

**CASE NO. 21131**

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

**EXHIBITS**

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

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**Case No. 21131**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 29 and the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 20, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 29 and the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 20, and has the right to drill a well thereon.
2. Applicant proposes to drill the Hereford 29/20 B1PA State Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, with a first take point in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 29 and a last take point in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 20.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 29 and the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 20 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 29 and the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 20, pursuant to NMSA 1978 §70-2-17.

EXHIBIT **1**




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

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

- A. Pooling all mineral interests in the Bone Spring formation underlying the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 29 and the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 20;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a cost plus 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

*Case No.* \_\_\_\_\_ :

*Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.*  
Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 29 and the E/2E/2 of Section 20, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to the Hereford 29/20 B1PA State Com. Well No. 1H, with a first take point in the SE/4SE/4 of Section 29 and a last take point in the NE/4NE/4 of Section 20. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a cost plus 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13 miles west-northwest of Monument, New Mexico.



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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

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

**Case No. 21131**

**VERIFIED STATEMENT OF BRAD DUNN**

Brad Dunn, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest and mineral owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 320.00-acre horizontal spacing unit in the Bone Spring formation comprised of E/2E/2 of Section 29 and the E/2E/2 of Section 20, Township 19 South, Range 35 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Bone Spring formation underlying the unit. The unit will be dedicated to the Hereford 29/20 B1PA State Com #1H well. The referenced well is a horizontal well. The Hereford 29/20 B1PA State Com #1H has a first take point in Unit P of Section 29 and a final take point in Unit A of Section 20.

(d) There are no depth severances in the Bone Spring formation.

(e) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth. To find the unlocatable parties we examined

ATTACHMENT 

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

(f) Attachment C contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them.

(g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest and mineral owners in the proposed wells.

(h) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(i) Attachment D is the Authorization for Expenditure for each proposed well. The estimated cost of the wells set forth therein are fair and reasonable, and are comparable to the costs of other wells of similar depth and length drilled in this area of Lea County.

(j) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

(k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

(l) Applicant requests that it be designated operator of the wells.

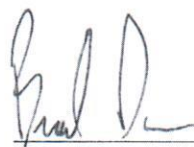
(m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

(n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION


STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )

Brad Dunn, 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.

  
\_\_\_\_\_  
Brad Dunn

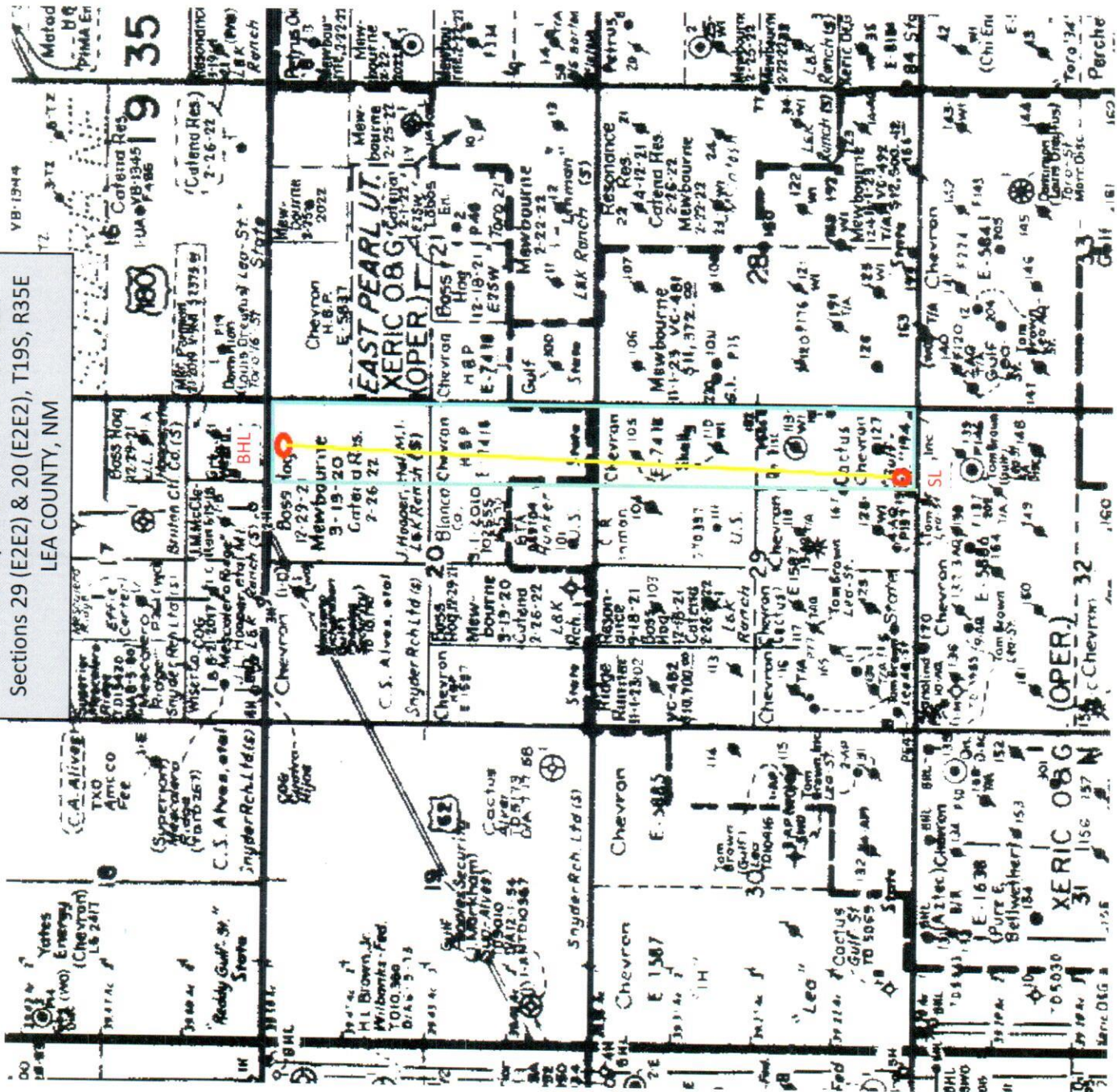
SUBSCRIBED AND SWORN TO before me this 26 day of February, 2020 by Brad Dunn.

