

CASE NOS. 22035 and 20036 — PART I

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

EXHIBITS

1. Applications and Proposed Ads
- 2-A. Landman's Affidavit (Case No. 22035)
- 2-B. Landman's Affidavit (Case No. 22036)
3. Geologist's Affidavit
4. Affidavit of Notice
5. Affidavits of Publication
6. Pooling Checklists

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**Case No. 22036**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 26 and the E/2SW/4 of Section 23, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E/2W/2 of Section 26 and the E/2SW/4 of Section 23, and has the right to drill a well thereon.
2. Applicant proposes to drill (a) the Inland 26/23 B2NK State Com. Well No. 1H, with a first take point in the SE/4SW/4 of 26 and a last take point in the NE/4SW/4 of Section 23, and (b) the Inland 26/23 B3NK State Com. Well No. 2H, with a first take point in the SE/4SW/4 of 26 and a last take point in the NE/4SW/4 of Section 23.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2W/2 of Section 26 and the E/2SW/4 of Section 23 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 1

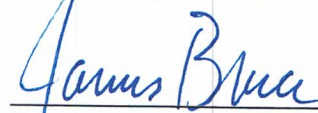
formation underlying the E/2W/2 of Section 26 and the E/2SW/4 of Section 23, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the E/2W/2 of Section 26 and the E/2SW/4 of Section 23 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the E/2W/2 of Section 26 and the E/2SW/4 of Section 23;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping 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, completing, and equipping 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

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

Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 26 and the E/2SW/4 of Section 23, Township 21 South, Range 34 East, NMPM. The unit will be dedicated to (a) the Inland 26/23 B2NK State Com. Well No. 1H, with a first take point in the SE/4SW/4 of 26 and a last take point in the NE/4SW/4 of Section 23, and (b) the Inland 26/23 B3NK State Com. Well No. 2H, with a first take point in the SE/4SW/4 of 26 and a last take point in the NE/4SW/4 of Section 23. 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 unit is located approximately 11-1/2 miles west-southwest of Oil Center, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**Case No. 22035**APPLICATION**

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1. Applicant is an interest owner in the W/2W/2 of Section 26 and the W/2SW/4 of Section 23, and has the right to drill a well thereon.
2. Applicant proposes to drill (a) the Inland 26/23 B2ML State Com. Well No. 1H, with a first take point in the SW/4SW/4 of 26 and a last take point in the NW/4SW/4 of Section 23, and (b) the Inland 26/23 B3ML State Com. Well No. 2H, with a first take point in the SW/4SW/4 of 26 and a last take point in the NW/4SW/4 of Section 23.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 26 and the W/2SW/4 of Section 23 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

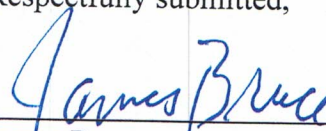
formation underlying the W/2W/2 of Section 26 and the W/2SW/4 of Section 23, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the W/2W/2 of Section 26 and the W/2SW/4 of Section 23 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 26 and the W/2SW/4 of Section 23;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping 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, completing, and equipping 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

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

Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 26 and the W/2SW/4 of Section 23, Township 21 South, Range 34 East, NMPM. The unit will be dedicated to (a) the Inland 26/23 B2ML State Com. Well No. 1H, with a first take point in the SW/4SW/4 of 26 and a last take point in the NW/4SW/4 of Section 23, and (b) the Inland 26/23 B3ML State Com. Well No. 2H, with a first take point in the SW/4SW/4 of 26 and a last take point in the NW/4SW/4 of Section 23. 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 unit is located approximately 11-1/2 miles west-southwest of Oil Center, 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,
LEA COUNTY, NEW MEXICO.**

Case No. 22035

VERIFIED STATEMENT OF BRAD DUNN

Brad Dunn, 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 and mineral 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 wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 240.00-acre horizontal spacing unit in the Bone Spring formation comprised of W/2W/2 of Section 26 and the W/2SW/4 of Section 23, Township 21 South, Range 34 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Bone Spring formation underlying the unit. The unit will be dedicated to the Inland 26/23 B2ML State Com #1H well. The referenced well is a horizontal well. The Inland 26/23 B2ML State Com #1H has a first take point in Unit M of Section 26 and a final take point in Unit D of Section 23.

(d) There are no depth severances in the Bone Spring formation.

(e) The parties being pooled and their interests are set forth in Attachment C. Their current and correct addresses are also set forth. To find the unlocatable parties we examined

EXHIBIT

2. A

county and government records, and also conducted internet searches including google and drillinginfo.

(f) Attachment D contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them.

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

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

(i) Attachment E is the Authorization for Expenditure for each proposed well. The estimated cost of the wells set forth therein are fair and reasonable, and are comparable to the costs of other wells of similar depth and length drilled in this area of Lea 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 Lea 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) Applicant requests that it be designated operator of the wells.

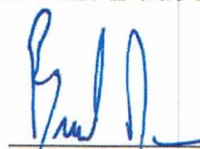
(m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

(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)

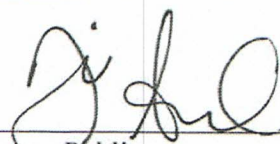
Brad Dunn, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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



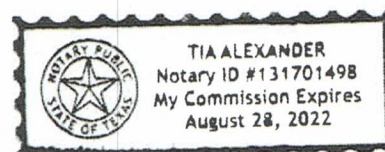
Brad Dunn

SUBSCRIBED AND SWORN TO before me this 28 day of July, 2021 by Brad Dunn.

