

CASE NO. 21166

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

EXHIBITS

1. Application and Proposed Ad
2. Landman's Affidavit
3. Geologist's Affidavit
4. Affidavit of Notice
5. Affidavit of Publication
6. Pooling Checklist

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21166

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2S/2 of Section 11 and the N/2S/2 of Section 12, and has the right to drill a well thereon.
2. Applicant proposes to drill the Bourbon Red 11/12 B3L1 State Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate N/2S/2 of Section 11 and the N/2S/2 of Section 12 thereto. The well is a horizontal well with a first take point in the NW/4SW/4 of 11 and a final take point in the NE/4SE/4 of Section 12.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2S/2 of Section 11 and the N/2S/2 of Section 12 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

EXHIBIT /

formation underlying the N/2S/2 of Section 11 and the N/2S/2 of Section 12, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the N/2S/2 of Section 11 and the N/2S/2 of Section 12 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interests in the Bone Spring formation underlying the N/2S/2 of Section 11 and the N/2S/2 of Section 12;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well 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 Bone Spring formation in a horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to the Bourbon Red 11/12 B3LI State Com. Well No. 1H, a horizontal well a first take point in the NW/4SW/4 of Section 11 and a last take point in the NE/4SE/4 of Section 12. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles east-northeast of Lakewood, 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. 21166

VERIFIED STATEMENT OF MITCH ROBB

Mitch Robb, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well. Some interest owners may be unlocatable.
 - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to:
 - (i) the Bourbon Red 11/12 B3LI State Com #1H, a horizontal well with a first take point in the NW/4 SW/4 of 11 and a final take point in the NE/4 SE/4 of Section 12;
 - (d) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses, or last known addresses, are also set forth.

EXHIBIT


1

- (e) In order to locate the interest owners Mewbourne examined the county records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.
- (f) Attachment C contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the owners.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Attachment D contains the 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.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

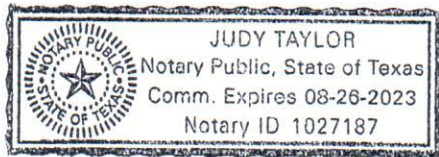
Mitch Robb, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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


Mitch Robb

SUBSCRIBED AND SWORN TO before me this 13th day of April, 2020 by Mitch Robb.

My Commission Expires: 8-26-23


Notary Public



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
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 BOURBON RED 11/12 B3LI STATE COM			6 Well Number 1H
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3473'

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
11	11	19S	28E		1350	SOUTH	205	WEST	EDDY

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12	12	19S	28E		1900	SOUTH	100	EAST	EDDY
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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

<p>16</p> <p>39.80'</p> <p>N 00°11'04" W 2639.39'</p> <p>11</p> <p>205' S.L.</p> <p>1350'</p> <p>A S 89°30'21" W 2597.51' J S 89°29'40" W 2598.21' I S 89°14'34" W 2601.52' H S 89°15'45" W 2604.23' C</p> <p>12</p> <p>100' B.H.</p> <p>1900'</p> <p>G S 89°26'30" W 2599.27' D S 89°30'12" W 2599.00' E S 89°04'25" W 5196.64' F</p> <p>N 00°10'27" W 2639.73'</p> <p>N 00°10'46" W 2641.98'</p> <p>N 00°16'39" W 5297.87'</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>04-25-18</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680</p> <p>Certificate Number</p>		

Job No.: LS1804533R

Tract Ownership
Bourbon Red 11/12 B3LI State Com #1H
N/2S/2 of Section 11, N/2S/2 of Section 12
T19S, R28E
Eddy County, New Mexico

Owners

Ownership:

Mewbourne Oil Company, et al.	35.243054%
*EOG Resources, Inc.	25.000000%
*COG Operating LLC	12.500000%
*Devon Energy Production Company, LP	12.326388%
*COG Oil & Gas, LP	8.333333%
* EOG Y Resources, Inc.	6.597225%
TOTAL	100.000000%

Total Interest being force pooled: 64.756946%

* Denotes an interest that is being force pooled.

EXHIBIT 13

Summary of Communications
Bourbon Red 11/12 B3LI State Com #1H
N/2S/2 of Section 11, N/2S/2 of Section 12
T19S, R28E
Eddy County, New Mexico

Devon Energy Production Company, LP:

09/25/2018: Mailed a Working Interest Unit and Well Proposal to the above listed party.

10/01/2018: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

03/14/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/04/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/30/2019: Mailed Joint Operating Agreement to the above listed party.

05/14/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

05/28/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

COG Operating LLC & COG Oil & Gas, LP:

09/25/2018: Mailed a Working Interest Unit and Well Proposal to the above listed party.

01/22-28/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/30/2019: Mailed Joint Operating Agreement to the above listed party.

07/30/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

08/06/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

EOG Y Resources, Inc. / EOG Resources, Inc.:

09/25/2018: Mailed a Working Interest Unit and Well Proposal to the above listed party.

10/02/2018: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

04/30/2019: Mailed Joint Operating Agreement to the above listed party.

