

Davidson, Florene, EMNRD

From: McMillan, Michael, EMNRD
Sent: Monday, September 14, 2015 2:54 PM
To: Jones, William V, EMNRD
Cc: Goetze, Phillip, EMNRD; Davidson, Florene, EMNRD
Subject: FW: Mewbourne LEO 15 B2DN Fed Com Eddy Co

FYI

Case 15396

From: jamesbruc@aol.com [mailto:jamesbruc@aol.com]
Sent: Monday, September 14, 2015 2:53 PM.
To: McMillan, Michael, EMNRD
Subject: Re: Mewbourne LEO 15 B2DN Fed Com Eddy Co

OK. Thanks, Mike.

-----Original Message-----

From: McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Cc: Jones, William V, EMNRD, EMNRD <WilliamV.Jones@state.nm.us>; Goetze, Phillip, EMNRD, EMNRD <Phillip.Goetze@state.nm.us>; Davidson, Florene, EMNRD, EMNRD <florene.davidson@state.nm.us>
Sent: Mon, Sep.14, 2015 2:48 pm
Subject: RE: Mewbourne LEO 15 B2DN Fed Com Eddy Co

Jim:

This proposal should be set for hearing, because based on the horizontal rules, the OCD cannot justify a 560-acre project area. Also, include the NSL in the hearing order

Mike

From: jamesbruc@aol.com [mailto:jamesbruc@aol.com]
Sent: Monday, September 14, 2015 11:51 AM
To: McMillan, Michael, EMNRD
Subject: Re: Mewbourne LEO 15 B2DN Fed Com Eddy Co

Mike: The status of the wells is as follows:

Leo:15 DA: drilled and completed.

Leo:15 B2DH: drilled and completed.

Leo:15 B2DP: drilled and being completed.

Leo:15 B2DN: to be spudded this month.

Jim

-----Original Message-----

From: McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Cc: Dade, Randy, EMNRD, EMNRD <Randy.Dade@state.nm.us>; Kautz, Paul, EMNRD, EMNRD

<paul.kautz@state.nm.us>

Sent: Mon, Sep 14, 2015 10:11 am

Subject: RE: Mewbourne LEO 15 B2DN Fed Com Eddy Co

How many of the Units are actively developed, not proposed?

Mike

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

Sent: Monday, September 14, 2015 10:06 AM

To: McMillan, Michael, EMNRD

Subject: Re: Mewbourne LEO 15 B2DN Fed Com Eddy Co

Mike: The reason for the 560 acre project area is "the BLM wanted it that way."

Please note: (1) all surface locations are in the NW/4NW/4 (attachment 1), required by the BLM; (2) every quarter-quarter section in the 560 acres will be penetrated by at least one wellbore (See C-102s filed with the Division); and (3) a coomunitization agreement covering the 560 acres has been signed by all working interest owners (attachment 2) and approved by the BLM.

Please let me know if you have other questions.

Jim

-----Original Message-----

From: McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>

To: Jim Bruce <jamesbruc@aol.com>

Cc: Kautz, Paul, EMNRD, EMNRD <paul.kautz@state.nm.us>; Dade, Randy, EMNRD, EMNRD <Randy.Dade@state.nm.us>

Sent: Fri, Sep 11, 2015 11:51 am

Subject: Mewbourne LEO 15 B2DN Fed Com Eddy Co

Jim:

I received your NSL application for the Mewbourne LEO 15 B2DN Fed Com yesterday.

- How did you get 560-acres for the project area, when the well penetrated 240-acres?
- It appears that the NW/4, and E/2 SW/4 are only penetrated.

Thanks

Mike

DATE IN 9/14/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 9/11/2015	TYPE NSL	APP NO. PMAM 1525435887
----------------------	----------	-----------------	------------------------	-------------	----------------------------

*Mark
Jenkins
560-A-115*

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Case 15396

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

*- NSL
- Newbourne Oil Co
14744*

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

RECEIVED OGD
2015 SEP 10 P 2:56

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☒ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

*well
- LEO 15 B2 DN
Fed Com 14
30-015-43312
Pool*

*- Loco Hills,
Bone Spring, BLM
31513*

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
Print or Type Name

James Bruce
Signature

Attorney
Title

9/5/15
Date

jamesbruce@aol.com
Email Address

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

September 5, 2015

Michael McMillan
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. McMillan:

Pursuant to NMAC 19.15.15.13, Mewbourne Oil Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Leo 15 B2DN Fed. Com. Well No. 1H
<u>Surface location:</u>	630 feet FNL & 370 feet FWL
<u>Initial take point:</u>	1055 feet FNL & 595 feet FWL
<u>Projected bottom hole location:</u>	330 feet FSL & 2600 feet FWL
<u>Well unit (project area):</u>	Section 15 <u>except</u> the W/2SW/4, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Bone Spring formation (East Loco Hills-Bone Spring Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. The first page of the APD approved by the BLM, with a Form C-102, is attached as Exhibit A.

Attached as Exhibit B is a Midland Map Co. plat. The acreage in the project area is 100% federal oil and gas leases, as follows:

Lease NM 027277:	N/2NE/4, SW/4NE/4, SE/4NW/4, E/2SW/4, and W/2SE/4
Lease NM 027278:	SE/4NE/4, N/2NW/4, and SW/4NW/4
Lease NM 121476:	E/2SE/4

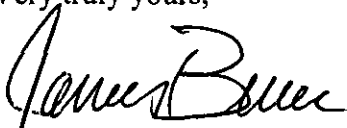
The W/2SW/4 of Section 15 is unleased federal land. In addition, the NW/4NE/4 and NE/4NW/4 of Section 22 could be affected by this application. That is federal land leased by

ConocoPhillips Company. Both the BLM and ConocoPhillips Company have been notified of this application. Exhibit C.

The horizontal drilling plan is attached as Exhibit D. The wellbore will be approximately 200 feet from the northeast corner of the **W/2SW/4** of Section 15, and thus is unorthodox. Applicant originally planned not to perforate the well near the **W/2SW/4**, but current economics warrant perforating the interval near the unleased federal tract.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Mewbourne Oil Company

R-III-POTASH

ATS-15-101
FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

63354

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCDA Artesia Serial No. middle
NMNM027278, NMNM 027277

BHL-121476

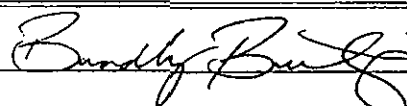
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Leo 15 B2DN Fed Com #1H
2. Name of Operator Mewbourne Oil Company		9. API Well No. 30-015-43312
3a. Address PO Box 5270 Hobbs, NM 88241	3b. Phone No. (include area code) 575-393-5905	10. Field and Pool, or Exploratory Loco Hills East Bone Spring
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 630' FNL & 370' FWL Sec 15, T-18S, R-30E At proposed prod. zone 330' FSL & 2600' FWL Sec 15, T-18S, R-30E		11. Sec., T. R. M. or Blk. and Survey or Area Sec 15, T-18S, R-30E
14. Distance in miles and direction from nearest town or post office* 25 miles SE of Artesia, NM		12. County or Parish Eddy
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'		13. State NM
16. No. of acres in lease NMNM 027277:680 NMNM 027278:520	17. Spacing Unit dedicated to this well 560	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 200'-MOC Leo 15 B2DH Fed Com #1H	19. Proposed Depth 12,916.0'-MD 8,360.0'-TVD	20. BLM/BIA Bond No. on file NM-1693 nationwide, NMB-000919
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3520'	22. Approximate date work will start* 12/01/2014	23. Estimated duration 60 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) BRADLEY Y BISHOP	Date 10-14-14
Title		

Approved by (Signature) /s/George MacDoneli	Name (Printed/Typed)	Date AUG 11 2015
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.


