



**Mewbourne Oil Company**

Chile Verde 23/24 Area  
Horizontal Activity Map  
WFMF SD Target Gross Thickness Isopach (C.I. 5')

6/14/21	Elbert County	New Mexico
	Well: TD < 800' filtered out	Geol: C. Crosby



● Wolfcamp SD Horizontal TD

Chile Verde 23/24 Cross Section  
Exhibit (A-A)

**A W** **A' E**

DATE: 08/11  
PROJECT: 23/24  
DRAWN BY: [illegible]  
CHECKED BY: [illegible]  
SCALE: 1:1  
SHEET NO: 10  
TOTAL SHEETS: 10

PROJECT LOCATION:  
CHILE VERDE  
CROSS SECTION A-A  
DATE: 08/11  
DRAWN BY: [illegible]  
CHECKED BY: [illegible]

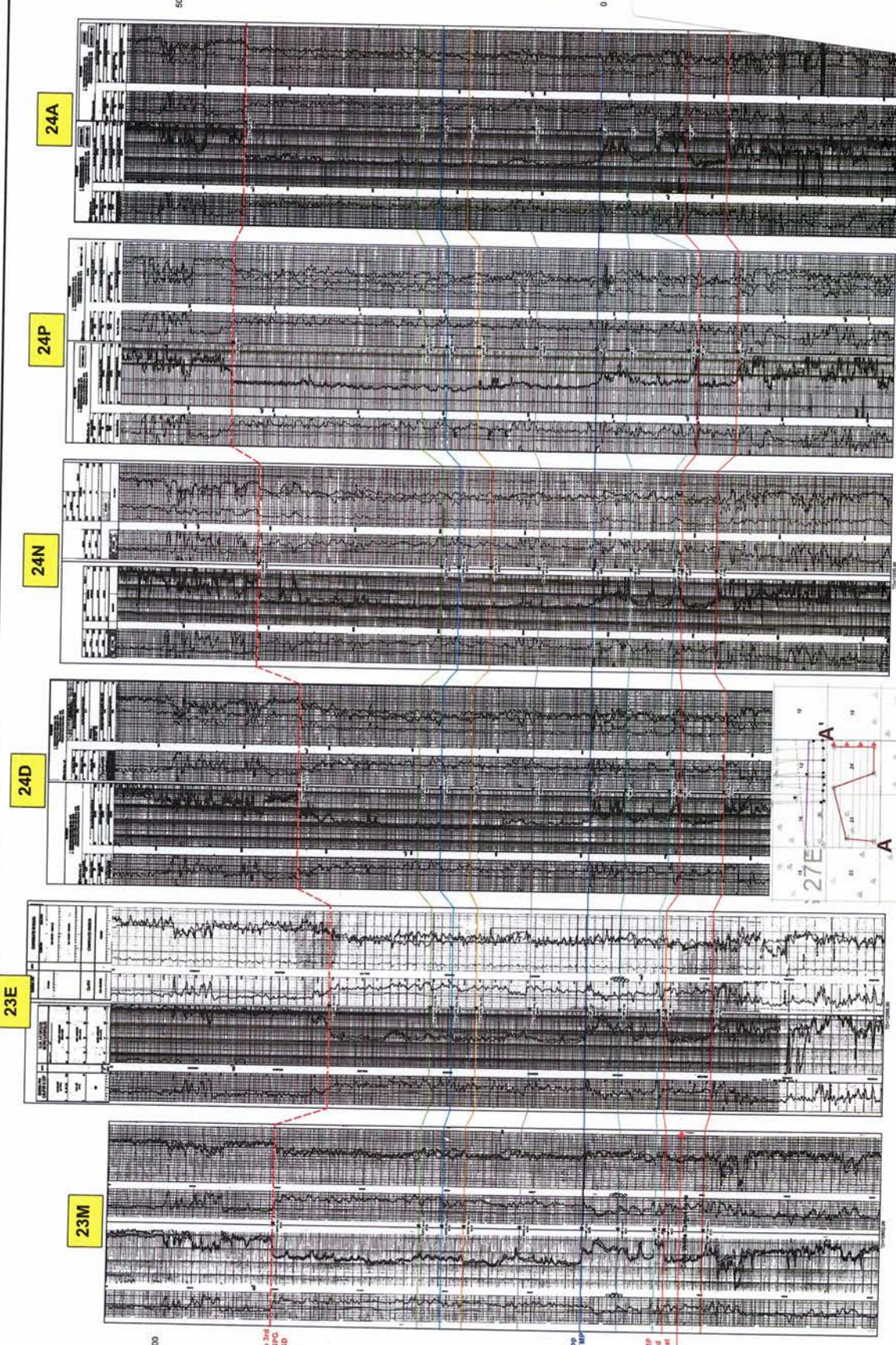
PROJECT LOCATION:  
CHILE VERDE  
CROSS SECTION A-A  
DATE: 08/11  
DRAWN BY: [illegible]  
CHECKED BY: [illegible]

PROJECT LOCATION:  
CHILE VERDE  
CROSS SECTION A-A  
DATE: 08/11  
DRAWN BY: [illegible]  
CHECKED BY: [illegible]

PROJECT LOCATION:  
CHILE VERDE  
CROSS SECTION A-A  
DATE: 08/11  
DRAWN BY: [illegible]  
CHECKED BY: [illegible]

PROJECT LOCATION:  
CHILE VERDE  
CROSS SECTION A-A  
DATE: 08/11  
DRAWN BY: [illegible]  
CHECKED BY: [illegible]

PROJECT LOCATION:  
CHILE VERDE  
CROSS SECTION A-A  
DATE: 08/11  
DRAWN BY: [illegible]  
CHECKED BY: [illegible]



