

**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. 20679

**MEWBOURNE OIL COMPANY'S
RESPONSE IN OPPOSITION TO MOTION FOR A CONTINUANCE**

Mewbourne Oil Company ("Mewbourne") files this response in opposition to the motion for a continuance filed by Bill G. Taylor, Jr., Harvey R. Taylor, Marilyn S. Taylor, Carolyn A. (Taylor) Shrock, and Kathy J. Smith (the "Taylors"):

1. In this case Mewbourne seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2 of Section 32, Township 23 South, Range 28 East, NMPM.

2. Mewbourne seeks to pool the Taylors, who may own mineral interests in a 5 acre tract in the well unit. The problem is this: title information indicated that Daisy June Taylor was the mineral owner in the subject 5 acre tract, and Mewbourne obtained an oil and gas lease from her. However, an ambiguous deed in the chain of title could result in the mineral interest in the 6 acre tract being owned by the Taylors rather than Daisy June Taylor.

3. Under NMSA 1978 §70-2-17.C, a well operator is required to obtain voluntary joinder of interest owners in a well unit or seek compulsory pooling of the non-joined interests. Mewbourne seeks to pool the Taylors' interests (and they are obviously claiming interests), whatever they may be. This is in accord with the Division's practices.

4. The Taylors have moved for a continuance claiming that there is a title dispute that negates Mewbourne's right to drill wells on the well unit, and that Mewbourne has not shown that it has the right to drill in the S/2 of Section 32. That is incorrect for the following reasons:

(a) The well unit contains 320 acres of land, while the disputed tract covers only 5 acres (1.5625%) of the well unit;

(b) Mewbourne is well aware of the legal requirements of compulsory pooling, having drilled hundreds of wells in New Mexico over the last 45 years, many of which have been subject to pooling proceedings; and

(c) Attached hereto as Exhibit A is a recording supplement to the operating government covering the S/2 of Section 32, recorded in the Eddy County Records. It shows that Mewbourne has the right to pool the 5 acre tract because it (i) owns in excess of 85% of the mineral leasehold interests in the well unit, and (ii) has been approved as operator of the well unit by the remaining working interest owners.

Based on the above facts Mewbourne unquestionably has the legal right to proceed with compulsory pooling of the Taylors' interests.

5. In addition, Mewbourne has been in contact with the Taylors for 5 months seeking voluntary joinder of their interests in the well unit. See Exhibit B attached hereto, which is a summary of communications between Mewbourne and the Taylors. Mewbourne has conducted good faith negotiations with the Taylors as required by the Division.


6. Mewbourne would like the voluntary joinder of all possible mineral owners in the well unit, but absent such agreement it must force pool the Taylors' interests.¹

¹ It is not Mewbourne's responsibility to resolve the title dispute among the Taylors. That is the obligation of the various claimants to the 5 acre tract.

7. Based on the foregoing, Mewbourne has complied with all Division requirements to pool the well unit, and a continuance is not justified.

WHEREFORE, for the foregoing reasons, Mewbourne requests that the Taylors' motion be denied.

Respectfully submitted,


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

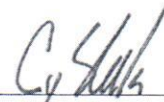
jamesbruc@aol.com

Attorney for Mewbourne Oil Company

VERIFICATION

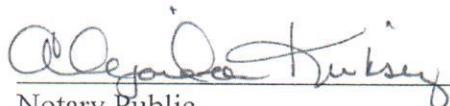
STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

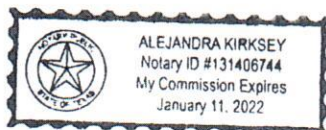
Cy Shook, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing Response to Motion for a Continuance, and knows the contents thereof; and that paragraphs 2, 4, and 5 of the Response are true and correct to the best of his knowledge, information, and belief.


Cy Shook

SUBSCRIBED AND SWORN TO before me this 31st day of July 2019 by Cy Shook.