(Continued on page 2)

*(Instructions on page 2)

Roswell Controlled Water Basin

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 18 2015


8/19/15

NSL must be approved by NMOCB
prior to placing well on production.

RECEIVED

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

EXHIBIT

A

Approval subject to General Requirements
& Special Stipulations Attached

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-43312	² Pool Code 39513	³ Pool Name LOCO HILLS EAST BONE SPRING
⁴ Property Code 315140	⁵ Property Name LEO 15 B2DN FED COM	⁶ Well Number 1H
⁷ OGRID No. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3520'

¹⁰ Surface Location

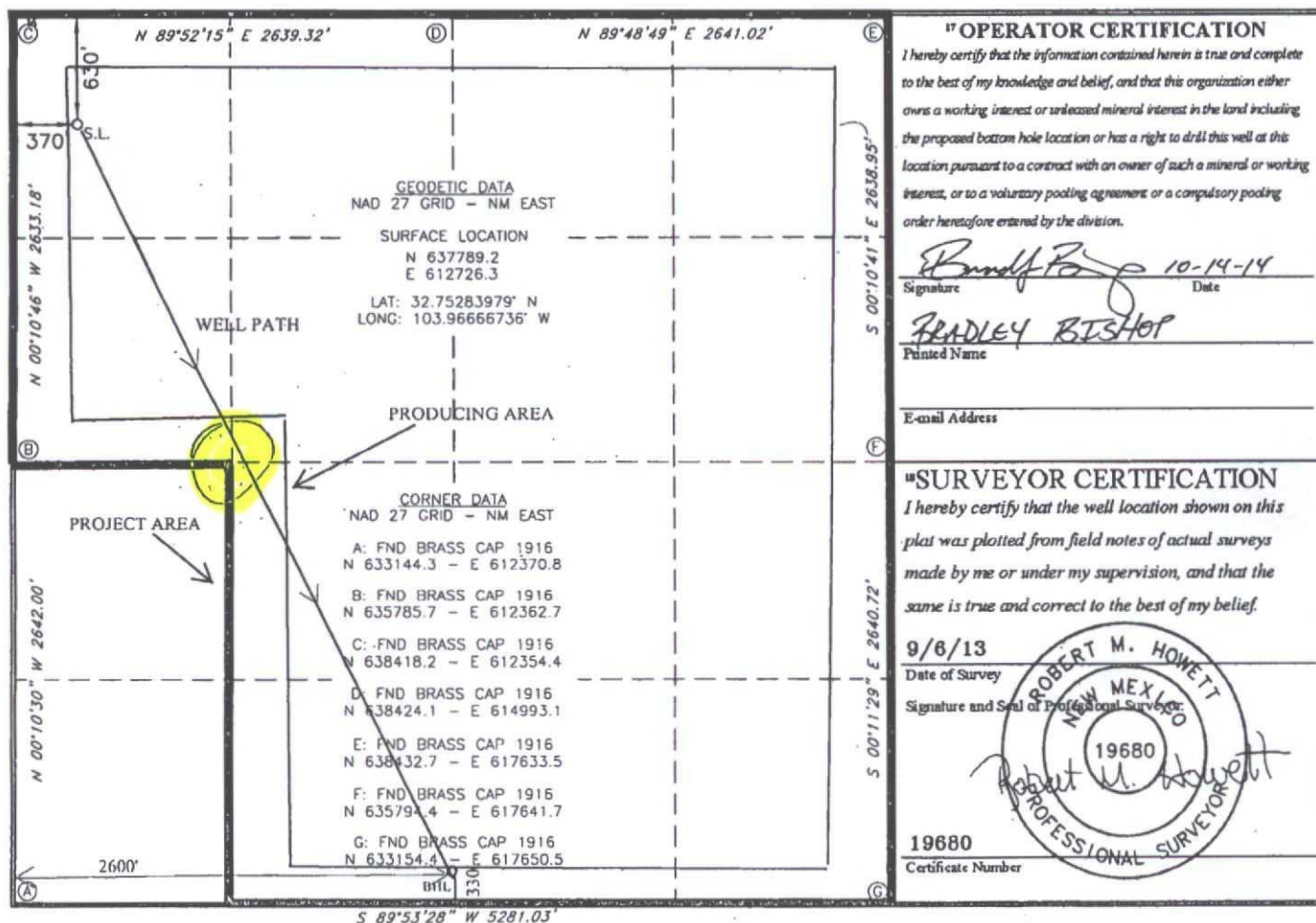
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	18-S	30-E		630	NORTH	370	WEST	EDDY

¹¹ Bottom Hole Location if Different From Surface

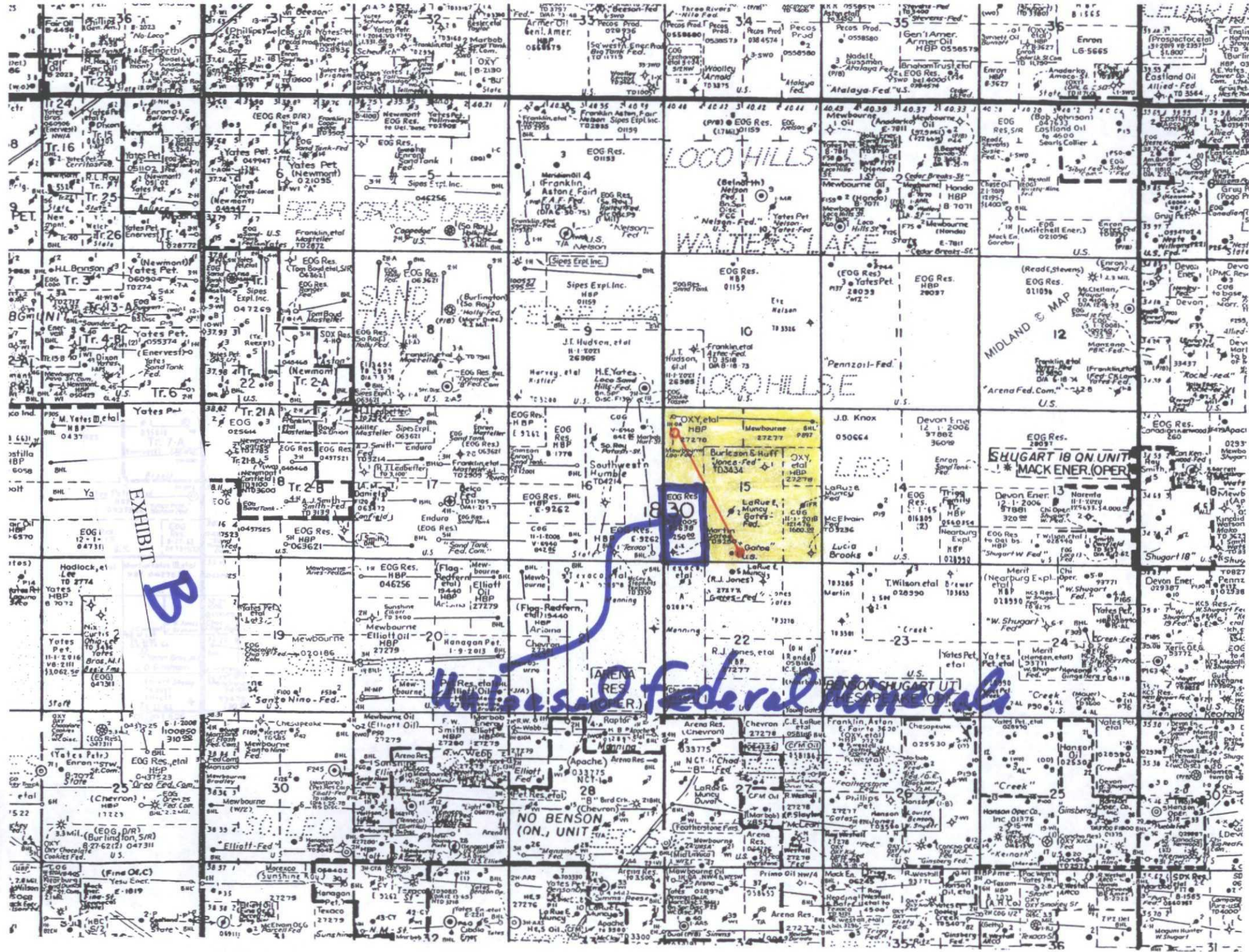
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	18-S	30-E		330	SOUTH	2600	WEST	EDDY