My Commission Expires: 8-28-22

  
\_\_\_\_\_  
Notary Public



Hereford 29/20 B1PA STATE COM #1H  
Sections 29 (E2E2) & 20 (E2E2), T19S, R35E  
LEA COUNTY, NM



ATTACHMENT





District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
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		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name <b>HEREFORD 29/20 B1PA STATE COM</b>			6 Well Number <b>1H</b>
7 GRID NO.		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>			9 Elevation <b>3744'</b>

10 Surface Location

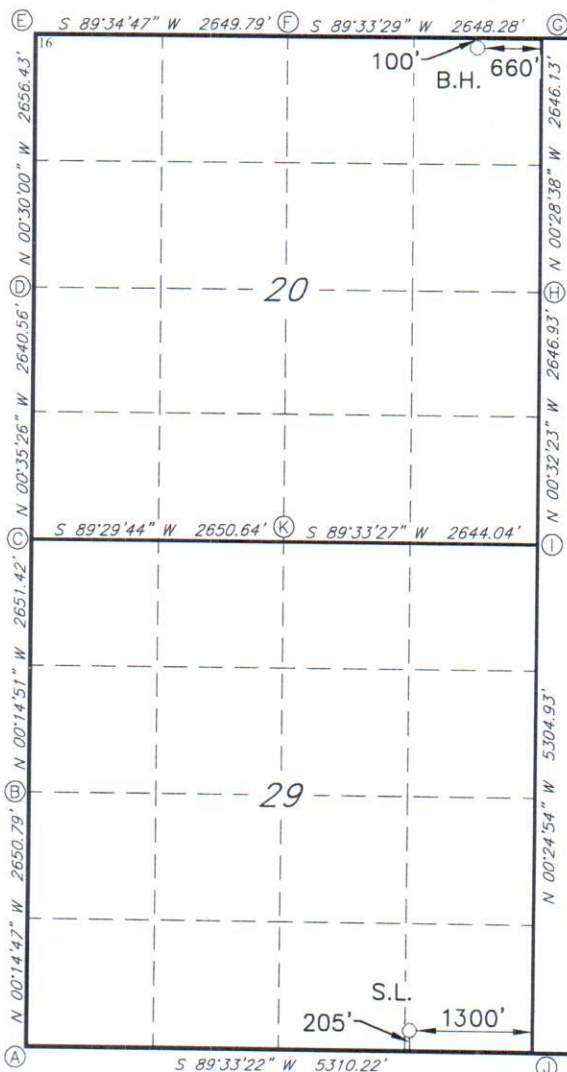
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>P</b>	<b>29</b>	<b>19S</b>	<b>35E</b>		<b>205</b>	<b>SOUTH</b>	<b>1300</b>	<b>EAST</b>	<b>LEA</b>

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
<b>A</b>	<b>20</b>	<b>19S</b>	<b>35E</b>		<b>100</b>	<b>NORTH</b>	<b>660</b>	<b>EAST</b>	<b>LEA</b>

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



**GEODETIC DATA**  
NAD 83 GRID - NM EAST  
**SURFACE LOCATION**  
N 592071.8 - E 805570.4  
LAT: 32.6247222° N  
LONG: 103.4750795° W  
**BOTTOM HOLE**  
N 602367.4 - E 806127.3  
LAT: 32.6530064° N  
LONG: 103.4730001° W  
**CORNER DATA**  
NAD 83 GRID - NM EAST  
A: FOUND 2" STEEL PIPE  
N 591835.8 - E 801562.7  
B: FOUND 1/2" REBAR  
N 594486.0 - E 801551.3  
C: FOUND 5/8" REBAR  
N 597136.9 - E 801539.8  
D: FOUND 8"x4"x4" LIMESTONE ROCK  
N 599776.8 - E 801512.6  
E: FOUND LIMESTONE ROCK  
N 602432.6 - E 801489.4  
F: FOUND 1/2" REBAR  
N 602452.0 - E 804138.6  
G: FOUND 5/8" REBAR  
N 602472.4 - E 806786.3  
H: FOUND 6"x4"x4" LIMESTONE ROCK  
N 599826.9 - E 806808.3  
I: FOUND 1/2" REBAR  
N 597180.6 - E 806833.3  
J: FOUND 1" REBAR  
N 591876.9 - E 806871.7  
K: FOUND 8"x2"x4" LIMESTONE ROCK  
N 597160.2 - E 804189.8

17 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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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 \_\_\_\_\_  
E-mail Address \_\_\_\_\_

18 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.

1-17-19

Date of Survey

Signature and Seal of Professional Surveyor

19680

Certificate Number

1/22/19 NAME, S.L. & B.H. CHANGE

RRC - Job No.: LS18101229R

**TRACT OWNERSHIP**  
**Hereford 29/20 B1PA State Com #1H**  
**Sections 29 (E/2E/2) & 20 (E/2E/2), T19S, R35E**  
**Lea County, New Mexico**

**Sections 29 (E/2E/2) & 20 (E/2E/2):**  
**Bone Spring formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	87.467448%
*XTO Holdings, LLC 810 Houston Street Fort Worth, Texas 76102	12.500000%
*Ricky Don Raindl, ssp P.O. Box 142454 Irving, TX 75014	0.011393%
*Debra Kay Primera, ssp P.O. Box 28504 Austin, TX 78755	0.011393%
* <del>Velta Jean Daigneault</del> <del>P.O. Box 1073</del> <del>Phnom Penh, Tbong Khmum 12000</del> <del>Cambodia</del>	0.009766%
	<hr/> 100.000000%

*Dismiss  
from pooling*

**\* Total interest being pooled: 12.5326%**

ATTACHMENT

*B*



**Summary of Communications**  
**Hereford 29/20 B1PA State Com #1H**

**XTO Holdings, LLC**

- 1) 12/03/2019: Well names are changed and new proposal letters with AFEs are sent via certified mail and emailed to Vincent Cuccerre with XTO.
- 2) 01/09/2020: Emailed and called Vincent Cuccerre for an update on elections
- 3) 01/13/2020: Received executed AFE's back from XTO
- 4) 01/22/2020: Mailed via certified mail a modified Hereford 29/20 JOA to XTO for their review and execution
- 5) 01/24/2020: Emailed Vincent Cuccerre with XTO for an update on execution of the JOA
- 6) 02/11/2020: Emailed Vincent Cuccerre with XTO for an update on execution of the JOA
- 7) 02/12/2020-02/25/2020: Email correspondence with Vincent Cuccerre regarding XTO's proposed changes to JOA. XTO & Mewbourne are still negotiating through a mutually agreed upon JOA.
- 8) 02/26/2020: Both Mewbourne and XTO still plan to work this out outside of a force-pooling. Still working out the JOA with XTO.

