CASE NO. 21132

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

EXHIBITS

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

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 2//32

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W½E½ of Section 29 and the W½E½ of Section 20, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the $W\frac{1}{2}E\frac{1}{2}$ of Section 29 and the $W\frac{1}{2}E\frac{1}{2}$ of Section 20, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Hereford 29/20 W10B Fed. Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation, with a first take point in the SW1/4SE1/4 of Section 29 and a last take point in the NW1/4NE1/4 of Section 20.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W\frac{1}{2}E\frac{1}{2}$ of Section 29 and the $W\frac{1}{2}E\frac{1}{2}$ of Section 20 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 $W^{1/2}E^{1/2}$ of Section 29 and the $W^{1/2}E^{1/2}$ of Section 20, pursuant to NMSA 1978 §70-2-17.

EXHIBIT

5. The pooling of all mineral interests in the Wolfcamp formation underlying the $W\frac{1}{2}E\frac{1}{2}$ of Section 29 and the $W\frac{1}{2}E\frac{1}{2}$ of Section 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interests in the Wolfcamp formation underlying the $W^{1/2}E^{1/2}$ of Section 29 and the $W^{1/2}E^{1/2}$ of Section 20;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, 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 cost plus 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case	AT_	
1 /150	/VA	
Cust	110.	

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 29 and the W/2E/2 of Section 20, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to the Hereford 29/20 W1OB Fed. Com. Well No. 1H, with a first take point in the SW/4SE/4 of Section 29 and a last take point in the NW/4NE/4 of Section 20. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a cost plus 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13 miles west-northwest of Monument, 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. 21132

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 Wolfcamp 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 320.00-acre horizontal spacing unit in the Wolfcamp formation comprised of W/2E/2 of Section 29 and the W/2E/2 of Section 20, Township 19 South, Range 35 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the unit. The unit will be dedicated to the Hereford 29/20 W1OB Fed Com #1H well. The referenced well is a horizontal well. The Hereford 29/20 W1OB Fed Com #1H has a first take point in Unit O of Section 29 and a final take point in Unit B of Section 20.
 - (d) There are no depth severances in the Wolfcamp formation.
 - (e) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth. To find the unlocatable parties we examined

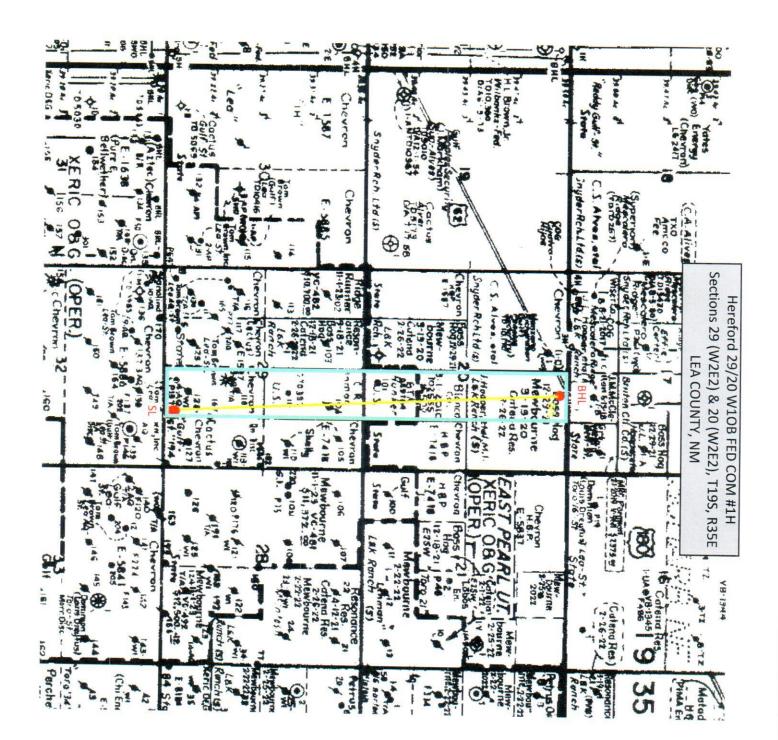
EXHIBIT 2

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

- (f) Attachment C 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 D 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)	
COUNTY OF MIDLAND) ss.)	
Mewbourne Oil Company; he is au	athorized to make this v	ses and states that: He is a landman for verification on its behalf; he has read the the same is true and correct to the best
SUBSCRIBED AND SWO Dunn. My Commission Expires: 8-29		day of February, 2020 by Brad



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

Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 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

AMENIDED	DEDODA
AMENDED	KEPOKI

1	API Numbe	r		² Pool Code		ACREAGE DEDICATION PLAT 3 Pool Name			
⁴ Property Coo	le		Н	EREFOR	⁵ Property N 2D 29/20	wine FED CO	OM	6	Well Number 1H
7 OGRID N	10.	Telling and the second second		MEWE	8 Operator N	ame L COMPANY			Elevation 3744'
	anther the second				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
0	29	19S	35E		205	SOUTH	1330	EAST	LEA
			11 F	Bottom H	ole Location	If Different Fro	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	20	19S	35E		100	NORTH	1980	EAST	LEA
Dedicated Acres	13 Joint	or Infill 14 (Consolidation	Code 15 C	Order No.				DUIT

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.