500

Top 2nd  
BSP-C  
SD

Top  
BSP-C

WFSP  
BSP  
BSP-C

500

0

24A

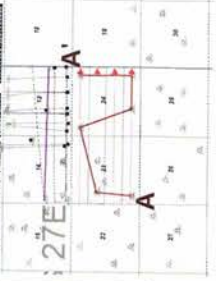
24P

24N

24D

23E

23M

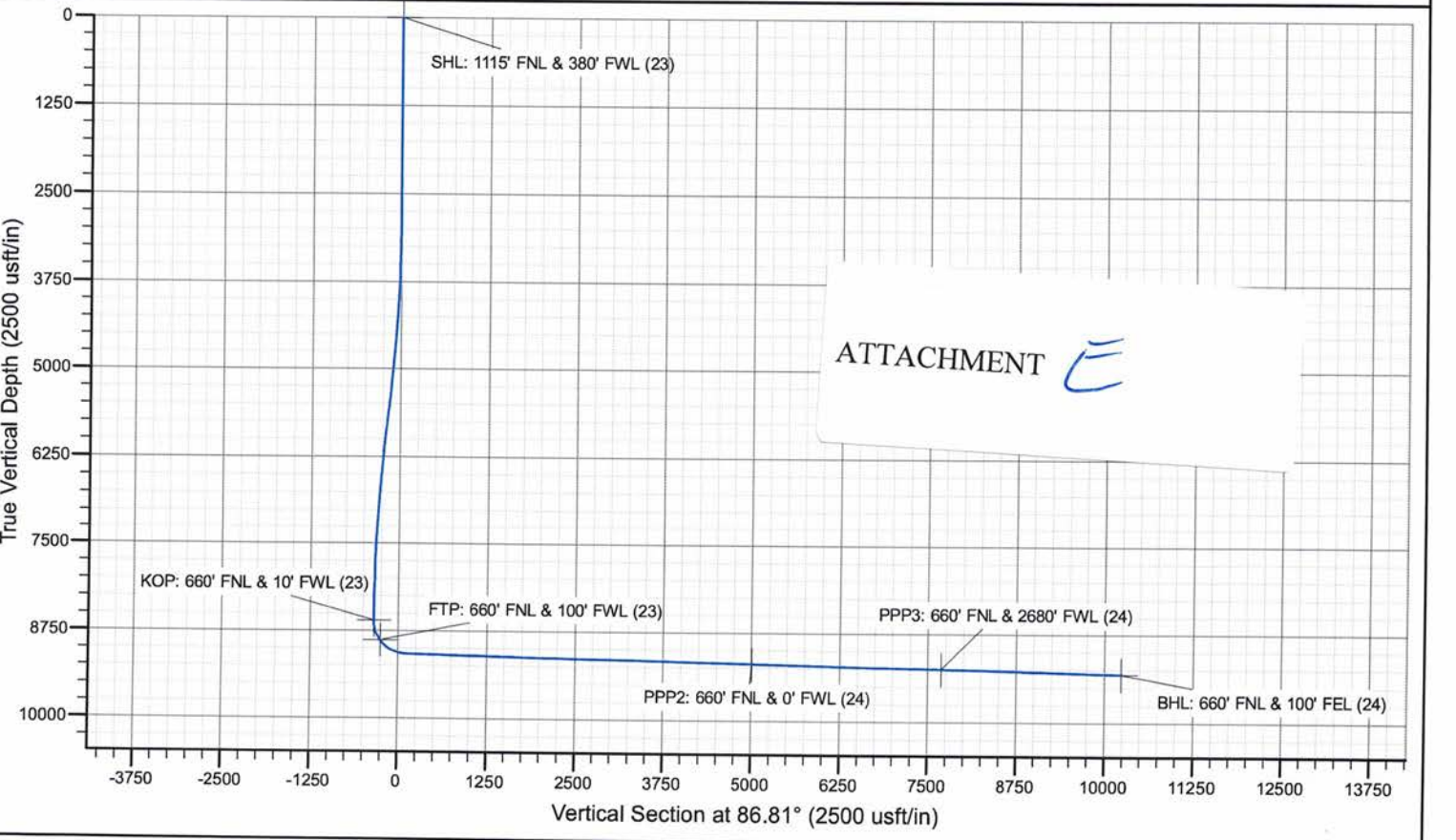
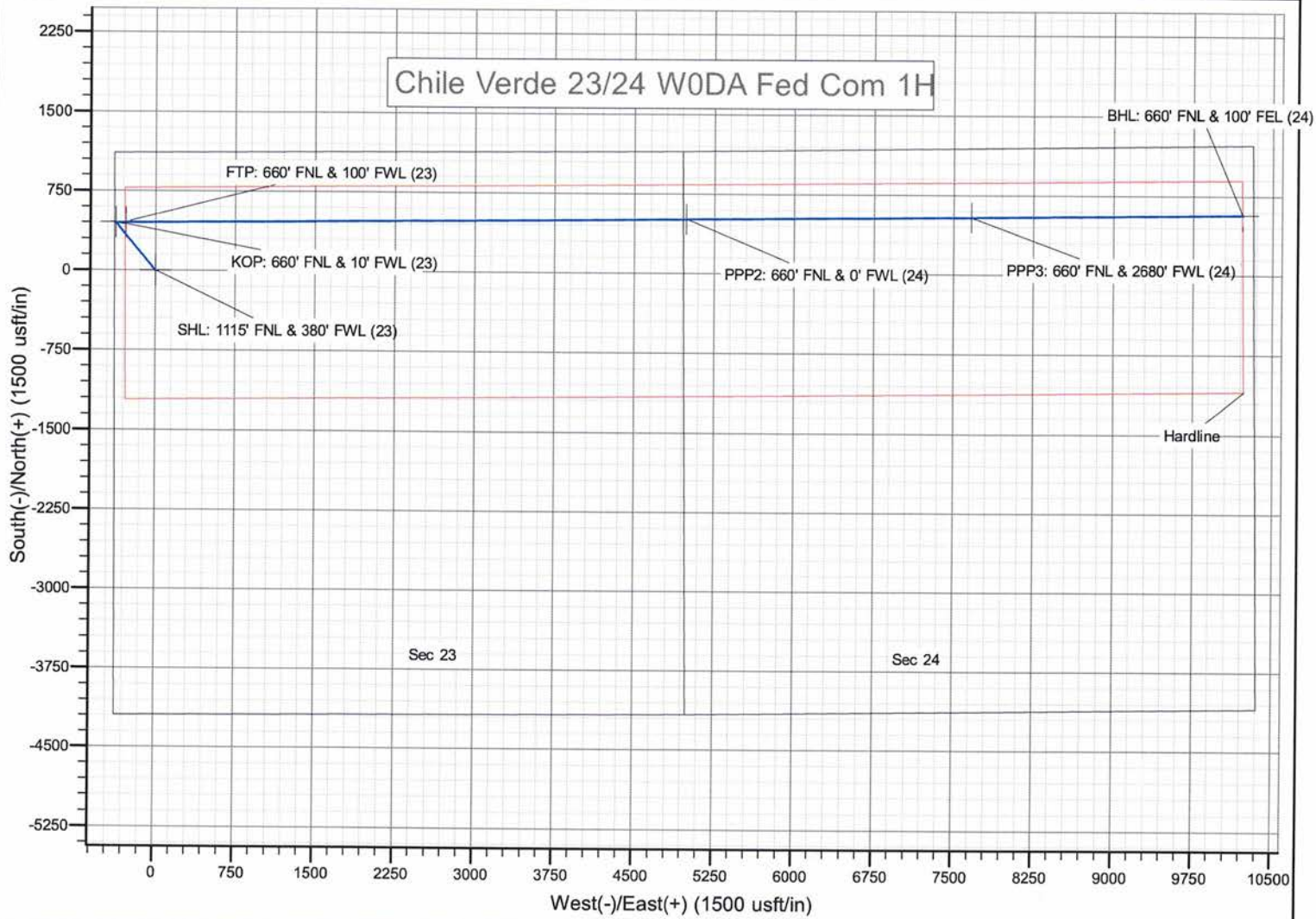