**Debra Kay Primera**

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

**Ricky Don Raindl**

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

ATTACHMENT

C

# MEWBOURNE OIL COMPANY

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

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

December 4, 2019

Via Certified Mail

COG Operating LLC  
600 W. Illinois Avenue  
One Concho Center  
Midland, Texas 79701  
Attn: Brent Sawyer

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

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") withdraws its proposals to drill the Hereford 29/20 B3PA State Com #2H, the Hereford 29/20 B2OB Fed Com #1H, and the Hereford 29/20 B2PA State Com #1H, and proposes to drill the following horizontal Bone Spring and Wolfcamp wells:

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

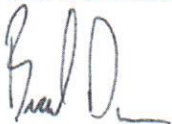
Regarding the above, enclosed for your further handling are our AFE's dated November 26, 2019 for the proposed wells. In the event you elect to participate in the proposed wells, please execute the enclosed AFE's and return them to me. These new proposed wells will still fall under the September 1, 2019 JOA that COG Operating LLC previously agreed to participate in with Mewbourne as Operator. However, due

to the new wells now targeting different formations, the Exhibit "A" to this September 1, 2019 JOA has been modified to include both the Bone Spring and Wolfcamp formations. I have included a copy of the modified Exhibit "A" to this JOA for your records. If this modified Exhibit "A" meets your approval, please also sign the attached JOA modification letter granting your approval of this change, mail it back with the executed AFE's, and replace the old Exhibit "A" to the September 1, 2019 JOA originally sent to you with this updated one.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

A handwritten signature in black ink, appearing to read "Brad Dunn", with a stylized flourish at the end.

Brad Dunn  
Petroleum Landman



## MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: **HEREFORD 29/20 B1PA STATE COM #1H** Prospect: **CHAROLAIS (HEREFORD 20/29)**  
 Location: **SL: 205 FSL & 1270 FEL (29); BHL: 100 FNL & 660 FEL (20)** County: **Lea** ST: **NM**  
 Sec. **29** Blk:  Survey:  TWP: **19S** RNG: **35E** Prop. TVD: **9572** TMD: **19680**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$70,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling 28 days drlg / 4 days comp @ \$21500/d		0180-0110	\$642,900	0180-0210	\$91,800
Fuel 1700 gal/day @ \$2.74/gal		0180-0114	\$139,300	0180-0214	\$295,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$250,000
Cementing		0180-0125	\$125,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$400,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation 50 Stg 20.4 MM gal / 20.4 MM lb				0180-0241	\$2,040,000
Stimulation Rentals & Other				0180-0242	\$300,000
Water & Other		0180-0145	\$40,000	0180-0245	\$625,000
Bits		0180-0148	\$166,600	0180-0248	\$8,000
Inspection & Repair Services		0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$49,500	0180-0270	\$33,000
Directional Services Includes Vertical Control		0180-0175	\$325,000		
Equipment Rental		0180-0180	\$256,900	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,100	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$4,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$158,400	0180-0295	\$105,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$54,300	0180-0299	\$89,600
<b>TOTAL</b>			<b>\$2,768,500</b>		<b>\$4,567,500</b>
TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 1890' - 13 3/8" 54.5# J-55 ST&C @ \$34.83/ft		0181-0794	\$70,300		
Casing (8.1" - 10.0")		0181-0795			
Casing (6.1" - 8.0") 9700' - 7" 29# HCP-110 LT&C @ \$23.84/ft		0181-0796	\$247,000		
Casing (4.1" - 6.0") 10500' - 4 1/2" 13.5# HCP-110 LT&C @ \$12.16/ft				0181-0797	\$136,400
Tubing 9125' - 2 7/8" 6.5# EUE tbg @ \$4.6/ft				0181-0798	\$44,800
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	\$10,000
Artificial Lift Systems ESP				0181-0884	\$150,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers 1/2 VRU/SWD pump/booster comp				0181-0886	\$50,000
Tanks - Oil 1/2 of 6 - 750 bbl				0181-0890	\$65,000
Tanks - Water 1/2 of 5 - 750 bbl coated				0181-0891	\$58,000
Separation / Treating Equipment 36x15x500 Hor 3 ph & 30x10x500 V1/2 Gun bbl/VRT				0181-0895	\$110,000
Heater Treaters, Line Heaters 8'x20'x125# HT				0181-0897	\$38,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering				0181-0900	\$5,000
Fittings / Valves & Accessories				0181-0906	\$135,000
Cathodic Protection				0181-0908	\$57,500
Electrical Installation Includes automation & ESP hookup				0181-0909	\$105,000
Equipment Installation				0181-0910	\$75,000
Pipeline Construction				0181-0920	\$5,000
<b>TOTAL</b>			<b>\$357,300</b>		<b>\$1,164,700</b>
<b>SUBTOTAL</b>			<b>\$3,125,800</b>		<b>\$5,732,200</b>

TOTAL WELL COST

\$8,858,000

## Extra Expense Insurance

☐

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
 Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: **Jake Maxey**Date: **11/26/2019**

Company Approval: \_\_\_\_\_

Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_

Signature: \_\_\_\_\_

ATTACHMENT



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

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

Case No. 21131

VERIFIED STATEMENT OF JORDAN CARRELL

COUNTY OF MIDLAND                    )  
  ) ss.  
STATE OF TEXAS                        )

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

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
  - (a) Attachment A is a structure map of the Bone Spring formation, on the top of the First Bone Spring Sand. It shows that structure dips to the west by southwest, and that the wellbore will be drilled slightly updip. It also shows a line of cross-section, A-A'.
  - (b) Attachment B is a gross sand isopach of the First Bone Spring Sand, the test zone for the Hereford 29/20 B1PA State Com. Well No. 1H. It shows that the target sand across the well unit has a uniform thickness of approximately 325 feet.
  - (c) Attachment C is a north-south cross section. The well logs on the cross-section give a representative sample of the Bone Spring formation in this area. The target zone for the well is the First Bone Spring Sand, and that zone is continuous across the well unit.
4. I conclude from the maps that:
  - (a) The horizontal spacing unit is justified from a geologic standpoint.
  - (b) Each quarter-quarter section in the unit will contribute more or less equally to production.
  - (c) There is no faulting or other geologic impediment on the area which will affect the drilling of the subject well.