3 89 34 47 W 2649.79 F S 89 33 29 W 2648.28	7' (G)	
100' B.H. 1980'	13,	17OPERATOR CERTIFICATION
7656	GEODETIC DATA NAD 83 GRID — NM EAST	I hereby certify that the information contained herein is true and complete
2	SURFACE LOCATION	to the best tef, and the stir organization either
8	80	owns a v distress in the land including
7.30	EAT: 32.6247222* N LONG: 103.4751768* W BOTTOM HOLE	the pr or drill this well at this
N OO	8 BOTTOM HOLE N 602357.2 − E 804807.6	locatic pursuant tract is ineral cr working
© 20	-(H) LAT: 32.6530077' N	interest, or to a voluntary pooring of the second of sory pooling
726,	LONG: 103.4772878* W	order heretofore entered by
2640	CORNER DATA NAD 83 GRID - NM EAST	
3	A: FOUND 2" STEEL PIPE	Signature Date
36.	N 501835 8 F 901560 7	Printed Name
0.35	B: FOUND 1/2" REBAR N 594486.0 – E 801551.3	
8	C. FOLIND 5/8" PERAR	E-mail Address
S 89'29'44" W 2650.64' (K) S 89'33'27" W 2644.04'	N 597136.9 - E 801539.8	
1.42	D: FOUND 8"X4"X4" LIMESTONE ROCK N 599776.8 - E 801512.6	18 SURVEYOR CERTIFICATION
792	E: FOUND LIMESTONE ROCK	I hereby certify that the well location shown on this
*	N 602432.6 - E 801489.4	plat was plotted from field notes of actual surveys
. 12	F: FOUND 1/2" REBAR N 602452.0 - E 804138.6	made by me or under my supervision, and that the
41.00	G: FOUND 5/8" REBAR	same is true and correct to the best of my belief.
>	G: FOUND 5/8" REBAR N 602472.4 - E 806786.3	1-17-19
29	H: FOUND 6"X4"X4" LIMESTONE ROCK N 599826.9 - E 806808.3	Date of Survey
0.73	I: FOUND 1/2" REBAR	Signature and Seal of Progesional Supersyer;
7,550	1: FOUND 1/2" REBAR N 597180.6 - E 806833.3	E 2 0 2
ž	⇒ J: FOUND 1" REBAR N 591876.9 — E 806871.7	19680) Del
74	K: FOUND 8"X2"X4" LIMESTONE POCK	10000 Part Ville
S.L.	N 597160.2 - E 804189.8	19680 Certificate Number
205' 1330'		CONALS
A 5 89'33'22" W 5310.22'		1/22/19 NAME, S.L. & B.H CHANGE
	RRC - Job No.:	LS18101230R

TRACT OWNERSHIP Hereford 29/20 W1OB Fed Com #1H Sections 29 (W/2E/2) & 20 (W/2E/2), T19S, R35E Lea County, New Mexico

Sections 29 (W/2E/2) & 20 (W/2E/2): Wolfcamp formation:

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	% Leasehold In 81.217448%	nterest
*XTO Holdings, LLC 810 Houston Street Fort Worth, Texas 76102	12.500000%	
*COG Operating LLC 600 W. Illinois Avenue One Concho Center Midland, Texas 79701	6.250000%	
*Ricky Don Raindl, ssp P.O. Box 142454 Irving, TX 75014	0.011393%	
*Debra Kay Primera, ssp P.O. Box 28504 Austin, TX 78755	0.011393%	
* Velta Jean Daigneault P.O. Box 1073 Phnom Penh, Tbong Khmum 12000 Cambodia	0.009766%	Dismiss from pooling
	100.000000%	

^{*} Total interest being pooled: 18.7826%



Summary of Communications Hereford 29/20 W1OB Fed Com #1H

XTO Holdings, LLC

- 1) 02/01/2019: Mailed well proposal letters with AFEs via certified mail
- 2) 05/21/2019: Email discussions of a farmout agreement between Vincent Cuccerre with XTO and Cy Shook with Mewbourne were initiated by XTO. XTO communicated they would send over a farmout draft soon
- 3) 07/01/2019: Vincent Cuccerre with XTO sent another email communicating they would sent over a farmout draft soon
- 4) 07/11/2019: Farmout draft form is sent by XTO to Mewbourne. Cy Shook with Mewbourne sent back a red-lined version for XTO to review
- 5) 08/30/2019: Cy Shook with Mewbourne requests an update from Vincent Cuccerre with XTO via email regarding the Farmout form. No updates are provided by XTO.
- 6) 09/18/2019: Vincent Cuccerre with XTO requests title verification in the Hereford 29/20 working interest unit.
- 7) 10/24/2019: Title verification of XTO's interest is emailed to XTO.
- 8) 11/21/2019: Brad Dunn with Mewbourne emails and calls Vincent Cuccerre with XTO to discuss an update of the Farmout Agreement Form.
- 9) 12/03/2019: Well names are changed and new proposal letters with AFEs are sent via certified mail and emailed to Vincent Cuccerre with XTO.
- 10) 01/09/2020: Brad Dunn with Mewbourne emails and calls Vincent Cuccerre requesting to see XTO's updated Farmout Agreement Form that Mewbourne has been waiting to receive back from XTO since July 11, 2019. In this email correspondence, Brad also reiterates the previously discussed terms of the Farmout Agreement as they would apply to the newly proposed W1OB well.
- 11) 01/22/2020: Brad Dunn with Mewbourne proposes a modified Hereford 29/20 JOA to XTO for their review and execution
- 12) 01/24/2020: Brad Dunn with Mewbourne requests an update on the Farmout Agreement from Vincent Cuccerre with XTO. XTO informs Brad that they are still drafting the farmout agreement.
- 13) 02/11/2020: Brad Dunn with Mewbourne requests an update on the Farmout Agreement from Vincent Cuccerre with XTO
- 14) 02/19/2020: Brad Dunn with Mewbourne requests an update on the Farmout Agreement from Vincent Cuccerre with XTO
- 15) 02/26/2020: Still waiting to receive an updated Farmout Agreement Form from XTO. Both Mewbourne and XTO still plan to work this out outside of a force-pooling. Still waiting on XTO's election and/or executed farmout agreement.