05/28/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

ATTACHMENT *C*

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

September 25, 2018

Via Certified Mail

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102
Attn: Katie Dean

Re: Bourbon Red 11/12 B3DA State Com #1H
1300' FNL & 205' FWL (SL) (Section 11)
500' FNL & 100' FEL (BHL) (Section 12)

Bourbon Red 11/12 B3EH State Com #1H
1350' FNL & 205' FWL (SL) (Section 11)
1900' FNL & 100' FEL (BHL) (Section 12)

Bourbon Red 11/12 B3LI State Com #1H
1350' FSL & 205' FWL (SL) (Section 11)
1900' FSL & 100' FEL (BHL) (Section 12)

Bourbon Red 11/12 B3MP State Com #1H
1300' FSL & 205' FWL (SL) (Section 11)
500' FSL & 100' FEL (BHL) (Section 12)

All in Sections 11 & 12, T19S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering All of the captioned Sections 11 & 12 for oil and gas production.

Mewbourne as Operator hereby proposes to drill the captioned Bourbon Red 11/12 B3DA State Com #1H 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 8,722 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,825 feet. The N/2N/2 of the captioned Sections 11 & 12 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Bourbon Red 11/12 B3EH State Com #1H 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 8,832 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,950 feet. The S/2N/2 of the captioned Sections 11 & 12 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Bourbon Red 11/12 B3LI State Com #1H 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 8,748 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,835 feet. The N/2S/2 of the captioned Sections 11 & 12 will be dedicated to the well as the proration unit.

Finally, Mewbourne as Operator hereby proposes to drill the captioned Bourbon Red 11/12 B3MP State Com #1H 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 8,878 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,943 feet. The S/2S/2 of the captioned Sections 11 & 12 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated August 2, 2018 for the captioned proposed wells. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

A copy of our Joint Operating Agreement ("JOA") will follow under separate cover letter for your further handling and review in the near future.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

October 11, 2018

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8106 9994 5034 9368 17.

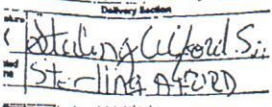
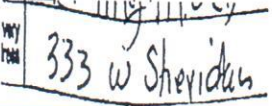
Item Details

Status: Delivered
Status Date / Time: September 28, 2018, 7:43 am
Location: OKLAHOMA CITY, OK 73102
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: Devon Energy

Shipment Details

Weight: 2.0oz

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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

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

Devon Energy
Production Company, L.P.
333 W SHERIDAN AVE
OKLAHOMA CITY, OK 73102
Reference #: Bourbon WIU MR
Item ID: Bourbon WIU

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

April 30, 2019

Via Certified Mail

EOG Resources, Inc.
EOG Y Resources, Inc.
5509 Champions Drive
Midland, TX 79706
Attn: Clay Haggard

Re: Working Interest Unit
Mewbourne's Bourbon Red 11/12 Prospect
Sections 11/12, T19S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated April 1, 2019, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated September 25, 2018.

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 mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman



May 2, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5040 4570 80.

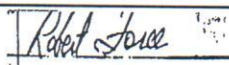
Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: May 2, 2019, 7:36 am
Location: MIDLAND, TX 79702
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Clay Haggard

Shipment Details

Weight: 1.0oz

Recipient Signature

Signature of Recipient:	 Robert Force
Address of Recipient:	PO Box 553

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

Clay Haggard
EOG Resources, Inc.
5509 CHAMPIONS DR
MIDLAND, TX 79706
Reference #: Mewbournes Bourbon Red 11 12 Prospect Sec 11 12 T19S R28E Eddy County
Item ID: Mewbournes Bourbon Red 11 12 Prospect Sec 11