My Commission Expires: Jan. 11, 2022


Notary Public

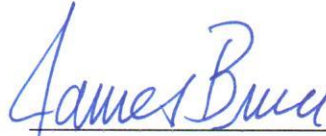


CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 31st day of July, 2019 by e-mail:

Derek Snow

Derek.Larson@butlersnow.com



James Bruce

SCANNED
8/16/18 BL
Zeppelin 32

EXHIBIT

A

**MODEL FORM RECORDING SUPPLEMENT TO
OPERATING AGREEMENT AND FINANCING STATEMENT**

THIS AGREEMENT, entered into by and between Mewbourne Oil Company, hereinafter referred to as "Operator," and the signatory party or parties other than Operator, hereinafter referred to individually as "Non-Operator," and collectively as "Non-Operators."

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit "A" (said land, Leases and Interests being hereinafter called the "Contract Area"), and in any instance in which the Leases or Interests of a party are not of record, the record owner and the party hereto that owns the interest or rights therein are reflected on Exhibit "A";

WHEREAS, the parties hereto have executed an Operating Agreement dated October 15, 2017 (herein the "Operating Agreement"), covering the Contract Area for the purpose of exploring and developing such lands, Leases and Interests for Oil and Gas; and

WHEREAS, the parties hereto have executed this agreement for the purpose of imparting notice to all persons of the rights and obligations of the parties under the Operating Agreement and for the further purpose of perfecting those rights capable of perfection.

NOW, THEREFORE, in consideration of the mutual rights and obligations of the parties hereto, it is agreed as follows:

1. This agreement supplements the Operating Agreement, which Agreement in its entirety is incorporated herein by reference, and all terms used herein shall have the meaning ascribed to them in the Operating Agreement.
2. The parties do hereby agree that:
 - A. The Oil and Gas Leases and/or Oil and Gas Interests of the parties comprising the Contract Area shall be subject to and burdened with the terms and provisions of this agreement and the Operating Agreement, and the parties do hereby commit such Leases and Interests to the performance thereof.
 - B. The exploration and development of the Contract Area for Oil and Gas shall be governed by the terms and provisions of the Operating Agreement, as supplemented by this agreement.
 - C. All costs and liabilities incurred in operations under this agreement and the Operating Agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties hereto, as provided in the Operating Agreement.
 - D. Regardless of the record title ownership to the Oil and Gas Leases and/or Oil and Gas Interests identified on Exhibit "A," all production of Oil and Gas from the Contract Area shall be owned by the parties as provided in the Operating Agreement; provided nothing contained in this agreement shall be deemed an assignment or cross-assignment of interests covered hereby.
 - E. Each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area as provided in the Operating Agreement.
 - F. An overriding royalty, production payment, net profits interest or other burden payable out of production hereafter created, assignments of production given as security for the payment of money and those overriding royalties, production payments and other burdens payable out of production heretofore created and defined as Subsequently Created Interests in the Operating Agreement shall be (i) borne solely by the party whose interest is burdened therewith, (ii) subject to suspension if a party is required to assign or relinquish to another party an interest which is subject to such burden, and (iii) subject to the lien and security interest hereinafter provided if the party subject to such burden fails to pay its share of expenses chargeable hereunder and under the Operating Agreement, all upon the terms and provisions and in the times and manner provided by the Operating Agreement.
 - G. The Oil and Gas Leases and/or Oil and Gas Interests which are subject hereto may not be assigned or transferred except in accordance with those terms, provisions and restrictions in the Operating Agreement regulating such transfers.
This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, devisees, legal representatives, and assigns, and the terms hereof shall be deemed to run with the leases or interests included within the lease Contract Area.
 - H. The parties shall have the right to acquire an interest in renewal, extension and replacement leases, leases proposed to be surrendered, wells proposed to be abandoned, and interests to be relinquished as a result of non-participation in subsequent operations, all in accordance with the terms and provisions of the Operating Agreement.
 - I. The rights and obligations of the parties and the adjustment of interests among them in the event of a failure or loss of title, each party's right to propose operations, obligations with respect to participation in operations on the Contract Area and the consequences of a failure to participate in operations, the rights and obligations of the parties regarding the marketing of production, and the rights and remedies of the parties for failure to comply with financial obligations shall be as provided in the Operating Agreement.
 - J. Each party's interest under this agreement and under the Operating Agreement shall be subject to relinquishment for its failure to participate in subsequent operations and each party's share of production and costs shall be reallocated on the basis of such relinquishment, all upon the terms and provisions provided in the Operating Agreement.
 - K. All other matters with respect to exploration and development of the Contract Area and the ownership and transfer of the Oil and Gas Leases and/or Oil and Gas Interest therein shall be governed by the terms and provisions of the Operating Agreement.
3. The parties hereby grant reciprocal liens and security interests as follows:
 - A. Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this agreement and the Operating Agreement including but not limited to payment of expense, interest and fees, the proper disbursement of all monies paid under this agreement and the Operating Agreement, the assignment or relinquishment of interest in Oil and Gas Leases as required under this agreement and the Operating Agreement, and the proper performance of operations under this agreement and the Operating Agreement. Such lien and security interest granted by each party hereto shall include such party's leasehold interests, working interests, operating rights, and royalty and overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this agreement and the Operating Agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from the sale of production at the wellhead), contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.