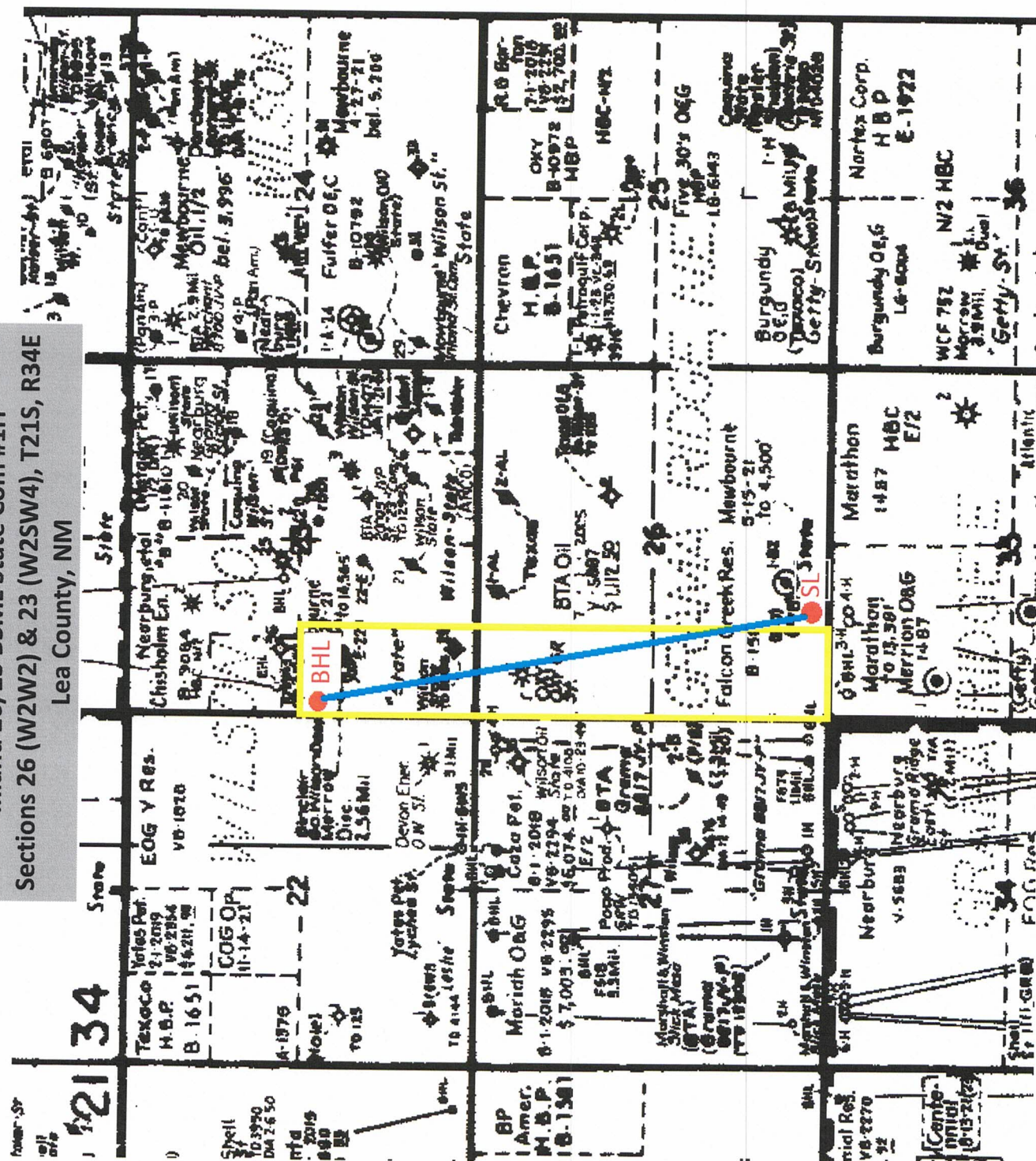
My Commission Expires: 8-28-22



Notary Public



Inland 26/23 B2ML State Com #1H
 Inland 26/23 B3ML State Com #1H
 Sections 26 (W2W2) & 23 (W2SW4), T21S, R34E
 Lea County, NM



ATTACHMENT

A

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name INLAND 26/23 B2ML STATE COM			6 Well Number 1H
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3681'

10 Surface Location

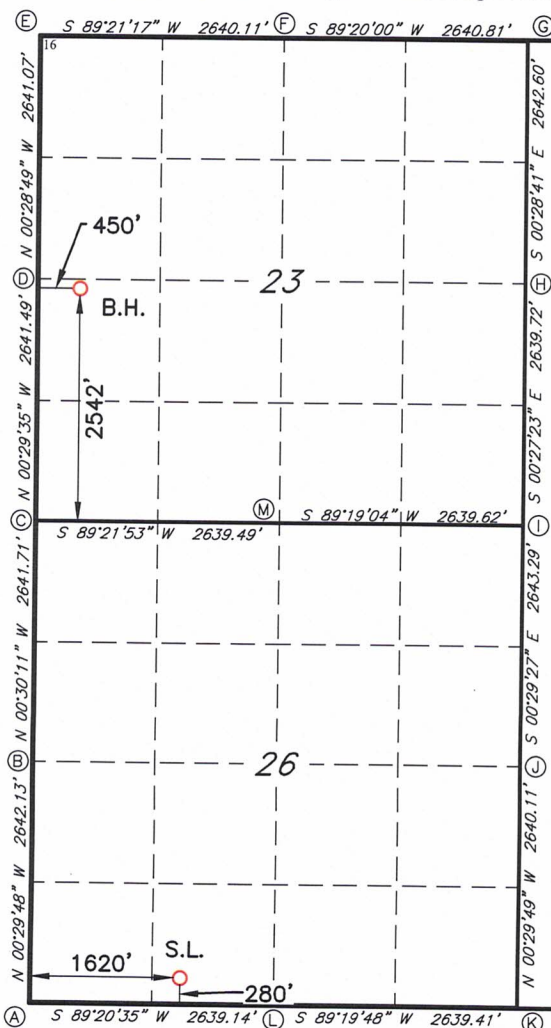
UL or lot no. N	Section 26	Township 21S	Range 34E	Lot Idn	Feet from the 280	North/South line SOUTH	Feet From the 1620	East/West line WEST	County LEA
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11 Bottom Hole Location If Different From Surface

UL or lot no. L	Section 23	Township 21S	Range 34E	Lot Idn	Feet from the 2542	North/South line SOUTH	Feet from the 450	East/West line WEST	County LEA
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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.



GEODETIC DATA
NAD 83 GRID - NM EAST
SURFACE LOCATION
N: 526207.1 - E: 815708.3
LAT: 32.4434679° N
LONG: 103.4439401° W
BOTTOM HOLE
N: 533737.3 - E: 814473.0
LAT: 32.4641926° N
LONG: 103.4477414° W

CORNER DATA
NAD 83 GRID - NM EAST
A: FOUND BRASS CAP "1913"
N: 525908.6 - E: 814091.1
B: FOUND BRASS CAP "1913"
N: 528550.2 - E: 814068.2
C: FOUND BRASS CAP "1913"
N: 531191.3 - E: 814045.0
D: FOUND BRASS CAP "1913"
N: 533832.2 - E: 814022.3
E: FOUND BRASS CAP "1913"
N: 536472.7 - E: 814000.1
F: FOUND BRASS CAP "1913"
N: 536502.5 - E: 816639.6
G: FOUND BRASS CAP "1913"
N: 536533.2 - E: 819279.7
H: FOUND BRASS CAP "1913"
N: 533891.2 - E: 819301.8
I: FOUND BRASS CAP "1913"
N: 531252.0 - E: 819322.8
J: FOUND BRASS CAP "1913"
N: 528609.3 - E: 819345.4
K: FOUND BRASS CAP "1913"
N: 525969.8 - E: 819368.3
L: FOUND BRASS CAP "1913"
N: 525938.9 - E: 816729.6
M: FOUND BRASS CAP "1913"
N: 531220.6 - E: 816683.8

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete

ATTACHMENT **B**

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.

