

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

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

**Case No. 21157**

**MEWBOURNE OIL COMPANY'S  
HEARING EXHIBITS**

Compulsory Pooling Checklist

Application

Exhibit A	Self-Affirmed Statement of Brad Dunn
A-1	Midland Map
A-2	C-102
A-3	Plat of Tracts
A-4	Unit Recapitulation
A-5	List of Tract Ownership and Pooled Parties
A-6	Well Proposal Letters
A-7	Summary of Follow-Up Contacts
A-8	Exhibit A to Joint Operating Agreement
A-9	Proposed Notice of Hearing
A-10	Hearing Notice Letter and Return Receipts
A-11	Affidavit of Publication
A-12	Authorization for Expenditures

Exhibit B      Self-Affirmed Statement of Jordan Carrell

B-1      General Location Map

B-2      Structure Map

B-3      Gross Isopach Map

B-4      Cross Section

B-5      Production Table

B-6      Well Planning Report

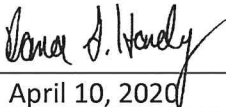
# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

<b>Case:</b>	<b>21157</b>
<b>Date</b>	<b>April 10, 2020</b>
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	Dana Hardy
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Inland 26/23 B2PI 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:	GRAMA RIDGE;BONE SPRING, NE/Pool Code 28435
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)	240 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2E/2 §26 and E/2SE/4 §23-21S-34E, 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	N/A
Applicant's Ownership in Each Tract	Exhibits A-3 and A-5
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	Inland 26/23 B2PI State Com. Well No. 1H API No. 30-025-45283 SHL: 205 FSL & 1220 FEL §26 BHL: 2540 FSL & 500 FEL §23 Second Bone Spring Sand Standup Standard
Horizontal Well First and Last Take Points	FTP: 100' FSL and 500' FEL, Section 26 LTP: 2540' FSL and 500' FEL, Section 23

Completion Target (Formation, TVD and MD)	2 <sup>ND</sup> Bone Spring Sand/TVD 10364 feet/MD 17978 feet
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000 – Exhibit A
Production Supervision/Month \$	\$800 – Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	Cost + 200% - Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-9
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-10
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-11
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners ( <i>i.e.</i> Exhibit A of JOA)	Exhibit A-8
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-12
Cost Estimate to Equip Well	Exhibit A-12
Cost Estimate for Production Facilities	Exhibit A-12
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, Bone Spring
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	Not Applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3, A-4
General Location Map (including basin)	Exhibit A-1
Well Bore Location Map	Exhibits B-1, B-2, B-3



Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-4
<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):	Dana Hardy
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	April 10, 2020

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

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

Case No. \_\_\_\_\_

**APPLICATION**

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company ("Mewbourne") applies for an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. In support of its application, Mewbourne states:

1. Mewbourne (OGRID No. 14744) is a working interest owner in the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23 and has the right to drill a well thereon.
2. The horizontal spacing unit will be dedicated to the Inland 26/23 B2PI State Com #1H well, which will be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit I in Section 23, Township 21 South, Range 34 East.
3. The completed interval for the well will be orthodox.
4. Mewbourne has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well but has been unable to obtain voluntary agreements from all of the mineral interest owners.
5. The pooling of all uncommitted mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23 will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled.

WHEREFORE, Mewbourne requests that this application be set for hearing on April 2, 2020 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East;

B. Designating Mewbourne as the operator of the Inland 26/23 B2PI State Com #1H well;

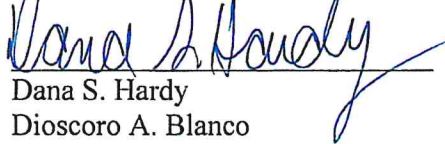
C. Authorizing Mewbourne to recover its costs of drilling, equipping, and completing the Inland 26/23 B2PI State Com #1H well and allocating the costs among the well's working interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by Mewbourne in drilling and completing the Inland 26/23 B2PI State Com #1H well against any mineral interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HINKLE SHANOR LLP



Dana S. Hardy

Dioscoro A. Blanco

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

[dhardy@hinklelawfirm.com](mailto:dhardy@hinklelawfirm.com)

[dblanco@hinklelawfirm.com](mailto:dblanco@hinklelawfirm.com)

*Counsel for Mewbourne Oil Company*



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

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

**Case No. 21157**

**SELF-AFFIRMED STATEMENT OF  
BRAD DUNN**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a landman for Mewbourne Oil Company ("Mewbourne"). I have had direct involvement with Mewbourne's development of the 240-acre, more or less, standard horizontal spacing unit ("HSU") that is the subject of Mewbourne's application in this case.