EXHIBIT

3

5. Attachment D contains information from other First Bone Spring Sand wells drilled in this area. The preference is for standup units, and the few completed wells in the area (recent completions) are apparently commercial.

6. Attachment E is the Survey Calculation Report. The producing interval of the well is orthodox.

A handwritten signature in cursive script, reading "Jordan Carrell". The signature is written in dark ink and is positioned above a horizontal line.

---

Jordan Carrell



VERIFICATION

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )


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

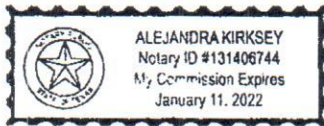


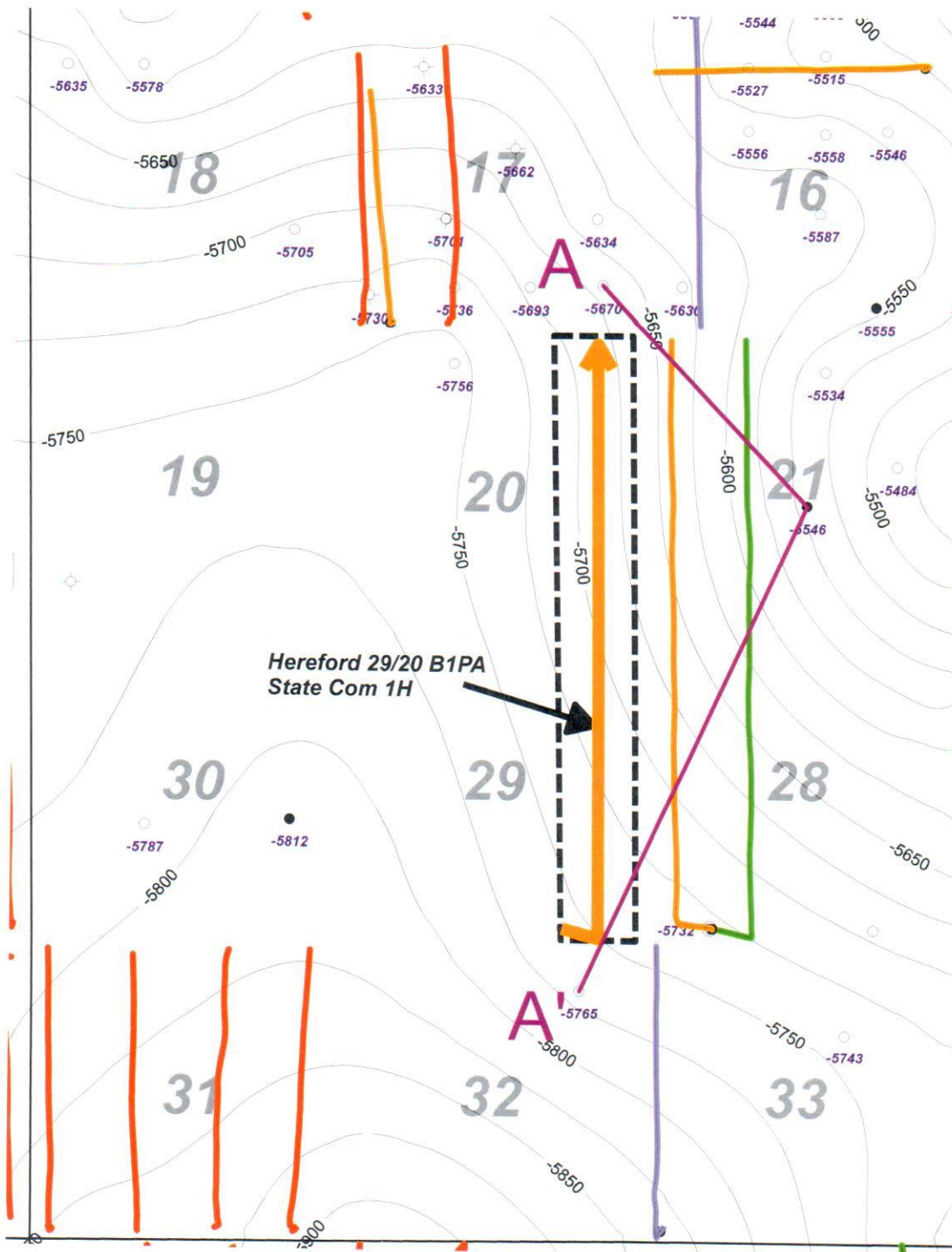
Jordan Carrell

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

My Commission Expires: January 11, 2022

  
Notary Public





ATTACHMENT

Wells deeper than 7000'

TD

1st BSPG Sd  
structure top  
(subsea)