RETURN TO
MEWBOURNE OIL CO.
500 W. TEXAS, SUITE 1020
MIDLAND, TX. 79701

Reception: 1813649 Book: 1112 Page: 0994 Pages: 12

Recorded: 08/09/2018 04:52 PM Fee: \$25.00

Eddy County, New Mexico - Robin Van Natta, County Clerk



AB

- B. Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement and the Operating Agreement by, through or under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement and the Operating Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted by the Operating Agreement and this instrument as to all obligations attributable to such interest under this agreement and the Operating Agreement whether or not such obligations arise before or after such interest is acquired.
 - C. To the extent that the parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any party in the payment of its share of expenses, interest or fees, or upon the improper use of funds by the Operator, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by such party, plus interest, has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.
 - D. If any party fails to pay its share of expenses within one hundred-twenty (120) days after rendition of a statement therefor by Operator the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so paying its share of the unpaid amount shall be secured by the liens and security rights described in this paragraph 3 and in the Operating Agreement, and each paying party may independently pursue any remedy available under the Operating Agreement or otherwise.
 - E. If any party does not perform all of its obligations under this agreement or the Operating Agreement, and the failure to perform subjects such party to foreclosure or execution proceedings pursuant to the provisions of this agreement or the Operating Agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisal of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshalling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted hereunder or under the Operating Agreement, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.
 - F. The lien and security interest granted in this paragraph 3 supplements identical rights granted under the Operating Agreement.
 - G. To the extent permitted by applicable law, Non-Operators agree that Operator may invoke or utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the payment to Operator of any sum due under this agreement and the Operating Agreement for services performed or materials supplied by Operator.
 - H. The above described security will be financed at the wellhead of the well or wells located on the Contract Area and this Recording Supplement may be filed in the land records in the County or Parish in which the Contract Area is located, and as a financing statement in all recording offices required under the Uniform Commercial Code or other applicable state statutes to perfect the above-described security interest, and any party hereto may file a continuation statement as necessary under the Uniform Commercial Code, or other state laws.
4. This agreement shall be effective as of the date of the Operating Agreement as above recited. Upon termination of this agreement and the Operating Agreement and the satisfaction of all obligations thereunder, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon the request of Operator, if Operator has complied with all of its financial obligations.
 5. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. No sale, encumbrance, transfer or other disposition shall be made by any party of any interest in the Leases or Interests subject hereto except as expressly permitted under the Operating Agreement and, if permitted, shall be made expressly subject to this agreement and the Operating Agreement and without prejudice to the rights of the other parties. If the transfer is permitted, the assignee of an ownership interest in any Oil and Gas Lease shall be deemed a party to this agreement and the Operating Agreement as to the interest assigned from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party under this agreement or the Operating Agreement with respect to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation conducted under this agreement and the Operating Agreement in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. of the Operating Agreement and hereby shall continue to burden the interest transferred to secure payment of any such obligations.
 6. In the event of a conflict between the terms and provisions of this agreement and the terms and provisions of the Operating Agreement, then, as between the parties, the terms and provisions of the Operating Agreement shall control.
 7. This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, an interest in the Contract Area. In the event that any provision herein is illegal or unenforceable, the remaining provisions shall not be affected, and shall be enforced as if the illegal or unenforceable provision did not appear herein.
 8. Other provisions.

