

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jim Noel**  
Cabinet Secretary

**Karen W. Garcia**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



Surface Commingling Order CTB-617

July 21, 2010

Mewbourne Oil Company  
P.O. Box 5270  
Hobbs, New Mexico 88240

Attention: Robin Terrell:

Mewbourne Oil Company is hereby authorized to surface commingle oil and gas production from the Cemetery Yeso Oil Pool (11795) from the following wells.

Long Draw "9" I Well No.1 (API No. 30-015-37485) Unit I of Sect. 9, T-20-S,  
R-25-E

Long Draw "9" P Well No. 1 (API No. 30-015-37489) Unit P of Sect. 9, T-20-S,  
R-25-E.

Long Draw "9" O Well No. 1 (API No. 30-015037118), Unit O, Sect.9, T-20-S,  
R-25-E

## **All in NMPM, Eddy County, New Mexico**

Commingled oil and gas production from the wells detailed above shall be measured at the Long Draw "9" O Well No. 1 Central Tank battery (CTB), located in Unit O of Section 9, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico.

Oil and gas production from the wells shall be measured continuously with calibrated allocation meters prior to commingling with production from other wells. The allocation meters for both oil and gas production shall be calibrated semi-annually.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

The producer/operator shall notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations.



DONE at Santa Fe, New Mexico, on July 21, 2010.



MARK E. FESMIRE, P.E.,  
Division Director

MEF/re

cc: Oil Conservation Division – Artesia

DATE IN <u>6-28-10</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>6-28-10</u>	TYPE <u>CTB</u>	APP NO <u>1017957940</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Mewbourne*  
*Long Draw 9P, 90 & 91*

## ADMINISTRATIVE APPLICATION CHECKLIST *30-015-37489*

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 *30-015-37118*

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] *37485*  
[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

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 [14744]

### [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

### [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.

Robin Terrell  
Print or Type Name

[Signature]  
Signature

SR Production Engineer 06/25/10  
Title Date

rtterrell@mewbourne.com  
e-mail Address

MEWBOURNE OIL COMPANY  
PO BOX 5270  
HOBBS, NM 88240  
575-393-5905 FAX 575-397-6252

RECEIVED OCD

2010 JUN 23 P 2: 10

June 24, 2010

Engineering Bureau  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RE: Surface Commingle of Fee leases

To Whom It May Concern:

Mewbourne Oil Co is requesting permission to surface commingle production of wells producing from Unit letter I with wells producing from unit letters O & P. Both the Long Draw 9 O # 1 (API # 30-015-37118) & the Long Draw 9 P # 1 (API # 30-015-37489) have common ownership and currently produce to a battery located at the Long Draw 9 O # 1 well site (Unit 0 Sec 9, T20S, R25E Eddy Co, NM). Mewbourne Oil Co is currently drilling the Long Draw 9 I # 1 (API # 30-015-37485) and wish to bring it to this existing battery in order to save approximately \$150,000 in additional construction cost.

Please find enclosed the following for the application to surface commingle production from 2 Fee Leases located in Section 9, T20S, R25E Eddy County, NM.

- Form C107B
- Site diagram of production facility with pictures
- Explanation of testing procedure
- Form C-102 for leases
- Map showing entire section and corresponding leases
- Administrative Application Checklist
- List of all involved parties
- Copy of letter that was sent certified mail to all involved parties informing them of proposed surface commingle.

Mewbourne Oil Company would appreciate this commingle request being processed as soon as possible. If you need further information, please call me at (575) 390-4816.

Thank you,



Robin Terrell  
SR Production Engineer

District I  
1625 N French Drive, Hobbs, NM 88240  
District II  
1301 W Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME Mewbourne Oil Company  
OPERATOR ADDRESS PO Box 5270, Hobbs, NM 88241

**APPLICATION TYPE**

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE ☒ Fee ☐ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling ☐ Yes ☒ No  
Fee surface & minerals

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type ☒ Metering ☐ Other (Specify) \_\_\_\_\_  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved \_\_\_\_\_

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Pool Name and Code Cemetery Yeso 11795  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type ☒ Metering ☐ Other (Specify) \_\_\_\_\_

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Complete Sections A and B

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location  
(2) A plat with lease boundaries showing all well and facility locations Include lease numbers if Federal or State lands are involved  
(3) Lease Names, Lease and Well Numbers, and API Numbers

I hereby certify that the information above is true and complete to the best of my knowledge and belief