**Chile Verde Area Wolfcamp Sand Production Table**

Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gase (Bcf)	Cum Wtr (Mbw)	NS/EW	WFPM Zone
Lone Tree Draw 14/13 State Com 612H	Devon	3001546403	14E/21S/27E		Pending; Spud 3/15/2021			EW	Wolfcamp Sand
Lone Tree Draw 14/13 State Com 623H	Devon	3001546435	14L/21S/27E		Pending; Spud 2/1/2021			EW	Wolfcamp Sand
Normandy 31/32 WOMP Federal 1H	Mewbourne	3001546689	31L/20S/29E	8/1/2020	211.4	0.5	377.4	EW	Wolfcamp Sand
Normandy 31/32 WOLI Federal Com 1H	Mewbourne	3001546692	31L/20S/29E	8/1/2020	200.2	0.5	397.9	EW	Wolfcamp Sand

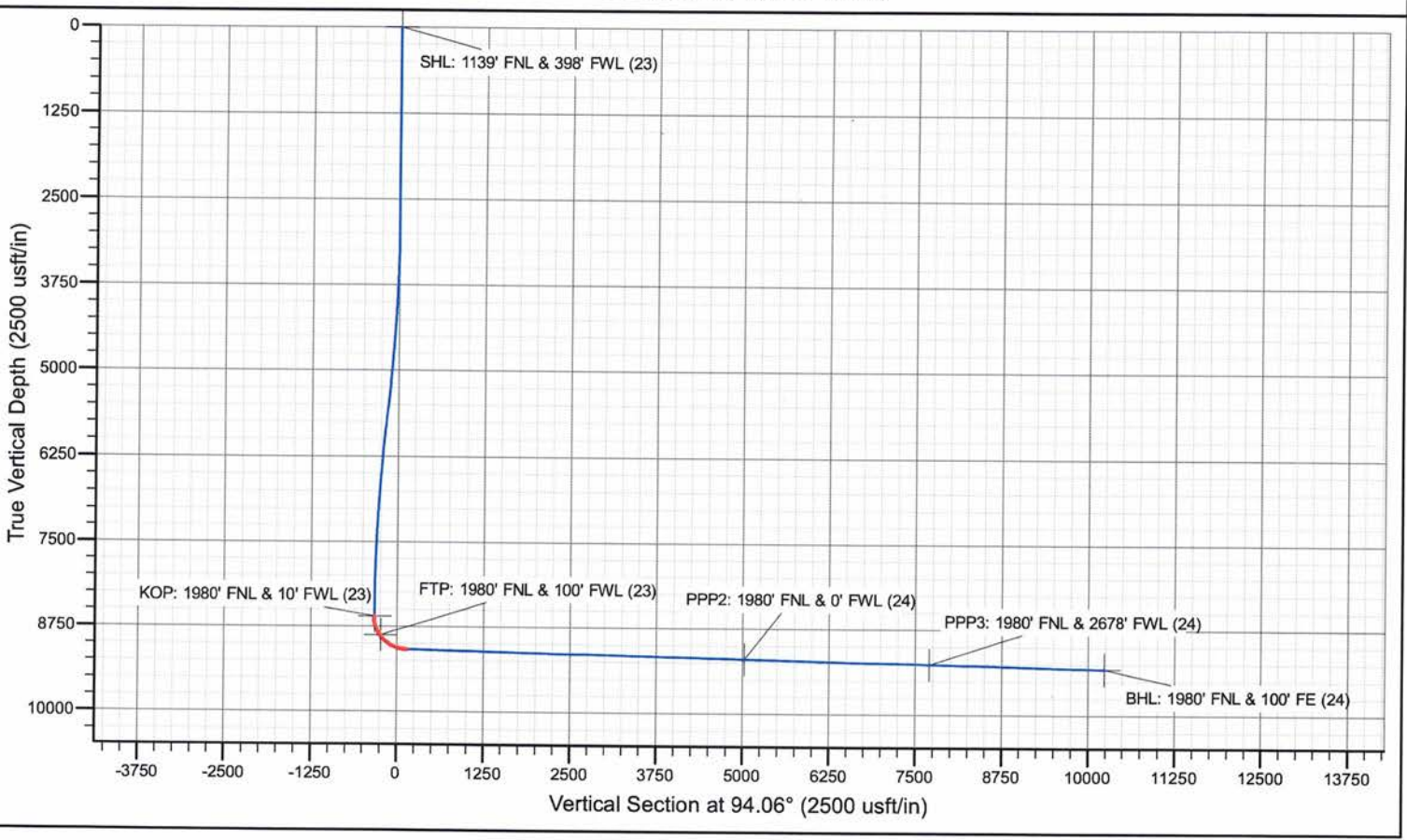
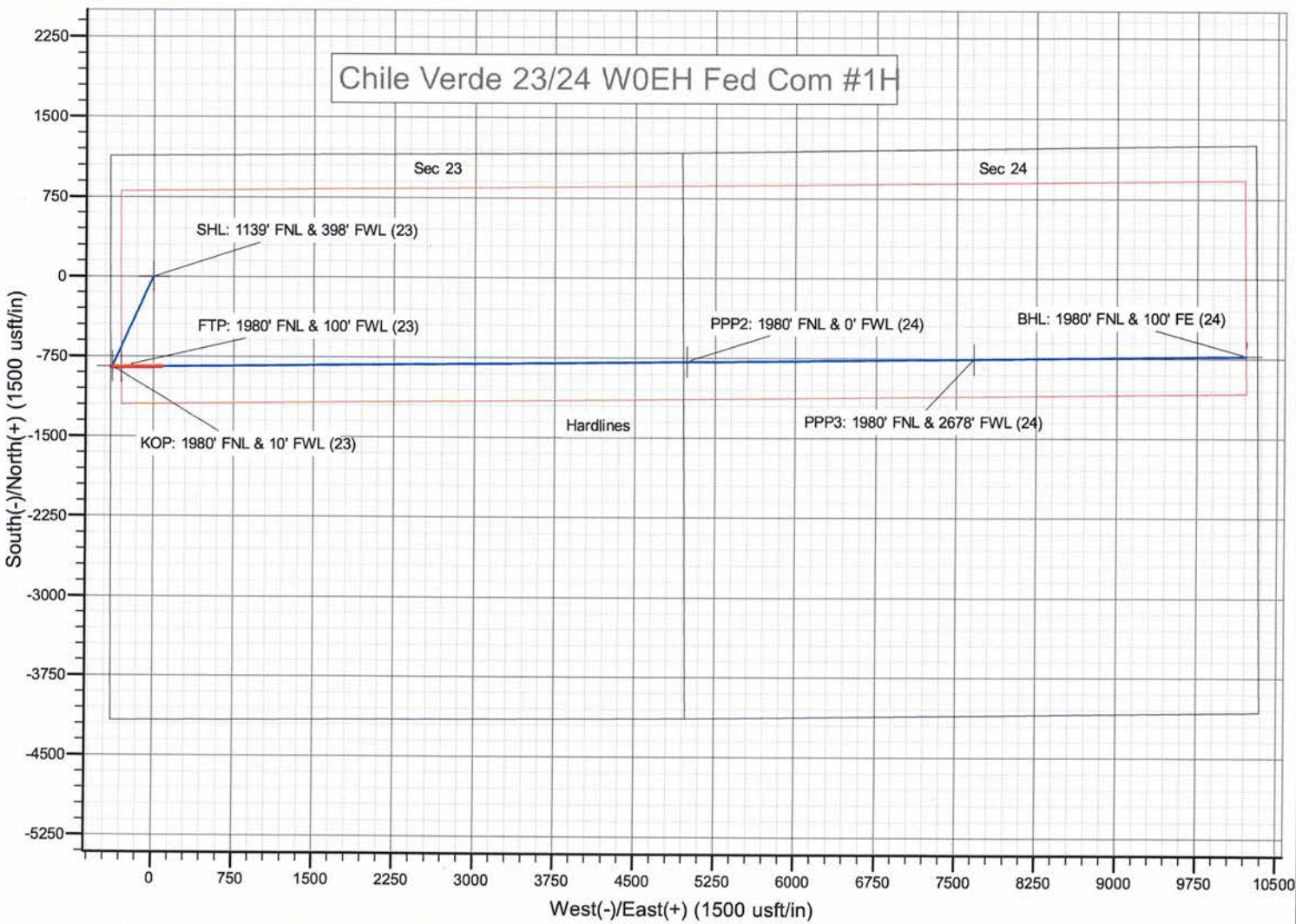
ATTACHMENT 