05/31/21

Date of Survey

Signature and Seal of Professional Surveyor

19680

Certificate Number

REV: 6/8/21 - SL MOVE

Job No.: LS1804573R

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
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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 INLAND 26/23 B3ML STATE COM	⁶ Well Number 1H
⁷ OGRID NO.	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3681'

¹⁰ Surface Location

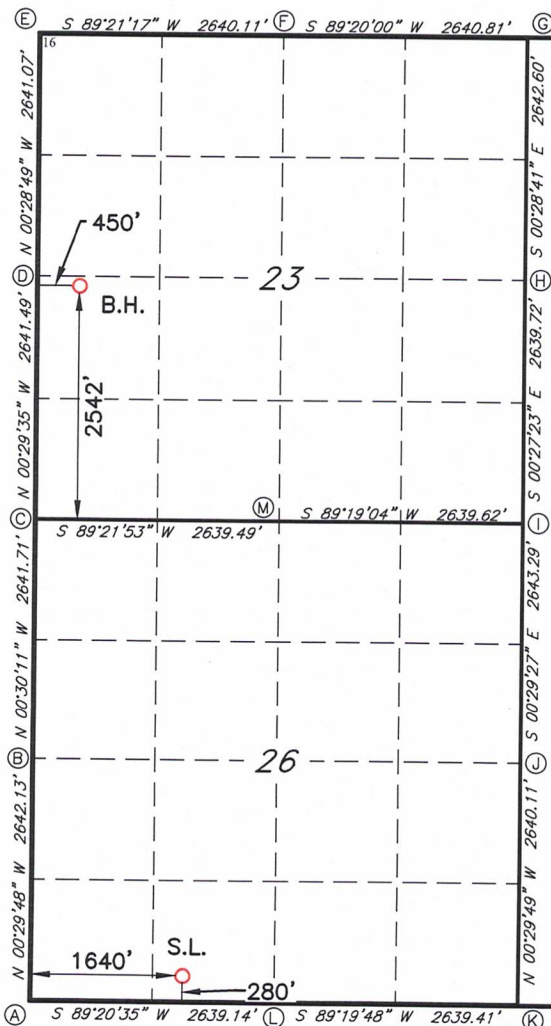
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	26	21S	34E		280	SOUTH	1640	WEST	LEA

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
L	23	21S	34E		2542	SOUTH	450	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



GEODETTIC DATA
NAD 83 GRID - NM EAST
SURFACE LOCATION
N: 526207.4 - E: 815728.2
LAT: 32.4434682° N
LONG: 103.4438753° W
BOTTOM HOLE
N: 533737.3 - E: 814473.0
LAT: 32.4641926° N
LONG: 103.4477414° W

CORNER DATA
NAD 83 GRID - NM EAST
A: FOUND BRASS CAP "1913"
N: 525908.6 - E: 814091.1
B: FOUND BRASS CAP "1913"
N: 528550.2 - E: 814068.2
C: FOUND BRASS CAP "1913"
N: 531191.3 - E: 814045.0
D: FOUND BRASS CAP "1913"
N: 533832.2 - E: 814022.3
E: FOUND BRASS CAP "1913"
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L: FOUND BRASS CAP "1913"
N: 525938.9 - E: 816729.6
M: FOUND BRASS CAP "1913"
N: 531220.6 - E: 816683.8

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.

05/31/21

Date of Survey

Signature and Seal of Professional Surveyor

19680

Certificate Number

REV: 6/8/21 - SL MOVE

Job No.: LS21040274R2

TRACT OWNERSHIP
Inland 26/23 B2ML State Com #1H
Inland 26/23 B3ML State Com #1H
Sections 26 (W/2W/2) & 23 (W/2SW/4), T21S, R34E
Lea County, New Mexico

Sections 26 (W/2W/2) & 23 (W/2SW/4):
Bone Spring formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	86.833333%
*SIANA Oil & Gas Company, LLC 810 Houston Street Fort Worth, Texas 76102	10.000000%
*The Lynn Parsley Maxwell Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*The Jan Parsley Sheffield Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*Craig Bishop, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	0.666667%
*Barry Hopkins, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	0.333333%
*Henry Hwang, heirs and/or devisees 97 Lafayette St. Apt San Francisco, CA 94103-2544	0.166667%
	100.000000%
* Total interest being pooled: 13.166667%	

ATTACHMENT

C

OWNERSHIP BY TRACT**W/2SW/4 Section 23 (80 Acres):**

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest
100.000000%

100.000000%

W/2NW/4 Section 26 (80 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest
70.000000%

*SIANA Oil & Gas Company, LLC
810 Houston Street
Fort Worth, Texas 76102

30.000000%

100.000000%

W/2SW/4 Section 26 (80 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest
90.500000%

*The Lynn Parsley Maxwell Trust
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

3.000000%

*The Jan Parsley Sheffield Trust
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

3.000000%

*Craig Bishop, heirs and/or devisees
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

2.000000%

*Barry Hopkins, heirs and/or devisees
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

1.000000%

*Henry Hwang, heirs and/or devisees
97 Lafayette St. Apt
San Francisco, CA 94103-2544

0.500000%

100.000000%

SECTION PLAT

West Half of the West Half (W/2W/2) of Section 26, Township 21 South, Range 34 East

West Half of the Southeast Quarter (W/2SW/4) of Section 23, Township 21 South, Range 34 East

County of Lea, State of New Mexico



Tract 1: W2SW4 SEC. 23—STATE OF NEW MEXICO LEASE NO. E-229

Mewbourne Oil Company

ZPZ Delaware I LLC

Delmar Holdings, L.P.

BEXP I, LP

Tumbler Energy Partners, LLC

Tract 2: W2NW4 SEC. 26—STATE OF NEW MEXICO LEASE NO. V-5887

Mewbourne Oil Company

Siana Oil & Gas Co.

CM Resources, LLC

Tract 3: W2SW4 SEC. 26—STATE OF NEW MEXICO LEASE NO. B-158

Mewbourne Oil Company

McCombs Energy, LTD

Axis Energy Corporation

Great Western Drilling LTD.

Alpha Energy Partners, LLC

Fall Creek of San Angelo

Patco, Ltd.