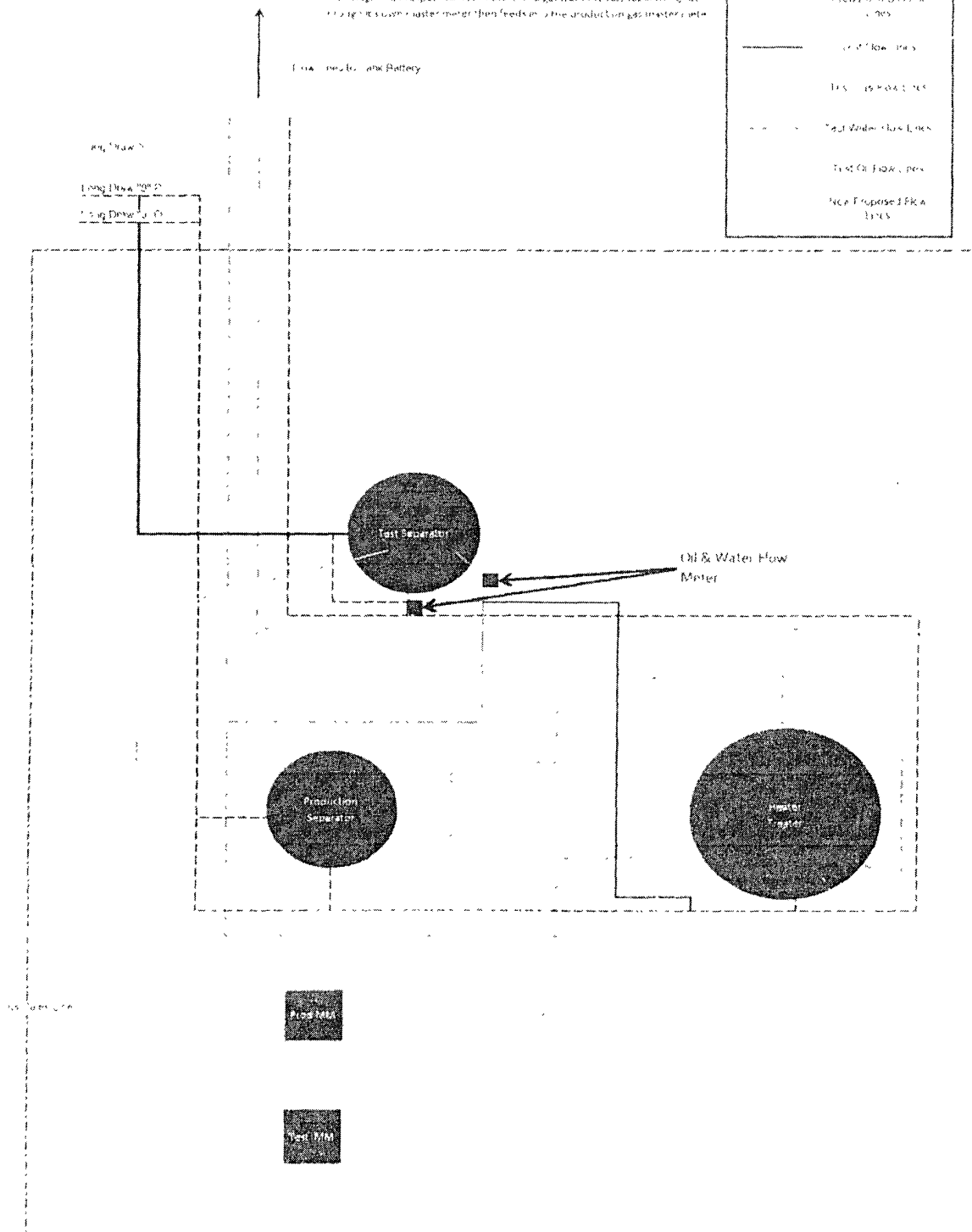
SIGNATURE [Signature] TITLE SR Production Engineer DATE 06/25/10