# Chile Verde 23/24 W0DA Fed Com 1H

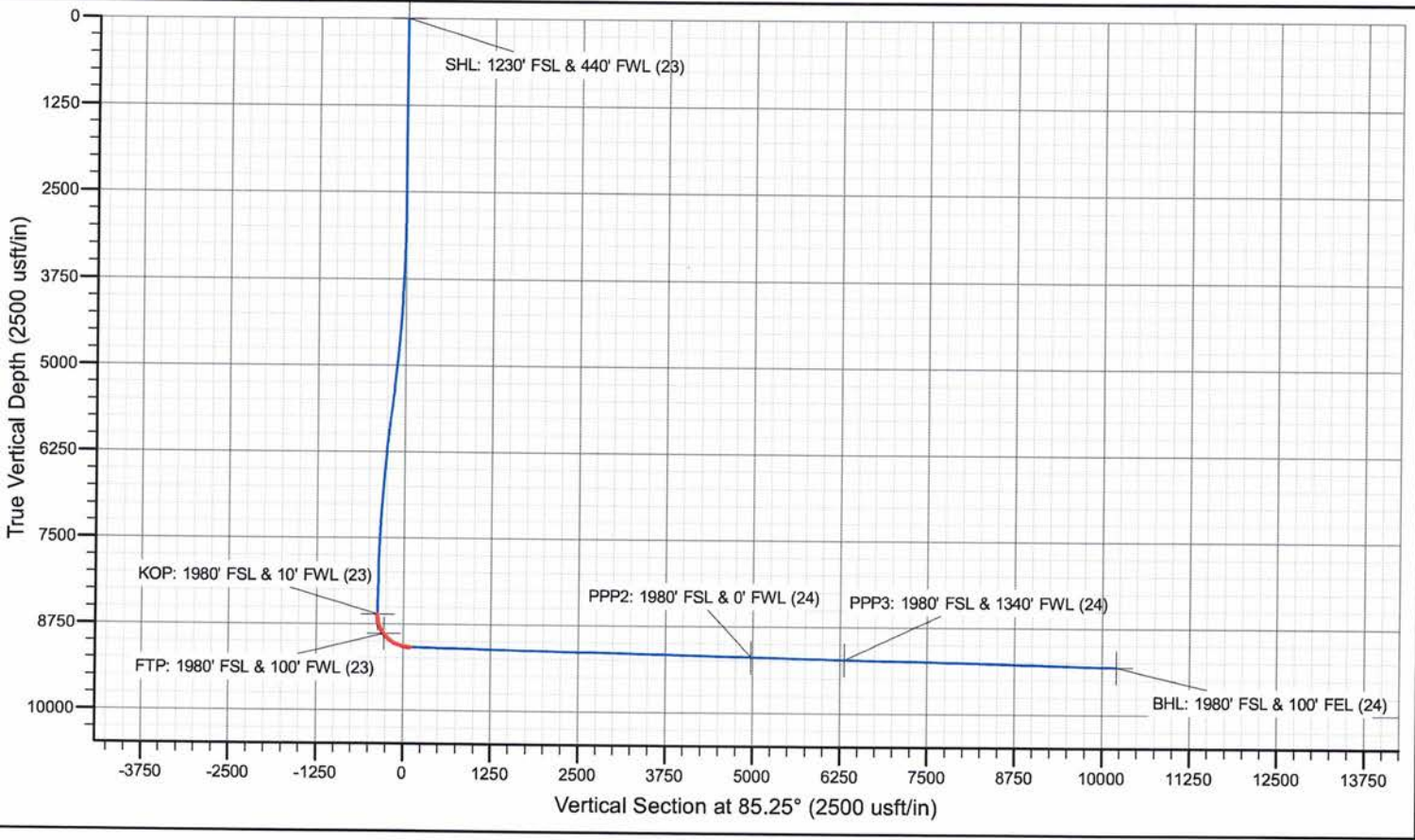
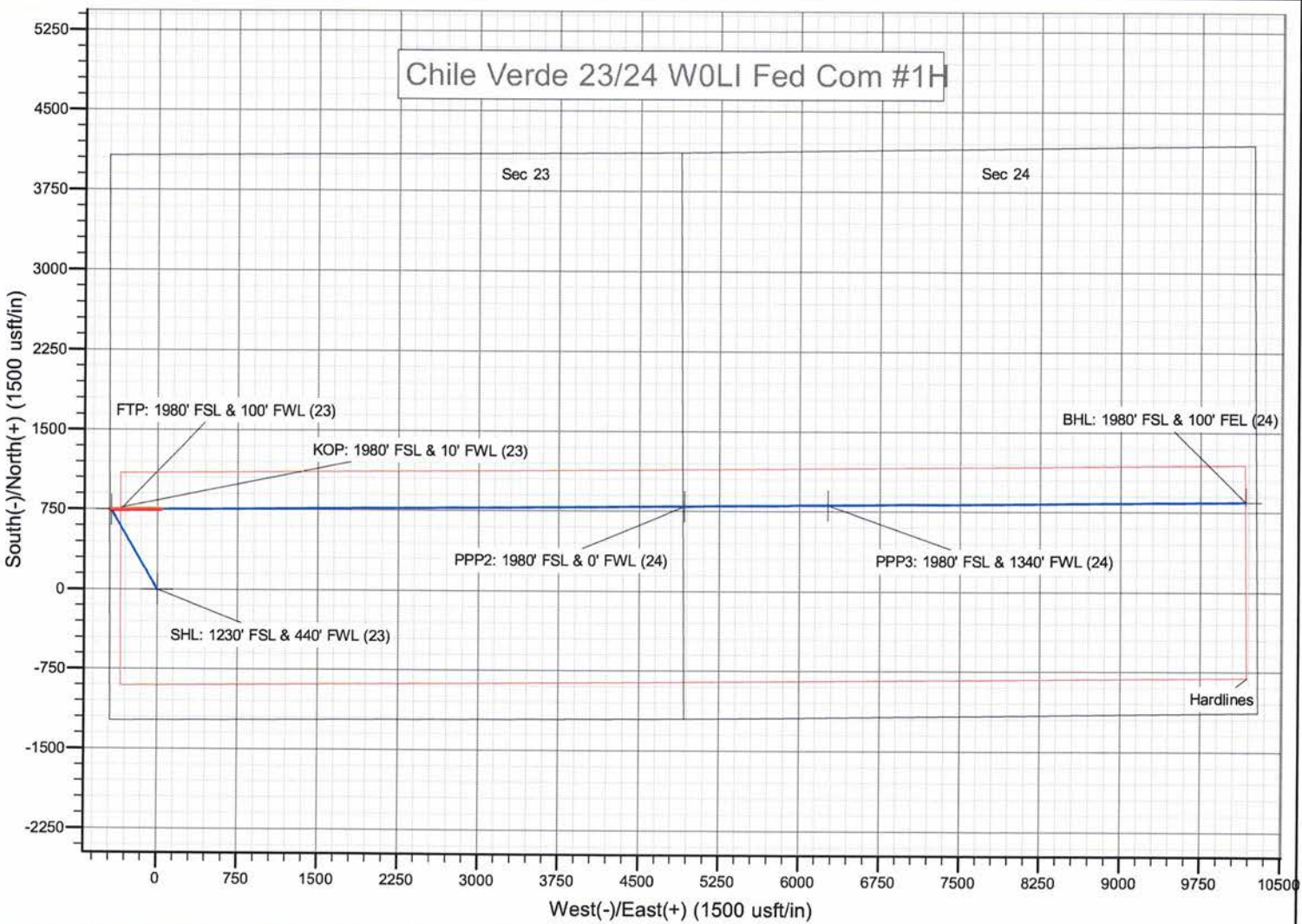