This instrument may be executed in multi-counterparts, no one of which need be executed by all parties hereto and the same shall be binding upon those parties who execute, whether or not all named parties join in execution hereof. Counterparts thus executed shall together constitute but one and the same instrument. In the interest of facilitating filing or recording this instrument thus executed in multi-counterparts, each executing party hereby authorizes removal of signature and acknowledgment pages and reassembly of the same into a single document composed of one copy of the substantive portions of this instrument attached to multiple separately executed signature and acknowledgment pages.

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the 15th day of October, 2017.

OPERATOR

ATTEST OR WITNESS

MEWBOURNE OIL COMPANY

By:

Kenneth S. Waits
Kenneth S. Waits

Type or Print Name

Title: President

Date:

Address:

NON-OPERATORS

ATTEST OR WITNESS

BTA OIL PRODUCERS, L.L.C.

By:

Barry Beal, Jr.

Type or Print Name

Title: Managing Member

Date:

Address:

ATTEST OR WITNESS

RKI EXPLORATION & PRODUCTION, L.L.C.

By:

Gregory Geist

Type or Print Name

Title: Vice-President of Land

Date:

Address:

ATTEST OR WITNESS

EOG RESOURCES, INC.

By:

Type or Print Name

Title:

Date:

Address:

ATTEST OR WITNESS

By:

Type or Print Name

Title:

Date:

Address:

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the 15th day of October, 2017

OPERATOR

ATTEST OR WITNESS

MEWBOURNE OIL COMPANY

By: _____

Kenneth S. Waits

Type or Print Name

Title: President

Date: _____

Address: _____

NON-OPERATORS

ATTEST OR WITNESS

BTA OIL PRODUCERS, L.L.C.

By: _____

Barry Beal, Jr.

Type or Print Name

Title: Managing Member

Date: 1.11.18

Address: _____

ATTEST OR WITNESS

RKI EXPLORATION & PRODUCTION, L.L.C.

By: _____

Gregory Geist

Type or Print Name

Title: Vice-President of Land

Date: _____

Address: _____

ATTEST OR WITNESS

EOG RESOURCES, INC.

By: _____

Type or Print Name

Title: _____

Date: _____

Address: _____

ATTEST OR WITNESS

ROSS DUNCAN PROPERTIES, L.L.C.

By: _____

Ross A. Duncan

Type or Print Name

Title: Managing Member

Date: _____

Address: _____

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

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OPERATOR

ATTEST OR WITNESS

MEWBOURNE OIL COMPANY

By:

Kenneth S. Waits
Kenneth S. Waits

Type or Print Name

Title: President

Date:

Address:

NON-OPERATORS

ATTEST OR WITNESS

BTA OIL PRODUCERS, L.L.C.

By:

Barry Beal, Jr.

Type or Print Name

Title: Managing Member

Date:

Address:

ATTEST OR WITNESS

WPX Energy Permian, LLC

~~RKI EXPLORATION & PRODUCTION, L.L.C.~~

By:

Gregory J. Geist
Gregory J. Geist

Type or Print Name

Title: Vice-President of Land

Date:

Address:

01 AUGUST 2018
P.O. BOX 3102 MA 35 Tulsa OK 74101

ATTEST OR WITNESS

EOG RESOURCES, INC.

