

From: Kyle Perkins <KPerkins@matadorresources.com>

To: jamesbruc <jamesbruc@aol.com>; Bryan Erman <BErman@matadorresources.com>

Subject: RE: Mewbourne's Chicago 9/8 wells

Date: Wed, Mar 21, 2018 2:19 pm

Attachments: CP_NSU_Mewbourne_Chicago Fee Com 1H.PDF (202K)

Jim,

MRC did receive notice of the hearing on Mewbourne's proposed Chicago 9/8 W0HE Fee Com. No. 1H well. A copy of the notice we received is attached.

Thanks.

Kyle

From: jamesbruc@aol.com [mailto:jamesbruc@aol.com]

Sent: Wednesday, March 21, 2018 11:31 AM

To: Kyle Perkins <KPerkins@matadorresources.com>; Bryan Erman <BErman@matadorresources.com>

Subject: Mewbourne's Chicago 9/8 wells

****EXTERNAL EMAIL****

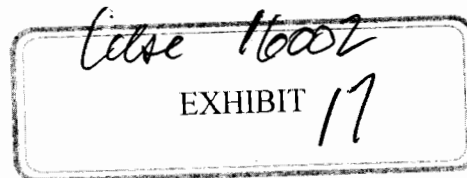
Gentlemen: This case was heard two weeks ago, but was continued for notice purposes. In particular, I did not receive a green card back from Matador as an offset. See attached notice letter. Could I ask for a favor -- Send me an e-mail stating that Matador did receive notice of the hearing? I would appreciate it, rather than having to continue and re-notify.

Thanks.

Jim

MRC was not pooled in this case.

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MIKE

JAMES BRUCE
ATTORNEY AT LAW

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(505) 982-2043 (Phone)
(505) 660-6612 (Cell)

jamesbruc@aol.com

February 14, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

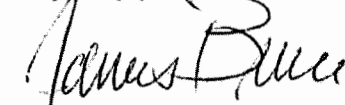
Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit, *etc.*, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Wolfcamp wells in the N/2 of Section 9 and the N/2 of Section 8, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

The matter is scheduled for hearing at 8:15 a.m. on Thursday, March 8, 2018, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend the hearing, but **as an offset operator or interest owner** who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, March 1, 2018. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names 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.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Matador Production Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

Attention: Dana Arnold

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD GAS SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard spacing and proration unit in the Wolfcamp formation comprised of the N½ of Section 9 and the N½ of Section 8, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the N½ of Section 9 and the N½ of Section 8, and has the right to drill a well thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
 - (a) The Chicago 9/8 W0HE Fee Com. Well No. 1H, a horizontal well with a surface location in the SE¼NE¼ of 9, and a terminus in the SW¼NW¼ of Section 8. The beginning and end of the producing interval will be orthodox; and
 - (b) The Chicago 9/8 W2HE Fee Com. Well No. 2H, a horizontal well with a surface location in the SE¼NE¼ of 9, and a terminus in the SW¼NW¼ of Section 8. The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the N½ of Section 9 and the N½ of Section 8 to the wells to form a non-standard 640 acre gas spacing and proration unit in the Wolfcamp formation.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 9 and the N½ of Section 8 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the N½ of Section 9 and the N½ of Section 8, pursuant to NMSA 1978 §§70-2-17, 18.

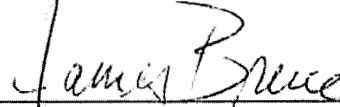
5. Approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 9 and the N½ of Section 8, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Approving a non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N½ of Section 9 and the N½ of Section 8;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the N½ of Section 9 and the N½ of Section 8;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Mewbourne Oil Company