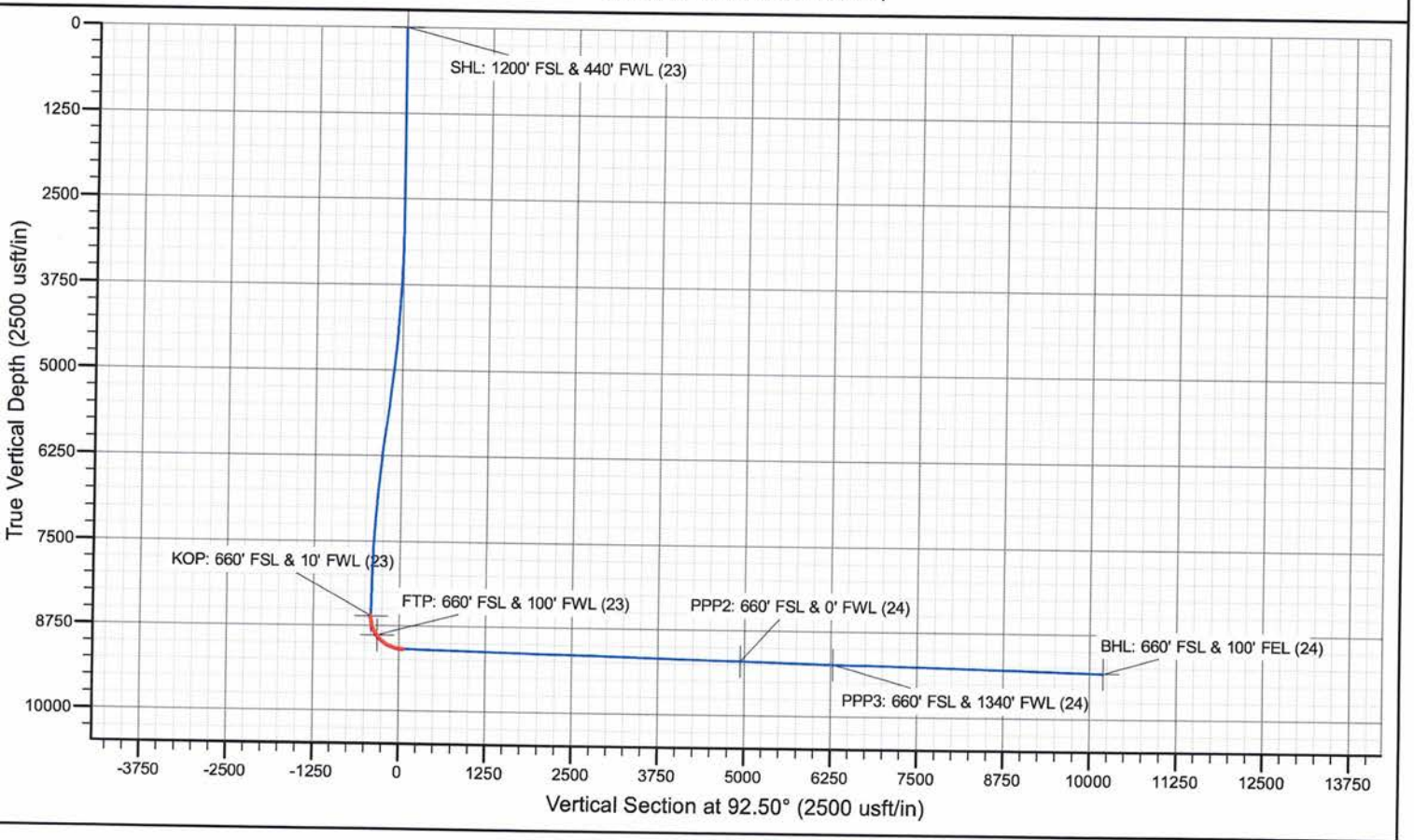
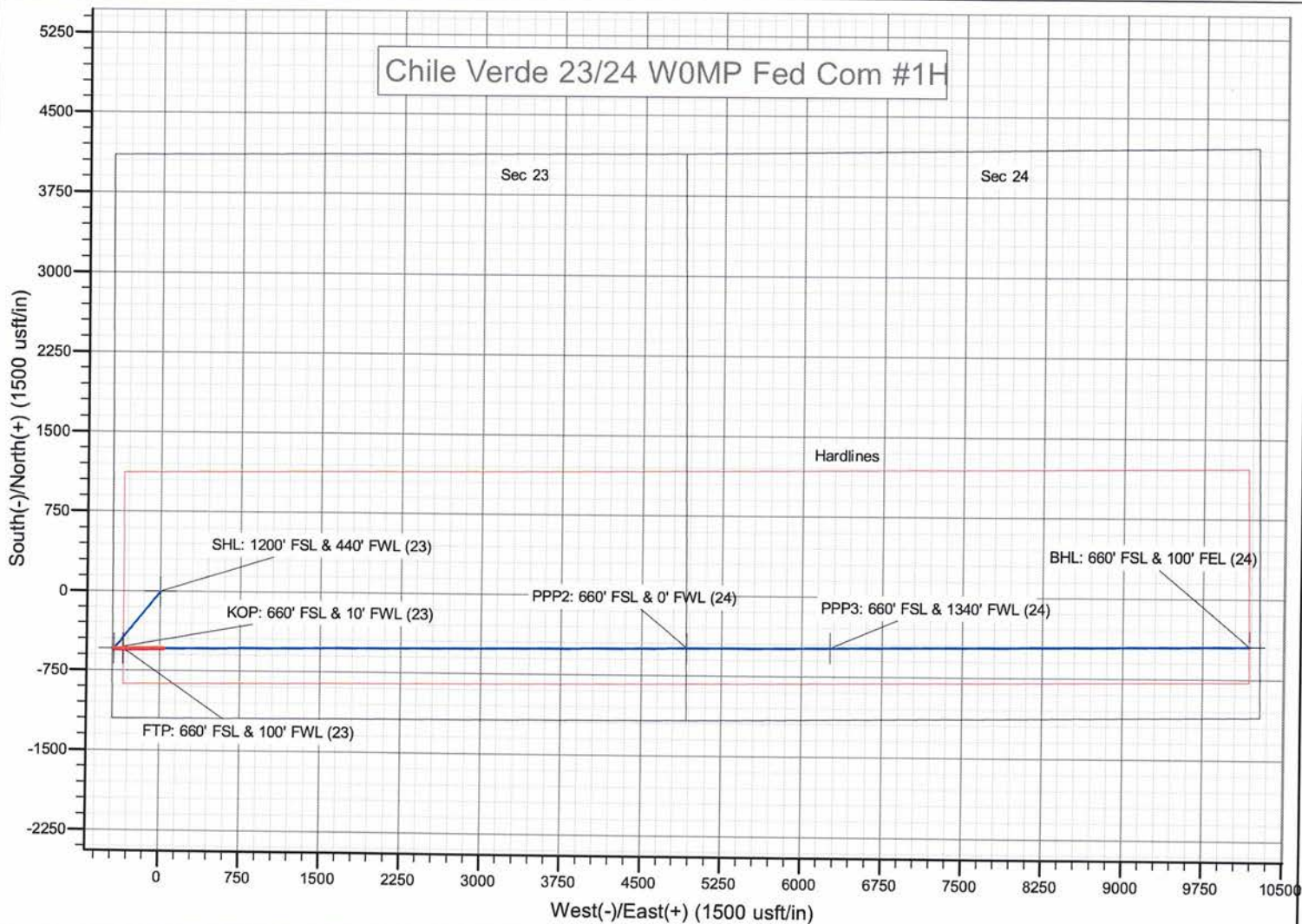
# Chile Verde 23/24 W0EH Fed Com #1H