TYPE OR PRINT NAME Robin Terrell TELEPHONE NO 575-393-5905

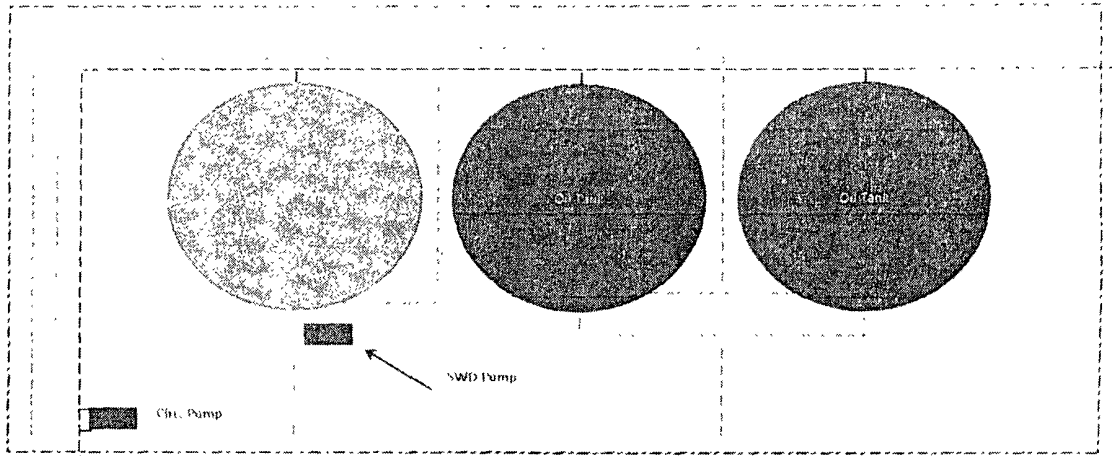
E-MAIL ADDRESS rtterrell@mewbourne.com

20.  $\frac{1}{2} \times 100 = 50\%$   
 21.  $\frac{1}{2} \times 100 = 50\%$   
 22.  $\frac{1}{2} \times 100 = 50\%$   
 23.  $\frac{1}{2} \times 100 = 50\%$   
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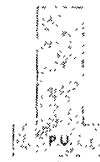