COG Operating LLC

- 1) 12/03/2019: Well names are changed and new proposal letters with AFEs are sent via certified mail and emailed to Brent Sawyer with COG.
- 2) 12/30/2019: Correspondence with COG about extending AFE elections until Friday, January 10. Request approved by Brad Dunn at Mewbourne.



- 3) 01/10/2020: Emailed Liz Williams with COG about time constraints on the upcoming W1OB well and asking for updates on their election
- 4) 01/31/2020: Phone conversation with Brent Sawyer at COG regarding their decision. Says they most likely plan to farmout this acreage/Wolfcamp depth to us and will have an answer after his imminent meeting with his supervisor.
- 5) 02/11/2020: Emailed and left voicemail with Brent Sawyer at COG requesting an update with how COG plans to proceed with the W1OB well with us.
- 6) 02/17/2020: Left voicemail with Brent Sawyer at COG requesting an update
- 7) 02/25/2020: Meeting with COG. Both Mewbourne and COG still plan to work this out outside of a force-pooling. Still waiting on COG's election and/or executed farmout agreement.

Debra Kay Primera

- 1) 09/10/2019: Phone call with Debra. She informed me that her brother speaks on her behalf and represents her interest. Her brother's name is Ricky Don Raindl.
- 2) 10/28/2019: Mailed well proposal letters with AFEs via certified mail.
- 3) 02/26/2020: Still waiting on Debra Primera's election or executed lease agreement (for additional information on communications with Debra Primera, see below under Ricky Don Raindl).

Ricky Don Raindl

- 1) 10/28/2019: Sent email and mailed well proposal letters with AFEs via certified mail.
- 2) 12/02/2019: Emailed new and updated AFE's for both Ricky Don Raindl and Debra Kay Primera. Ricky informed me they would to participate in the wells as mineral owners. Corresponding JOA was additionally emailed and mailed via certified mail to him and his sister Debra.
- 3) 01/06/2020: Email sent requesting an update on both Ricky Raindl's & Debra Primera's participation
- 4) 01/07/2020: Email chain between Ricky Raindl & I informing me that they changed their mind and would like to sign a lease with us instead of participating and they requested title information which was then immediately emailed back to them.
- 5) 01/15/2020: Phone call with Ricky Raindl where he demanded the title opinion be given to him without signing the corresponding operating agreement. When I told him we would not be able to do that, he quickly ended the conversation telling me to just force pool he and his sister's interest then.
- 6) 02/26/2020: Emailed Ricky Raindl for an update. Still waiting on Ricky Raindl's election or executed lease agreement.

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

December 3, 2019

XTO HOLDINGS, LLC 810 Houston Street Fort Worth, Texas 76102 Attn: Vincent Cuccerre

Re:

- Hereford 29/20 B1PA State Com #1H 205' FSL & 1270' FEL (29) (SL) 100' FNL & 660' FEL (20) (BHL) Sections 29/20, T19S, R35E Lea County, New Mexico
- Hereford 29/20 W1OB Fed Com #1H 205' FSL & 1330' FEL (29) (SL) 100' FNL & 1980' FEL (20) (BHL) Sections 29/20, T19S, R35E Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") withdraws its proposals to drill the Hereford 29/20 B2OB Fed Com #1H, the Hereford 20/29 B2BG Fed Com #1H, and the Hereford 29/20 B2PA State Com #1H and proposes to drill the following horizontal Bone Spring and Wolfcamp wells:

- Hereford 29/20 B1PA State Com #1H will have a surface location 205' FSL & 1270' FEL in the
 above captioned Section 29 and a bottom hole location approximately 100' FNL & 660' FEL of
 the above captioned Section 20. We anticipate drilling to an approximate total vertical depth of
 9,572' and an approximate total measured depth of 19,680'. The E2E2 of Section 29 and the
 E2E2 of Section 20 will be dedicated to the well as the proration unit.
- 2. Hereford 29/20 W1OB Fed Com #1H will have a surface location 205' FSL & 1330' FEL in the above captioned Section 29 and a bottom hole location approximately 100' FNL & 1980' FEL of the above captioned Section 20. We anticipate drilling to an approximate total vertical depth of 10,950' and an approximate total measured depth of 21,140'. The E2 of Section 29 and the E2 of Section 20 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFE's for the proposed wells. If you wish to participate, please advise and I will send an Operating Agreement for your review and execution. Additionally, in the event you elect to participate in the proposed wells, please execute the enclosed AFE's and return them to me.