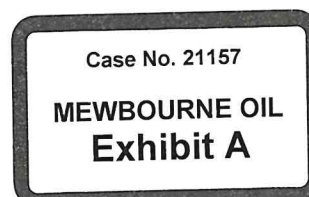
3. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.

**A. Proposed Wells and HSU**

4. The proposed HSU is comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. A Midland Map depicting the proposed HSU is attached as Exhibit A-1.

5. Mewbourne seeks to pool all uncommitted interests in the Bone Spring formation underlying the HSU.

6. The HSU will be dedicated to the Inland 26/23 B2PI State Com #1H well, which will be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit I in Section 23, Township 21 South, Range 34 East.



7. The first take point for the Inland 26/23 B2PI State Com #1H well is 100' FSL and 500' FEL in Section 26, and the last take point is 2540' FSL and 500' FEL in Section 23. The target interval is the Second Bone Spring Sand at 10,364' TVD and 17,978' TMD.

8. The proposed well will be completed from South to North, and the completed interval of the well will be orthodox.

10. The proposed well is located in the Grama Ridge, Bone Spring NE Pool, Code 28435. The primary product in the pool is oil. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15. Spacing in this pool is based on quarter-quarter sections, and the HSU is constructed based on quarter-quarter sections.

11. The C-102 for the proposed well is attached as Exhibit A-2.

#### **B. Ownership Determination**

12. A plat of the tracts included in the HSU and the associated ownership interests is attached as Exhibit A-3, and a recapitulation is attached as Exhibit A-4.

13. A list of the tract ownership is attached hereto as Exhibit A-5. The list also identifies the parties to be pooled.

14. There is no depth severance in the Bone Spring formation in the proposed HSU.

15. Mewbourne has the right to pool any overriding royalty owners in the HSU.

#### **C. Joinder**

16. I sent well proposal letters to the uncommitted interests on January 30, 2020 and February 3, 2020, respectively. I subsequently had follow-up communications with them. My well proposal letters are attached as Exhibit A-6. A summary of my follow-up contacts with the uncommitted interests is attached as Exhibit A-7.

17. A list of interest owners (Exhibit A to Joint Operating Agreement) is attached as Exhibit A-8.

18. 89.75% of the working interests are committed to the proposed well.

19. In my opinion, Mewbourne has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed wells.

#### **D. Notice of Hearing**

20. Mewbourne's proposed notice of hearing is attached as Exhibit A-9.

21. Notice of Mewbourne's application and the Division hearing was provided to the uncommitted interests more than 20 days prior to the hearing date. The notice letter and associated receipts are attached as Exhibit A-10.

22. Notice of Mewbourne's application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as Exhibit A-11.

#### **E. Drilling and Operating Costs**

23. The AFEs for the proposed wells are attached hereto as Exhibit A-12. The estimated cost of the wells is fair and reasonable and is comparable to the cost of other wells of similar depth and length drilled in Lea County.

24. Mewbourne requests overhead and administrative rates of \$8,000 per month while the wells are being drilled and \$800 per month while the wells are producing. These rates are fair and are comparable to the rates charged by Mewbourne and by other operators in the vicinity. They are also the rates set forth in the Joint Operating Agreement for the HSU. Mewbourne further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

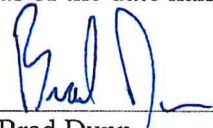
25. Mewbourne requests that it be designated the operator of the wells.

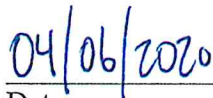
26. Mewbourne also requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.

27. The exhibits attached hereto were either prepared by me or under my supervision, or were compiled from company business records.

28. In my opinion, the granting of Mewbourne's application would serve the interests of conservation and the prevention of waste.

29. 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 28 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.