1 inch = 2200 feet  
2500 0 2500 ft



Horizontal Well Color Code

- 1st BSPG Sd Well
- 2nd BSPG Sd Well
- 3rd BSPG Sd Well
- WFMP "A" Sh Well

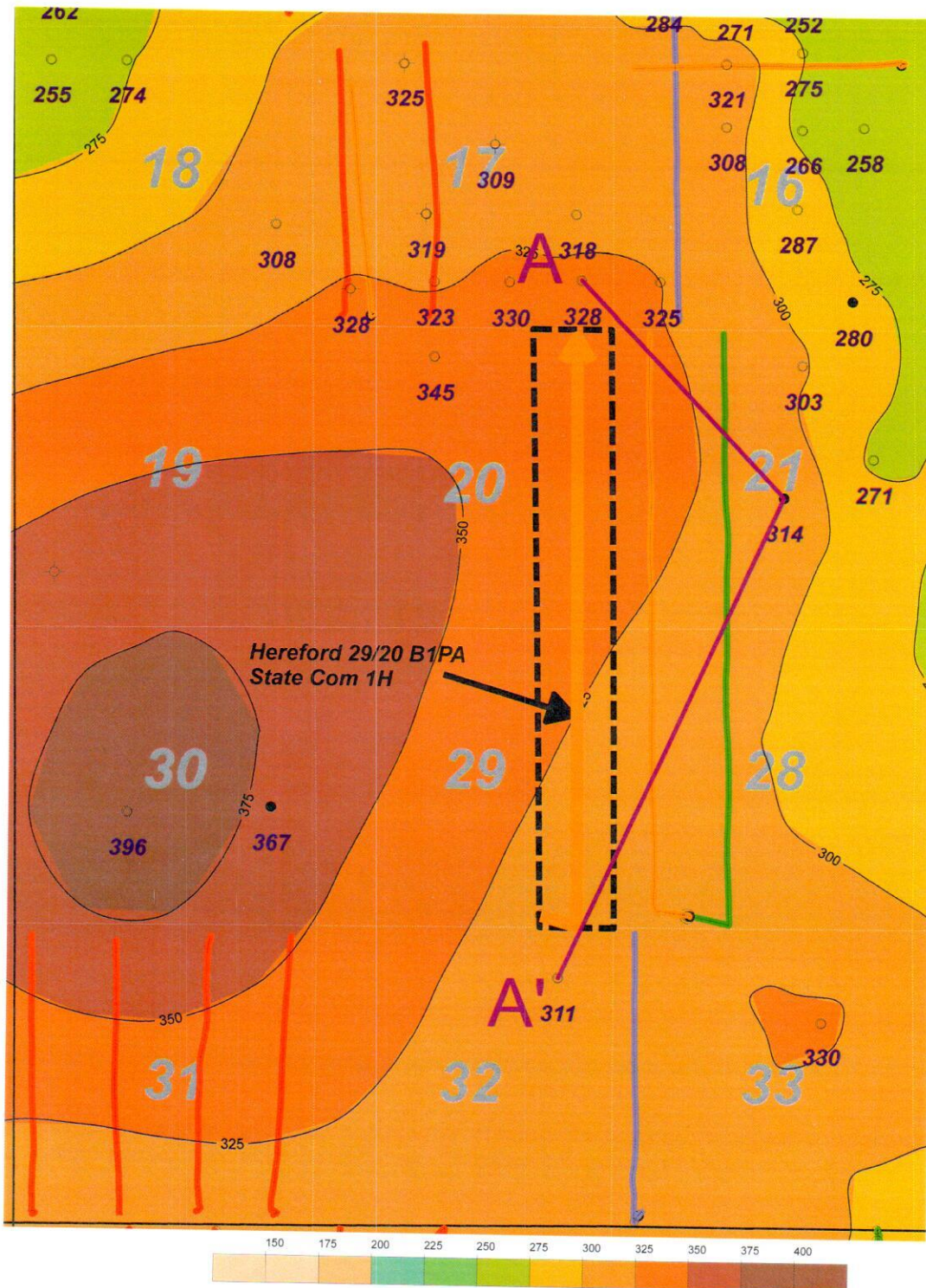
MOC

**Mewbourne Oil Company**

**Hereford 29/20 B1PA State Com #1H**  
**1st BSPG Sand Structure Contour Map**  
**C.I. = 25'**

2/18/20	Lea County	New Mexico
	Scale: 1" = 2200'	JRC





Wells deeper than 7000'

TD

1st BSPG Sd  
gross thickness  
(ft)

BSPG Horizontal Color Code

- 1st BSPG Sd Well
- 2nd BSPG Sd Well
- 3rd BSPG Sd Well
- WFMP "A" Sh Well

1st BSPG Gross Sand Thickness (ft)

1 inch = 2200 feet



MOC Newbourne Oil Company		
Hereford 29/20 B1PA State Com #1H 1st BSPG Sand Gross Thickness Isopach Map C.I. = 25'		
19S/35E	Lea County	New Mexico
2/18/20	Scale: 1" = 2200'	JRC

ATTACHMENT



A

GREAT WESTERN DRILLING CO  
BELLEVILLE, MO  
NW 1/4 Sec 17  
TWP 19 S - Range 35 E - Sec 17  
Reference=KB  
Datum=3636.00

5220 ft

WPX ENERGY PERMAN LLC  
TORO 21.2  
NW 1/4 Sec 21  
TWP 19 S - Range 35 E - Sec 21  
Reference=KB  
Datum=3781.00

9382 ft

CIMAREX ENERGY CO OF COLORADO  
LEA AQ STATE 1  
875 FNL 690 FEL  
TWP 19 S - Range 35 E - Sec 32  
Reference=KB  
Datum=3750.00

3002528 16500

A'