By:

Type or Print Name

Title:

Date:

Address:

ATTEST OR WITNESS

By:

Type or Print Name

Title:

Date:

Address:

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the 15th day of October, 2017

OPERATOR

ATTEST OR WITNESS

MEWBOURNE OIL COMPANYBy: Kenneth S. Waits

Type or Print Name

Title: President

Date: _____

Address: _____

NON-OPERATORS

ATTEST OR WITNESS

BTA OIL PRODUCERS, L.L.C.By: Barry Beal, Jr.

Type or Print Name

Title: Managing Member

Date: _____

Address: _____

ATTEST OR WITNESS

RKI EXPLORATION & PRODUCTION, L.L.C.By: Gregory Geist

Type or Print Name

Title: Vice-President of Land

Date: _____

Address: _____

ATTEST OR WITNESS

EOG RESOURCES, INC.

By: _____

Type or Print Name

Title: _____

Date: _____

Address: _____

ATTEST OR WITNESS

NOVO OIL & GAS NORTHERN DELAWARE LLCBy: Jim Fahler

Type or Print Name

Title: Chief Executive OfficerDate: 7/18/2019

Address: _____

ACKNOWLEDGMENTS

NOTE:

The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

Individual Acknowledgment

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____
by _____

(Seal, if any)

Title (and Rank) _____

My commission expires: _____

Acknowledgment in Representative Capacity

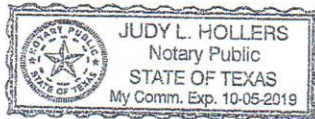
State of Texas §

§ ss.

County of Smith §

This instrument was acknowledged before me on October 23, 2017
by Kenneth S. Waits as President of
Mewbourne Oil Company, a Delaware corporation on behalf of said corporation

(Seal, if any)



Judy L. Hollers
Title (and Rank) Notary Public - State of Texas
My commission expires: 10-5-2019

State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on January 11, 2018
by Barry Beal, Jr. as Managing Member of
BTA Oil Producers, L.L.C., a Texas limited liability company on behalf of said limited liability company

(Seal, if any)



Mona Lagan
Title (and Rank) Notary Public
My commission expires State of Texas

State of Oklahoma §

§ ss.

County of Tulsa §

This instrument was acknowledged before me on 01 August 2018

by Gregory Geist Gregory J. Geist as Vice-President of land of
WPX Energy Permian, LLC
WPX Exploration & Production, L.L.C., a Delaware limited liability company on behalf of said limited liability company

(Seal, if any)



Christine A. Kennon
Title (and Rank) _____

My commission expires: 07-05-2021

State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on _____

by _____ as _____ of
EOG Resources, Inc., a corporation on behalf of said corporation

(Seal, if any)

Title (and Rank) _____

My commission expires: _____

State of New Mexico §

§ ss.

County of Eddy §

This instrument was acknowledged before me on _____

by Ross A. Duncan as Managing Member of
Ross Duncan Properties, L.L.C., a New Mexico limited liability company on behalf of said company

(Seal, if any)

Title (and Rank) _____

My commission expires: _____

State of Oklahoma §

§ ss.

County of Oklahoma §

This instrument was acknowledged before me on

July 18, 2018

by Tim Fahler

as

Chief Executive Officer

of

Novo Oil & Gas Northern Delaware LLC, an Oklahoma limited liability company on behalf of said limited liability company

(Seal, if any)



Lexy Goebel

Title (and Rank)

Manager - Corporate Services

My commission expires:

August 27, 2018

EXHIBIT "A"

Attached to and made a part of that certain Model Form Recording Supplement and Financing Statement dated October 15, 2017, by and between MEWBOURNE OIL COMPANY as Operator and BTA OIL PRODUCERS, L.L.C., et al, as Non-Operators.