MEWOURNE OIL COMPANY

AU IZATION FOR EXPENDITURE

Well Name: **Bourbon Red 11/12 B3L State Com #1H** Prospect: **Bone Spring**
 Location: **SL: 1350' FSL & 205' FWL (11); BHL: 1900' FSL & 100' FEL (12)** County: **Eddy** ST: **NM**
 Sec: **11** Blk: Survey: TWP: **19S** RNG: **28E** Prop. TVD: **8748** TMD: **18835**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$65,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling	28 days drlg / 4 days comp @ \$22,000/d	0180-0110	\$658,000	0180-0210	\$94,000
Fuel	1700 gal/day @ 2.70/gal	0180-0114	\$159,400	0180-0214	\$406,000
Mud, Chemical & Additives		0180-0120	\$225,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$260,000
Cementing		0180-0125	\$100,000	0180-0225	\$45,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$409,000
Casing / Tubing / Snubbing Service		0180-0134	\$25,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation	52 Stg 20.4 MM gal / 20.4 MM lb			0180-0241	\$3,100,000
Stimulation Rentals & Other				0180-0242	\$275,000
Water & Other		0180-0145	\$60,000	0180-0245	\$635,000
Bits		0180-0148	\$81,000	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	\$150,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$46,500	0180-0270	\$27,000
Directional Services	Includes Vertical Control	0180-0175	\$273,000		
Equipment Rental		0180-0180	\$243,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,700	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$4,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$148,800	0180-0295	\$86,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	10% (TCP) 10% (CC)	0180-0199	\$259,500	0180-0299	\$564,500
TOTAL			\$2,854,900		\$6,209,400
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	400' - 13 3/8" 54.5# J-55 ST&C @ \$35.90/ft	0181-0794	\$15,400		
Casing (8.1" - 10.0")	2800' - 9 5/8" 40# N-80 LT&C @ \$33.35/ft	0181-0795	\$99,800		
Casing (6.1" - 8.0")	8850' - 7" 26# HCP-110 LT&C @ \$24.15/ft	0181-0796	\$228,300		
Casing (4.1" - 6.0")	10735' - 4 1/2" 13.5# P-110 BPN @ \$13.66/ft			0181-0797	\$156,700
Tubing	8075' - 2 7/8" 6.5# L-80 EUE 8rd @ \$5.74/ft			0181-0798	\$49,600
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$75,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems	Gas Lift Valves & pkr			0181-0884	\$25,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers	1/2 VRU/SWD Pump/Circ Pump			0181-0886	\$25,000
Tanks - Oil	3 - 750 bbl			0181-0890	\$55,000
Tanks - Water	3 - 750 bbl			0181-0891	\$66,000
Separation / Treating Equipment	30"x10"x1k# 3 ph/36"x15"x1k#/Gun bbl/VRT			0181-0895	\$75,000
Heater Treaters, Line Heaters	8"x20"x75# HT			0181-0897	\$25,000
Metering Equipment				0181-0898	\$14,000
Line Pipe & Valves - Gathering	1/4 - 1 Mile Steel & 1.5 Mile 4" Poly			0181-0900	\$20,000
Fittings / Valves & Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	\$8,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$35,000
Pipeline Construction	1/4 - 1 Mile Steel & 1.5 Mile 4" Poly			0181-0920	\$30,000
TOTAL			\$383,500		\$799,300
SUBTOTAL			\$3,238,400		\$7,008,700
TOTAL WELL COST					\$10,247,100

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: **K.Kirkes** Date: **8/2/2018**
 Company Approval: Date:
 Joint Owner Interest: Amount:
 Joint Owner Name: Signature:

ATTACHMENT D

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

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

Case No. 21166

VERIFIED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

Charles Crosby, being duly sworn upon his oath, deposes and states:

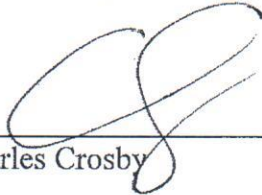
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
 - (a) Attachment A is a structure map of the Top of the Wolfcamp formation. It shows that structure dips gently to the East-Southeast. It also shows a line of cross-section.
 - (b) Attachment B is a gross sand isopach of the Lower 3rd Bone Spring Sand, the test zone for the Bourbon Red 11-12 B3LI State Com 1H. It shows that the sand across the well unit has a uniform thickness of approximately 150-190 feet.
 - (c) Attachment C is a west-east cross section. The well logs on the cross-section give a representative sample of the 3rd Bone Spring Sand formation in this area. The target zone for the well is the Lower 3rd Bone Spring Sand, and that zone is continuous across the well unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) Each quarter-quarter section in the unit will contribute more or less equally to production.

EXHIBIT 3

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

5. Attachment D contains information from other 3rd Bone Spring Sand wells drilled in this area. Production for wells with similar completions and similar time online seems to show a preference for laydown orientation, and the completed wells in the area (recent completions) are apparently commercial.

6. Attachment E is the Survey Calculation Report. The producing interval of the proposed well will be orthodox.




Charles Crosby

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

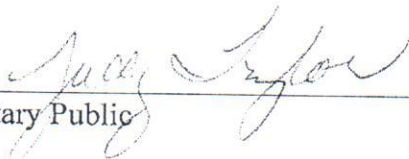
Charles Crosby, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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



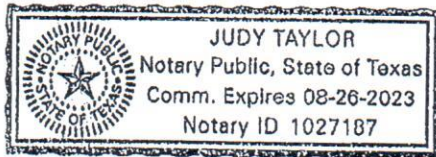
Charles Crosby

SUBSCRIBED AND SWORN TO before me this 13th day of April, 2020 by Charles Crosby.