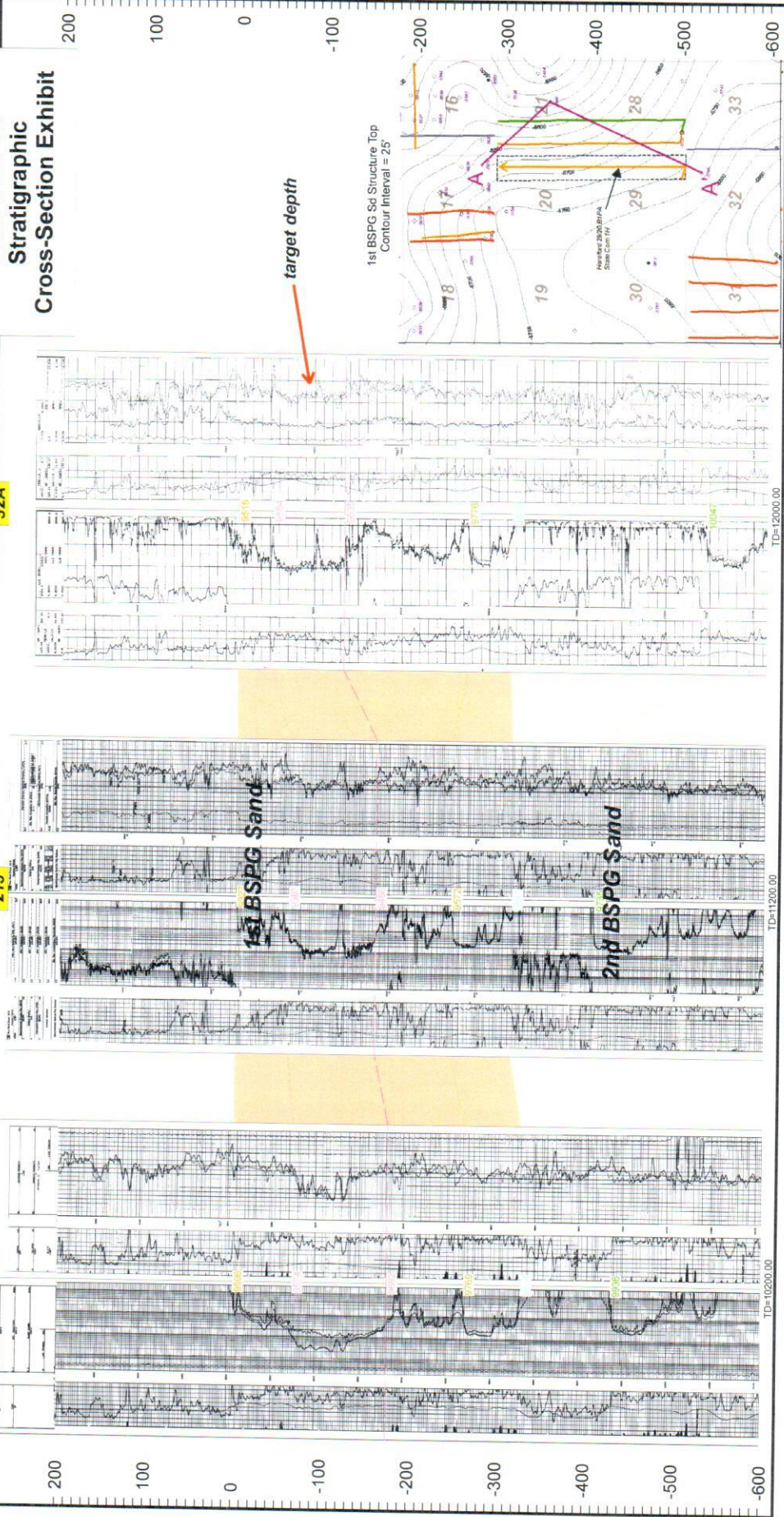
# Hereford 29-20 B1PA State Com 1H Stratigraphic Cross-Section Exhibit

17P

21J

32A

target depth



ATTACHMENT C



# Hereford Area 1st Bone Spring Sand Horizontal Production Data Table

Operator	API	Location	Comp Date	Cum Oil (MBO)	Cum Gas (BCF)	Cum Water (MBW)	NS/EW	HZ Target
Mewbourne Oil Co	3002545343	28M21D/19S/35E	7/31/2019	153	0.13	470	NS	1st BSPG Sd
COG Operating LLC	3002542468	17MD/19S/35E	5/29/2015	129	0.13	444	NS	1st BSPG Sd
Catena Resources	3002540852	16AD/19S/35E	2/17/2013	32	0.05	63	EW	1st BSPG Sd
XTO Energy Inc	3002543811	24NC/19S/34E	2/1/2018	368	0.12	339	NS	1st BSPG Sd

ATTACHMENT





COMPANY: Mewbourne Oil Company  
WELL: Hereford 29/20 B1PA St Com #1H  
COUNTY: Lea County N. M. Nad (83)  
DATUM: North American Datum 1983  
RIG: Patterson 217



GRID CORRECTION: To convert a Magnetic Direction to a Grid Direction, Add 6.23°

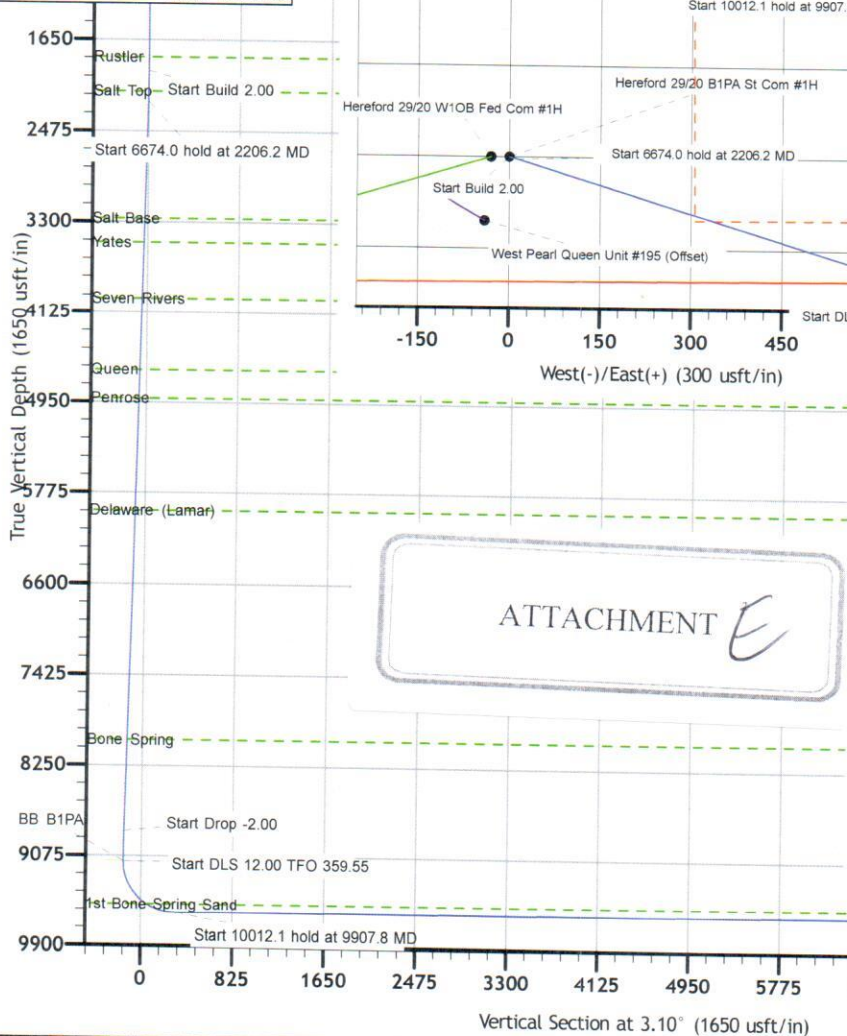
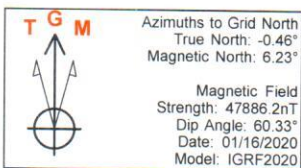
GEODETTIC ZONE: New Mexico Eastern Zone  
3744+28 @ 3772.0usft (Patterson 217)  
GROUND ELEVATION: 3744.0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.0	0.0	592071.80	805570.40	32° 37' 29.000 N	103° 28' 30.286 W	