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

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



BHL: N 32°44'27.485 W 103°57'33.912



EXHIBIT

LOCO HILLS

WALTERS LAKE

MIDLAND & MAP

LOCO HILLS

SHUGART 18 ON UNIT

NO BENSON (ON UNIT)

United Federal Minerals

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)

jamesbruce@aol.com

September 5, 2015

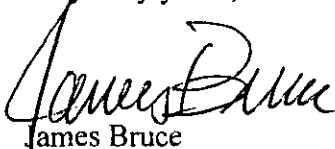
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in Section 15, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You are an offset operator or interest owner. If you object to the application, you must notify the Division in writing within 20 days from receipt of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT

C

Exhibit A

Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88220

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252

Mewbourne Oil Company

Eddy County, New Mexico

Leo 15 B2DN Fed Com 1H

Sec 15, T18S, R30E

SL: 630 FNL & 370 FWL

BHL: 330 FSL & 2600 FWL

Plan: Design #1

Standard Planning Report

30 September, 2014

EXHIBIT

D

Planning Report

Database: Hobbs
 Company: Mewbourne Oil Company
 Project: Eddy County, New Mexico
 Site: Leo 15 B2DN Fed Com 1H
 Well: Sec 15, T18S, R30E
 Wellbore: BHL: 330 FSL & 2600 FWL
 Design: Design #1

Local Co-ordinate Reference: Site Leo 15 B2DN Fed Com 1H
 TVD Reference: WELL @ 3540.0usft (Original Well Elev)
 MD Reference: WELL @ 3540.0usft (Original Well Elev)
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature

Project:	Eddy County, New Mexico		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Leo 15 B2DN Fed Com 1H				
Site Position:		Northing:	637,789.00 usft	Latitude:	32° 45' 10.221 N
From:	Map	Easting:	612,726.40 usft	Longitude:	103° 58' 0.002 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.20 °

Well	Sec 15, T18S, R30E					
Well Position	+N/-S	0.0 usft	Northing:	637,789.00 usft	Latitude:	32° 45' 10.221 N
	+E/-W	0.0 usft	Easting:	612,726.40 usft	Longitude:	103° 58' 0.002 W
Position Uncertainty		0.0 usft	Wellhead Elevation:	3,540.0 usft	Ground Level:	3,520.0 usft

Wellbore	BHL: 330 FSL & 2600 FWL				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	9/30/2014	7.40	60.56	48,610

Design:	Design #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	152.51

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
7,782.5	0.00	0.00	7,782.5	0.0	0.0	0.00	0.00	0.00	0.00	
8,521.9	88.70	152.51	8,260.0	-414.0	215.5	12.00	12.00	0.00	152.51	
12,916.0	88.70	152.51	8,360.0	-4,311.0	2,243.3	0.00	0.00	0.00	0.00	BHL: 330 FSL & 2600

Planning Report

Database: Hobbs
 Company: Mewbourne Oil Company
 Project: Eddy County, New Mexico
 Site: Leo 15 B2DN Fed Com 1H
 Well: Sec 15, T18S, R30E
 Wellbore: BHL 330 FSL & 2600 FWL
 Design: Design #1

Local Co-ordinate Reference: Site Leo 15 B2DN Fed Com 1H
 TVD Reference: WELL @ 3540.0usft (Original Well Elev)
 MD Reference: WELL @ 3540.0usft (Original Well Elev)
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
SL: 630 FNL & 370 FWL										
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00	
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00	

Planning Report

Database: Hobbs
 Company: Mewbourne Oil Company
 Project: Eddy County, New Mexico
 Site: Leo 15 B2DN Fed Com 1H
 Well: Sec 15, T18S, R30E
 Wellbore: BHL: 330 FSL & 2600 FWL
 Design: Design #1

Local Co-ordinate Reference:
 TVD Reference:
 MD Reference:
 North Reference:
 Survey Calculation Method:

Site Leo 15 B2DN Fed Com 1H
 WELL @ 3540.0usft (Original Well Elev)
 WELL @ 3540.0usft (Original Well Elev)
 Grid
 Minimum Curvature

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Built Rate (°/100usft)	Turn Rate (°/100usft)	
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,600.0	0.00	0.00	7,600.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,700.0	0.00	0.00	7,700.0	0.0	0.0	0.0	0.00	0.00	0.00	
7,782.5	0.00	0.00	7,782.5	0.0	0.0	0.0	0.00	0.00	0.00	
KOP @ 7783										
7,800.0	2.10	152.51	7,800.0	-0.3	0.1	0.3	12.00	12.00	0.00	
7,900.0	14.10	152.51	7,898.8	-12.8	6.6	14.4	12.00	12.00	0.00	
8,000.0	26.09	152.51	7,992.6	-43.2	22.5	48.7	12.00	12.00	0.00	
8,100.0	38.09	152.51	8,077.1	-90.2	46.9	101.7	12.00	12.00	0.00	
8,200.0	50.08	152.51	8,148.8	-151.8	79.0	171.1	12.00	12.00	0.00	
8,300.0	62.08	152.51	8,204.5	-225.3	117.2	254.0	12.00	12.00	0.00	
8,400.0	74.08	152.51	8,241.8	-307.4	160.0	346.6	12.00	12.00	0.00	
8,500.0	86.07	152.51	8,259.0	-394.7	205.4	444.9	12.00	12.00	0.00	
8,521.9	88.69	152.51	8,260.0	-414.0	215.4	466.7	12.00	12.00	0.00	
LP: 1055 FNL & 595 FWL										
8,600.0	88.70	152.51	8,261.8	-483.3	251.5	544.9	0.00	0.00	0.00	
8,700.0	88.70	152.51	8,264.1	-572.0	297.7	644.8	0.00	0.00	0.00	
8,800.0	88.70	152.51	8,266.3	-660.7	343.8	744.8	0.00	0.00	0.00	
8,900.0	88.70	152.51	8,268.6	-749.4	390.0	844.8	0.00	0.00	0.00	
9,000.0	88.70	152.51	8,270.9	-838.1	436.1	944.8	0.00	0.00	0.00	
9,100.0	88.70	152.51	8,273.2	-926.8	482.3	1,044.7	0.00	0.00	0.00	
9,200.0	88.70	152.51	8,275.4	-1,015.4	528.4	1,144.7	0.00	0.00	0.00	
9,300.0	88.70	152.51	8,277.7	-1,104.1	574.6	1,244.7	0.00	0.00	0.00	
9,400.0	88.70	152.51	8,280.0	-1,192.8	620.7	1,344.6	0.00	0.00	0.00	
9,500.0	88.70	152.51	8,282.3	-1,281.5	666.8	1,444.6	0.00	0.00	0.00	
9,600.0	88.70	152.51	8,284.5	-1,370.2	713.0	1,544.6	0.00	0.00	0.00	
9,700.0	88.70	152.51	8,286.8	-1,458.9	759.1	1,644.6	0.00	0.00	0.00	
9,800.0	88.70	152.51	8,289.1	-1,547.6	805.3	1,744.5	0.00	0.00	0.00	
9,900.0	88.70	152.51	8,291.4	-1,636.2	851.4	1,844.5	0.00	0.00	0.00	
10,000.0	88.70	152.51	8,293.6	-1,724.9	897.6	1,944.5	0.00	0.00	0.00	
10,100.0	88.70	152.51	8,295.9	-1,813.6	943.7	2,044.5	0.00	0.00	0.00	
10,200.0	88.70	152.51	8,298.2	-1,902.3	989.9	2,144.4	0.00	0.00	0.00	