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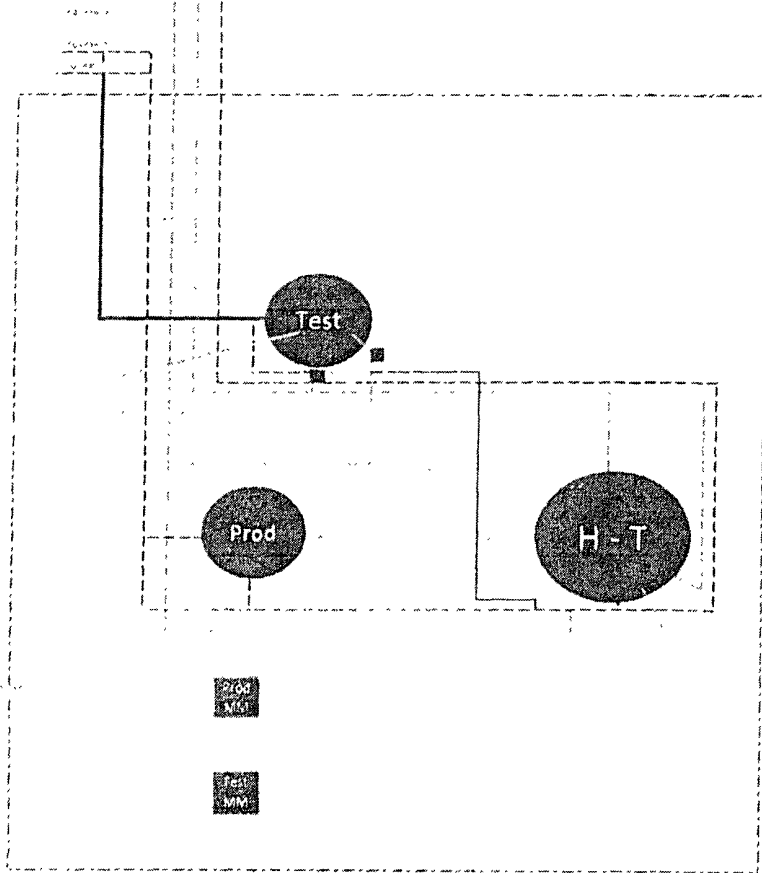
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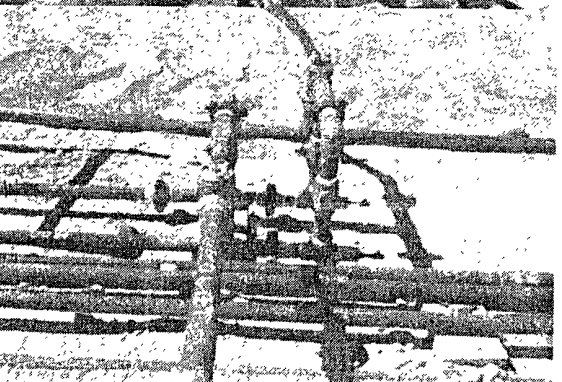
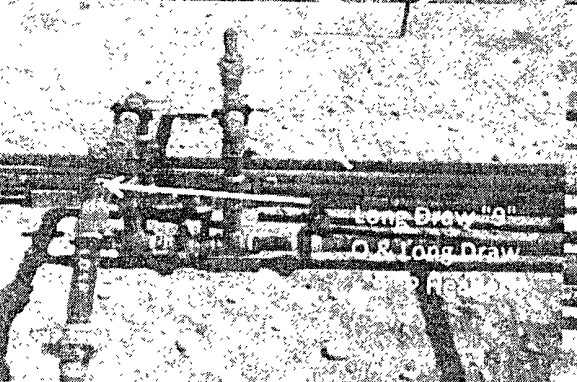
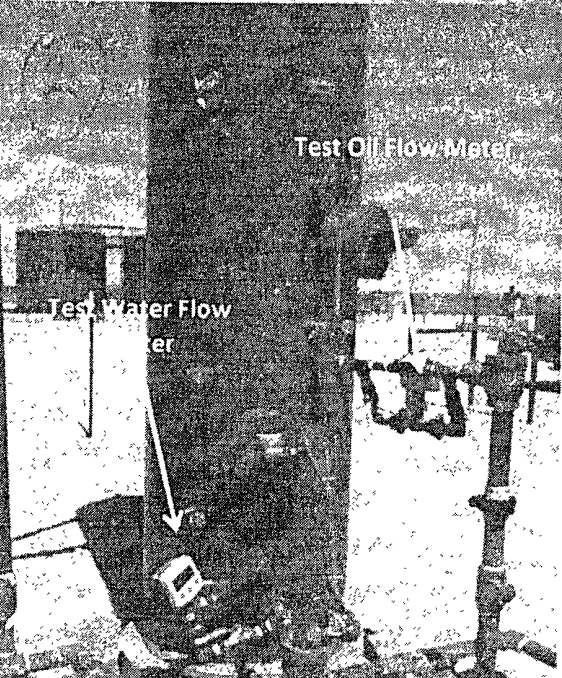
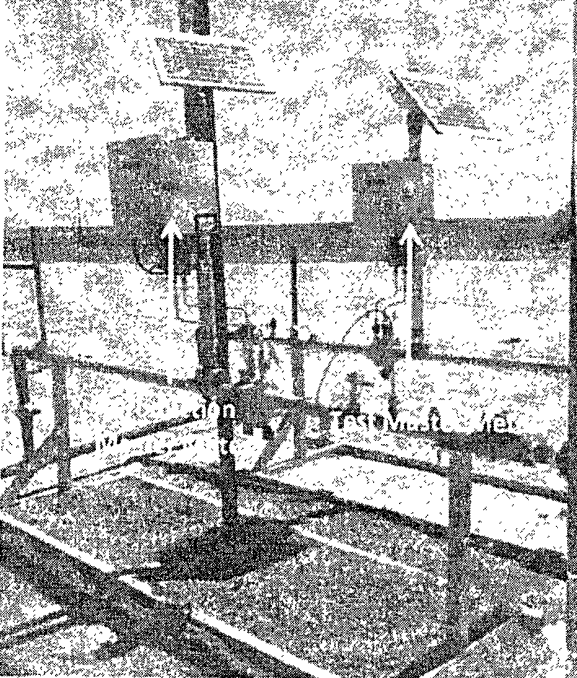
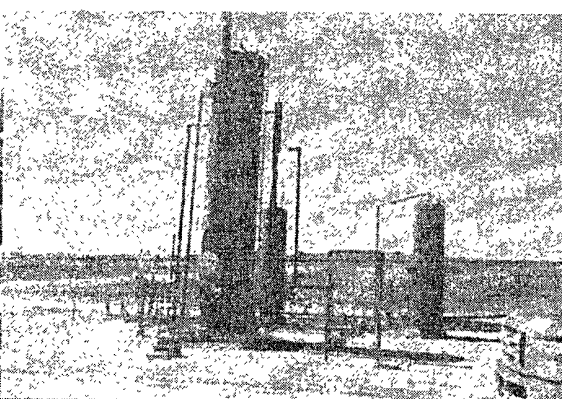
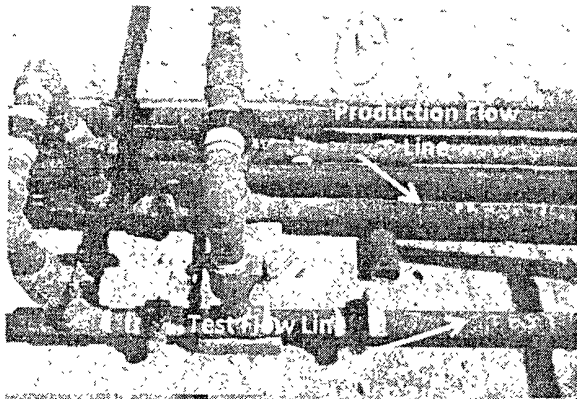