If you do not wish to participate in these wells, Mewbourne is interested in finalizing the previous discussion of a Farmout of your interest.

Should you have any questions regarding the above, please email me at <u>bdunn@mewbourne.com</u> or call me at (432) 682-3715. These wells are set to spud in late January 2020 and so, your prompt attention to this matter is greatly appreciated. Thank you.

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn

Petroleum Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Location: SL: 205 FSL & 1330 FEL (29); BHL: 100 FNL & 1980 FEL (20)	County:	CHAROLAIS (20.	
Sec. 29 Blk: Survey:		THE COLUMN TWO IS NOT		ST:
TWP: 1	9S RNO	35E Prop.	TVD: 10950	TMD: 21
INTANGIBLE COSTS 0180 Regulatory Permits & Surveys	COD	E TCP	CODE	-
Location / Road / Site / Preparation	0180-0		000 0180-0200	СС
Location / Restoration	0180-0	105 \$70	000 0180-0205	S
Daywork / Turnkey / Footage Drilling 29 days drlg / 4 days comp @ \$21500/d	0180-0	106 \$200	000 0180-0206	\$
Fuel 4700	0180-0	110 \$665	900 0180-0210	\$
	0180-0	114 \$144.	300 0180-0214	\$39
Horizontal Drillout Services	0180-0	120 \$200,	000 0180-0220	
Cementing Logica 2 NS III			0180-0222	\$25
Logging & Wireline Services Casing / Tubing / Snubbing Service	0180-0			\$3
Mud Logging	0180-0	40,	500 0180-0230	\$47
Stimulatia	0180-0	+=0,		\$9
Stimulation Rentals & Other 61 Stg 25 MM gal / 25 MM lb		330,	0180-0241	
Water & Other			0180-0241	\$2,36
Bits	0180-01		000 0180-0245	\$30 \$59
Inspection & Repair Services	0180-01	48 \$166,6	000 0180-0248	\$
Misc. Air & Pumping Services	0180-01	50 \$40,0	000 0180-0250	\$
Testing & Flowback Services	0180-01	54	0180-0254	\$1
Completion / Workover Rig	0180-01	58 \$15,0	000 0180-0258	\$3
Rig Mobilization			0180-0260	\$10
Transportation Welding Services	0180-01	+.00,0		
Contract Services & Supervision	0180-01		00 0180-0265	\$20
Disposting of Decision of the Control of the Contro	0180-01	40,0	00 0180-0268	\$15
Equipment Rental	0180-01	401,0	00 0180-0270	\$36
Nell / Lease Legal	0180-018		00	
Nell / Lease Insurance	0180-018	4200,0	00 0180-0280	\$30
ntangible Supplies	0180-018	40,0	00 0180-0284	
Damages	0180-018	40,0	00 0180-0285	
ROW & Easements	0180-019	40,0	00 0180-0288	\$10
Pipeline Interconnect	0180-019	4.0,0		
Company Supervision			0180-0292 0180-0293	\$4
Overhead Fixed Rate	0180-019	5 \$163,20		6445
Vell Abandonment	0180-019		0 0180-0295	\$115
Contingencies 2% (TCP) 2% (CC)	0180-019	В	0180-0298	\$20,
276 (00)	0180-019	\$54,90		\$99,
TANGINE		\$2,798,20		
asing (19.1" - 30") TANGIBLE COSTS 0181				\$5,052,
asing (10.1" 40.0")	0181-0793			
asing (8.1" - 10.0") 34334 8 54.5# J-55 ST&C @ \$34.83/ft	0181-0794			
asing (6.1" - 8.0") 5436 - 93/8 40# HCL80 LT&C @ \$27.39/ft	0181-0795			
asing (4.1" - 6.0") 9700' - 7" 29# HCP-110 LT&C @ \$23.84/ft	0181-0796			
asing (4.1" - 6.0") 10500" - 4 1/2" 13.5# HCP-110 LT&C @ \$12.16/ft bing 9125' - 2 7/8" 6.5# EUE tbg @ \$4.6/ft		72.11,001	0181-0797	6400
			0181-0798	\$136,4 \$44,8
ibing Head & Upper Section prizontal Completion Tools Completion Lines Use	0181-0860	\$40,000		944,0
icker Rods Completion Liner Hanger			0181-0870	\$30,0
bsurface Equipment Packer			0181-0871	\$75,0
ificial Lift Systems			0181-0875	
mping Unit Gas lift valves			0181-0880	\$10,0
rface Pumps & D.:			0181-0884	\$15,0
ks - Oil Pump/booster comp			0181-0885	
1/2 of 6 - 750 bbl			0181-0886	\$50,0
paration / Treating Equipment 20 15 - 750 bbl coated			0181-0890	\$65,00
ater Treaters, Line Heaters 20 20 20 20 20 20 20 20 20 20 20 20 20			0181-0891	\$58,00
tering Equipment			0181-0895	\$110,00
Pipe & Valves - Gathering			0181-0897	\$38,00
ngs / Valves & Accessories			0181-0898	\$15,00
hodic Protection			0181-0900	\$5,00
trical Installation includes automation			0181-0906 0181-0908	\$135,00
princing installation			0181-0908	\$57,50
line Construction			0181-0909	\$75,00
			0181-0910	\$75,00
TOTAL			0.01-0920	\$5,00
		\$457,600		\$999,70
SUBTOTAL		\$3,255,800		\$6,052,300
Expense Insurance TOTAL WELL COST		***	0.400	+ 5,002,300
l elect to be covered by Operator's Extra Expense Insurance and pay my proportional Operator has secured Extra Expense Insurance covering costs of well control, clean up and I elect to purchase my own well control insurance policy. er box is checked above, non-operating working interest owner elects to be covered by the control of the covered by the control of the covered by th	d redrilling as	\$9,30 he premium. s estimated in Line		
Prepared by:	ance.			
mpany Approval:	11/26/2019			
Date:		_		
t Owner Interest				
t Owner Interest: Amount:	The second secon			