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

  
\_\_\_\_\_  
Date



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THE EDITOR

Case No. 21157

MEWBOURNE OIL  
Exhibit A-1

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MEWBOURNE OIL  
Exhibit A-2

Form C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

District II  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 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

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-45283</b>	<sup>2</sup> Pool Code <b>28430 28435</b>	<sup>3</sup> Pool Name <b>GRAMA RIDGE; BONE SPRING, NE</b>
<sup>4</sup> Property Code <b>322759</b>	<sup>5</sup> Property Name <b>INLAND 26/23 B2PI STATE COM</b>	
<sup>7</sup> GRID NO. <b>14744</b>	<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>	<sup>6</sup> Well Number <b>1H</b>
		<sup>9</sup> Elevation <b>3677'</b>

<sup>10</sup> Surface Location

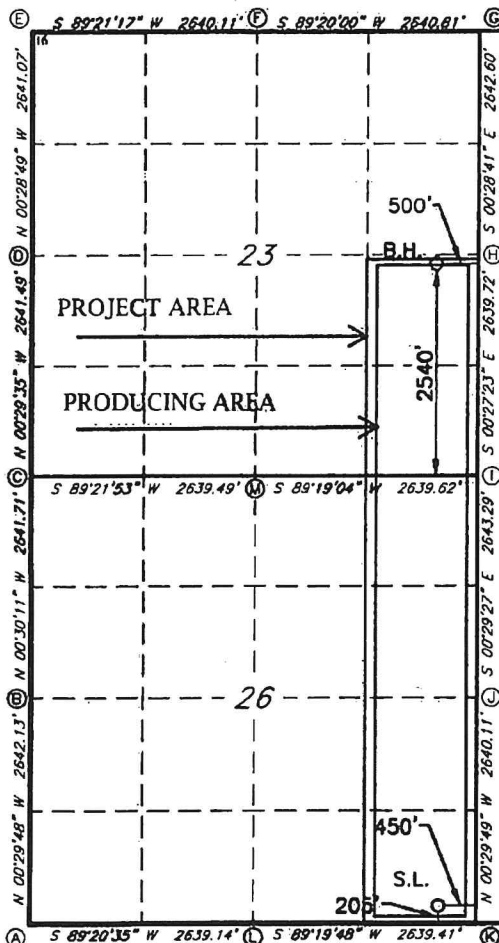
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>P</b>	<b>26</b>	<b>21S</b>	<b>34E</b>		<b>205</b>	<b>SOUTH</b>	<b>450</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> 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>I</b>	<b>23</b>	<b>21S</b>	<b>34E</b>		<b>2540</b>	<b>SOUTH</b>	<b>500</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>240</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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 526169.5 - E 818916.7  
LAT: 32.4432905° N  
LONG: 103.4335419° W  
**BOTTOM HOLE**  
N 533785.8 - E 818802.7  
LAT: 32.4642263° N  
LONG: 103.4337034° W

**CORNER DATA**  
NAD 83 GRID - NM EAST  
A: FOUND BRASS CAP "1913"  
N 525908.6 - E 814091.1  
B: FOUND BRASS CAP "1913"  
N 528550.2 - E 814068.2  
C: FOUND BRASS CAP "1913"  
N 531191.3 - E 814045.0  
D: FOUND BRASS CAP "1913"  
N 533832.2 - E 814022.3  
E: FOUND BRASS CAP "1913"  
N 536472.7 - E 814000.1  
F: FOUND BRASS CAP "1913"  
N 536502.5 - E 816639.6  
G: FOUND BRASS CAP "1913"  
N 536533.2 - E 819279.7  
H: FOUND BRASS CAP "1913"  
N 533891.2 - E 819301.8  
I: FOUND BRASS CAP "1913"  
N 531252.0 - E 819322.8  
J: FOUND BRASS CAP "1913"  
N 528609.3 - E 819345.4  
K: FOUND BRASS CAP "1913"  
N 525969.8 - E 819368.3  
L: FOUND BRASS CAP "1913"  
N 525938.9 - E 816729.6  
M: FOUND BRASS CAP "1913"  
N 531220.6 - E 816683.8

<sup>17</sup> 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 *Bradley Bishop* Date **10-22-18**

Printed Name **BRADLEY BISHOP**E-mail Address **BBISHOP@MEWBOURNE.COM**<sup>18</sup> 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.