Planning Report

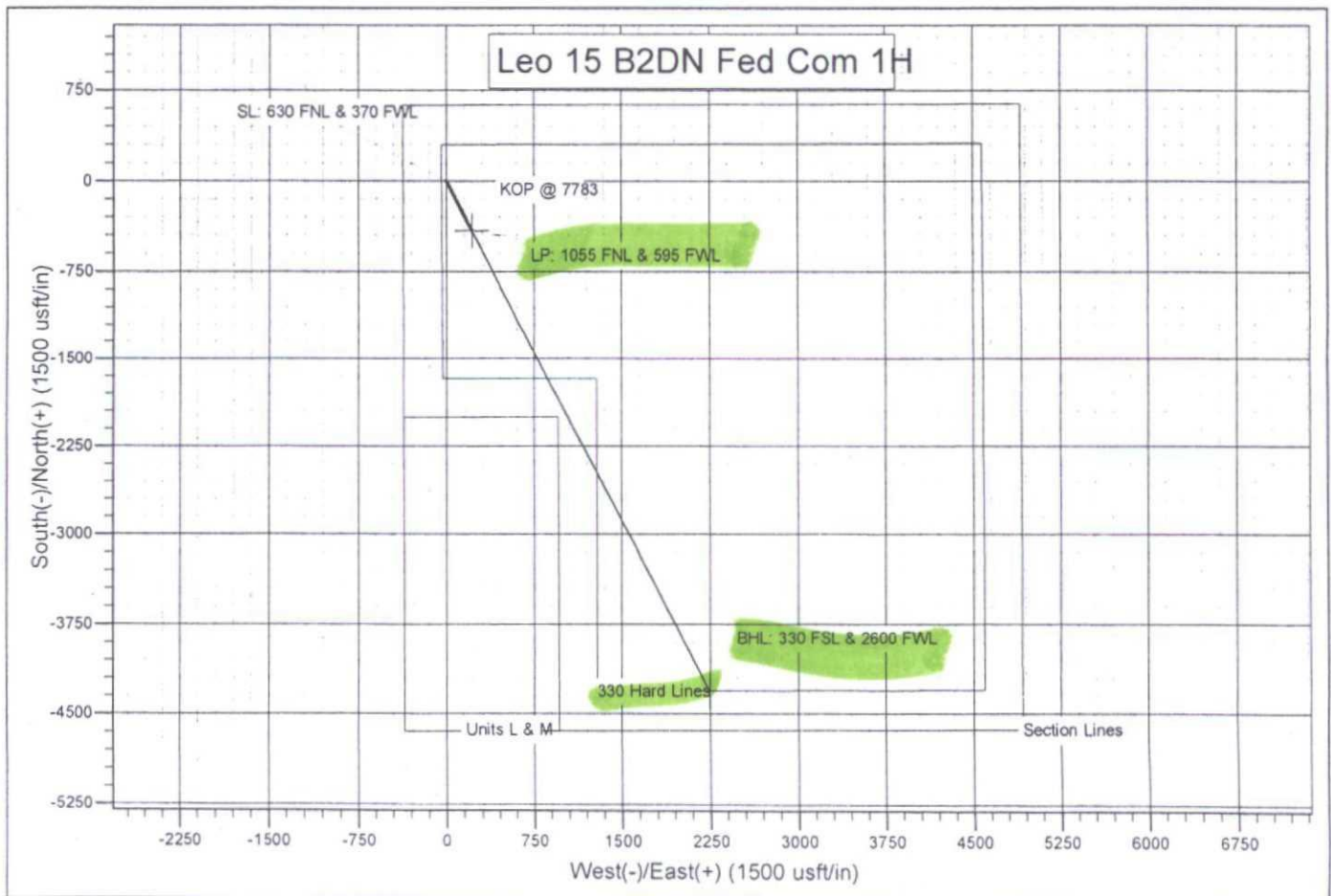
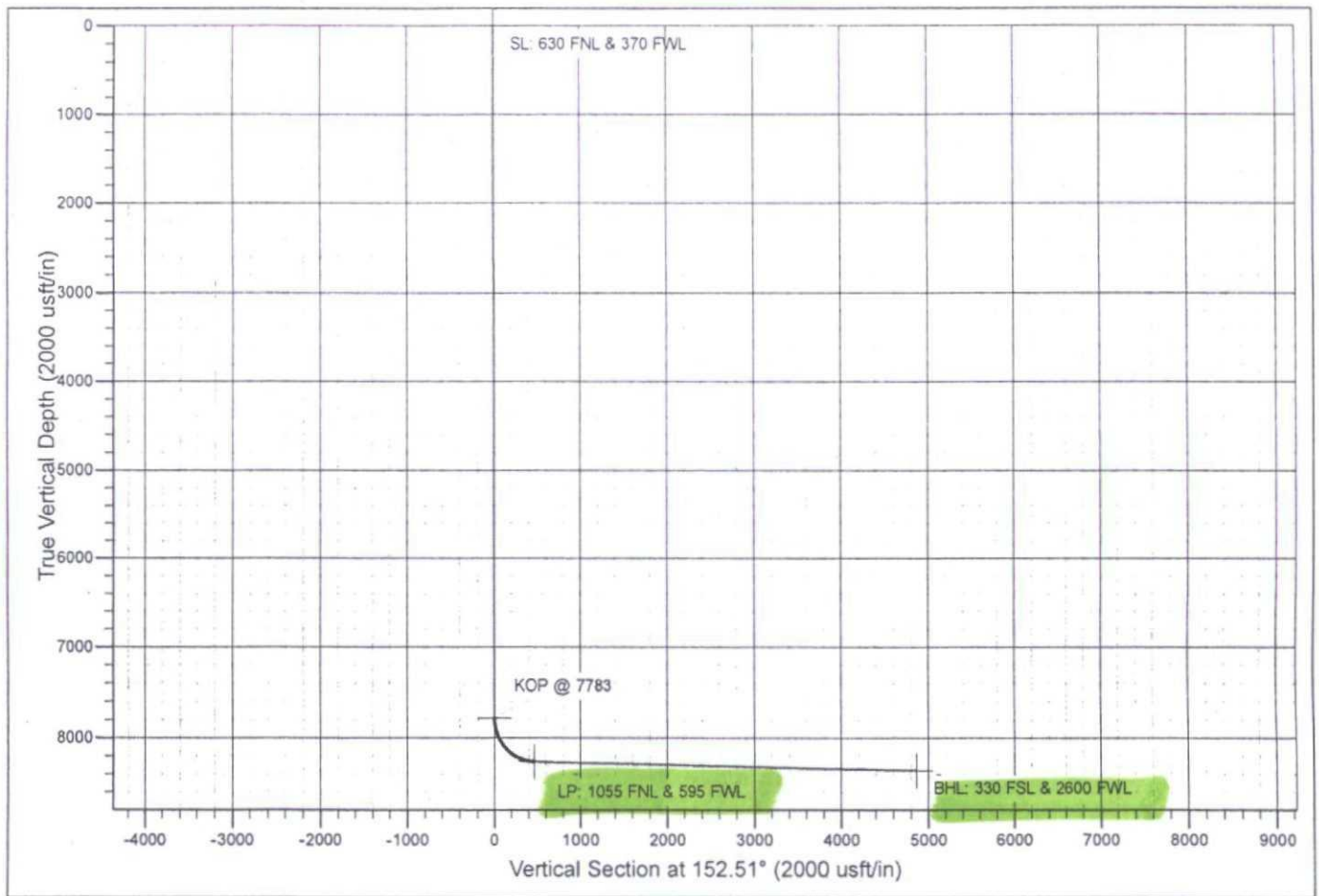
Database: Hobbs
 Company: Mewbourne Oil Company
 Project: Eddy County, New Mexico
 Site: Leo 15 B2DN Fed Com 1H
 Well: Sec 15, T18S, R30E
 Wellbore: BHL: 330 FSL & 2600 FWL
 Design: Design #1