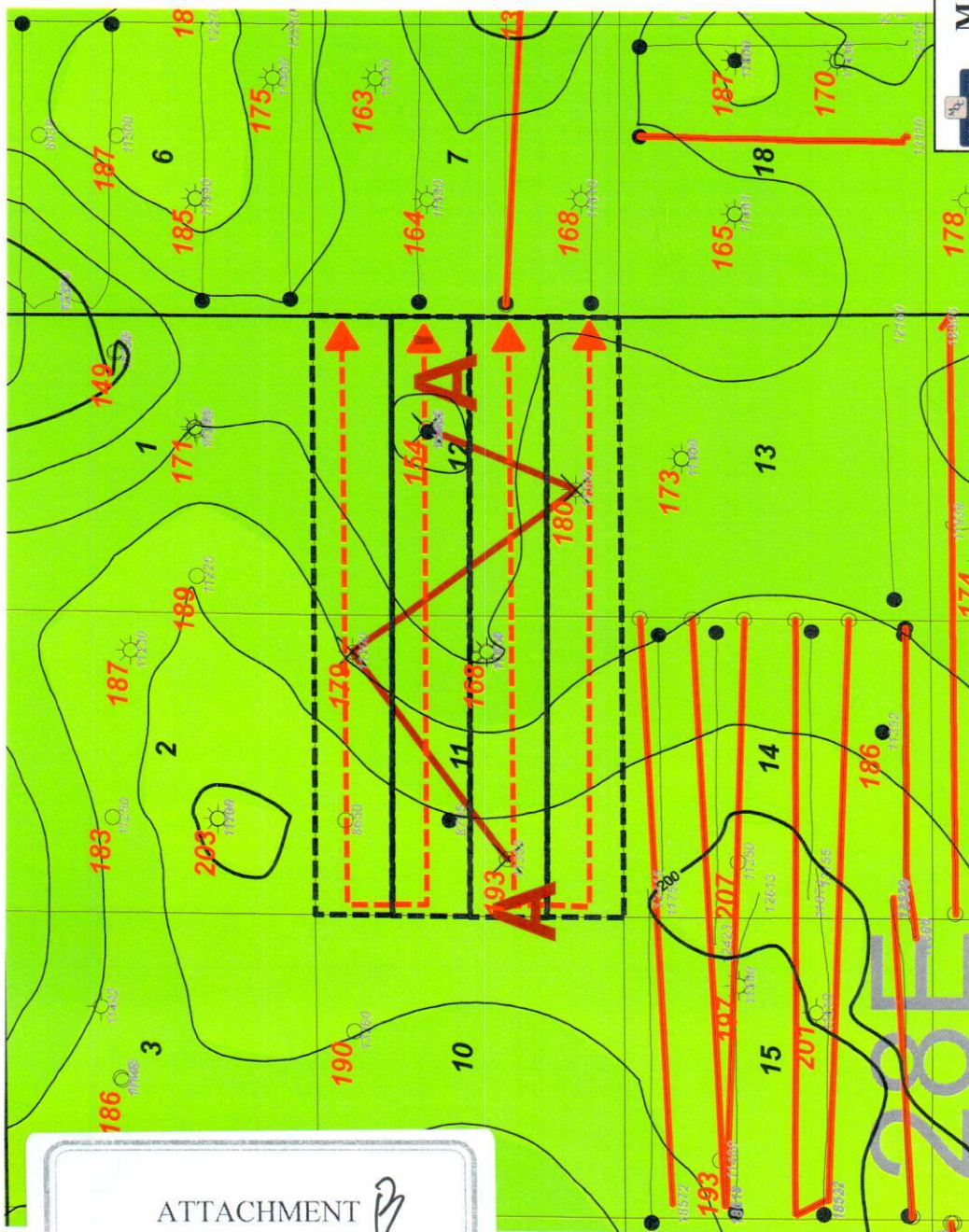
My Commission Expires: 8-26-23



Notary Public



ATTACHMENT B



Horizontal Activity Color Code

3rd Bone Spring Sand



Lower 3rd BSPG SD
Thickness



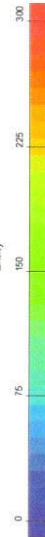
1:35000



3rd BSPG Lower SD Gross Thickness (C.I. 10')

Color Filled Contour

Entity



Mewbourne Oil Company

Bourbon Red 11-12 Wells
Horizontal Activity Map
3rd BSPG Lower SD Thickness Isopach (C.I. 10')
Wells TD - 8000' filtered out

8/5/17	Eddy County	New Mexico
		Geol. C. Crosby

Bourbon Red Area 3rd BSPG SD Production/Activity Table

Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	NS/EW	Production Zone
Phantom 18 State 2H	COG	30015382580000	18O-19S-29E	6/21/2011	64.3	0.25	119.1	NS	3rd BSPG SD
Palmillo 14-15 State 301H	Apache	30015440400000	15P-19S-28E	9/8/2017	183.9	0.63	368.8	EW	3rd BSPG SD
Turkey Track 8-7 State 33H	OXY	30015441590000	9L-19S-29E		Pending			EW	3rd BSPG SD
Palmillo 14-15 State 32H	Apache	30015453410000	15L-19S-28E		Pending			EW	3rd BSPG SD
Palmillo 14-15 State 304H	Apache	30015453420000	15E-19S-28E		Pending			EW	3rd BSPG SD
Palmillo 14-15 State Com 305H	Apache	30015453430000	15E-19S-28E		Pending			EW	3rd BSPG SD
Palmillo 14-15 State 303H	Apache	30015453800000	15L-19S-28E		Pending			EW	3rd BSPG SD
Palmillo 14-15 State 307H	Apache	30015453810000	14M-19S-28E		Pending			EW	3rd BSPG SD
Palmillo 14-15 State 306H	Apache	30015453820000	15D-19S-28E		Pending			EW	3rd BSPG SD
Parkchester 24-23 B3AD State Com 2H	Mewbourne	30015460620000	24A-19S-28E		Pending			EW	3rd BSPG SD