Long Draw '9' (Location/Battery) & Long Draw '9' P (Battery)



Long Draw '9' (D)







## Testing Procedure

This production facility is equipped with a testing header. At the header produced fluids (oil, water, and gas) enter the production facility. (Header is seen in picture #1).

At the header produced fluids may be sent to the testing vessel or the production vessel. Only one well will be sent to the testing vessel at a given time. The other wells that flow to this battery will be sent to the production vessel. The testing vessel is a 3 phase separator (seen in picture # 2) that will meter all phases prior to it commingling with other producing wells. The oil will flow thru the oil dump and pass thru an oil meter and be recorded. The water will pass thru the water dump and thru a water meter and be recorded. The gas will flow out the top of the separator and then thru a gas test meter and then be commingled with gas from the other wells at the production meter. Once the fluids leave the 3 phase separator and pass thru the meters the volume of oil, water, and gas has been determined.

All wells will be tested for a period of no less than 3 days per month to achieve the most accurate test information. In this case where there are only 3 wells being tested at this battery so each well will have approximately 10 – (24 hr well test) each month. Well test information is recorded in our auditable production system by the name of eVIN. Wells will be rotated in test and then into the production separators throughout there producing lives.

Allocation of oil, water, and gas production in a testing facility is very simple. At the end of the month the battery made a given amount of oil, water, and gas and all wells that flow to that battery have been tested. The well test will be used to determine each wells contribution to the entire batteries production and from that each well will get its percent of oil, water, and gas produced.

DISTRICT I  
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Axtec, NM 87410

DISTRICT IV  
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name LONG DRAW "9" P	Well Number 1
OGRID No.	Operator Name MEWBOURNE OIL COMPANY	Elevation 3446'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	20 S	25 E		410	SOUTH	330	EAST	EDDY

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SURFACE LOCATION

Lat - N 32°34'54.07"  
Long - W 104°28'54.73"  
NADSPCE - N 575381.195  
E 454247.205  
(NAD-27)

Date Surveyed

Signature

Professional Surveyor

7977

Certificate No. Gary L. Jones

7977

BASIN SURVEYS

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name LONG DRAW "9 0"		Well Number 1
OGRID No.	Operator Name MEWBOURNE OIL COMPANY		Elevation 3456'

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	9	20 S	25, E		330	SOUTH	1650	EAST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor _____</p>
	<p><b>SURFACE LOCATION</b></p> <p>Lat - N 32°34'53.47"</p> <p>Long - W 104°29'10.16"</p> <p>NMSPCE N 575301.920</p> <p>E 452926.966</p> <p>(NAD-27)</p>
	<p>330'</p> <p>1650'</p>
	<p>Certificate No. Gary L Jones 7977</p> <p><b>BASIN SURVEYS</b></p>

DISTRICT I  
1826 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Bravos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name LONG DRAW "9" I	Well Number 1
OGRID No.	Operator Name MEWBOURNE OIL COMPANY	Elevation 3446'

