

**McMillan, Michael, EMNRD**

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**From** jamesbruc@aol.com  
**Sent** Friday, April 28, 2017, 8:40 AM  
**To** McMillan, Michael, EMNRD  
**Subject** Re: Case 15672 drilling and overhead rates

Mike Corey Mitchell, the landman who testified, wrote this to me:

As costs have gone up in pretty significant margins over the past few months, we have increased our drilling/producing rates from \$7,500/\$750 to \$8,000/\$800. This is specifically the case on prospects where we are drilling extended laterals. Most of our new JOAs (since the 1<sup>st</sup> of the year) have incorporated these new rates. We have not received any pushback from our partners.

Let me know if you need anything else. Thanks.

Corey Mitchell  
Land Department  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Bus: (432) 682-3715  
Fax: (432) 685-4170

**Original Message**

**From** McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>  
**To** Jim Bruce <jamesbruc@aol.com>  
**Sent** Wed, Apr 26, 2017, 3:14 pm  
**Subject** Case 15672 drilling and overhead rates

Jim,  
Ask Mewbourne why the drilling and overhead rates were \$8,000 drilling/\$800 producing. Normally I see \$7,500 drilling/\$750 producing.

**MICHAEL A. MCMILLAN**

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