ATTACHMENT D

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

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

Case No. 21132

VERIFIED STATEMENT OF JORDAN CARRELL

COUNTY OF MIDLAND)
) s:
STATE OF TEXAS	í

Jordan Carrell, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
- 3. The following geological plats are attached hereto:
- (a) Attachment A is a structure map of the Wolfcamp formation, on the top of the Wolfcamp. It shows that structure dips to the south, and that the wellbore will be drilled updip. It also shows a line of cross-section, A-A'.
- (b) Attachment B is a gross thickness isopach of the Wolfcamp "A" Shale, the test zone for the Hereford 29/20 W10B Fed Com. Well No. 1H. It shows that the target shale across the well unit has a thickness of approximately 250-300 feet and is thinning to the east.
- (c) Attachment C is a north-south cross section. The well logs on the cross-section give a representative sample of the Wolfcamp formation in this area. The target zone for the well is the Wolfcamp "A" Shale noted on the cross section, and that zone is continuous across the well unit.
- 4. I conclude from the maps that:
- (a) The horizontal spacing unit is justified from a geologic standpoint.
- (b) Each quarter-quarter section in the unit will contribute more or less equally to production.

- (c) There is no faulting or other geologic impediment on the area which will affect the drilling of the subject well.
- 5. Attachment D contains information from other Wolfcamp Shale wells drilled in this area. The preference is for standup units, and the most recent completed wells in the area are apparently commercial.
- 6. Attachment E is the Survey Calculation Report. The producing interval of the well is orthodox.

Jordan Carrell

Jardan Canell

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

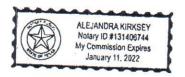
Jordan Carrell

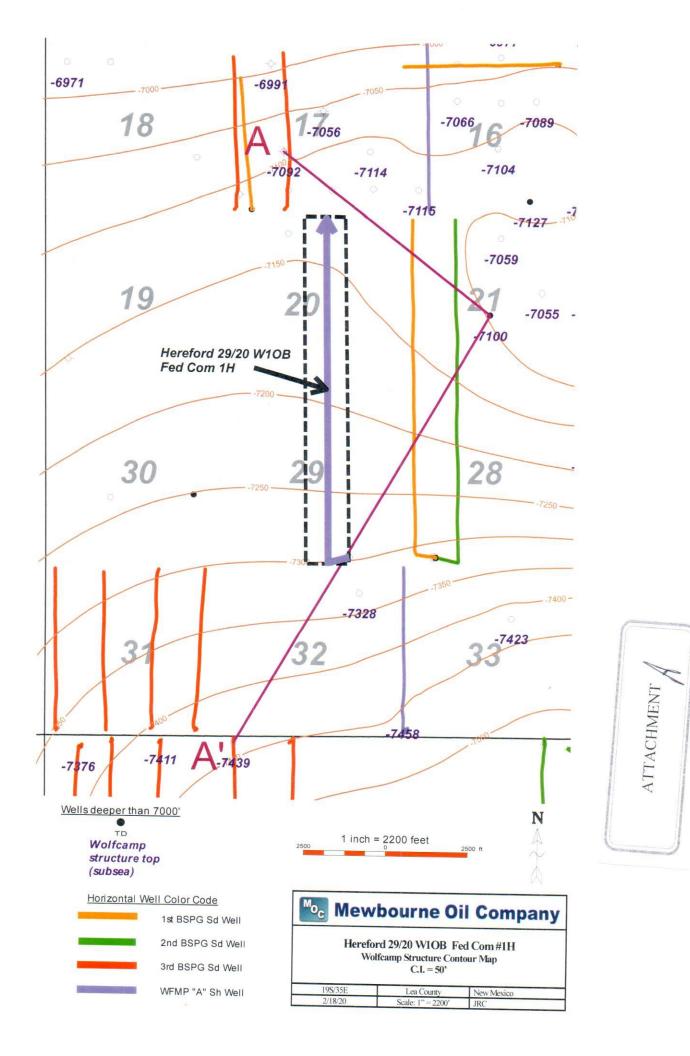
SUBSCRIBED AND SWORN TO before me this 19th day of February, 2020 by Jordan Carrell.