ATTACHMENT

D

Mewbourne Oil Company

SURVEY CALCULATION REPORT Minimum Curvature Calculations

Operator: Mewbourne Oil Company
Lease Name: Bourbon Red 11 B3LI State Com #1H
KOP 8100.54
SL: 1350 FSL & 205 FWL Sec 11-19S-28E
BHL: 1900 FSL & 100 FEL Sec 12-19S-28E

Target KBTVD: 8,578 Feet 8578.00
Target Angle: 88.98 Degrees 88.98
Section Plane: 86.40 Degrees
Declination Corrected to True North: 6.63 Degrees
Bit to Survey Offset: 44 Feet

Survey No.	Measured Depth-ft	Drift (Deg.)	Azimuth (Deg.)	Course Length	TVD (Feet)	Vertical Section	+N/-S (Feet)	+E/-W (Feet)	Closure Distance	Closure Direction	BUR	DLS	KBTVD	+Above -Below Target	DRIFT (RADIAN)	AZIMUTH (RADIAN)
T/I	8100.54	0.00	86.40	N/A	8100.5	0.0	0.0	0.0	0.0	0.0	N/A	N/A	8100.5	477.5	1E-12	1.51 #VALUE!
1	8174.69	8.90	86.40	74.154019	8174.4	5.7	0.4	5.7	5.7	86.4	12.0	12.0	8174.3	403.7	0.155307815	1.51 0.15530781
2	8248.84	17.80	86.40	74.154019	8246.5	22.8	1.4	22.8	22.8	86.4	12.0	12.0	8246.1	331.9	0.310615629	1.51 0.15530781
3	8323.00	26.70	86.40	74.154019	8315.0	50.9	3.2	50.8	50.9	86.4	12.0	12.0	8314.1	263.9	0.465923444	1.51 0.15530781
4	8397.15	35.59	86.40	74.154019	8378.4	89.2	5.6	89.0	89.2	86.4	12.0	12.0	8376.9	201.1	0.621231258	1.51 0.15530781
5	8471.31	44.49	86.40	74.154019	8435.1	136.9	8.6	136.6	136.9	86.4	12.0	12.0	8432.7	145.3	0.776539073	1.51 0.15530781
6	8545.46	53.39	86.40	74.154019	8483.8	192.7	12.1	192.3	192.7	86.4	12.0	12.0	8480.4	97.6	0.931846888	1.51 0.15530781
7	8619.61	62.29	86.40	74.154019	8523.2	255.4	16.0	254.9	255.4	86.4	12.0	12.0	8518.7	59.3	1.087154702	1.51 0.15530781
8	8693.77	71.19	86.40	74.154019	8552.5	323.5	20.3	322.9	323.5	86.4	12.0	12.0	8546.8	31.2	1.242462517	1.51 0.15530781
9	8767.92	80.09	86.40	74.154019	8570.9	395.3	24.8	394.5	395.3	86.4	12.0	12.0	8563.9	14.1	1.397770331	1.51 0.15530781
10	8842.08	88.98	86.40	74.154019	8577.9	469.0	29.4	468.1	469.0	86.4	12.0	12.0	8569.6	8.4	1.553078146	1.51 0.15530781
11	8900.00	88.98	86.40	57.924637	8579.0	526.9	33.0	525.9	526.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
12	9000.00	88.98	86.40	100	8580.7	626.9	39.3	625.7	626.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
13	9100.00	88.98	86.40	100	8582.5	726.9	45.6	725.5	726.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
14	9200.00	88.98	86.40	100	8584.3	826.9	51.9	825.2	826.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
15	9300.00	88.98	86.40	100	8586.0	926.9	58.1	925.0	926.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
16	9400.00	88.98	86.40	100	8587.8	1026.8	64.4	1024.8	1026.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
17	9500.00	88.98	86.40	100	8589.6	1126.8	70.7	1124.6	1126.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
18	9600.00	88.98	86.40	100	8591.4	1226.8	76.9	1224.4	1226.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
19	9700.00	88.98	86.40	100	8593.1	1326.8	83.2	1324.2	1326.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
20	9800.00	88.98	86.40	100	8594.9	1426.8	89.5	1424.0	1426.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
21	9900.00	88.98	86.40	100	8596.7	1526.8	95.8	1523.8	1526.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
22	10000.00	88.98	86.40	100	8598.4	1626.7	102.0	1623.5	1626.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
23	10100.00	88.98	86.40	100	8600.2	1726.7	108.3	1723.3	1726.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
24	10200.00	88.98	86.40	100	8602.0	1826.7	114.6	1823.1	1826.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
25	10300.00	88.98	86.40	100	8603.8	1926.7	120.8	1922.9	1926.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