Date of Survey **5-5-18**

Signature and Seal of Professional Surveyor

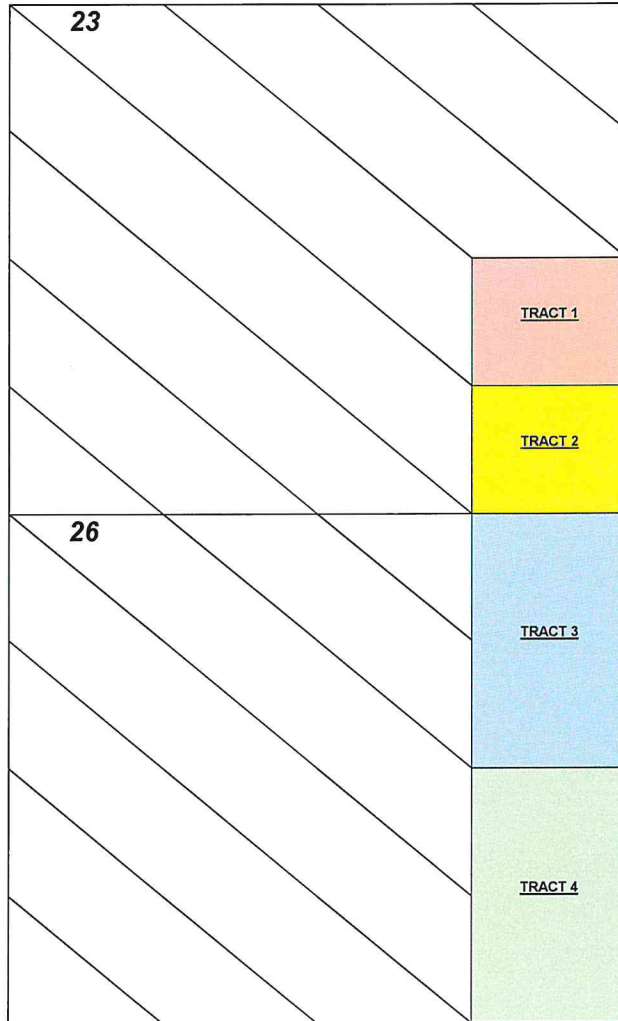
RRC - Job No.: **LS18045740**

## SECTION PLAT

East Half of the East Half (E/2E/2) of Section 26, Township 21 South, Range 34 East

East Half of the Southeast Quarter (E/2SE/4) of Section 23, Township 21 South, Range 34 East

County of Lea, State of New Mexico



Tract 1: NE4SE4 SEC. 23—STATE OF NEW MEXICO LEASE NO. B-11610

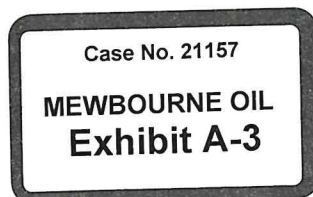
Mewbourne Oil Company

ZPZ Delaware I LLC

Southwest Royalties, Inc

BEXP I, LP

BTA Oil Producers



**Tract 2:** SE4SE4 SEC. 23—STATE OF NEW MEXICO LEASE NO. B-1651

Mewbourne Oil Company

ZPZ Delaware I LLC

**Tract 3:** W2NE4 SEC. 26—STATE OF NEW MEXICO LEASE NO. V-5887

Mewbourne Oil Company

Siana Oil & Gas Co.