Local Co-ordinate Reference: Site Leo 15 B2DN Fed Com 1H
 TVD Reference: WELL @ 3540.0usft (Original Well Elev)
 MD Reference: WELL @ 3540.0usft (Original Well Elev)
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,300.0	88.70	152.51	8,300.5	-1,991.0	1,036.0	2,244.4	0.00	0.00	0.00
10,400.0	88.70	152.51	8,302.7	-2,079.7	1,082.2	2,344.4	0.00	0.00	0.00
10,500.0	88.70	152.51	8,305.0	-2,168.4	1,128.3	2,444.4	0.00	0.00	0.00
10,600.0	88.70	152.51	8,307.3	-2,257.0	1,174.5	2,544.3	0.00	0.00	0.00
10,700.0	88.70	152.51	8,309.6	-2,345.7	1,220.6	2,644.3	0.00	0.00	0.00
10,800.0	88.70	152.51	8,311.8	-2,434.4	1,266.8	2,744.3	0.00	0.00	0.00
10,900.0	88.70	152.51	8,314.1	-2,523.1	1,312.9	2,844.3	0.00	0.00	0.00
11,000.0	88.70	152.51	8,316.4	-2,611.8	1,359.1	2,944.2	0.00	0.00	0.00
11,100.0	88.70	152.51	8,318.7	-2,700.5	1,405.2	3,044.2	0.00	0.00	0.00
11,200.0	88.70	152.51	8,320.9	-2,789.2	1,451.4	3,144.2	0.00	0.00	0.00
11,300.0	88.70	152.51	8,323.2	-2,877.8	1,497.5	3,244.2	0.00	0.00	0.00
11,400.0	88.70	152.51	8,325.5	-2,966.5	1,543.7	3,344.1	0.00	0.00	0.00
11,500.0	88.70	152.51	8,327.8	-3,055.2	1,589.8	3,444.1	0.00	0.00	0.00
11,600.0	88.70	152.51	8,330.1	-3,143.9	1,636.0	3,544.1	0.00	0.00	0.00
11,700.0	88.70	152.51	8,332.3	-3,232.6	1,682.1	3,644.1	0.00	0.00	0.00
11,800.0	88.70	152.51	8,334.6	-3,321.3	1,728.3	3,744.0	0.00	0.00	0.00
11,900.0	88.70	152.51	8,336.9	-3,409.9	1,774.4	3,844.0	0.00	0.00	0.00
12,000.0	88.70	152.51	8,339.2	-3,498.6	1,820.6	3,944.0	0.00	0.00	0.00
12,100.0	88.70	152.51	8,341.4	-3,587.3	1,866.7	4,043.9	0.00	0.00	0.00
12,200.0	88.70	152.51	8,343.7	-3,676.0	1,912.9	4,143.9	0.00	0.00	0.00
12,300.0	88.70	152.51	8,346.0	-3,764.7	1,959.0	4,243.9	0.00	0.00	0.00
12,400.0	88.70	152.51	8,348.3	-3,853.4	2,005.2	4,343.9	0.00	0.00	0.00
12,500.0	88.70	152.51	8,350.5	-3,942.1	2,051.3	4,443.8	0.00	0.00	0.00
12,600.0	88.70	152.51	8,352.8	-4,030.7	2,097.5	4,543.8	0.00	0.00	0.00
12,700.0	88.70	152.51	8,355.1	-4,119.4	2,143.6	4,643.8	0.00	0.00	0.00
12,800.0	88.70	152.51	8,357.4	-4,208.1	2,189.8	4,743.8	0.00	0.00	0.00
12,900.0	88.70	152.51	8,359.6	-4,296.8	2,235.9	4,843.7	0.00	0.00	0.00
12,916.0	88.70	152.51	8,360.0	-4,311.0	2,243.3	4,859.7	0.00	0.00	0.00

BHL: 330 FSL & 2600 FWL

Design Targets									
Target Name	Dip Angle (°)	Dip Dir (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SL: 630 FNL & 370 FWL - plan hits target center - Point	0.00	0.00	0.0	0.0	0.0	637,789.00	612,726.40	32° 45' 10.221 N	103° 58' 0.002 W
KOP @ 7783 - plan hits target center - Point	0.00	0.00	7,782.5	0.0	0.0	637,789.00	612,726.40	32° 45' 10.221 N	103° 58' 0.002 W
LP: 1055 FNL & 595 FW - plan misses target center by 0.1 usft at 8521.9usft MD (8260.0 TVD, -414.0 N, 215.4 E) - Point	0.00	0.00	8,260.0	-414.0	215.5	637,375.00	612,941.90	32° 45' 6.117 N	103° 57' 57.495 W
BHL: 330 FSL & 2600 FW - plan hits target center - Point	0.00	0.00	8,360.0	-4,311.0	2,243.3	633,478.00	614,969.70	32° 44' 27.485 N	103° 57' 33.912 W



McMillan, Michael, EMNRD

From: jamesbruc@aol.com
Sent: Monday, September 14, 2015 10:20 AM
To: McMillan, Michael, EMNRD
Subject: Re: Mewbourne LEO 15 B2DN Fed Com Eddy Co

Leo 15 DA: drilled.