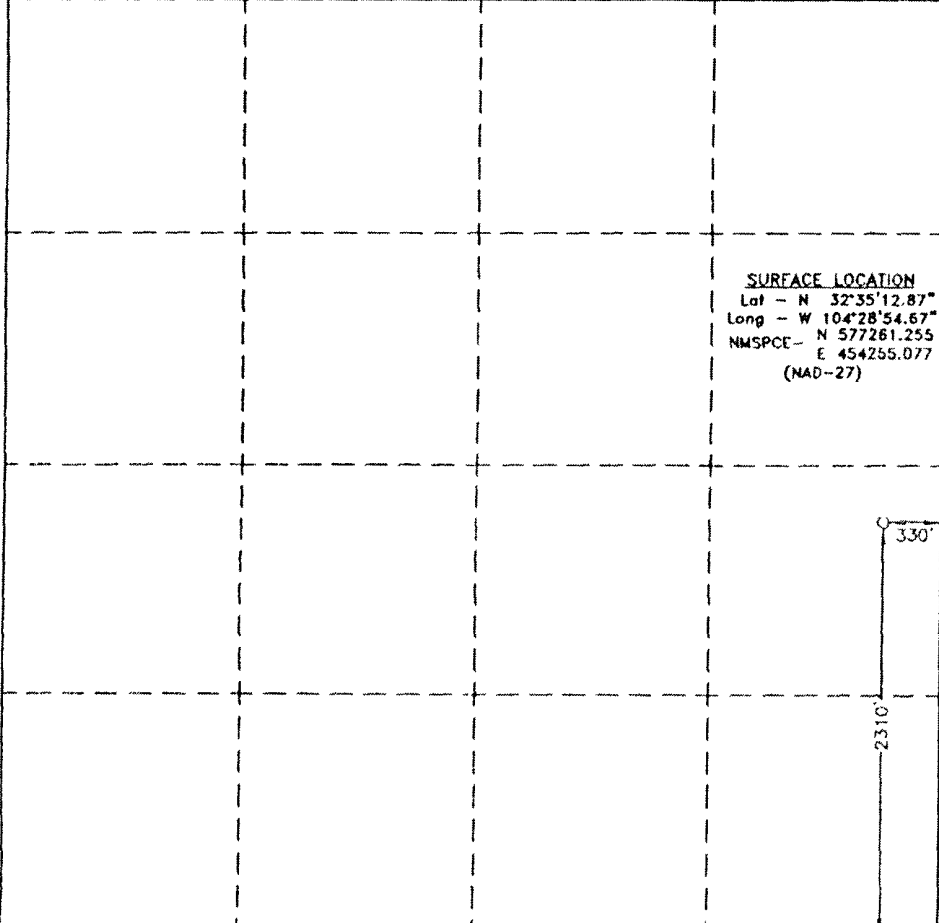
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	9	20 S	25 E		2310	SOUTH	330	EAST	EDDY

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 2009</p> <p>Date Surveyed _____</p> <p>Signature _____</p> <p>Professional Surveyor</p> <p>7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

10-27-2009

WI and RI Ownership  
Section 9, T20S, R25E  
Eddy County, New Mexico

*\* This plat is based on the assumption that all parties participate in the proposed wells.*

<p><u>Federal Lease</u> <u>NMNM-14758</u></p> <p>D</p> <p>WI and RI is Common</p> <p>(1 Battery)</p> <p><u>Federal Lease</u> <u>NMNM-114958</u></p> <p>WI and RI is Common</p> <p>(1 Battery)</p>	<p><u>Federal Lease</u> <u>NMNM-14758</u></p> <p>B</p> <p>WI and RI is Common</p> <p>(1 Battery)</p>	<p><u>Federal Lease</u> <u>NMNM-14758</u></p> <p>WI and RI is Common</p> <p>A</p> <p>(1 Battery)</p>
<p><u>Fee Leases</u></p> <p>L</p> <p>WI and RI is Common</p> <p><u>Fee Leases</u></p> <p>WI and RI is Common</p> <p>M</p> <p>(1 Battery)</p> <p>(1 Battery)</p> <p>N</p>	<p><u>Fee Leases</u></p> <p>3</p> <p>WI and RI is Common</p> <p>(1 Battery)</p>	<p><u>Fee Leases</u></p> <p>WI and RI is Common</p> <p>I</p> <p>(1 Battery)</p> <p>P</p>

## **OWNERSHIP LIST**

### **NE/4SE/4 (Long Draw 9 I #1)**

#### **WI Owners:**

- |   |                                      |
|---|--------------------------------------|
| 1) Mewbourne Oil Company<br>P.O. Box 7698<br>Tyler, Texas 75711   | 30.05357145%                         |
| 2) Devon Energy Production Company, LP<br>20 North Broadway, Ste. 1500<br>Oklahoma City, Oklahoma 73102<br>Attn: Mr. Ken Gray | 30.05357145%                         |
| 3) Kaiser-Francis Oil Company<br>P.O. Box 21468<br>Tulsa, Oklahoma 74121-1468<br>Attn: Mr. Wayne Fields                       | 21.14285710%                         |
| 4) Merit Energy Company<br>13727 Noel Road, Ste. 500<br>Dallas, Texas 75240<br>Attn: Ms. Erin Wonderly                        | <u>18.75000000%</u><br>100.00000000% |