CM Resources, LLC

**Tract 4:** W2SE4 SEC. 26—STATE OF NEW MEXICO LEASE NO. B-158

Mewbourne Oil Company

Alpha Energy Partners, LLC

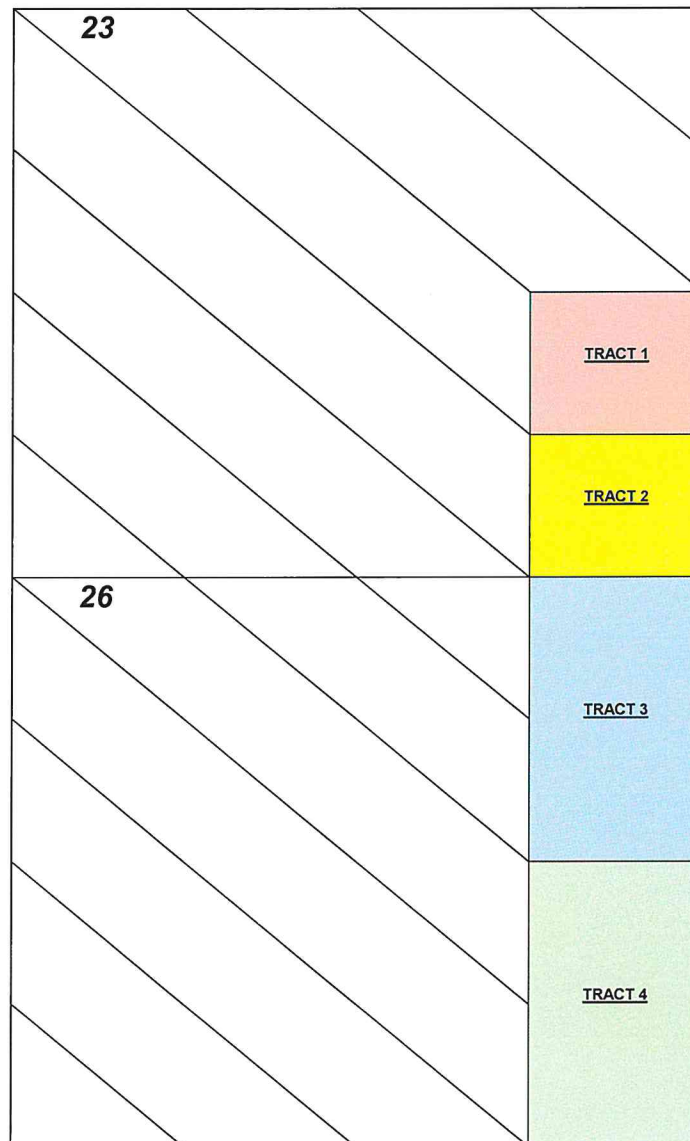
Fall Creek of San Angelo

Brian McLaughlin



**RECAPITULATION FOR INLAND 26/23 B2PI STATE COM #1H**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	40.00	16.666667%
2	40.00	16.666666%
3	80.00	33.333334%
4	80.00	33.333333%
<b>TOTAL</b>	<b>240.00</b>	<b>100.000000%</b>



Case No. 21157

**MEWBOURNE OIL  
Exhibit A-4**

**TRACT OWNERSHIP**  
**Inland 26/23 B2PI State Com #1H**  
**Sections 26 (E/2E/2) & 23 (E/2SE/4), T21S, R34E**  
**Lea County, New Mexico**

**Sections 26 (E/2E/2) & 23 (E/2SE/4):**

**Bone Spring formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	89.750000%
*SIANA Oil & Gas Company, LLC 810 Houston Street Fort Worth, Texas 76102	10.000000%
*The heirs and/or devisees of Brian McLaughlin Church Lane, Remenham Henly-on-Thames Oxon RG 9 3EX England	0.250000%
	<hr/> 100.000000%

**\* Total interest being pooled: 10.250000%**

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**OWNERSHIP BY TRACT**

**E/2SE/4 Section 23 (80 Acres):**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	100.000000%
	<hr/> 100.000000%

**E/2NE/4 Section 26 (80 Acres):**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	70.000000%
*SIANA Oil & Gas Company, LLC 810 Houston Street Fort Worth, Texas 76102	30.000000%
	<hr/> 100.000000%

**E/2SE/4 Section 26 (80 Acres):**

Mewbourne Oil Company, et al  
500 West Texas, Ste. 1020  
Midland, Texas 79701

% Leasehold Interest  
99.750000%

\*The heirs and/or devisees of Brian McLaughlin  
Church Lane, Remenham  
Henly-on-Thames  
Oxon RG 9 3EX  
England

0.2500000%

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100.000000%

# MEWBOURNE OIL COMPANY

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

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

February 3, 2020

Via Email

The heirs and/or devisees of Brian McLaughlin who apparently is Fiona Boyd Thorpe  
Church Lane, Remenham  
Henly-on-Thames  
Oxon RG 9 3EX  
England

- Re:
1. Inland 26/23 B2PI State Com #1H  
205' FSL & 1220' FEL (26) (SL)  
2540' FNL & 500' FEL (23) (BHL)  
Sections 26/23, T21S, R34E  
Lea County, New Mexico
  2. Inland 26/23 B2OJ State Com #1H  
205' FSL & 1250' FEL (26) (SL)  
2540' FNL & 1980' FEL (23) (BHL)  
Sections 26/23, T21S, R34E  
Lea County, New Mexico