26	10400.00	88.98	86.40	100	8605.5	2026.7	127.1	2022.7	2026.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
27	10500.00	88.98	86.40	100	8607.3	2126.7	133.4	2122.5	2126.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
28	10600.00	88.98	86.40	100	8609.1	2226.7	139.6	2222.3	2226.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
29	10700.00	88.98	86.40	100	8610.8	2326.6	145.9	2322.1	2326.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
30	10800.00	88.98	86.40	100	8612.6	2426.6	152.2	2421.8	2426.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
31	10900.00	88.98	86.40	100	8614.4	2526.6	158.5	2521.6	2526.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
32	11000.00	88.98	86.40	100	8616.2	2626.6	164.7	2621.4	2626.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
33	11100.00	88.98	86.40	100	8617.9	2726.6	171.0	2721.2	2726.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
34	11200.00	88.98	86.40	100	8619.7	2826.6	177.3	2821.0	2826.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
35	11300.00	88.98	86.40	100	8621.5	2926.5	183.5	2920.8	2926.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
36	11400.00	88.98	86.40	100	8623.2	3026.5	189.8	3020.6	3026.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
37	11500.00	88.98	86.40	100	8625.0	3126.5	196.1	3120.4	3126.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
38	11600.00	88.98	86.40	100	8626.8	3226.5	202.3	3220.1	3226.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
39	11700.00	88.98	86.40	100	8628.6	3326.5	208.6	3319.9	3326.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
40	11800.00	88.98	86.40	100	8630.3	3426.5	214.9	3419.7	3426.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
41	11900.00	88.98	86.40	100	8632.1	3526.5	221.2	3519.5	3526.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
42	12000.00	88.98	86.40	100	8633.9	3626.4	227.4	3619.3	3626.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
43	12100.00	88.98	86.40	100	8635.6	3726.4	233.7	3719.1	3726.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
44	12200.00	88.98	86.40	100	8637.4	3826.4	240.0	3818.9	3826.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
45	12300.00	88.98	86.40	100	8639.2	3926.4	246.2	3918.7	3926.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
46	12400.00	88.98	86.40	100	8641.0	4026.4	252.5	4018.4	4026.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
47	12500.00	88.98	86.40	100	8642.7	4126.4	258.8	4118.2	4126.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
48	12600.00	88.98	86.40	100	8644.5	4226.3	265.1	4218.0	4226.3	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
49	12700.00	88.98	86.40	100	8646.3	4326.3	271.3	4317.8	4326.3	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
50	12800.00	88.98	86.40	100	8648.0	4426.3	277.6	4417.6	4426.3	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
51	12900.00	88.98	86.40	100	8649.8	4526.3	283.9	4517.4	4526.3	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
52	13000.00	88.98	86.40	100	8651.6	4626.3	290.1	4617.2	4626.3	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
53	13100.00	88.98	86.40	100	8653.4	4726.3	296.4	4717.0	4726.3	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
54	13200.00	88.98	86.40	100	8655.1	4826.2	302.7	4816.7	4826.2	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
55	13300.00	88.98	86.40	100	8656.9	4926.2	308.9	4916.5	4926.2	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10
56	13400.00	88.98	86.40	100	8658.7	5026.2	315.2	5016.3	5026.2	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51 1E-10