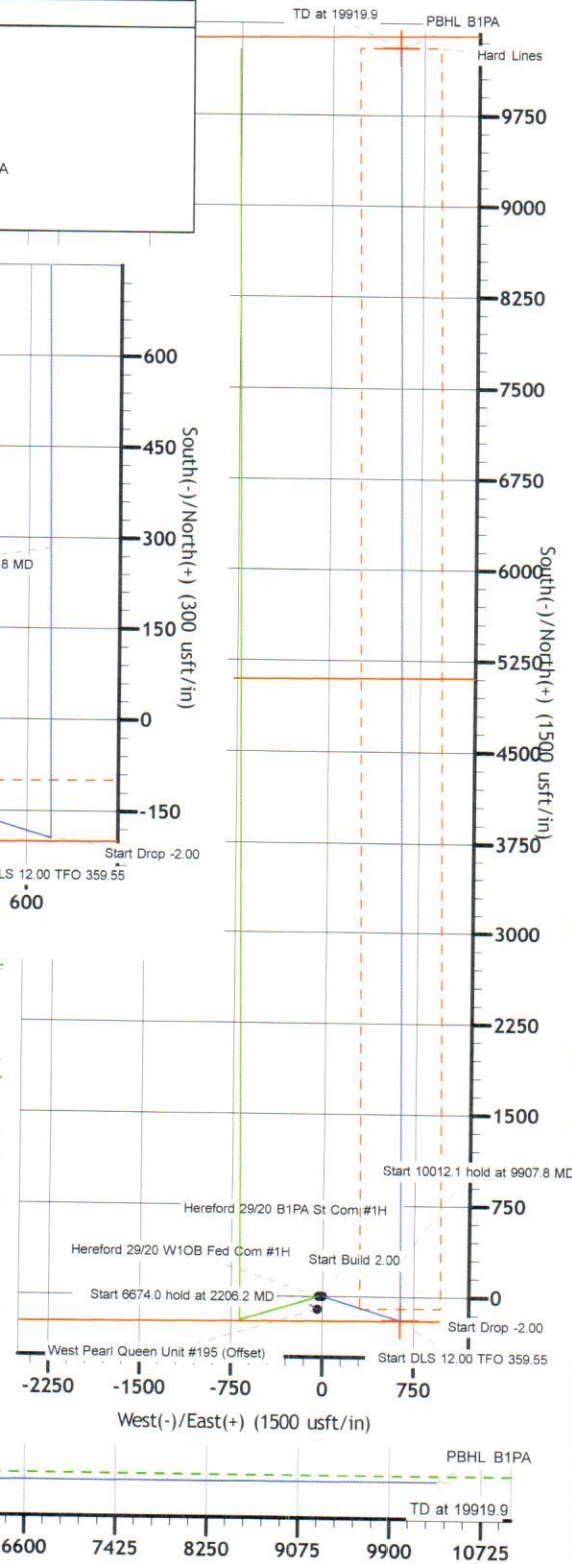
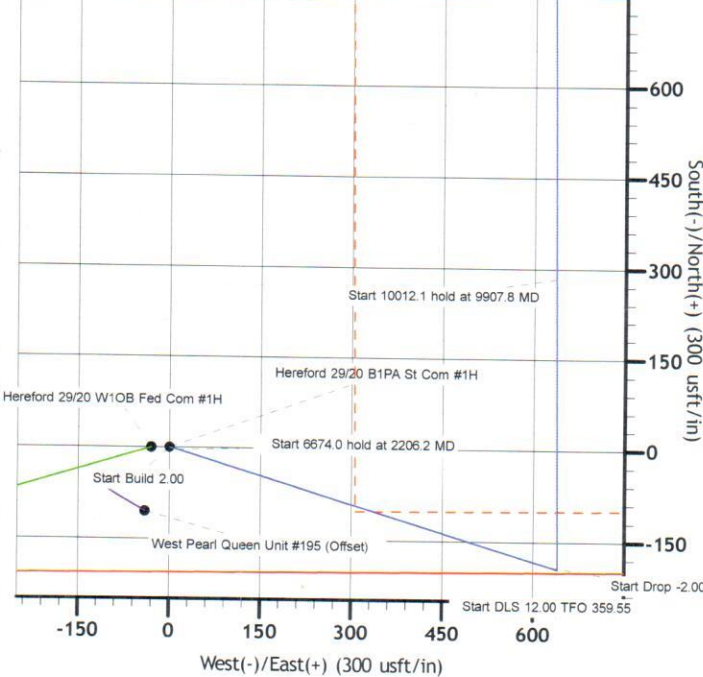
PLAN SECTIONS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1930.0	0.00	0.00	1930.0	0.0	0.0	0.00	0.00	0.0	
3	2206.2	5.52	106.95	2205.8	-3.9	12.7	2.00	106.95	-3.2	
4	8880.2	5.52	106.95	8848.7	-191.1	627.3	0.00	0.00	-157.0	
5	9156.3	0.00	0.00	9124.5	-195.0	640.0	2.00	180.00	-160.1	BB B1PA
6	9907.8	90.17	359.55	9602.0	283.9	636.2	12.00	359.55	317.8	
7	19919.9	90.17	359.55	9572.0	10295.6	556.9	0.00	0.00	10310.7	PBHL B1PA

SHL: 205' FSL; 1300' FEL  
Section 29-19S-35E  
PBHL: 100 FNL; 660' FEL  
Section 20-19S-35E



Section 29-19S-35E Hereford



ATTACHMENT E



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

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

Case Nos. 21131 + 21132

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

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

Date: 3/4/20

James Bruce  
James Bruce

EXHIBIT 4

**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](mailto:jamesbruc@aol.com)

February 13, 2020

To: Persons on Exhibit A

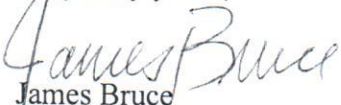
Ladies and gentlemen:

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

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 5, 2020, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend the hearing, but as an owner of an interest that may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