The Lynn Parsley Maxwell Trust

The Jan Parsley Sheffield Trust

Craig Bishop, heirs and/or assigns

Barry Hopkins, heirs and/or assigns

Henry Hwang, heirs and/or assigns

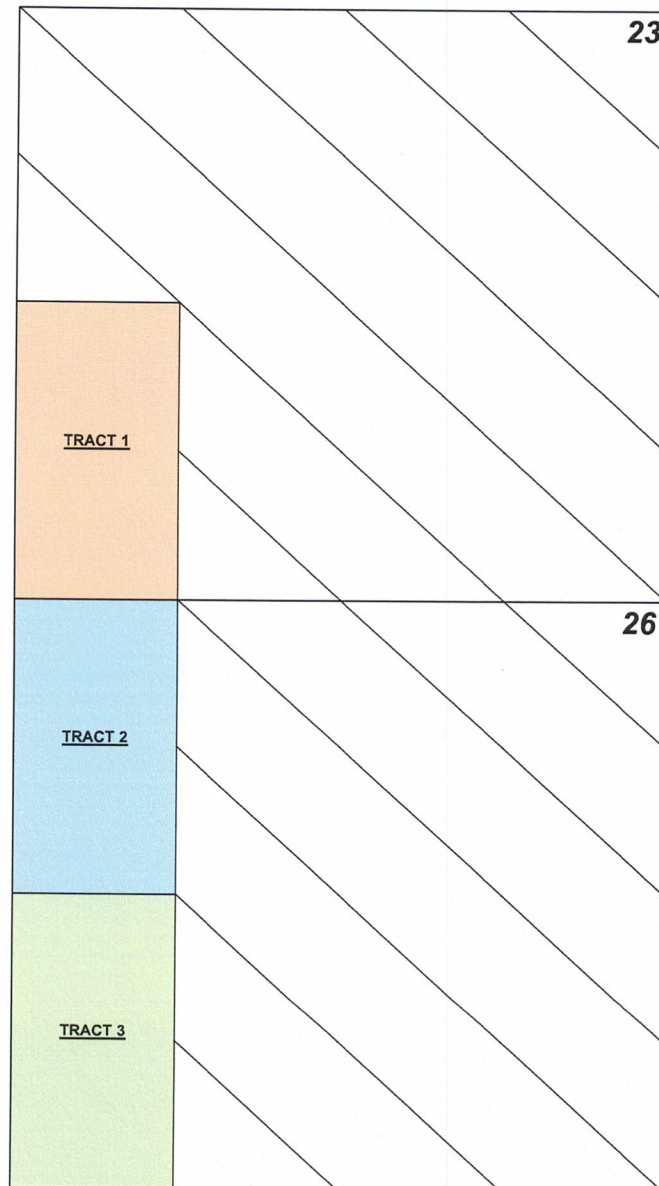
Betty Tull

Doug Tull

Candice McPherran

RECAPITULATION FOR INLAND 26/23 B2ML STATE COM #1H
& INLAND 26/23 B3ML STATE COM #1H WELLS

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	33.333334%
2	80.00	33.333333%
3	80.00	33.333333%
TOTAL	240.00	100.000000%



Summary of Communications
Inland 26/23 B2ML State Com #1H
Inland 26/23 B3ML State Com #1H

Siana Oil & Gas Company, LLC

- 1) 6/19/2018: Mailed the proposed Operating Agreement for this prospect via certified mail.
- 2) 6/20/2018: Email from Karen Stanford discussing Siana's interest in the wells.
- 3) 6/25/2018: Email correspondence with Karen Stanford discussing Siana's interest and the JOA.
- 4) 11/1/2018: Email chain with Karen Stanford discussing the proposed JOA as well as well timing.
- 5) 11/9/2018: Email chain discussing well timing.
- 6) 12/17/2018: Email correspondence discussing terms in the proposed JOA.
- 7) 1/3/2019: Sent email replying to JOA change requests.
- 8) 02/12/2020-02/13/2020: Email chain with Karen Stanford at Siana Oil & Gas Company requesting more information
- 9) 05/19/2021: Well proposal letter with AFEs are sent via certified mail
- 10) 06/16/2021: Petro Energy Group emails back emailed copies of executed AFEs on behalf of Siana but gives no indication on executing the JOA or payment.
- 11) 06/17/2021: Email correspondence with Siana about executing the JOA.
- 12) 06/17/2021-07/28/2021: Much email and phone correspondence with several of Siana's internal partners about the internal partners' competing claims to Siana's interest. Because of these claims, Siana's interest was placed in suspense in the previously drilled Inland 26/23 B2OJ & B2PI wells and will be placed in suspense as well in these Inland 26/23 B2ML & B3ML wells should Siana actually submit payment to us for their estimated well costs.

The Lynn Parsley Maxwell Trust

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

The Jan Parsley Sheffield Trust

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

ATTACHMENT 

The heirs and/or devisees of Craig Bishop

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

The heirs and/or devisees of Barry Hopkins

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

The heirs and/or devisees of Henry Hwang

- 1) 06/21/2020-07/10/2020: Many Email correspondences with David Hwang who represents this interest regarding whether or not he is still claiming this interest and how he would like to proceed. David was unable to provide any form of proof that he indeed owns this interest of his father now. He said he is out of luck on claiming this interest and to just force-pool this interest.
- 2) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 3) 05/24/2021: Certified mail delivery confirmation to recipient.
- 4) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 5) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

May 19, 2021

Via Certified Mail

Siana Oil & Gas Company, LLC
400 N. Sam Houston Pkwy East, Suite 601
Houston, Texas 77060
Attn: Permian Land Manager

Re: Inland 26/23 B2NK State Com #1H
Inland 26/23 B3NK State Com #2H
Inland 26/23 B2ML State Com #1H
Inland 26/23 B3ML State Com #2H
Sections 26/23, T21S, R34E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering all of the above captioned section 26 and the S/2 of the above captioned section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Mewbourne as Operator hereby proposes to drill the following horizontal Bone Spring wells:

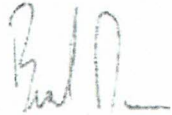
1. The Inland 26/23 B2NK State Com #1H will have a surface location 280' FSL & 1650' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 1900' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,379 feet and an approximate measured depth of 18,000 feet.
2. The Inland 26/23 B3NK State Com #2H will have a surface location 280' FSL & 1680' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 1900' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 11,166 feet and an approximate measured depth of 18,583 feet.
3. The Inland 26/23 B2ML State Com #1H will have a surface location 280' FSL & 1620' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 450' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,372 feet and an approximate measured depth of 17,992 feet.
4. The Inland 26/23 B3ML State Com #2H will have a surface location 280' FSL & 1590' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 450' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 11,194 feet and an approximate measured depth of 18,676 feet.

These captioned proposed wells will still fall under the Joint Operating Agreement dated May 15, 2018 that was previously sent to you in June of 2018. Regarding the above, enclosed for your further handling are our AFEs dated May 18, 2021 for the captioned proposed wells. In the event that you elect to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30) days. The Operating Agreement dated May 15, 2018 that was previously sent to you has COPAS rates of \$8,000/month while drilling, and \$800/month for a producing well. Should I not hear from you within the allotted 30 days, we will move forward with force-pooling proceedings for this interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in dark ink, appearing to read 'BD' followed by a stylized flourish.

Brad Dunn
Petroleum Landman

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: INLAND 26/23 B2ML STATE COM #1H		Prospect: INLAND 23/26	
Location: SL: 280 FSL & 1620 FWL (26); BHL: 2540 FSL & 450 FWL (23)		County: Lea ST: NM	
Sec: 26	Blk:	Survey:	TWP: 21S RNG: 34E Prop. TVD: 10372 TMD: 17992

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$7,500
Daywork / Turnkey / Footage Drilling 24 days drlg / 3 days comp @ \$19500/d		0180-0110	\$499,800	0180-0210	\$62,500
Fuel 1700 gal/day @ \$3/gal		0180-0114	\$130,700	0180-0214	\$265,000
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$55,000	0180-0220	
Mud - Specialized		0180-0121	\$90,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$90,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$273,000
Casing / Tubing / Snubbing Services		0180-0134	\$20,000	0180-0234	\$13,000
Mud Logging		0180-0137	\$30,000		
Stimulation 44 Stg 14.5 MM gal / 14.5 MM lb				0180-0241	\$1,227,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$38,000	0180-0245	\$277,000
Bits		0180-0148	\$74,800	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$10,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$101,500	0180-0270	\$46,500
Directional Services Includes Vertical Control		0180-0175	\$283,500		
Equipment Rental		0180-0180	\$191,400	0180-0280	\$7,500
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,700	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$130,500	0180-0295	\$40,500
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$45,300	0180-0299	\$54,400
TOTAL			\$2,310,500		\$2,774,400

