

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 A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 15,065

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VERIFIED STATEMENT OF COREY MITCHELL

Corey Mitchell, 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.
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 a record title owner in a federal lease for purposes of obtaining Bureau of Land Management approval of a communitization agreement.
 - (b) No opposition is expected because the record title owner being pooled has been contacted regarding the proposed well, but refuses to respond or to sign the communitization agreement.
 - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 17, Township 19 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Excalibur 17 MP Fed. Com. Well No. 1, a horizontal well with a surface location 500 feet from the south line and 20 feet from the west line, and a terminus 500 feet from the south line and 330 feet from the east line, of Section 17.

Oil Conservation Division
Case No. 15065
Exhibit No. 1

(d) The party being pooled and its record title interest in the S/2SE/4 of Section 17, (Federal Lease NM 077004), being a portion of the well unit, is as follows:

Edward R. Hudson Trust No. 4	12.5%
c/o Ard Oil, Ltd.	
222 West 4th Street, PH-5	
Fort Worth, Texas 76102	

(e) A copy of the proposal letter sent to the record title owner is attached hereto as Attachment B. Over the last several years Mewbourne has sent numerous well proposals and requests to execute communitization agreements to Ard Oil, Ltd., and has never received any response.

(f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the interest owner in the communitization agreement for the proposed well.

(g) Because the pooled parties own only record title, a risk charge is not requested.

(h) Because the pooled party owns only record title, overhead charges are not requested.

(i) The offset operators or working interest owners are listed on Attachment C.

(j) Applicant requests that it be designated operator of the well.

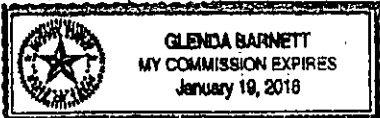
VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Corey Mitchell, 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.

Corey Mitchell
Corey Mitchell

SUBSCRIBED AND SWORN TO before me this 18th day of December, 2013 by Corey Mitchell.

My Commission Expires: 1-19-2016


Glenda Barnett
Notary Public

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

November 20, 2013

Ard Oil, Ltd.
222 West 4th Street, PH-5
Fort Worth, Texas 76102

Re: Excalibur "17" MP Fed Com No. 1H
Section 17, T19S, R33E
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed for your further handling is our proposed Communitization Agreement dated November 10, 2013 covering the captioned land and 2 sets of extra signature pages of same. This agreement communitizes the leases covering the captioned land for Bone Spring oil production. The captioned well is a horizontal well with the S/2S/2 of the captioned Section 17 being dedicated to the well as the oil proration unit.

In reference to the above, please have the agreement executed and return only the extra sets of signature pages to me for further handling. Please retain the copy of the Communitization Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell

Corey Mitchell
Landman

Attachment **B**

Offset Ownership
Excalibur 17 MP Federal Com No. 1H
Section 17, T19S, R33E
Lea County, New Mexico

N/2S/2 of Section 17:

Mewbourne Oil Company – Operator
(same ownership as subject well)

N/2N/2 of Section 20:

Cimarex Energy Co. of Colorado - Operator

NW/4NW/4 of Section 21:

Marshall & Winston, Inc. – Working Interest Owner

W/2SW/4 of Section 16:

Yates Energy Corporation - Operator

E/2SE/4 of Section 18:

Mewbourne Oil Company – Operator

NE/4NE/4 of Section 19:

Mewbourne Oil Company – Operator