1. LANDS SUBJECT TO THIS AGREEMENT:

Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
Section 32: S/2,
containing 320.00 acres, more or less.

2. DEPTH RESTRICTIONS AND EXCLUSIONS:

Surface to the base of the Wolfcamp Formation.

3. ADDRESSES OF THE PARTIES:

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701
Attn: Land Department
Phone: (432) 682-3715
Fax: (432) 685-4170

BTA Oil Producers, L.L.C.
104 South Pecos
Midland, Texas 79701-5021
Phone: (432) 682-3753
Fax: (432) 683-0312

RKI Exploration & Production, L.L.C.
3500 One Williams Center
Tulsa, Oklahoma 74172-0135
Phone: (539)
Fax: (539)

Novo Oil & Gas Northern Delaware LLC
105 N. Hudson, Suite 500
Oklahoma City, Oklahoma 73102

4. PERCENTAGES OF THE PARTIES:

	<u>Initial or Substitute Well</u> <u>In the Wolfcamp D Shale Formation</u>	
	<u>BPO 100%</u>	<u>APD 100%</u>
Mewbourne Oil Company	95.88449%	86.50949%
BTA Oil Producers, L.L.C.	-0-	*9.375000%
Novo Oil & Gas Northern Delaware LLC	2.55301%	2.55301%
RKI Exploration & Production, L.L.C.	1.562500%	1.562500%
	100.000000%	100.000000%

<u>Subsequent or Substitute Well</u>	
Mewbourne Oil Company	58.38449%
BTA Oil Producers, L.L.C.	37.500000%
Novo Oil & Gas Northern Delaware LLC	2.55301%
RKI Exploration & Production, L.L.C.	1.562500%
	100.000000%

*Note: Assumes BTA Oil Producers, L.L.C. elects to acquire an after payout interest under the terms of that certain unrecorded Farmout Agreement dated January 3, 2018 between BTA Oil Producers, L.L.C. and Mewbourne Oil Company.

5. OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:Lease No. 1:

Dated: February 28, 2015.
Lessor: Barbara Lee Backman, Inc., et al
Lessee: Mewbourne Oil Company
Recorded: Unrecorded but referenced in that certain Memorandum Giving Notice of Oil and Gas Lease recorded in Book 1016, Page 0728, Eddy County Records.
Lands: Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
Section 32: SE/4SW/4, E3/4NE/4SE/4, E/2E/2NW/4SE/4, W/2NW/4SE/4, N/2SW/4SE/4, E/2SW/4SW/4SE/4, SE/4SW/4SE/4, E/2SE/4SE/4, SW4SE/4SE/4 and W/2SE/4NW/4SE/4, containing 170.00 acres, more or less.

Lease No. 2:

Lease Serial No.:

VA-806-2.

Dated:

February 1, 1993.

Lessor:

State of New Mexico, acting by and through its Commissioner of Public Lands.

Lessee:

Steve Sell.

Recorded:

Unrecorded in Eddy County.

Lands:

Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
 Section 32: W/2SW/4 and NE/4SW/4,
 containing 120.00 acres, more or less, among other lands not covered hereby.

Lease No. 3:

Dated:

November 3, 1972.

Lessor:

J.C. Ogden and wife Mary Sue Ogden.

Lessee:

Chalfant, McGee and Hansen, Inc.

Recorded:

Book 92, page 749, Eddy County Records.

Lands:

Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico
 Section 32: W/2NW/4SE/4SE/4 (Malaga Tract No. 533),
 containing 5.00 acres, more or less, among other lands not covered hereby.

Lease No. 4:

Dated:

August 29, 2017.

Lessor:

April S. Long, a single woman.

Lessee:

Mewbourne Oil Company.

Recorded:

Book 1099, page 482, Eddy County Records.

Lands:

Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
 Section 32: W/2NW/4NE/4SE/4 (Malaga Tract No. 521),
 containing 5.00 acres, more or less.