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 1840' - 13 3/8" 54.5# J-55 ST&C @ \$43/ft		0181-0794	\$84,500		
Casing (8.1" - 10.0") 5565' - 9 5/8" 40# J-55 LT&C @ \$32.5/ft		0181-0795	\$193,200		
Casing (6.1" - 8.0") 10700' - 7" 29# HCP-110 LT&C @ \$26/ft		0181-0796	\$297,100		
Casing (4.1" - 6.0") 8085' - 4 1/2" 13.5# P-110 BPN @ \$14.12/ft				0181-0797	\$121,900
Tubing 9907' - 2 7/8" 6.5# L-80 IPC Tbg @ \$8.75/ft				0181-0798	\$92,600
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps (1/2) TP/CP/Circ pump				0181-0886	\$8,000
Storage Tanks (1/2) 60T/5 WT/GB				0181-0890	
Emissions Control Equipment (1/2) VRT's/VRU/Flare/KO's				0181-0892	\$10,400
Separation / Treating Equipment (1/2) H sep/V sep/HT				0181-0895	\$70,000
Automation Metering Equipment				0181-0898	\$30,000
Line Pipe & Valves - Gathering (1/2) 1 mile gas & water				0181-0900	
Fittings / Valves & Accessories				0181-0906	\$175,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$75,000
Pipeline Construction (1/2) 1 mile gas & water				0181-0920	
TOTAL			\$609,800		\$737,900
SUBTOTAL			\$2,920,300		\$3,512,300
TOTAL WELL COST			\$6,432,600		

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 0180-0185.

☐ 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: Mike Loy Date: 5/14/2021

Company Approval: *m. white* Date: 5/14/2021

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

ATTACHMENT

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: INLAND 26/23 B3ML STATE COM #1H		Prospect: INLAND 26/23	
Location: SL: 280 FSL & 1590 FWL (26); BHL: 2540 FSL & 450 FWL (23)		County: LEA	ST: NM
Sec. 26/23	Blk: 	Survey: 	TWP: 21S RNG: 34E Prop. TVD: 11194 TMD: 18676

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$7,500
Daywork / Turnkey / Footage Drilling	25 days drlg / 3 days comp @ \$19,500/d	0180-0110	\$520,700	0180-0210	\$62,500
Fuel	1700 gal/day @ \$3.00/gal	0180-0114	\$136,200	0180-0214	\$275,800
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$60,000	0180-0220	
Mud - Specialized		0180-0121	\$95,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$90,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$273,700
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$13,000
Mud Logging		0180-0137	\$30,000		
Stimulation	44 Stg 14.5MM gal & 14.5MM lbs			0180-0241	\$1,227,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$35,000	0180-0245	\$276,500
Bits		0180-0148	\$74,800	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$10,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$105,500	0180-0270	\$48,700
Directional Services	Includes vertical control	0180-0175	\$299,600		
Equipment Rental		0180-0180	\$208,300	0180-0280	\$24,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,700	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$135,200	0180-0295	\$51,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$46,800	0180-0299	\$55,300
TOTAL			\$2,387,100		\$2,821,100

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1840' - 13 3/8" 54.5# J-55 ST&C @ \$43.00/ft	0181-0794	\$84,500		
Casing (8.1" - 10.0")	5565' - 9 5/8" 40# J-55 LT&C @ \$32.50/ft	0181-0795	\$193,200		
Casing (6.1" - 8.0")	11430' - 7" 29# HCP-110 LT&C @ \$26.00/ft	0181-0796	\$317,400		
Casing (4.1" - 6.0")	8000' - 4 1/2" 13.5# P-110 BPN @ \$14.12/ft			0181-0797	\$120,600
Tubing	10694' - 2 7/8" 6.5# L-80 IPC Tbg @ \$8.75/ft			0181-0798	\$99,900
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion liner hanger			0181-0871	\$50,000
Subsurface Equip. & Artificial Lift	Packer			0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps	(1/2) TP/CP/circ. pump			0181-0886	\$8,000
Storage Tanks	(1/2) 6 - 750 bbl/5 - 750 bbl coated/1 - GB			0181-0890	\$30,000
Emissions Control Equipment	(1/2) VRTs/VRU/KOs			0181-0892	\$10,400
Separation / Treating Equipment	(1/2) horz. sep./vert. sep./HT			0181-0895	\$70,000
Automation / Metering Equipment				0181-0898	\$30,000
Line Pipe & Valves - Gathering	(1/2) 1/2 mile gas & water			0181-0900	\$15,000
Fittings / Valves & Accessories				0181-0906	\$175,000
Cathodic Protection				0181-0908	\$7,500
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$75,000
Pipeline Construction	(1/2) 1/2 mile gas & water			0181-0920	\$25,000
TOTAL			\$630,100		\$821,400
SUBTOTAL			\$3,017,200		\$3,642,500
TOTAL WELL COST			\$6,659,700		

Extra Expense Insurance

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

☐ I elect to purchase my own well control insurance policy.

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

Prepared by: **H. Buckley** Date: **05/18/2021**

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,
LEA COUNTY, NEW MEXICO.**

Case No. 22036

VERIFIED STATEMENT OF BRAD DUNN

Brad Dunn, 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 and mineral 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 wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.
 - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 240.00-acre horizontal spacing unit in the Bone Spring formation comprised of E/2W/2 of Section 26 and the E/2SW/4 of Section 23, Township 21 South, Range 34 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Bone Spring formation underlying the unit. The unit will be dedicated to the Inland 26/23 B2NK State Com #1H well. The referenced well is a horizontal well. The Inland 26/23 B2NK State Com #1H has a first take point in Unit N of Section 26 and a final take point in Unit K of Section 23.
 - (d) There are no depth severances in the Bone Spring formation.
 - (e) The parties being pooled and their interests are set forth in Attachment C. Their current and correct addresses are also set forth. To find the unlocatable parties we examined

EXHIBIT

2-B

county and government records, and also conducted internet searches including google and drillinginfo.

(f) Attachment D contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them.

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

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

(i) Attachment E is the Authorization for Expenditure for each proposed well. The estimated cost of the wells set forth therein are fair and reasonable, and are comparable to the costs of other wells of similar depth and length drilled in this area of Lea 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 Lea 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) Applicant requests that it be designated operator of the wells.

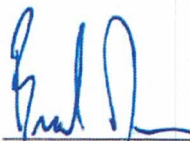
(m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

(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)

Brad Dunn, 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.



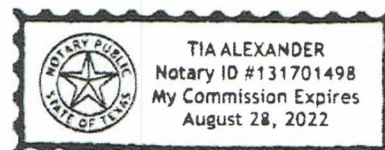
Brad Dunn

SUBSCRIBED AND SWORN TO before me this 28 day of July, 2021 by Brad Dunn.