ATTACHMENT E

57	13500.00	88.98	86.40	100	8660.5	5126.2	321.5	5116.1	5126.2	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
58	13600.00	88.98	86.40	100	8662.2	5226.2	327.8	5215.9	5226.2	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
59	13700.00	88.98	86.40	100	8664.0	5326.2	334.0	5315.7	5326.2	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
60	13800.00	88.98	86.40	100	8665.8	5426.2	340.3	5415.5	5426.2	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
61	13900.00	88.98	86.40	100	8667.5	5526.1	346.6	5515.3	5526.1	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
62	14000.00	88.98	86.40	100	8669.3	5626.1	352.8	5615.0	5626.1	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
63	14100.00	88.98	86.40	100	8671.1	5726.1	359.1	5714.8	5726.1	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
64	14200.00	88.98	86.40	100	8672.9	5826.1	365.4	5814.6	5826.1	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
65	14300.00	88.98	86.40	100	8674.6	5926.1	371.7	5914.4	5926.1	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
66	14400.00	88.98	86.40	100	8676.4	6026.1	377.9	6014.2	6026.1	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
67	14500.00	88.98	86.40	100	8678.2	6126.0	384.2	6114.0	6126.0	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
68	14600.00	88.98	86.40	100	8679.9	6226.0	390.5	6213.8	6226.0	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
69	14700.00	88.98	86.40	100	8681.7	6326.0	396.7	6313.6	6326.0	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
70	14800.00	88.98	86.40	100	8683.5	6426.0	403.0	6413.3	6426.0	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
71	14900.00	88.98	86.40	100	8685.3	6526.0	409.3	6513.1	6526.0	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
72	15000.00	88.98	86.40	100	8687.0	6626.0	415.5	6612.9	6626.0	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
73	15100.00	88.98	86.40	100	8688.8	6725.9	421.8	6712.7	6725.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
74	15200.00	88.98	86.40	100	8690.6	6825.9	428.1	6812.5	6825.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
75	15300.00	88.98	86.40	100	8692.3	6925.9	434.4	6912.3	6925.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
76	15400.00	88.98	86.40	100	8694.1	7025.9	440.6	7012.1	7025.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
77	15500.00	88.98	86.40	100	8695.9	7125.9	446.9	7111.9	7125.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
78	15600.00	88.98	86.40	100	8697.7	7225.9	453.2	7211.6	7225.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
79	15700.00	88.98	86.40	100	8699.4	7325.9	459.4	7311.4	7325.9	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
80	15800.00	88.98	86.40	100	8701.2	7425.8	465.7	7411.2	7425.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
81	15900.00	88.98	86.40	100	8703.0	7525.8	472.0	7511.0	7525.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
82	16000.00	88.98	86.40	100	8704.7	7625.8	478.3	7610.8	7625.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
83	16100.00	88.98	86.40	100	8706.5	7725.8	484.5	7710.6	7725.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
84	16200.00	88.98	86.40	100	8708.3	7825.8	490.8	7810.4	7825.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
85	16300.00	88.98	86.40	100	8710.1	7925.8	497.1	7910.2	7925.8	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
86	16400.00	88.98	86.40	100	8711.8	8025.7	503.3	8009.9	8025.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
87	16500.00	88.98	86.40	100	8713.6	8125.7	509.6	8109.7	8125.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
88	16600.00	88.98	86.40	100	8715.4	8225.7	515.9	8209.5	8225.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
89	16700.00	88.98	86.40	100	8717.1	8325.7	522.1	8309.3	8325.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
90	16800.00	88.98	86.40	100	8718.9	8425.7	528.4	8409.1	8425.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
91	16900.00	88.98	86.40	100	8720.7	8525.7	534.7	8508.9	8525.7	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
92	17000.00	88.98	86.40	100	8722.5	8625.6	541.0	8608.7	8625.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
93	17100.00	88.98	86.40	100	8724.2	8725.6	547.2	8708.5	8725.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
94	17200.00	88.98	86.40	100	8726.0	8825.6	553.5	8808.2	8825.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
95	17300.00	88.98	86.40	100	8727.8	8925.6	559.8	8908.0	8925.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
96	17400.00	88.98	86.40	100	8729.5	9025.6	566.0	9007.8	9025.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
97	17500.00	88.98	86.40	100	8731.3	9125.6	572.3	9107.6	9125.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
98	17600.00	88.98	86.40	100	8733.1	9225.6	578.6	9207.4	9225.6	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
99	17700.00	88.98	86.40	100	8734.9	9325.5	584.9	9307.2	9325.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
100	17800.00	88.98	86.40	100	8736.6	9425.5	591.1	9407.0	9425.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
101	17900.00	88.98	86.40	100	8738.4	9525.5	597.4	9506.8	9525.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
102	18000.00	88.98	86.40	100	8740.2	9625.5	603.7	9606.5	9625.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
103	18100.00	88.98	86.40	100	8742.0	9725.5	609.9	9706.3	9725.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
104	18200.00	88.98	86.40	100	8743.7	9825.5	616.2	9806.1	9825.5	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
105	18300.00	88.98	86.40	100	8745.5	9925.4	622.5	9905.9	9925.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10
106	18400.00	88.98	86.40	100	8747.3	10025.4	628.7	10005.7	10025.4	86.4	0.0	0.0	8569.6	8.4	1.553078146	1.51	1E-10

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

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

Case No. 21166

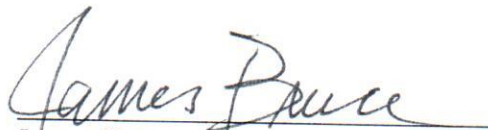
SELF-AFFIRMED STATEMENT OF NOTICE

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 application filed herein.
4. Notice of the application 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: April 14, 2020


James Bruce

EXHIBIT

14

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

March 26, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

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

(b) In Case No. 21166, the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to the Bourbon Red 11/12 B3LI State Com. Well No. 1H; and

(c) In Case No. 21167, the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to the Bourbon Red 11/12 B3MP State Com. Well No. 1H.


These matters are scheduled for hearing at 8:15 a.m. on Thursday, April 16, 2020, in Room 311, State Capitol Building, 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. 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 this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, April 9, 2020. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name(s) of the party and his or her attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its 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.

ATTACHMENT

A

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

COG Operating LLC
COG Oil & Gas, L.P.
600 W. Illinois Ave.
Midland, TX 79701
Attn: Brent Sawyer

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102
Attn: Cari Allen

EOG Y Resources, Inc.
EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706
Attn: Clay Haggard

Premier Oil & Gas, Inc.
901 Waterfall Way, Suite 201
Richardson, Tx 75080
Attn: Kenneth C. Jones

- Complete items 1, 2, & 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:

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102



9590 9402 5751 0003 4256 06

7019 2970 0000 7594 9731

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

M - BR 5/2

Domestic Return Receipt

A. Signature

X *[Signature]* ☒ Agent

B. Received by (Printed Name) *[Signature]* ☐ Addressee

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

MAR 30 2020

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Return Receipt for Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

restricted delivery

9731

U.S. Postal Service™

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Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

Total Postage and Fees

Sent To

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102
City, State, Zip+4®

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

See Reverse for Instructions

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

Postage

Total Postage and Fees

Sent To

EOG Resources, Inc.
EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706
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

SENDER: COMPLETE THIS SECTION

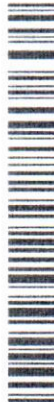
- Complete items 1, 2, & 3.