Dear Fiona:

Mewbourne Oil Company ("Mewbourne") as Operator withdraws its proposals to drill the Inland 26/23 B2ML State Com #1H and the Inland 26/23 B3ML State Com #2H, and hereby proposes to drill the following horizontal Bone Spring wells:

1. Inland 26/23 B2PI State Com #1H will have a surface location 205' FSL & 1220' FEL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 500' FEL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,364' and an approximate total measured depth of 17,978'. The E2E2 of Section 26 and the E2SE4 of Section 23 will be dedicated to the well as the proration unit.
2. Inland 26/23 B2OJ State Com #1H will have a surface location 205' FSL & 1250' FEL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 1980' FEL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,381' and an approximate total measured depth of 17,772'. The W2E2 of Section 26 and the W2SE4 of Section 23 will be dedicated to the well as the proration unit.

These captioned proposed wells will still fall under the Joint Operating Agreement dated May 15, 2018 that was previously sent to you in June of 2018. The title opinion pertinent to these wells should be completed very soon.

Case No. 21157

**MEWBOURNE OIL**  
**Exhibit A-6**

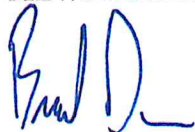


Regarding the above, enclosed for your further handling are our AFEs dated January 29, 2020 for the captioned proposed wells. In the event that you elect to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30) days. The Operating Agreement dated May 15, 2018 has COPAS rates of \$8,000/month while drilling, and \$800/month for a producing well.

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. Thank you.

Sincerely,

**MEWBOURNE OIL COMPANY**

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

Brad Dunn  
Petroleum Landman

# MEWBOURNE OIL COMPANY

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

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

January 30, 2020

Via Certified Mail

Siana Oil & Gas Company, LLC  
400 N. Sam Houston Pkwy East, Suite 601  
Houston, Texas 77060  
Attn: Land Manager

- Re: 1. Inland 26/23 B2PI State Com #1H  
205' FSL & 1220' FEL (26) (SL)  
2540' FNL & 500' FEL (23) (BHL)  
Sections 26/23, T21S, R34E  
Lea County, New Mexico
2. Inland 26/23 B2OJ State Com #1H  
205' FSL & 1250' FEL (26) (SL)  
2540' FNL & 1980' FEL (23) (BHL)  
Sections 26/23, T21S, R34E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator withdraws its proposals to drill the Inland 26/23 B2ML State Com #1H and the Inland 26/23 B3ML State Com #2H, and hereby proposes to drill the following horizontal Bone Spring wells:

1. Inland 26/23 B2PI State Com #1H will have a surface location 205' FSL & 1220' FEL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 500' FEL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,364' and an approximate total measured depth of 17,978'. The E2E2 of Section 26 and the E2SE4 of Section 23 will be dedicated to the well as the proration unit.
2. Inland 26/23 B2OJ State Com #1H will have a surface location 205' FSL & 1250' FEL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 1980' FEL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,381' and an approximate total measured depth of 17,772'. The W2E2 of Section 26 and the W2SE4 of Section 23 will be dedicated to the well as the proration unit.

These captioned proposed wells will still fall under the Joint Operating Agreement dated May 15, 2018 that was previously sent to you in June of 2018. Regarding the above, enclosed for your further handling are our AFEs dated January 29, 2020 for the captioned proposed wells. In the event that you elect to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30)

days. The Operating Agreement dated May 15, 2018 that was previously sent to you has COPAS rates of \$8,000/month while drilling, and \$800/month for a producing well.

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. Thank you.

Sincerely,

**MEWBOURNE OIL COMPANY**

A handwritten signature in blue ink, appearing to read 'Brad Dunn', is positioned below the company name.