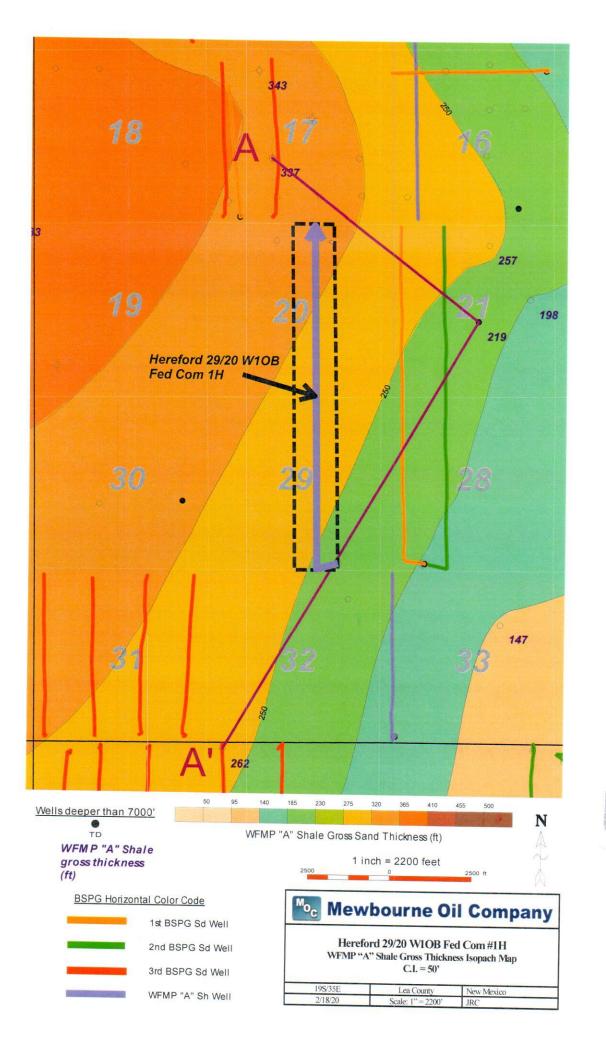
My Commission Expires: (MMWy), 2023

Ollejancha Kirksly Notary Rublic

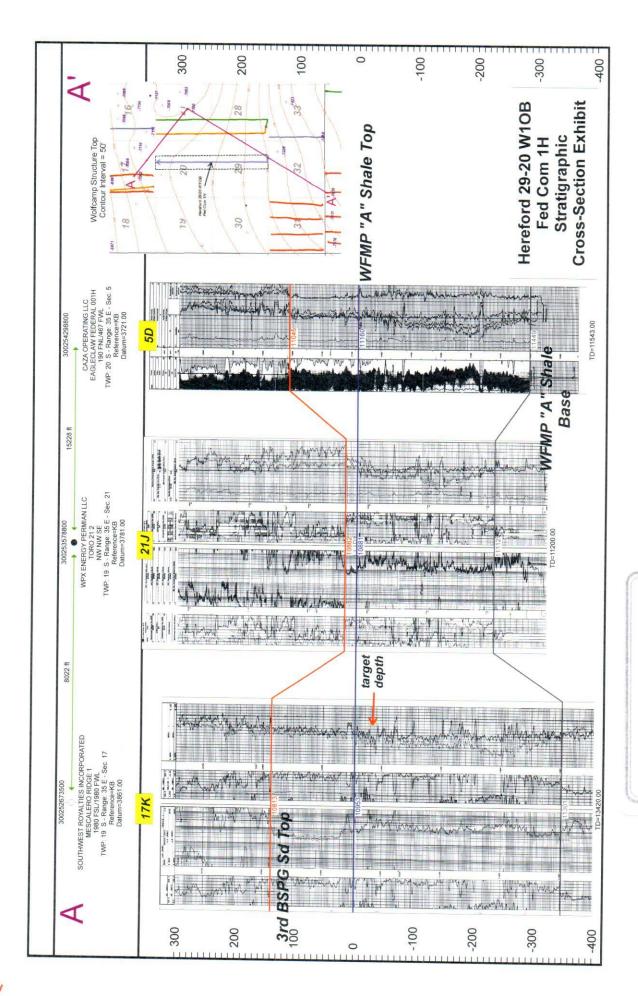
Javden Canell













	iciciona Area Wollcallip Silale nolizon	camp on a			2000			
Operator	API	Location	Comp Date	Cum Oil (MBO)	Cum Gas (BCF)	Cum Oil (MBO) Cum Gas (BCF) Cum Water (MBW) NS/EW	NS/EW	HZ Target
Catena Resources	3002545896	33MD/19S/35E	9/10/2019	33	0.02	113	SN	WFMP Sh
Catena Resources	3002546140	9D16M/19S/35E	10/2/2019	09	0.03	183	SN	WFMP Sh
Matador Production Co	3002543395	3002543395 31MD/18S/35E	2/5/2017	84	90.0	118	SN	WFMP Sh





COMPANY: Mewbourne Oil Company WELL: Hereford 29/20 W10B Fed Com #1H COUNTY: Lea County N. M. Nad (83) DATUM: North American Datum 1983 RIG: Patterson 217