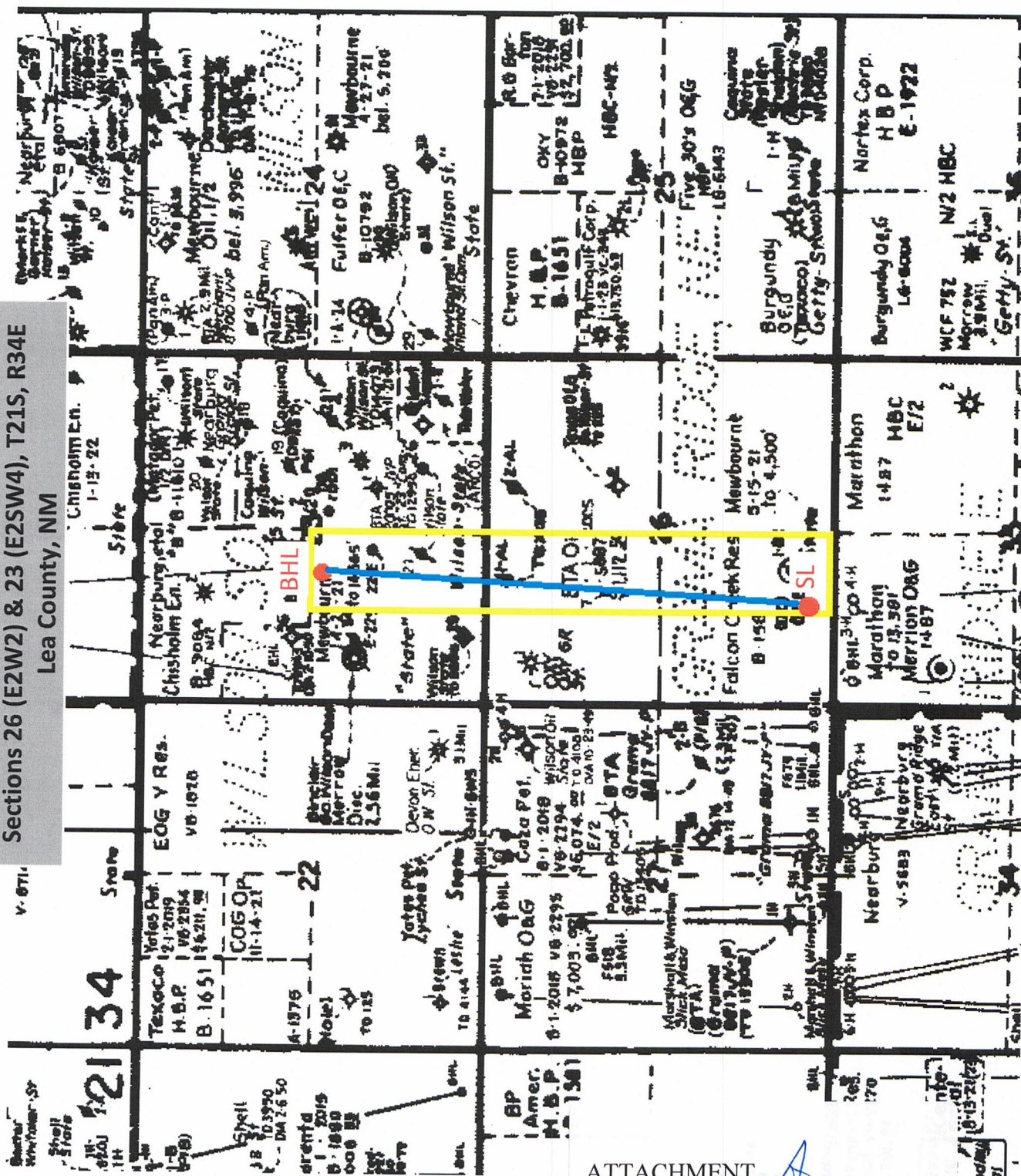
My Commission Expires: 8-28-22



Notary Public



Inland 26/23 B2NK State Com #1H
 Inland 26/23 B3NK State Com #1H
 Sections 26 (E2W2) & 23 (E2SW4), T21S, R34E
 Lea County, NM



ATTACHMENT

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 INLAND 26/23 B2NK STATE COM	⁶ Well Number 1H
⁷ OGRID NO.	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3681'

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
N	26	21S	34E		280	SOUTH	1680	WEST	LEA

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
K	23	21S	34E		2542	SOUTH	1900	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 526207.8 - E: 815768.3
LAT: 32.4434684° N
LONG: 103.4437456° W

BOTTOM HOLE
N: 533753.5 - E: 815922.6
LAT: 32.4642039° N
LONG: 103.4430413° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913"
N: 525908.6 - E: 814091.1

B: FOUND BRASS CAP "1913"
N: 528550.2 - E: 814068.2

C: FOUND BRASS CAP "1913"
N: 531191.3 - E: 814045.0

D: FOUND BRASS CAP "1913"
N: 533832.2 - E: 814022.3

E: FOUND BRASS CAP "1913"
N: 536472.7 - E: 814000.1

F: FOUND BRASS CAP "1913"
N: 536502.5 - E: 816639.6

G: FOUND BRASS CAP "1913"
N: 536533.2 - E: 819279.7

H: FOUND BRASS CAP "1913"
N: 533891.2 - E: 819301.8

I: FOUND BRASS CAP "1913"
N: 531252.0 - E: 819322.8

J: FOUND BRASS CAP "1913"
N: 528609.3 - E: 819345.4

K: FOUND BRASS CAP "1913"
N: 525969.8 - E: 819368.3

L: FOUND BRASS CAP "1913"
N: 525938.9 - E: 816729.6

M: FOUND BRASS CAP "1913"
N: 531220.6 - E: 816683.8

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

ATTACHMENT B

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.

05/31/21
Date of Survey

Signature and Seal of Professional Surveyor _____

19680
Certificate Number

Job No.: LS21060584

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 INLAND 26/23 B3NK STATE COM		⁶ Well Number 1H
⁷ OGRID NO.	⁸ Operator Name MEWBOURNE OIL COMPANY		⁹ Elevation 3681'

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
N	26	21S	34E		280	SOUTH	1660	WEST	LEA

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
K	23	21S	34E		2542	SOUTH	1900	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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

	GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 526207.6 - E: 815748.2 LAT: 32.4434683° N LONG: 103.4438105° W BOTTOM HOLE N: 533753.5 - E: 815922.6 LAT: 32.4642039° N LONG: 103.4430413° W CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1913" N: 525908.6 - E: 814091.1 B: FOUND BRASS CAP "1913" N: 528550.2 - E: 814068.2 C: FOUND BRASS CAP "1913" N: 531191.3 - E: 814045.0 D: FOUND BRASS CAP "1913" N: 533832.2 - E: 814022.3 E: FOUND BRASS CAP "1913" N: 536472.7 - E: 814000.1 F: FOUND BRASS CAP "1913" N: 536502.5 - E: 816639.6 G: FOUND BRASS CAP "1913" N: 536533.2 - E: 819279.7 H: FOUND BRASS CAP "1913" N: 533891.2 - E: 819301.8 I: FOUND BRASS CAP "1913" N: 531252.0 - E: 819322.8 J: FOUND BRASS CAP "1913" N: 528609.3 - E: 819345.4 K: FOUND BRASS CAP "1913" N: 525969.8 - E: 819368.3 L: FOUND BRASS CAP "1913" N: 525938.9 - E: 816729.6 M: FOUND BRASS CAP "1913" N: 531220.6 - E: 816683.8	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. 05/31/21 Date of Survey Signature and Seal of Professional Surveyor _____ 19680 Certificate Number REV: 6/8/21 - SL MOVE	

Job No.: LS21040275R

SECTION PLAT

West Half of the West Half (E/2W/2) of Section 26, Township 21 South, Range 34 East

West Half of the Southeast Quarter (E/2SW/4) of Section 23, Township 21 South, Range 34 East

County of Lea, State of New Mexico



Tract 1: E2SW4 SEC. 23—STATE OF NEW MEXICO LEASE NO. E-229

Mewbourne Oil Company

ZPZ Delaware I LLC

Delmar Holdings, L.P.