Lease No. 5:

Dated:

September 5, 2017.

Lessor:

Brock J. Brown, a single man.

Lessee:

Mewbourne Oil Company.

Recorded:

Book 1099, page 486, Eddy County Records.

Lands:

Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
 Section 32: W/2NW/4NE/4SE/4 (Malaga Tract No. 521),
 containing 5.00 acres, more or less.

Lease No. 6:

Dated:

August 15, 2017.

Lessor:

Judy L. Gronau, a married woman, dealing in her sole and separate property.

Lessee:

Mewbourne Oil Company.

Recorded:

Book 1099, page 485, Eddy County Records.

Lands:

Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
 Section 32: W/2NW/4NE/4SE/4 (Malaga Tract No. 521),
 containing 5.00 acres, more or less.

Lease No. 7:

Dated:

October 16, 2016.

Lessor:

Stephen Glenn Hopkins, a widower, dealing in his sole and separate property.

Lessee:

Scratch Properties, L.L.C.

Recorded:

Book 1088, Page 937, Eddy County Records.

Lands:

Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
 Section 32: E/2NW/4SE/4SE/4 (Malaga Tract No. 534),
 containing 5.00 acres, more or less.

Lease No. 8:

Dated:

May 1, 2018.

Lessor:

Marlene Mitchell Coburn

Lessee:

Novo Oil & Gas Northern Delaware, LLC

Recorded:

Book 1111, Page 78, Eddy County Records.

Lands:

Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
 Section 32: W/2SW/4NE/4SE/4 (Malaga Tract No. 527),
 containing 5.00 acres, more or less.

Lease No. 9:

Dated: May 1, 2018.
Lessor: John Huffer
Lessee: Novo Oil & Gas Northern Delaware, LLC
Recorded: Book 1111, Page 86, Eddy County Records.
Lands: Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico
Section 32: W/2SW/4NE/4SE/4 (Malaga Tract No. 527),
containing 5.00 acres, more or less.

6. BURDENS ON PRODUCTION:

Burdens of Record.

End of Exhibit "A"

Summary of Communication with Taylor Family

Compulsory Pooling Application

MOC's Zeppelin 32 W0LI State Com No. 1H(API #30-015-44560)

MOC's Zeppelin 32 W2LI State Com No. 1H(API #30-015-43165)

S/2 Sections 32, T23S, R28E

Lea County, New Mexico

- 2/20/19: Paul Haden wrote a letter to each Taylor Family member asking for help with a title issue present in the family's title.
- 2/28/19: Paul Haden received an email response from Harvey Taylor.
- 2/28/19: Paul Haden responded to email from Harvey Taylor.
- 3/12/19: Cy Shook emailed Harvey Taylor, asking the Taylor family to ratify the lease of June Taylor (June's interest is the title issue).
- 3/12/19: Harvey Taylor responded to Cy Shook's email stating he needed more time to discuss it with his family.
- 3/21/19: Cy Shook emailed offer to Harvey Taylor.
- 3/21/19: Harvey Taylor returned email stating the offer was "within the realm of possibility" and asked questions.
- 3/26/19: Cy Shook sent email answering questions and increased offer to have family ratify June's lease.
- 3/26/19: Harvey Taylor emailed Cy Shook with every family member copied on the email. He stated "maybe" about the offer to ratify June's lease. He stated his lawyer is working on another project. Asked more questions.
- 4/8/19: Cy Shook sent email to whole Taylor family. Asked if family had considered offer.
- 4/8/19: Harvey Taylor emailed Cy Shook with "maybe" as the answer to the offer. Said he is still waiting on counsel.
- 4/23/19: Bill G. Taylor, Jr. emailed Cy Shook with all family members copied. Asked questions about the title problem.
- 4/24/19: Cy Shook discussed title problem with Taylor Family via email.
- 5/24/19: Mewbourne Sent well proposals

EXHIBIT

B