- 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.
EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706



9590 9402 5751 0003 4256 71

2. Article Addressed to (Transfer from service label)

7019 2970 0000 7594 9724

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

M - BR 5/2

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]* ☒ Agent

B. Received by (Printed Name) *[Signature]* ☐ Addressee

C. Date of Delivery

5-31-20

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

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

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:

COG Operating LLC
C/O: Oil & Gas, L.P.
600 W. Illinois Ave.
Midland, TX 79701



9590 9402 5751 0003 4276 13

2. A 7019 2970 0000 7594 9700

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

Domestic Return Receipt

M 10R - 5/2

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☐ 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 COG Operating LLC
C/O: Oil & Gas, L.P.
600 W. Illinois Ave.
Midland, TX 79701
Street and Apt. No., or PO Box
City, State, ZIP+4®

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

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
 3-3-20
- D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

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

Domestic Return Receipt

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:

Premier Oil & Gas, Inc.
901 Waterfall Way, Suite 201
Richardson, TX 75080



9590 9402 5751 0003 4256 64

2. Article 7019 2970 0000 7594 9717

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

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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 \$

Total Postage and Fees

Sent To Premier Oil & Gas, Inc.
901 Waterfall Way, Suite 201
Richardson, TX 75080
Street and Apt. No., or PO Box
City, State, ZIP+4®

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

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
 KENNETH C. JONES
- D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

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

Domestic Return Receipt

M 10R 5/2

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004117676

This is not an invoice

JAMES BRUCE ATTORNEY AT LAW
POBOX 1056

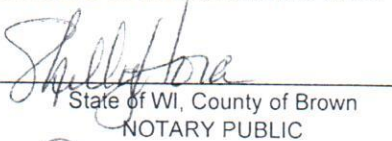
SANTA FE, NM 87504

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

03/18/2020


Legal Clerk

Subscribed and sworn before me this March 18, 2020:


State of WI, County of Brown
NOTARY PUBLIC

8-25-23

My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

NOTICE

To: Anadarko Petroleum Corporation, COG Operating LLC, COG Oil & Gas, LP, Devon Energy Production Company, L.P., EOG Y Resources, Inc., EOG Resources, Inc., and Premier Oil & Gas, Inc., or your successors or assigns: Mewbourne Oil Company has filed applications with the New Mexico Oil Conservation Division seeking orders pooling of all mineral interests in the Bone Spring formation in horizontal spacing units comprised of:

(i) the N/2N/2 of Section 11 and the N/2N/2 of Section 12. The unit will be dedicated to the Bourbon Red 11/12 B3DA State Com. Well No. 1H, with a first take point in the NW/4NW/4 of Section 11 and a last take point in the NE/4NE/4 of Section 12;

(ii) the S/2N/2 of Section 11 and the S/2N/2 of Section 12. The unit will be dedicated to the Bourbon Red 11/12 B3EH State Com. Well No. 1H, with a first take point in the SW/4NW/4 of Section 11 and a last take point in the SE/4NE/4 of Section 12;

(iii) the N/2S/2 of Section 11 and the N/2S/2 of Section 12. The unit will be dedicated to the Bourbon Red 11/12 B3LI State Com. Well No. 1H, a horizontal well a first take point in the NW/4SW/4 of Section 11 and a last take point in the NE/4SE/4 of Section 12; and

(iv) the S/2S/2 of Section 11 and the S/2S/2 of Section 12. The unit will be dedicated to the Bourbon Red 11/12 B3MP State Com. Well No. 1H, a horizontal well a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12,

all in Township 19 South, Range 28 East, NMPM.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs 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 and completing the wells. The applications are scheduled to be heard at 8:15 a.m. on Thursday, April 2, 2020 in Room 311, State Capitol Building, 490 Old Santa Fe Trail, Santa Fe, New Mexico 87501. As an interest owner in one or more of the well units, you have the right to enter an appearance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The units are located approximately 14 miles east-northeast of Lakewood, New Mexico.
#4117676, Current Argus, March 18, 2020

Ad # 0004117676

PO #: Anadarko Petroleum Corporation
of Affidavits 1

This is not an invoice

EXHIBIT

5

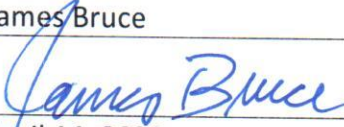
COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21166
Date	April 16, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	EOG Resources, Inc./Michael Feldewert <i>et al.</i> COG Operating LLC/Ocean Munds-Dry <i>et al.</i>
Well Family	Bourbon Red 11/12 B3LI State Com. Well No. 1H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Palmillo; Bone Spring, Southwest/Pool Code 96413
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	N/2S/2 §11 and N/2S/2 §12-19S-28E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	Bourbon Red 11/12 B3LI State Com. Well No. 1H API No. 30-025-PENDING SHL: 1350 FSL & 205 FWL §11 BHL: 1900 FSL & 100 FEL §12 FTP: 1900 FSL & 100 FWL §11 LTP: 1900 FSL & 100 FEL §12 3rd Bone Spring Sand/TVD 8748 feet/MD 18835 feet Completion expected to be standard

EXHIBIT 6

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-A and 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3, page 2
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Laydown/Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A

Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	April 14, 2020