Com #1H d (83) n 1983



GRID CORRECTION: To convert a Magnetic Direction to a Grid Direction, Add 6.23° GEODETIC ZONE: New Mexico Eastern Zone PBHL W10B 3744+28 @ 3772.0usft (Patterson 217) GROUND ELEVATION: 3744.0 Hard Lines +N/-S +E/-W Northing Easting Latittude 805540.50 32° 37' 29.000 N TD at 21350 4 Longitude Slot 0.0 0.0 592071.50 103° 28' 30.636 W PLAN SECTIONS -9800 TVD +N/-S Target 0.00 00 0.00 0.0 0.0 0.0 0.00 0.00 0.0 1930.0 0.00 1930.0 0.0 0.0 0.00 0.0 2162.3 4.65 253.30 2162.0 -9.0 2.00 253 30 -2.1 9100 4 10309.1 4.65 253 30 -192.3 -195.0 -641.0 -650.0 10282.1 0.00 0.00 -146.3 0.00 0.00 5 10541 4 10514.1 -148.3 431.3 2.00 180.00 BB W10B 6 11449.2 11087 0 385.8 -654.6 359.55 7 21350.4 90.78 359.55 10952.0 10285.7 -732.9 0.00 0.00 10311.8 PBHL W10B -8400 SHL: 205' FSL; 1330' FEL Section 29 20 198 35E Hereford Section 29-19S-35E 7700 PBHL: 100 FNL; 1980' FEL Section 20-19S-35E Azimuths to Grid North True North: -0.46° Magnetic North: 6.23° 600 7000 Magnetic Field Strength: 47886.2nT Dip Angle: 60.33° Date: 01/16/2020 •450 South(-)/North(+) 6300 Model: IGRF2020 Start 9901.2 hold at 11449.2 MD 1750 Rustler alt-Top-Start Build 2.00 - - -5600 North(+) 4900 Hereford 29/20 B1PA St Com #1H 2625-Start 8146.8 hold at 2162.3 MD -150⁽³⁰⁰ usft/ Hereford 29/20 W10B Fed Com #1H 400 3500n) Start Build 2.00 4200# nstt/in/ 4375 Start 8146.8 hold at 2162.3 MD 1 -150 0921) West Pearl Queen Unit #195 (Offset) -3500 Start DLS 10.00 TFO 359.55 Start Drop -2.00 Depth -750 -600 -450 -300 -150 150 2800 West(-)/East(+) (300 usft/in) Vertical Vertical -2100 7000-ATTACHMENT & 1400 7875ereford 29/20 W1OB Fed Com #1H Start 9901.2 hold at 11449.2 MD -700 8750-Start 8146.8 hold at 2162.3 MD -0 Start Build 2.00 Start DLS 10.00 TFO 359 55 1st Bone Spring Sand-9625-Start Drop -2.00 - West Pearl Queen Unit #195 (Offset) nd Bone Spring Sand --2100 -1400 -700 0 Start Drop -2.00 10500-West(-)/East(+) (1400 usft/in) Start DLS 10.00 TFO 359.55 rd Bone Spring Sand - - - -PBHL W10B Start 9901.2 hold at 11449.2 MD TD at 21350.4 11375 0 875 1750 2625 3500 4375 5250 6125 7000 7875 8750 9625 10500 Vertical Section at 355.92° (1750 usft/in)

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

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

Case Nos. 21/3/ +2/132

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Mewbourne Oil Company.
- 3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
- 4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
 - Applicant has complied with the notice provisions of Division Rules.
- 6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 3/9/20

James Bruce

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

February 13, 2020

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding (i) a Bone Spring well in the E/2E2 of Section 29 and the E/2E/2 of Section 20 (Case No. 21131), and (ii) a Wolfcamp well the W/2E/2 of Section 29 and the W/2E/2 of Section 20 (Case No. 21132), all in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 5, 2020, 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 owner of an interest that may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, February 27, 2020. 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 its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