Leo 15 B2DH: drilled and completed.

Leo 15 B2DN: to be spudded late September/early October.

Leo 15 B2DP: proposed to WIOs. Will check on drilling schedule.

Jim

-----Original Message-----

From: McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Cc: Dade, Randy, EMNRD, EMNRD <Randy.Dade@state.nm.us>; Kautz, Paul, EMNRD, EMNRD <paul.kautz@state.nm.us>
Sent: Mon, Sep 14, 2015 10:11 am
Subject: RE: Mewbourne LEO 15 B2DN Fed Com Eddy Co

How many of the Units are actively developed, not proposed?

Mike

From: jamesbruc@aol.com [mailto:jamesbruc@aol.com]
Sent: Monday, September 14, 2015 10:06 AM
To: McMillan, Michael, EMNRD
Subject: Re: Mewbourne LEO 15 B2DN Fed Com Eddy Co

Mike: The reason for the 560 acre project area is "the BLM wanted it that way."

Please note: (1) all surface locations are in the NW/4NW/4 (attachment 1), required by the BLM; (2) every quarter-quarter section in the 560 acres will be penetrated by at least one wellbore (See C-102s filed with the Division); and (3) a coomunitization agreement covering the 560 acres has been signed by all working interest owners (attachment 2) and approved by the BLM.

Please let me know if you have other questions.

Jim

-----Original Message-----

From: McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>
To: Jim Bruce <jamesbruc@aol.com>
Cc: Kautz, Paul, EMNRD, EMNRD <paul.kautz@state.nm.us>; Dade, Randy, EMNRD, EMNRD <Randy.Dade@state.nm.us>
Sent: Fri, Sep 11, 2015 11:51 am
Subject: Mewbourne LEO 15 B2DN Fed Com Eddy Co

Jim:

I received your NSL application for the Mewbourne LEO 15 B2DN Fed Com yesterday.

- How did you get 560-acres for the project area, when the well penetrated 240-acres?
- It appears that the NW/4, and E/2 SW/4 are only penetrated.

Thanks

Mike

RECAPITULATION

<u>Tract Number</u>	<u>Number of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	28.57143%
2	320.00	57.14286%
3	<u>80.00</u>	<u>14.28571%</u>
	560.00	100.00000%

RECEPTION NO. 1503063 STATE OF
NEW MEXICO, COUNTY OF EDDY
RECORDED 03/23/2015 8:06 AM
BOOK 1014 PAGE 0849 *Robyn*
ROBIN VANNATTA, COUNTY CLERK



TRACT NO. 2

Lease Serial No.: NMNM 27277 (Segregated out of NMLC 058650).
 Lease Date: December 1, 1938.
 Recorded: Book 12, page 257, Oil and Gas Records of Eddy County.
 Lease Term: Five years from date and so long thereafter as oil and gas are produced in paying quantities.
 Lessor: United States of America.
 Original Lessee: Sanford D. Gates.
 Present Lessee: ConocoPhillips Company.
 Description of Land Committed: Township 18 South, Range 30 East, N.M.P.M.
 Section 15: N/2NE/4, SE/4NW/4, SW/4NE/4, E/2SW/4 and W/2SE/4.
 Number of Acres: 320.00.
 Basic Royalty Rate: 12.50%.
 Name and Percent ORRI Owners: Undetermined owners 12.50%
 Name and Percent WI Ownership: Same as Tract No. 1.

Also subject to Joint Development Agreement and Operating Agreement dated November 1, 2013 by and between Mewbourne Oil Company as Operator and ConocoPhillips Company as Non-Operator:

Mewbourne Oil Company	70.00%
ConocoPhillips Company	30.00%

TRACT NO. 3

Lease Serial No.: NMNM 121476.
 Lease Date: January 1, 2009.
 Recorded: Unrecorded in Eddy County.
 Lease Term: Ten years from date and so long thereafter as oil and gas are produced in paying quantities.
 Lessor: United States of America.
 Original Lessee: Marbob Energy Corporation.
 Present Lessees: COG Operating LLC (95%) and Concho Oil & Gas LLC (5%).
 Description of Land Committed: Township 18 South, Range 30 East, N.M.P.M.
 Section 15: E/2SE/4.
 Number of Acres: 80.00.
 Basic Royalty Rate: 12.50%.
 Name and Percent ORRI Owner: Nestegg Energy Corporation 0.50%
 Name and Percent WI Ownership: Same as Tract No. 1.

EXHIBIT "B"

Attached to Communitization Agreement
dated May 15, 2014 embracing:

Township 18 South, Range 30 East, N.M.P.M.
Section 15: N/2, E/2SW/4 and SE/4
Eddy County, New Mexico

Operator of Communitized Area: Mewbourne Oil Company

TRACT NO. 1

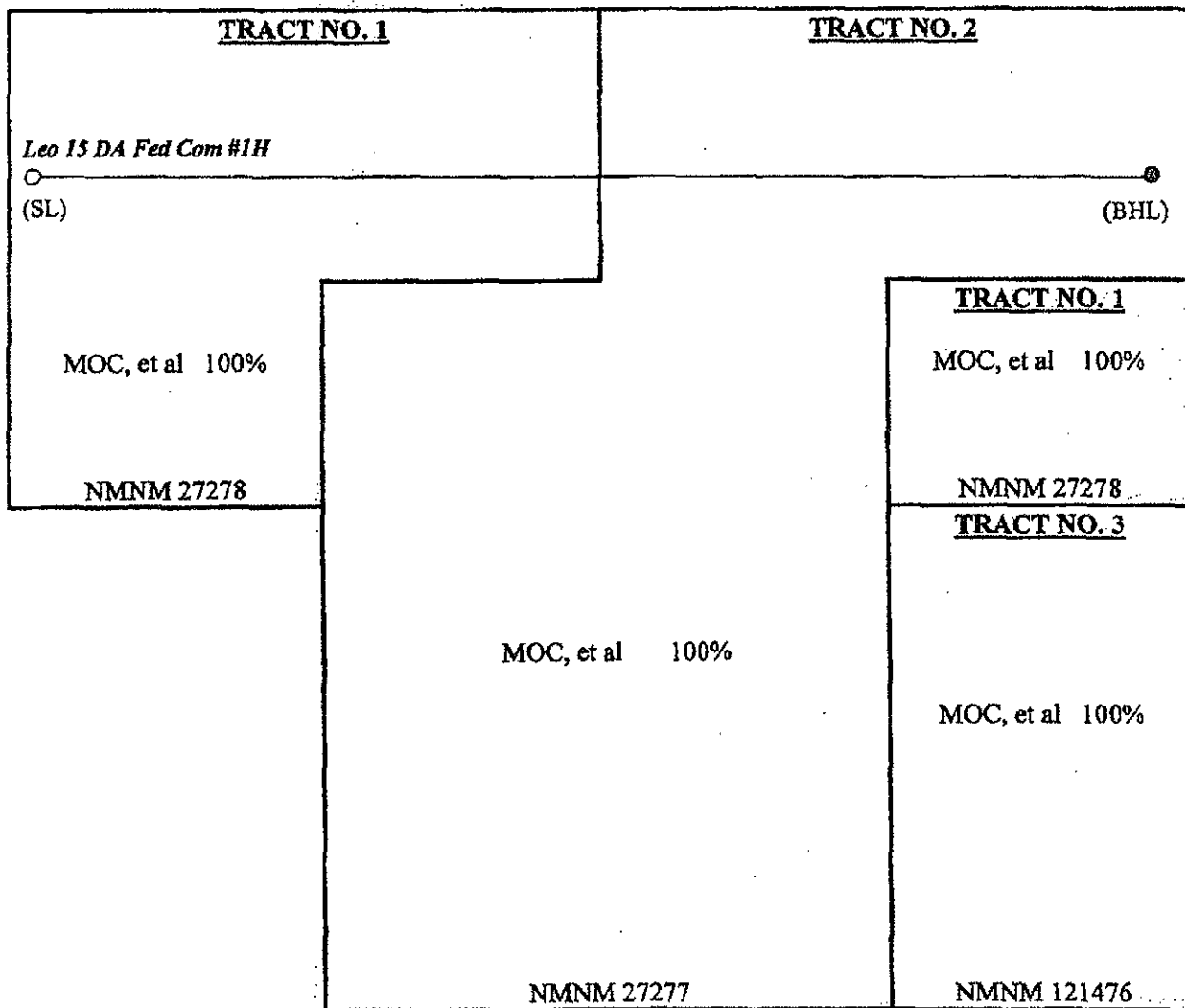
Lease Serial No.:	NMNM 27278 (Segregated out of NMLC 064226).
Lease Date:	March 1, 1951.
Recorded:	Unrecorded in Eddy County.
Lease Term:	Five years from date and so long thereafter as oil and gas are produced in paying quantities.
Lessor:	United States of America.
Original Lessee:	Roland McLean.
Present Lessee:	Mewbourne Oil Company.
Description of Land Committed:	<u>Township 18 South, Range 30 East, N.M.P.M.</u> Section 15: N/2NW/4, SW/4NW/4 and SE/4NE/4
Number of Acres:	160.00.
Basic Royalty Rate:	12.50%.
Name and Percent ORRI Owners:	Undetermined owners 11.75000%