BEXP I, LP

Tumbler Energy Partners, LLC

ATTACHMENT

Tract 2: E2NW4 SEC. 26—STATE OF NEW MEXICO LEASE NO. V-5887

Mewbourne Oil Company

Siana Oil & Gas Co.

CM Resources, LLC

Tract 3: E2SW4 SEC. 26—STATE OF NEW MEXICO LEASE NO. B-158

Mewbourne Oil Company

McCombs Energy, LTD

Axis Energy Corporation

Great Western Drilling LTD.

Alpha Energy Partners, LLC

Fall Creek of San Angelo

Patco, Ltd.

The Lynn Parsley Maxwell Trust

The Jan Parsley Sheffield Trust

Craig Bishop, heirs and/or assigns

Barry Hopkins, heirs and/or assigns

Henry Hwang, heirs and/or assigns

Betty Tull

Doug Tull

Candice McPherran

RECAPITULATION FOR INLAND 26/23 B2NK STATE COM #1H
& INLAND 26/23 B3NK STATE COM #1H WELLS

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	33.333334%
2	80.00	33.333333%
3	80.00	33.333333%
TOTAL	240.00	100.000000%



TRACT OWNERSHIP
Inland 26/23 B2NK State Com #1H
Inland 26/23 B3NK State Com #1H
Sections 26 (E/2W/2) & 23 (E/2SW/4), T21S, R34E
Lea County, New Mexico

Sections 26 (E/2W/2) & 23 (E/2SW/4):
Bone Spring formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	86.833333%
*SIANA Oil & Gas Company, LLC 810 Houston Street Fort Worth, Texas 76102	10.000000%
*The Lynn Parsley Maxwell Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*The Jan Parsley Sheffield Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*Craig Bishop, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	0.666667%
*Barry Hopkins, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	0.333333%
*Henry Hwang, heirs and/or devisees 97 Lafayette St. Apt San Francisco, CA 94103-2544	0.166667%
	100.000000%
* Total interest being pooled: 13.166667%	

OWNERSHIP BY TRACTE/2SW/4 Section 23 (80 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest

100.00000%

100.000000%E/2NW/4 Section 26 (80 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest

70.00000%

*SIANA Oil & Gas Company, LLC
810 Houston Street
Fort Worth, Texas 76102

30.000000%

100.000000%E/2SW/4 Section 26 (80 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest

90.500000%

*The Lynn Parsley Maxwell Trust
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

3.000000%

*The Jan Parsley Sheffield Trust
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

3.000000%

*Craig Bishop, heirs and/or devisees
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

2.000000%

*Barry Hopkins, heirs and/or devisees
P.O. Box 11005
Midland, TX 79702
(Unlocatable)

1.000000%

*Henry Hwang, heirs and/or devisees
97 Lafayette St. Apt
San Francisco, CA 94103-2544

0.500000%

100.000000%

Summary of Communications

Inland 26/23 B2N State Com #1H

Inland 26/23 B3N State Com #1H

Siana Oil & Gas Company, LLC

- 1) 6/19/2018: Mailed the proposed Operating Agreement for this prospect via certified mail.
- 2) 6/20/2018: Email from Karen Stanford discussing Siana's interest in the wells.
- 3) 6/25/2018: Email correspondence with Karen Stanford discussing Siana's interest and the JOA.
- 4) 11/1/2018: Email chain with Karen Stanford discussing the proposed JOA as well as well timing.
- 5) 11/9/2018: Email chain discussing well timing.
- 6) 12/17/2018: Email correspondence discussing terms in the proposed JOA.
- 7) 1/3/2019: Sent email replying to JOA change requests.
- 8) 02/12/2020-02/13/2020: Email chain with Karen Stanford at Siana Oil & Gas Company requesting more information
- 9) 05/19/2021: Well proposal letter with AFEs are sent via certified mail
- 10) 06/16/2021: Petro Energy Group emails back emailed copies of executed AFEs on behalf of Siana but gives no indication on executing the JOA or payment.
- 11) 06/17/2021: Email correspondence with Siana about executing the JOA.
- 12) 06/17/2021-07/28/2021: Much email and phone correspondence with several of Siana's internal partners about the internal partners' competing claims to Siana's interest. Because of these claims, Siana's interest was placed in suspense in the previously drilled Inland 26/23 B2OJ & B2PI wells and will be placed in suspense as well in these Inland 26/23 B2ML & B3ML wells should Siana actually submit payment to us for their estimated well costs.

The Lynn Parsley Maxwell Trust

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

The Jan Parsley Sheffield Trust

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

ATTACHMENT

The heirs and/or devisees of Craig Bishop

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

The heirs and/or devisees of Barry Hopkins

- 1) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 05/28/2021: Certified mail delivery confirmation to recipient.
- 3) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 4) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

The heirs and/or devisees of Henry Hwang

- 1) 06/21/2020-07/10/2020: Many Email correspondences with David Hwang who represents this interest regarding whether or not he is still claiming this interest and how he would like to proceed. David was unable to provide any form of proof that he indeed owns this interest of his father now. He said he is out of luck on claiming this interest and to just force-pool this interest.
- 2) 05/19/2021: Well proposal letter with AFEs & JOA are sent via certified mail.
- 3) 05/24/2021: Certified mail delivery confirmation to recipient.
- 4) 06/23/2021: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.
- 5) 07/28/2021: Never heard back from recipient once they received the well proposal letter.

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

May 19, 2021

Via Certified Mail

Siana Oil & Gas Company, LLC
400 N. Sam Houston Pkwy East, Suite 601
Houston, Texas 77060
Attn: Permian Land Manager

Re: Inland 26/23 B2NK State Com #1H
Inland 26/23 B3NK State Com #2H
Inland 26/23 B2ML State Com #1H
Inland 26/23 B3ML State Com #2H
Sections 26/23, T21S, R34E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering all of the above captioned section 26 and the S/2 of the above captioned section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Mewbourne as Operator hereby proposes to drill the following horizontal Bone Spring wells:

1. The Inland 26/23 B2NK State Com #1H will have a surface location 280' FSL & 1650' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 1900' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,379 feet and an approximate measured depth of 18,000 feet.
2. The Inland 26/23 B3NK State Com #2H will have a surface location 280' FSL & 1680' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 1900' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 11,166 feet and an approximate measured depth of 18,583 feet.
3. The Inland 26/23 B2ML State Com #1H will have a surface location 280' FSL & 1620' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 450' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,372 feet and an approximate measured depth of 17,992 feet.
4. The Inland 26/23 B3ML State Com #2H will have a surface location 280' FSL & 1590' FWL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 450' FWL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 11,194 feet and an approximate measured depth of 18,676 feet.