ames Bruce

Attorney for Mewbourne Oil Company

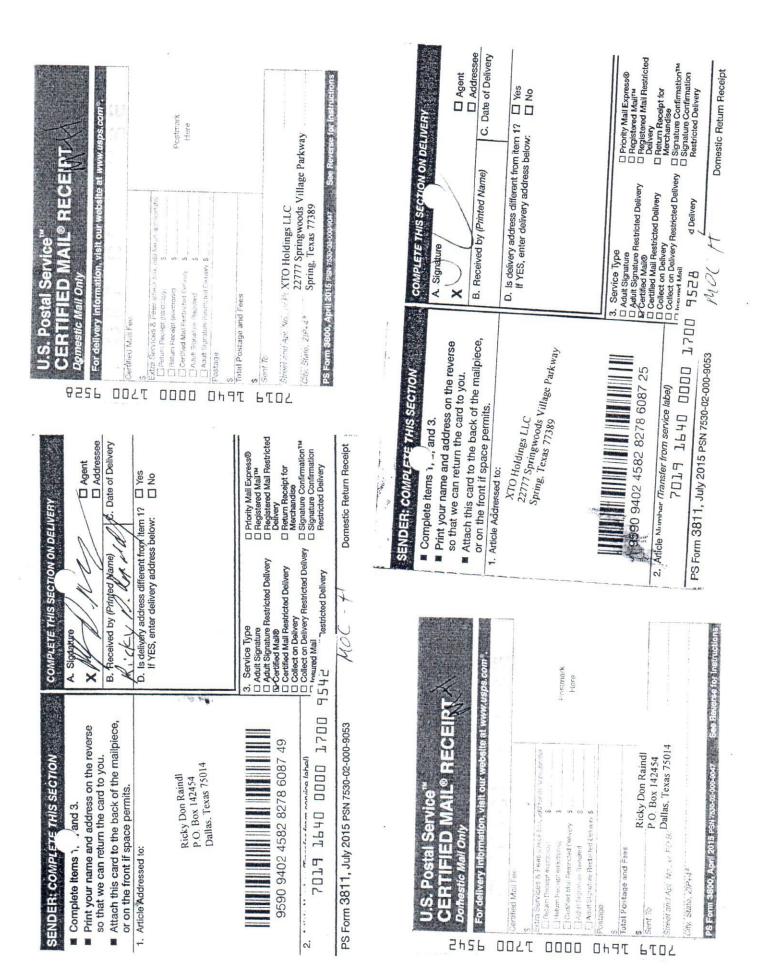
Exhibit A

XTO Holdings LLC 22777 Springwoods Village Parkway Spring, Texas 77389

COG Operating LLC 600 West Illinois Avenue Midland, Texas 79701

Ricky Don Raindl P.O. Box 142454 Dallas, Texas 75014

Debra Kay Primera P.O. Box 28504 Austin, Texas 78755



U.S. Postal Service" CERTIFIED MAIL® RECEIVETA Pomestic Mail Only For delivery information, visit our website at www.usps.com? Griffied Mail Fee State Services & Fees where the armorphism is services & Fees where the services is services is services in the services	Sent To Sent To COG Operating LLC Sinet and Apr. No. or PC Midland, Texas 79701 City. State, 219+4 PS Form 3800, April 2015 Fav. 750-02-00-80-7 See Reverse Tor Instructions	A Signature D Agent D Addressee C. Date of Delivery A No. A No. A No. A Signature A	3. Service Type Adult Signature Restricted Delivery Adult Signature Restricted Delivery Certified Mail Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Signature Confirmation Signature Confirmation Restricted Delivery Restricted Delivery Restricted Delivery
COMPLETE THIS SECTION ON DELIVERY A Signature B. Received by (Printed Name) C. Date of Delivery C. Date of Deli		SENDER: COMPLETE THIS SECTION Complete items 1, _, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the malipiece, or on the front if space permits. COG Operating LLC 600 West Illinois Avenue Midland, Texas 79701	2. Articl 7019 1.640 15 PSN 7530-02-000-9053
the reverse by you.	2. Articl Work and Service Ser	U.S. Postal Service TM CERTIFIED MAIL® RECEIPT Damestic Mail Only For delivery information, visit our website at www.usps.com*. Serificat Mail Fee Contract Mail	Source Postage and Fees Source Debra Kay Primera Seer To PO Box 28504 City, State Zile 4 PS Form 3800, April 2015 PSN 750-000-0047 See Reverse for Instruction

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated February 21, 2020 and ending with the issue dated February 21, 2020.

ublisher

Sworn and subscribed to before me this 21st day of February 2020.

Business Manager

Thankagor

Vy commission expires

Spall

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico

My Commission Expires

his newspaper is duly qualified to publish egal notices or advertisements within the neaning of Section 3, Chapter 167, Laws of 937 and payment of fees for said LEGAL

LEGAL

LEGAL NOTICE FEBRUARY 21, 2020

To: XTO Holdings, LLC, COG Operating LLC, Rocky Don Raindl, Debra Kay Primers, and Velta Jean Daigneault, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed applications with the New Mexico Oil Conservation Division seeking orders pooling all mineral interests in the following cases:

- 1. In Case No. 21131, pooling the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 29 and the E/2E/2 of Section 20, dedicated to the Hereford 29/20 B1PA State Com. Well No. 1H, which has a first take point in the SE/4SE/4 of Section 29 and a last take point in the NE/4NE/4 of Section 20;
- 2. In Case No. 20132. pooling the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 29 and the W/2E/2 of Section 20, dedicated to the Hereford 29/20 W10B Fed. Com. Well No. 1H, which has a first take point in the SW/4SE/4 of Section 29 and a last take point in the NW/4NE/4 of Section 20.

All lands are in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

Also to be considered will be the cost of drilling and completing 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 and completing the wells. The application is scheduled to be heard at 8:15 a.m. on March 5, 2020 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well units you have the right to enter an appearance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043. The units are located approximately 13 miles west-northwest of Monument, New Mexico.

EXHIBIT

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JAMES BRUCE JAMES BRUCE, ATTORNEY AT LAW P.O. BOX 1056 SANTA FE, NM 87504

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICA	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	21132
Date	March 5, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID	
(affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	XTO Energy Inc./Holland & Hart LLP
Well Family	Hereford 29/20 W10B Fed. Com. Well No. 1H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Wildcat Wolfcamp/Pool Code unknown
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2E/2 §29 and W/2E/2 §20-19S-35E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or nonstandard)	Hereford 29/20 W10B Fed. Com. Well No. 1H API No. 30-025-Pending SHL: 205 FSL & 1330 FEL §29 BHL: 100 FNL & 1980 FEL §20 FTP: 100 FSL & 1980 FEL §29 LTP: 100 FNL & 1980 FEL §20 Wolfcamp Shale/TVD 10950 feet/MD 21140 feet
	EXHIBIT (

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	Cost + 200%/Exilibit 2, page 2
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20	EXHIBIT 1
days before hearing)	Tubibis 4
	Exhibit 4
Proof of Published Notice of Hearing (10	E Labor
days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the	E 1 11 11 2 A
Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and	
owners)	Exhibit 2-B
Pooled Parties (including ownership	
type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special	
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	T.F
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit	EMILION ETA
Recapitulation (Tracts)	Exhibit 2-B

General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party Representative):	James Bruce
Date:	March 5, 2020