# Chile Verde 23/24 WOLI Fed Com #1H



# Chile Verde 23/24 W0MP Fed Com #1H



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

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

**Case Nos. 21724 & 21725**

**SELF-AFFIRMED STATEMENT OF NOTICE**

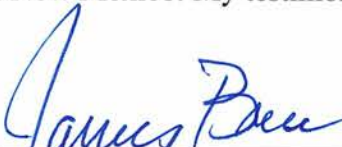
COUNTY OF SANTA FE    )  
  ) ss.  
STATE OF NEW MEXICO )

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:

6/15/21

  
\_\_\_\_\_  
James Bruce

**EXHIBIT 5**

**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](mailto:jamesbruc@aol.com)

ATTACHMENT

A

February 11, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking orders pooling all mineral interests underlying the horizontal spacing units described below:

1. Case 21724: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0DA 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4NW/4 of Section 23 and a last take point in the NE/4NE/4 of Section 24; and (b) the Chile Verde W0EH 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 23 and a last take point in the SE/4NE/4 of Section 24; and
2. Case 21725: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0LI 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 23 and a last take point in the NE/4SE/4 of Section 24; and (b) the Chile Verde W0MP 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 23 and a last take point in the SE/4SE/4 of Section 24

These matters are 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](http://emnrd.state.nm.us/OCD/hearings) or see the instructions posted on the

Division's website, <http://emnr.d.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, February 25, 2021. This statement may be filed online with the Division at [ocd.hearings@state.nm.us](mailto: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,

A handwritten signature in blue ink that reads "James Bruce". The signature is written in a cursive style with a large, prominent "J" and "B".

James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

ABO Petroleum, LLC  
P.O. Box 900  
Artesia, New Mexico 88211

EOG Resources, Inc.  
Midland Division – Land Department  
P.O. Box 2267  
Midland, Texas 79702

Occidental Permian Limited Partnership  
OXY Y-1 Company  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046

MRC Permian Company  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

**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:

ABO Petroleum, LLC  
P.O. Box 900  
Artesia, New Mexico 88211



9590 9402 5941 0062 9581 97

2. Article Number (Transfer from service label)

7020 0640 0000 1387 1685

PS Form 3811, July 2015 PSN 7530-02-000-9063

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Agent
- B. Received by (Printed Name) Sub C. Date of Delivery 3/21

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

3. Service Type
- Priority Mail Express®
  - Registered Mail™
  - Certified Mail®
  - Return Receipt for Merchandise
  - Signature Confirmation™
  - Restricted Delivery

Domestic Return Receipt

Delivery 1685 (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9063

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- 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

Total Postage and Fees \$

Sent To Occidental Permian Limited Partnership  
OXY Y-1 Company  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046

Street and Apt. No., or P.O. Box

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**U.S. Postal Service™**

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

Postmark Here

Total Postage and Fees \$

Sent To ABO Petroleum, LLC  
P.O. Box 900  
Artesia, New Mexico 88211

Street and Apt. No., or P.O. Box

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**R: 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.

Article Addressed to:

Occidental Permian Limited Partnership  
OXY Y-1 Company  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046



9590 9402 5941 0062 9581 73

Article Number (Transfer from service label)

7020 0640 0000 1387 1661

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

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Agent  Addressee
- B. Received by (Printed Name) Sub C. Date of Delivery 3/21

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

3. Service Type
- Priority Mail Express®
  - Registered Mail™
  - Certified Mail®
  - Return Receipt for Merchandise
  - Signature Confirmation™
  - Restricted Delivery

Domestic Return Receipt

Restricted Delivery (over \$500)

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

See Reverse for Instructions



**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:

EOG Resources, Inc.  
Midland Division - Land Department  
P.O. Box 2267  
Midland, Texas 79702



9590 9402 5941 0062 9581 80

2. Article Number (Transfer from service label)

7020 0640 0000 1387 1678

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

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature **X** *W W*
- B. Received by (Printed Name) *Stan Kern*
- C. Date of Delivery *5-7-12*
- D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail®
  - Certified Mail Restricted Delivery
  - Collect on Delivery
  - Insured Mail
  - Priority Mail Express®
  - Registered Mail™
  - Registered Mail Restricted Delivery
  - Return Receipt for Merchandise
  - Signature Confirmation™
  - Signature Confirmation Restricted Delivery

Domestic Return Receipt

*in chite*

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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 \$ \_\_\_\_\_

Postmark Here

Total Postage and Fees \$ \_\_\_\_\_

Sent To MRC Permian Company  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

Street and Apt. No., or City, State, ZIP+4®

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

7020 0640 0000 1387 1654

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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 \$ \_\_\_\_\_

Postmark Here

Total Postage and Fees \$ \_\_\_\_\_

Sent To EOG Resources, Inc.  
Midland Division - Land Department  
P.O. Box 2267  
Midland, Texas 79702