These captioned proposed wells will still fall under the Joint Operating Agreement dated May 15, 2018 that was previously sent to you in June of 2018. Regarding the above, enclosed for your further handling are our AFEs dated May 18, 2021 for the captioned proposed wells. In the event that you elect to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30) days. The Operating Agreement dated May 15, 2018 that was previously sent to you has COPAS rates of \$8,000/month while drilling, and \$800/month for a producing well. Should I not hear from you within the allotted 30 days, we will move forward with force-pooling proceedings for this interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in blue ink, appearing to read 'BD', is positioned above the printed name and title.

Brad Dunn
Petroleum Landman

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: INLAND 26/23 B2NK STATE COM #1H		Prospect: INLAND 23/26	
Location: SL: 280 FSL & 1650 FWL (26); BHL: 2540 FSL & 1900 FWL (23)		County: Lea ST: NM	
Sec. 26	Blk: Survey:	TWP: 21S	RNG: 34E Prop. TVD: 10379 TMD: 18000

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$7,500
Daywork / Turnkey / Footage Drilling 24 days drlg / 3 days comp @ \$19500/d		0180-0110	\$499,800	0180-0210	\$62,500
Fuel 1700 gal/day @ \$3/gal		0180-0114	\$130,700	0180-0214	\$265,000
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$55,000	0180-0220	
Mud - Specialized		0180-0121	\$90,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$90,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$273,000
Casing / Tubing / Snubbing Services		0180-0134	\$20,000	0180-0234	\$13,000
Mud Logging		0180-0137	\$30,000		
Stimulation 44 Stg 14.5 MM gal / 14.5 MM lb				0180-0241	\$1,227,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$38,000	0180-0245	\$277,000
Bits		0180-0148	\$74,800	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$10,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$101,500	0180-0270	\$46,500
Directional Services Includes Vertical Control		0180-0175	\$283,500		
Equipment Rental		0180-0180	\$191,400	0180-0280	\$7,500
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,700	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$130,500	0180-0295	\$40,500
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$45,300	0180-0299	\$54,400
TOTAL			\$2,310,500		\$2,774,400

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 1840' - 13 3/8" 54.5# J-55 ST&C @ \$43/ft		0181-0794	\$84,500		
Casing (8.1" - 10.0") 5565' - 9 5/8" 40# J-55 LT&C @ \$32.5/ft		0181-0795	\$193,200		
Casing (6.1" - 8.0") 10900' - 7" 29# HCP-110 LT&C @ \$26/ft		0181-0796	\$302,700		
Casing (4.1" - 6.0") 8000' - 4 1/2" 13.5# P-110 BPN @ \$14.12/ft				0181-0797	\$120,600
Tubing 10000' - 2 7/8" 6.5# L-80 IPC Tbg @ \$8.75/ft				0181-0798	\$93,500
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps (1/2) TP/CP/Circ pump				0181-0886	\$8,000
Storage Tanks (1/2) 60T/5 WT/GB				0181-0890	
Emissions Control Equipment (1/2) VRT's/VRU/Flare/KO's				0181-0892	\$10,400
Separation / Treating Equipment (1/2) H sep/V sep/HT				0181-0895	\$70,000
Automation Metering Equipment				0181-0898	\$30,000
Line Pipe & Valves - Gathering (1/2) 1 mile gas & water				0181-0900	
Fittings / Valves & Accessories				0181-0906	\$175,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$75,000
Pipeline Construction (1/2) 1 mile gas & water				0181-0920	
TOTAL			\$615,400		\$737,500
SUBTOTAL			\$2,925,900		\$3,511,900
TOTAL WELL COST			\$6,437,800		

Extra Expense Insurance

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

☐ I elect to purchase my own well control insurance policy.

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

Prepared by: Mike Loy Date: 5/14/2021

Company Approval: *m. white* Date: 5/14/2021

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

ATTACHMENT

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: INLAND 26/23 B3NK STATE COM #1H		Prospect: INLAND 26/23	
Location: SL: 280 FSL & 1680 FWL (26); BHL: 2540 FSL & 1900 FWL (23)		County: LEA	ST: NM
Sec: 26/23	Blk:	Survey:	TWP: 21S RNG: 34E Prop. TVD: 11166 TMD: 18583

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$7,500
Daywork / Turnkey / Footage Drilling	25 days drlg / 3 days comp @ \$19,500/d	0180-0110	\$520,700	0180-0210	\$62,500
Fuel	1700 gal/day @ \$3.00/gal	0180-0114	\$136,200	0180-0214	\$275,800
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$60,000	0180-0220	
Mud - Specialized		0180-0121	\$95,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$90,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$273,700
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$13,000
Mud Logging		0180-0137	\$30,000		
Stimulation	44 Stg 14.5MM gal & 14.5MM lbs			0180-0241	\$1,227,000
Stimulation Rentals & Other				0180-0242	\$150,000
Water & Other		0180-0145	\$35,000	0180-0245	\$276,500
Bits		0180-0148	\$74,800	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$10,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$105,500	0180-0270	\$48,700
Directional Services	Includes vertical control	0180-0175	\$299,600		
Equipment Rental		0180-0180	\$208,300	0180-0280	\$24,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,700	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$135,200	0180-0295	\$51,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$46,800	0180-0299	\$55,300
TOTAL			\$2,387,100		\$2,821,100

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1840' - 13 3/8" 54.5# J-55 ST&C @ \$43.00/ft	0181-0794	\$84,500		
Casing (8.1" - 10.0")	5565' - 9 5/8" 40# J-55 LT&C @ \$32.50/ft	0181-0795	\$193,200		
Casing (6.1" - 8.0")	11425' - 7" 29# HCP-110 LT&C @ \$26.00/ft	0181-0796	\$317,200		
Casing (4.1" - 6.0")	8000' - 4 1/2" 13.5# P-110 BPN @ \$14.12/ft			0181-0797	\$120,600
Tubing	10679' - 2 7/8" 6.5# L-80 IPC Tbg @ \$8.75/ft			0181-0798	\$99,800
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion liner hanger			0181-0871	\$50,000
Subsurface Equip. & Artificial Lift	Packer			0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps	(1/2) TP/CP/circ. pump			0181-0886	\$8,000
Storage Tanks	(1/2) 6 - 750 bbl/5 - 750 bbl coated/1 - GB			0181-0890	\$30,000
Emissions Control Equipment	(1/2) VRTs/VRU/KOs			0181-0892	\$10,400
Separation / Treating Equipment	(1/2) horz. sep./vert. sep./HT			0181-0895	\$70,000
Automation / Metering Equipment				0181-0898	\$30,000
Line Pipe & Valves - Gathering	(1/2) 1/2 mile gas & water			0181-0900	\$15,000
Fittings / Valves & Accessories				0181-0906	\$175,000
Cathodic Protection				0181-0908	\$7,500
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$75,000
Pipeline Construction	(1/2) 1/2 mile gas & water			0181-0920	\$25,000
TOTAL			\$629,900		\$821,300
SUBTOTAL			\$3,017,000		\$3,642,400
TOTAL WELL COST			\$6,659,400		

Extra Expense Insurance

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

☐ I elect to purchase my own well control insurance policy.

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

Prepared by: H. Buckley Date: 05/18/2021

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____