#### **Royalty Owners:**

- |   |           |
|---|-----------|
| 1) Chrystine Anderson Willard<br>c/o Steve Willard<br>P.O. Box 1174<br>Artesia, NM 88211-1174   | 9.375000% |
| 2) Catherine Anne Connolly<br>c/o Jean Galloway Ball PLC<br>Attn: Cecilia Galloway-Sheil<br>10306 Eaton Place, Ste. 130<br>Fairfax, Virginia 22030-2201 | 2.343750% |
| 3) Robert L. and Sharon K. Aho<br>2941 West Rome Avenue<br>Anaheim, CA 92804-3942   | 1.171875% |
| 4) Janet M. Hanley<br>5422 Beaver Lodge Drive<br>Kingwood, Texas 77345  | 1.171875% |
| 5) HF Investments, LLC<br>3018 South high Street<br>Denver, CO 80210  | 0.781250% |

6) Connie Connelly 1014 Whispering Oak Court Arlington, Texas 76012-2803	0.781250%
7) William J. Duncan 1414 Crownhill Drive Arlington, Texas 76012	0.781250%
8) Tarleton A. Woodson, aka T.A. Woodson and Sherrill M. Woodson, Trustees of the Tarleton A. Woodson, aka T.A. Woodson and Sherrill M. Woodson Revocable Trust created May 6, 1998 P.O. Box 195 Acton, CA 93510-0195	0.585938%
9) David R. Woodson and Loretta A. Woodson, Trustees of the David R. Woodson and Loretta M. Woodson Living Trust dated 1-4-1999 20313 NE 89 <sup>th</sup> Avenue Battleground, WA 98604	0.585938%
10) William S. Woodson and Linda Kay Woodson, Trustees of the William S. Woodson and Linda Kay Woodson Trust dated 12-17-1999 211 Dunes Street Morro Bay, CA 93442	0.585937%
11) Thomas C. Woodson and Linda Kay Woodson P.O. Box 120757 Arlington, Texas 76012	<u>0.585937%</u> 100.000000%

**Overriding Royalty Owners:**

1) None

## OWNERSHIP LIST

### S/2SE/4 (Long Draw 9 O #1 and Long Draw 9 P #1)

#### **WI Owners:**

- |   |                                      |
|---|--------------------------------------|
| 1) Mewbourne Oil Company<br>P.O. Box 7698<br>Tyler, Texas 75711   | 30.05357145%                         |
| 2) Devon Energy Production Company, LP<br>20 North Broadway, Ste. 1500<br>Oklahoma City, Oklahoma 73102<br>Attn: Mr. Ken Gray | 30.05357145%                         |
| 3) Kaiser-Francis Oil Company<br>P.O. Box 21468<br>Tulsa, Oklahoma 74121-1468<br>Attn: Mr. Wayne Fields                       | 21.14285710%                         |
| 4) Merit Energy Company<br>13727 Noel Road, Ste. 500<br>Dallas, Texas 75240<br>Attn: Ms. Erin Wonderly                        | <u>18.75000000%</u><br>100.00000000% |

#### **Royalty Owners:**

- |  |           |
|--|-----------|
| 1) Michael San Miguel<br>4020 Vendome Place<br>New Orleans, LA 70125           | 2.148438% |
| 2) Marshal San Miguel<br>1510 Heritage Oaks Way<br>Knoxville, TN 37923-6852    | 2.148437% |
| 3) Tierra Oil Company, LLC<br>P.O. Box 700968<br>San Antonio, Texas 78270-0968 | 2.013938% |
| 4) Robert H. Tweedy, III<br>1508 Woodland Street NE<br>Decatur, AL 35601-5020  | 1.289063% |
| 5) Carmex, Inc.<br>P.O. Box 1718<br>Carlsbad, NM 88221-1718                    | 0.694375% |
| 6) Robert T. McWhorter, Jr.<br>303 Cain Street NE, Ste. A<br>Decatur, AL 35601 | 0.429688% |