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

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

ATTACHMENT 



Exhibit A

XTO Holdings LLC  
22777 Springwoods Village Parkway  
Spring, Texas 77389

COG Operating LLC  
600 West Illinois Avenue  
Midland, Texas 79701

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

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

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 4582 8278 6087 49

2. Article Addressed to:

7019 1640 0000 1700 9542

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

MOC-71

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) Ricky D. Raindl C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
  - ☐ Adult Signature Restricted Delivery
  - ☐ Certified Mail®
  - ☐ Certified Mail Restricted Delivery
  - ☐ Collect on Delivery
  - ☐ Collect on Delivery Restricted Delivery
  - ☐ Insured Mail
  - ☐ Registered Mail™
  - ☐ Registered Mail Restricted Delivery
  - ☐ Return Receipt for Merchandise
  - ☐ Signature Confirmation™
  - ☐ Signature Confirmation Restricted Delivery
  - ☐ Priority Mail Express®

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Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$  
Sent To  
Street and Apt. No., or P.O. Box  
City, State, ZIP+4®

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

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

2456 0021 0000 0491 6702

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Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$  
Sent To  
Street and Apt. No., or P.O. Box  
City, State, ZIP+4®

XTO Holdings LLC  
22777 Springwoods Village Parkway  
Spring, Texas 77389

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

9256 0021 0000 0491 6702

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO Holdings LLC  
22777 Springwoods Village Parkway  
Spring, Texas 77389



9590 9402 4582 8278 6087 25

2. Article Number (Transfer from service label)

7019 1640 0000 1700 9528

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
  - ☐ Adult Signature Restricted Delivery
  - ☐ Certified Mail®
  - ☐ Certified Mail Restricted Delivery
  - ☐ Collect on Delivery
  - ☐ Collect on Delivery Restricted Delivery
  - ☐ Insured Mail
  - ☐ Registered Mail™
  - ☐ Registered Mail Restricted Delivery
  - ☐ Return Receipt for Merchandise
  - ☐ Signature Confirmation™
  - ☐ Signature Confirmation Restricted Delivery
  - ☐ Priority Mail Express®

Domestic Return Receipt

MOC-71



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 4582 8278 6087 56

2. Article Addressed to:

7019 1640 0000 1700 9559

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

MDA - F

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
  - ☐ Adult Signature Restricted Delivery
  - ☐ Certified Mail®
  - ☐ Certified Mail Restricted Delivery
  - ☐ Collect on Delivery
  - ☐ Collect on Delivery Restricted Delivery
  - ☐ Signature Confirmation™
  - ☐ Signature Confirmation Restricted Delivery
  - ☐ Priority Mail Express®
  - ☐ Registered Mail™
  - ☐ Registered Mail Restricted Delivery
  - ☐ Return Receipt for Merchandise
  - ☐ Signature Confirmation
  - ☐ Signature Confirmation Restricted Delivery

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**OFFICIAL USE**

Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$

Sent To Debra Kay Primera  
P.O. Box 28504  
Austin, Texas 78755  
Street and Apt. No. or PO  
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**U.S. Postal Service™  
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Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$  
Total Postage and Fees \$

Sent To COG Operating LLC  
600 West Illinois Avenue  
Midland, Texas 79701  
Street and Apt. No. or PO  
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
  - ☐ Adult Signature Restricted Delivery
  - ☐ Certified Mail®
  - ☐ Certified Mail Restricted Delivery
  - ☐ Collect on Delivery
  - ☐ Collect on Delivery Restricted Delivery
  - ☐ Signature Confirmation™
  - ☐ Signature Confirmation Restricted Delivery
  - ☐ Priority Mail Express®
  - ☐ Registered Mail™
  - ☐ Registered Mail Restricted Delivery
  - ☐ Return Receipt for Merchandise
  - ☐ Signature Confirmation
  - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

MDA - F

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating LLC  
600 West Illinois Avenue  
Midland, Texas 79701



9590 9402 4582 8278 6087 32

2. Article Addressed to:

7019 1640 0000 1700 9535

PS Form 3811, July 2015 PSN 7530-02-000-9053

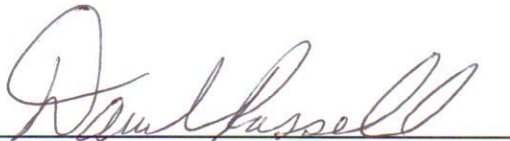


# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

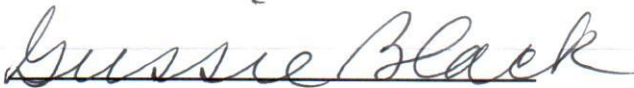
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

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



Publisher

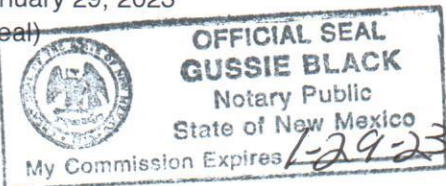
Sworn and subscribed to before me this  
21st day of February 2020.



Business Manager

My commission expires  
January 29, 2023

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

## LEGAL NOTICE FEBRUARY 21, 2020

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

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

2. In Case No. 20132, pooling the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 29 and the W/2E/2 of Section 20, dedicated to the Hereford 29/20 W1OB Fed. Com. Well No. 1H, which has a first take point in the SW/4SE/4 of Section 29 and a last take point in the NW/4NE/4 of Section 20.

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

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The application is scheduled to be heard at 8:15 a.m. on March 5, 2020 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well units you have the right to enter an appearance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043. The units are located approximately 13 miles west-northwest of Monument, New Mexico.  
#35220

EXHIBIT

5

01101711

00239669

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



# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21131
Date	March 5, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	XTO Energy Inc./Holland & Hart LLP
Well Family	Hereford 29/20 B1PA State Com. Well No. 1H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Scharb; Bone Spring/Pool Code 55610
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2E/2 §29 and E/2E/2 §20-19S-35E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	Hereford 29/20 B1PA State Com. Well No. 1H API No. 30-025-Pending SHL: 205 FSL & 1300 FEL §29 BHL: 100 FNL & 660 FEL §20 FTP: 100 FSL & 660 FEL §29 LTP: 100 FNL & 660 FEL §20 1 <sup>st</sup> Bone Spring Sand/TVD 9572 feet/MD 19680 feet

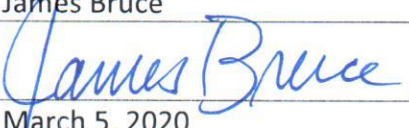
EXHIBIT

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



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