Name and Percent WI Ownership
by virtue of Operating Agreement
dated February 15, 2014 by and
between Mewbourne Oil Company
as Operator and COG Operating
LCC, et al, as Non-Operators
covering all of Section 15, Save and
Except the W/2SW/4, T18S, R30E,
Eddy County, New Mexico:

Mewbourne Oil Company	85.2142900%
COG Operating LLC	13.5714245%
Concho Oil & Gas LLC	0.7142855%
Charmar, LLC	0.5000000%
	100.0000000%

EXHIBIT "A"

Plat of communitized area covering the N/2, E/2SW/4 and SE/4 of Section 15, T18S, R30E, N.M.P.M.,
 Loco Hills East Bone Spring Pool (39513)
 Eddy County, New Mexico



STATE OF NEW MEXICO
COUNTY OF CHAVES

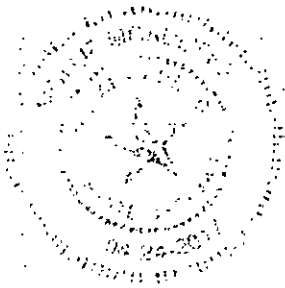
This instrument was acknowledged before me on _____,
2014 by **Charla Featherstone, as Personal Representative of Olen F. Featherstone, II, Deceased.**

Notary Public

STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me on July 29, 2014, by
Mona D. Ables as Vice President of Land of COG Operating LLC, a Delaware limited liability
company on behalf of said limited liability company and as **Vice President of Land of Concho Oil &
Gas LLC**, a Texas limited liability company on behalf of said limited liability company.

Mellie McAniff
Notary Public in and for the State of Texas



STATE OF NEW MEXICO
COUNTY OF CHAVES

This instrument was acknowledged before me on June 5th, 2014 by
Charla Featherstone, as Personal Representative of Olen F. Featherstone, II, Deceased.



OFFICIAL SEAL
TRACEY VAN VINKLE
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 1/26/15

Tracey Van Vinkle
Notary Public
My Commission Expires: _____

STATE OF TEXAS
COUNTY OF MIDLAND

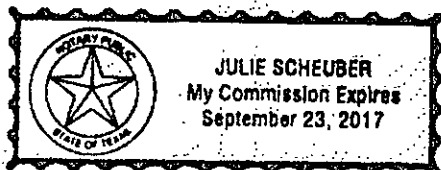
This instrument was acknowledged before me on _____, 2014 by
Mona D. Ables as Vice President of Land of COG Operating LLC and Concho Oil & Gas LLC, limited
liability companies on behalf of said limited liability companies.

Notary Public
My Commission Expires: _____

ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF SMITH

This instrument was acknowledged before me on May 28, 2014 by **James Allen Brinson, Attorney-in-Fact of Mewbourne Oil Company**, a Delaware corporation on behalf of said corporation.



Julie Scheuber
Notary Public

My Commission Expires: 9-23-2017

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on _____, 2014 by **Thomas J. Atkins, as Attorney-in-Fact of ConocoPhillips Company**, a _____ corporation on behalf of said corporation.

Notary Public

My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on _____, 2014 by **Vikki H. Smith, as Managing Member of Charmar, LLC**, a New Mexico limited liability company.

Notary Public

My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF CHAVES

This instrument was acknowledged before me on June 5th, 2014 by **Olen F. Featherstone, III, as President of Featherstone Development Corporation**, a Colorado corporation on behalf of said corporation.



OFFICIAL SEAL
TRACEY VAN WINKLE
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 1/26/15

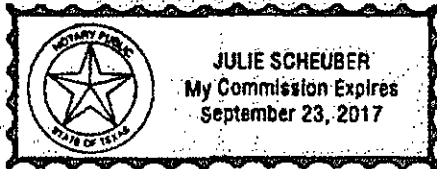
Tracey Van Winkle
Notary Public

My Commission Expires: _____

ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF SMITH

This instrument was acknowledged before me on May 28, 2014 by
James Allen Brinson, Attorney-in-Fact of Mewbourne Oil Company, a Delaware corporation on behalf of
said corporation.



Julie Scheuber
Notary Public
My Commission Expires: 9-23-2017

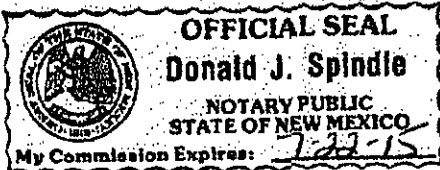
STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on _____, 2014 by
Thomas J. Atkins, as Attorney-in-Fact of ConocoPhillips Company, a _____ corporation
on behalf of said corporation.

Notary Public
My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on June 13, 2014 by
Vikki H. Smith, as Managing Member of Charmar, LLC, a New Mexico limited liability company.



Donald J. Spindle
Notary Public
My Commission Expires: 7-22-15

STATE OF NEW MEXICO
COUNTY OF CHAVES

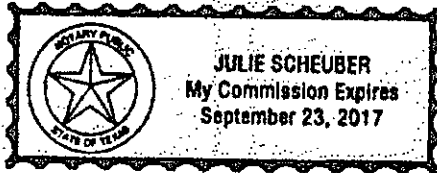
This instrument was acknowledged before me on _____, 2014 by
Olen F. Featherstone, III, as President of Featherstone Development Corporation, a Colorado corporation
on behalf of said corporation.