Street and Apt. No. City, State, ZIP+4

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

**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:

MRC Permian Company  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240



9590 9402 5941 0062 9581 66

2. Article Number

7020 0640 0000 1387 1654

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

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature **X** *W W*
- B. Received by (Printed Name) *Stan Kern*
- C. Date of Delivery
- D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail®
  - Certified Mail Restricted Delivery
  - Collect on Delivery
  - Priority Mail Express®
  - Registered Mail™
  - Registered Mail Restricted Delivery
  - Return Receipt for Merchandise
  - Signature Confirmation™
  - Signature Confirmation Restricted Delivery

Domestic Return Receipt

*M chite*

7020 0640 0000 1387 1629

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: #21724	APPLICANT'S RESPONSE
17-Jun-21	
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:	MRC Permian Company/Holland & Hart LLP
Well Family	Chile Verde
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Alacran Hills Upper Wolfcamp Oil Pool, Code 98314
Well Location Setback Rules:	Standard Gas, 330' setback
Spacing Unit Size:	320 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640.00 acres
Building Blocks:	320 acres
Orientation:	West to East
Description: TRS/County	N/2 of Section 23-T21S-R27E, Eddy County N/2 of Section 24-T21S-R27E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
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 2B
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	EXHIBIT 6

Well #1	Chile Verde 23/24 WODA Fed Com #1H; SHL: 1115' FNL & 380' FWL (Sec. 23-T21S-R27E); BHL: 660' FNL & 330' FEL (Section 24-T21S-R27E); laydown; standard
Well #2	'Chile Verde 23/24 WOEH Fed Com #1H; SHL: 1139' FNL & 395' FWL (Sec. 23-T21S-R27E); BHL: 1980' FNL & 330' FEL (Section 24-T21S-R27E); laydown; standard
Horizontal Well First and Last Take Points	FTP: 660' FNL & 100' FWL (Sec. 23); LTP: 660' FNL & 100' FEL (Sec. 24) FTP: 1980' FNL & 100' FWL (Sec. 23); LTP: 1980' FNL & 100' FEL (Sec. 24)
Completion Target (Formation, TVD and MD)	Wolfcamp Formation; TVD: 9,085'; MD: 18,885' Wolfcamp Formation; TVD: 9,085'; MD: 18,900'
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 5
Proof of Published Notice of Hearing (10 days before hearing)	
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2B
Tract List (including lease numbers and owners)	Exhibit 2B
Pooled Parties (including ownership type)	Exhibit 2B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2C
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 2B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2C
Overhead Rates In Proposal Letter	

Cost Estimate to Drill and Complete	Exhibit 2D
Cost Estimate to Equip Well	Exhibit 2D
Cost Estimate for Production Facilities	Exhibit 2D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 4
Spacing Unit Schematic	Exhibit 4A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 4C
Well Orientation (with rationale)	Exhibit 4
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 4C
Depth Severance Discussion	Exhibit 2
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2A
Tracts	Exhibit 2B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2B
General Location Map (including basin)	Exhibit 2A
Well Bore Location Map	Exhibit 2A
Structure Contour Map - Subsea Depth	Exhibit 4A
Cross Section Location Map (including wells)	Exhibit 4B
Cross Section (including Landing Zone)	Exhibit 4C
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	<i>James Bruce</i>
<b>Date:</b>	15-Jun-21

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: #21725	APPLICANT'S RESPONSE
17-Jun-21	
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:	MRC Permian Company
Well Family	Chile Verde
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Alacran Hills Upper Wolfcamp Oil Pool, Code 98314
Well Location Setback Rules:	Standard Gas, 330' setback
Spacing Unit Size:	320 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640.00 acres
Building Blocks:	320 acres
Orientation:	West to East
Description: TRS/County	S/2 of Section 23-T21S-R27E, Eddy County S/2 of Section 24-T21S-R27E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
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 3B
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Chile Verde 23/24 WOLI Fed Com #1H; SHL: 1230' FSL & 440' FWL (Sec. 23-T21S-R27E); BHL: 1980' FSL & 330' FEL (Section 24-T21S-R27E); laydown; standard
Well #2	'Chile Verde 23/24 WOMP Fed Com #1H; SHL: 1200' FSL & 440' FWL (Sec. 23-T21S-R27E); BHL: 660' FSL & 330' FEL (Section 24-T21S-R27E); laydown; standard
Horizontal Well First and Last Take Points	FTP: 660' FNL & 100' FWL (Sec. 23); LTP: 660' FNL & 100' FEL (Sec. 24) FTP: 1980' FNL & 100' FWL (Sec. 23); LTP: 1980' FNL & 100' FEL (Sec. 24)
Completion Target (Formation, TVD and MD)	Wolfcamp Formation; TVD: 9,085'; MD: 18,900' Wolfcamp Formation; TVD: 9,085'; MD: 18,885'
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 5
Proof of Published Notice of Hearing (10 days before hearing)	
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 3B
Tract List (including lease numbers and owners)	Exhibit 3B
Pooled Parties (including ownership type)	Exhibit 3B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 3C
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 3B
Chronology of Contact with Non-Joined Working Interests	Exhibit 3C
Overhead Rates In Proposal Letter	

Cost Estimate to Drill and Complete	Exhibit 3D
Cost Estimate to Equip Well	Exhibit 3D
Cost Estimate for Production Facilities	Exhibit 3D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 4
Spacing Unit Schematic	Exhibit 4A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 4C
Well Orientation (with rationale)	Exhibit 4
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 4C
Depth Severance Discussion	Exhibit 2
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 3A
Tracts	Exhibit 3B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 3B
General Location Map (including basin)	Exhibit 3A
Well Bore Location Map	Exhibit 3A
Structure Contour Map - Subsea Depth	Exhibit 4A
Cross Section Location Map (including wells)	Exhibit 4B
Cross Section (including Landing Zone)	Exhibit 4C
<b>Additional Information</b>	
<p><b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b></p>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	<i>James Bruce</i>
<b>Date:</b>	15-Jun-21