7) Roger B. McWhorter 215 Grant Street SE Decatur, AL 35601	0.429688%
8) William H. Hudson, Jr. P.O. Box N Courtland, AL 35618-0794	0.429688%
9) Vincent D. Hudson 5333 Rio Vista Street Sarasota, FL 34232	0.429687%
10) Alice A. Dupes 2015 Stratford Road SE Decatur, AL 35601	0.429688%
11) Evelyn Bond Gaudin, Paul A. Nalty and John P. Cavaroc 400 Magazine Street, Ste. 300 New Orleans, LA 70130-2437	0.260417%
12) Harold N. Lovvorn, Jr. 1011 Belle Meade Boulevard Nashville, TN 37205-4503	0.208344%
13) Winston Garth Lovvorn 301 E. Washington Street Athens, AL 35611-2653	0.208343%
14) Katherine Stuart Terry 5308 7 <sup>th</sup> Avenue South Birmingham, AL 35212	0.143229%
15) Virginia Garth Terry 5308 7 <sup>th</sup> Avenue South Birmingham, AL 35212	0.143229%
16) Ellen Wayles Terry 5308 7 <sup>th</sup> Avenue South Birmingham, AL 35212	0.143229%
17) Linda A. Bell P.O. Box 1027 Castle Rock, CO 80104-1027	0.130208%
18) Virginia R. Fort 4312 S. 31 <sup>st</sup> Street, Apt. #42 Temple, Texas 76502	0.130208%
19) Jackson G. Hitchcock, Jr. 29 Donald Drive	0.107422%

Pittsboro, NC 27312

- |  |                                |
|--|--------------------------------|
| 20) Amanda Suttle Hitchcock<br>4107 12 <sup>th</sup> Street NE<br>Washington, DC 20017 | 0.080566%                      |
| 21) Diane Hitchcock<br>3645 Fraternity Church Road<br>Winston-Salem, NC 27127-8775     | 0.080566%                      |
| 22) Jason Hitchcock<br>1315 Clarendon Street, Apt. A<br>Durham, NC 27705               | 0.080566%                      |
| 23) Laura Hitchcock Workman<br>2607 Pageland Hwy.<br>Monroe, NC 28112                  | 0.080566%                      |
| 24) Jeffrey Caswell Neal<br>1311 Doepp Drive<br>Carlsbad, NM 88220                     | 0.075955%                      |
| 25) Judith Gene Hanttula<br>704 Riverside Drive<br>Carlsbad, NM 88220                  | 0.075955%                      |
| 26) Janet Elizabeth Vogt<br>13404 Piedra Grande Place NE<br>Albuquerque, NM 87111      | 0.075955%                      |
| 27) Mary Gene Bloomquist<br>P.O. Box 716<br>Castle Rock, CO 80104-0716                 | <u>0.032552%</u><br>12.500000% |

**Overriding Royalty Owners:**

- |   |                           |
|---|---------------------------|
| 1) Kirby Minerals<br>P.O. Box 268947<br>Oklahoma City, OK 73125                   | 5.6250%                   |
| 2) Jayhawk Oil & gas Corporation<br>4319 Valley Drive<br>Midland, Texas 79707     | 0.7500%                   |
| 3) Gene F. Lang & Co.<br>6995 S. Chapparal Circle W.<br>Centennial, CO 80016-2109 | 0.3125%                   |
| 4) David T. Holt<br>P.O. Box 680997<br>Franklin, TN 37068-0997                    | <u>0.3125%</u><br>7.0000% |

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

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

June 24, 2010

Certified Mail-Return Receipt No. 2227

David T. Holt  
P.O. Box 680997  
Franklin, TN 37068-0997

This same letter sent to all  
involved parties. If needed I can  
send all forty something copies

Re: Surface Commingling  
Long Draw "9" I No. 1  
2310' FSL & 330' FEL  
Section 9, T20S, R25E  
Eddy County, New Mexico

Long Draw "9" P No. 1  
410' FSL & 330' FEL  
Section 9, T20S, R25E  
Eddy County, New Mexico

Long Draw "9" O No. 1  
330' FSL & 1650' FEL  
Section 9, T20S, R25E  
Eddy County, New Mexico

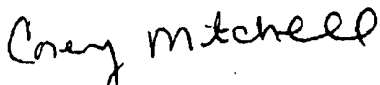
Gentlemen:

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking authorization to surface commingle production from the Cemetery Yeso Pool originating from the Long Draw 9 I #1, Long Draw 9 O #1 and the Long Draw 9 P #1 wells located on Fee Leases, which comprise the S/2SE/4, NE/4SE/4 of Section 9, T20S, R25E, Eddy County, New Mexico. All production from these wells is to be stored in the Long Draw "9" O Tank Battery, located in the SW/4SE/4 of Section 9. Production will still be metered separately for each well on a daily basis. The reason for doing this is to save approximately \$150,000.00 in oil production facilities. If you object to the application, you must notify the Division in writing no later than 20 days from the date 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 later.

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

Sincerely,

MEWBOURNE OIL COMPANY

  
Corey Mitchell  
Landman