Notary Public
My Commission Expires: _____

ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF SMITH

This instrument was acknowledged before me on May 28, 2014 by
James Allen Brinson, Attorney-in-Fact of Mewbourne Oil Company, a Delaware corporation on behalf of
said corporation.

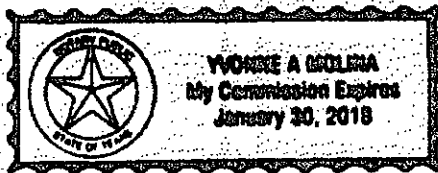


Julie Scheuber
Notary Public

My Commission Expires: 9-23-2017

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on June 3, 2014 by
Thomas J. Atkins, as Attorney-in-Fact of ConocoPhillips Company, a Delaware corporation
on behalf of said corporation.



Yvonne Molina
Notary Public

My Commission Expires: 1-30-2018

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on _____, 2014 by
Vikki H. Smith, as Managing Member of Charmar, LLC, a New Mexico limited liability company.

Notary Public

My Commission Expires: _____

STATE OF NEW MEXICO
COUNTY OF CHAVES

This instrument was acknowledged before me on _____, 2014 by
Olen F. Featherstone, III, as President of Featherstone Development Corporation, a Colorado corporation
on behalf of said corporation.

Notary Public

My Commission Expires: _____

CONOCOPHILLIPS COMPANY
(Record Title Owner and Overriding Royalty Interest Owner)

By: _____
Thomas J. Atkins
Attorney-in-Fact

CHARMAR, LLC
(Operating Rights Owner and Overriding Royalty Interest Owner)

By: _____
Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED
(Record Title Owner)

By: _____
Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION
(Record Title Owner)

By: _____
Olen F. Featherstone, III
President

**COG OPERATING LLC AND
CONCHO OIL & GAS LLC**
(Operating Rights Owner)

By: Mona D. Ables
Mona D. Ables
Vice President of Land

MB
RAD

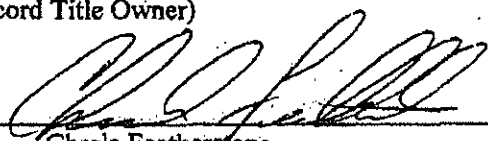
CONOCOPHILLIPS COMPANY
(Record Title Owner and Overriding Royalty Interest Owner)

By: _____
Thomas J. Atkins
Attorney-in-Fact

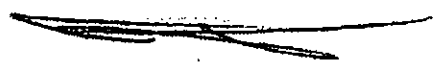
CHARMAR, LLC
(Operating Rights Owner and Overriding Royalty Interest Owner)

By: _____
Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED
(Record Title Owner)

By:  _____
Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION
(Record Title Owner)

By:  _____
Olen F. Featherstone, III
President

**COG OPERATING LLC AND
CONCHO OIL & GAS LLC**
(Operating Rights Owner)

By: _____
Mona D. Ables
Vice President of Land

CONOCOPHILLIPS COMPANY
(Record Title Owner and Overriding Royalty Interest Owner)

By: _____
Thomas J. Atkins
Attorney-in-Fact

CHARMAR, LLC
(Operating Rights Owner and Overriding Royalty Interest Owner)

By: Vikki H. Smith
Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED
(Record Title Owner)

By: _____
Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION
(Record Title Owner)

By: _____
Olen F. Featherstone, III
President

**COG OPERATING LLC AND
CONCHO OIL & GAS LLC**
(Operating Rights Owner)

By: _____
Mona D. Ables
Vice President of Land

CONOCOPHILLIPS COMPANY

(Record Title Owner and Overriding Royalty Interest Owner)

By: _____

Thomas J. Atkins
Attorney-in-Fact

NTL

CHARMAR, LLC

(Operating Rights Owner and Overriding Royalty Interest Owner)

By: _____

Vikki H. Smith
Managing Member

ESTATE OF OLEN F. FEATHERSTONE II, DECEASED

(Record Title Owner)

By: _____

Charla Featherstone
Personal Representative

FEATHERSTONE DEVELOPMENT CORPORATION

(Record Title Owner)

By: _____

Olen F. Featherstone, III
President

COG OPERATING LLC AND

CONCHO OIL & GAS LLC

(Operating Rights Owner)

By: _____

Mona D. Ables
Vice President of Land

10. The date of this agreement is May 15, 2014 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect as to the Bone Spring formation for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities. Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2 year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

MEWBOURNE OIL COMPANY
(Operator and Operating Rights Owner)

By: 

James Allen Brinson
Attorney-in-Fact

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of the designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligations to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.

COMMUNITIZATION AGREEMENT

CONTRACT NO. 134237

THIS agreement entered into as of May 15, 2014, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 18 South, Range 30 East, N.M.P.M.
Section 15: N/2, E/2SW/4 and SE/4
Eddy County, New Mexico

containing 560.00 acres, more or less as shown on Exhibit "A" attached hereto, and this agreement shall include only the Bone Spring formation underlying said lands and the oil and associated casinghead gas (hereinafter referred to as "communitized substances") producible from such formation.

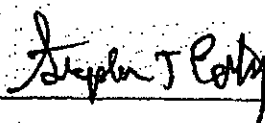
2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the N2, E2SW, & SE of sec. 15, T. 18 S., R. 30 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



Authorized Officer
Stephen Caffey
Asst. Field Mgr.

Effective: 5/15/14

Contract No.: Com. Agr. NM134237

[RETURN TO OCD MAIN PAGE](#)[Well Files](#) [Log Files](#) [Administrative & Environmental Orders](#) [Hearing Orders](#) [Case Files](#)**OCD Imaging**[Home](#) [Well File Search](#)**Well File Search Results: 9 Records Found**

Please select the API Number you wish to view from the list below.

API Number	Well Name	Operator	Location
3001504513	PRE-ONGARD WELL No. 001	PRE-ONGARD WELL OPERATOR	G-15-18S-30E (1980 FNL & 1980 FEL)
3001504515	GATES FEDERAL No. 002	C E LARUE & B M MUNCY JR	K-15-18S-30E (1650 FSL & 2310 FWL)
3001504516	PRE-ONGARD WELL No. 001	PRE-ONGARD WELL OPERATOR	P-15-18S-30E (330 FSL & 830 FEL)
3001504517	GATES FEDERAL No. 001	CFM OIL, LLC	N-15-18S-30E (330 FSL & 2310 FWL)
3001522792	PRE-ONGARD WELL No. 001	PRE-ONGARD WELL OPERATOR	I-15-18S-30E (1980 FSL & 860 FEL)
3001542185	LEO 15 DA FEDERAL COM No. 001H	MEWBOURNE OIL CO	D-15-18S-30E (330 FNL & 370 FWL)
3001542893	LEO 15 B2DH FEDERAL COM No. 001H	MEWBOURNE OIL CO	D-15-18S-30E (430 FNL & 370 FWL)
3001543241	LEO 15 B2DP FEDERAL COM No. 001H	MEWBOURNE OIL CO	D-15-18S-30E (530 FNL & 370 FWL)
3001543312	LEO 15 B2DN FEDERAL COM No. 001H	MEWBOURNE OIL CO	D-15-18S-30E (630 FNL & 370 FWL)

1

Displaying screen 1 of 1.

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