Brad Dunn  
Petroleum Landman

**Summary of Communications**  
**Inland 26/23 B2PI State Com #1H**

**Siana Oil & Gas Company, LLC**

- 1) 6/19/2018: Mailed the proposed Operating Agreement for this prospect via certified mail.
- 2) 6/20/2018: Email from Karen Stanford discussing Siana's interest in the wells.
- 3) 6/25/2018: Email correspondence with Karen Stanford discussing Siana's interest and the JOA.
- 4) 11/1/2018: Email chain with Karen Stanford discussing the proposed JOA as well as well timing.
- 5) 11/9/2018: Email chain discussing well timing.
- 6) 12/17/2018: Email correspondence discussing terms in the proposed JOA.
- 7) 1/3/2019: Sent email replying to JOA change requests.
- 8) 1/8/2019: Still waiting on Siana's election.
- 9) 02/10/2020: Siana received well proposal letters with AFEs via certified mail
- 10) 02/12/2020-02/13/2020: Email chain with Karen Stanford at Siana Oil & Gas Company requesting more information on these newly proposed wells.
- 11) 02/13/2020: Emailed Karen Stanford for an update on participating in these wells
- 12) 03/23/2020: Emailed Karen Stanford for an update on participating in these wells. Still waiting on Siana Oil & Gas Co's election.

**The heirs and/or devisees of Brian McLaughlin**

- 1) 10/14/2019-01/15/2020: Email exchanges with Fiona Thorpe who represents the interest of Brian McLaughlin.
- 2) 02/03/2020: Emailed well proposals and corresponding updated AFE's to Fiona Thorpe and Fiona emailed me back confirming receipt of these documents.
- 3) 03/11/2020-03/14/2020: Email exchanges with Fiona Thorpe regarding Brian McLaughlin's options to participate with his interest with Mewbourne. Fiona anticipates wanting to assign his interest to us. Still waiting on the heirs and/or devisees of Brian McLaughlin's election.

Case No. 21157

**MEWBOURNE OIL  
Exhibit A-7**

Attached to and made a part of that certain Operating Agreement dated May 15, 2018,  
by and between MEWBOURNE OIL COMPANY as Operator and  
ZPZ Delaware I LLC, et al, as Non-Operator.

1. LANDS SUBJECT TO THIS AGREEMENT:

Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico  
Section 23: S/2  
Section 26: All  
containing 960.00 acres, more or less.

2. DEPTHS RESTRICTIONS AND EXCLUSIONS:

Limited to: From the surface of the earth to the base of the Wolfcamp formation.

3. ADDRESSES OF THE PARTIES:

Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, Texas 79701  
Attn: Land Department  
Phone: (432) 682-3715

ZPZ Delaware I, LLC  
303 Veterans Airpark Ln #600  
Midland, TX 79705  
Attn: Land Manager  
Phone: (432) 818-1689

CM Resources, LLC  
306 W. Wall Street, Suite 500  
Midland, Texas 79701  
Attn: Land Manager  
Phone: (832) 257-3886

Southwest Royalties, Inc  
P.O. Box 53570  
Midland, Texas 79710  
Attn: Land Manager  
Phone: (432) 207-3040

Delmar Holdings, L.P.  
1302 West Avenue  
Austin, Texas 78701  
Attn: Land Manager  
Phone: (512) 472-1212

Alpha Energy Partners, LLC  
P.O. Box 10701  
Midland, TX 79701  
Attn: Land Manager  
Phone: (432) 219-8853

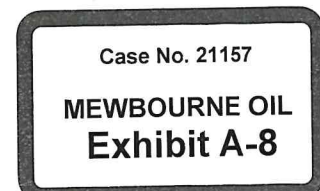
BEXP I, LP  
5914 W. Courtyard Drive, Suite 340  
Austin, Texas 78730  
Attn: Land Manager  
Phone: (512) 871-1005

BTA Oil Producers, LLC  
104 South Pecos  
Midland, Texas 79701  
Attn: Land Manager  
Phone: (432) 682-3753

Fall Creek of San Angelo  
3619 S Jackson St  
San Angelo, Texas 76904-5511  
Attn: Land Manager  
Phone: (329) 949-1205

4. OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:

1. Lease Serial No: E-229.  
Lease Dated: March 10, 1945.  
Lessor: State of New Mexico.  
Lessee: Wilson Oil Company.  
Recorded: Unrecorded.  
Description: Township 21 South, Range 34 East, N.M.P.M.  
Section 23: SW/4,  
containing 160.00 acres, more or less





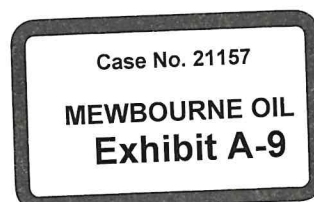
2. Lease Serial No: B-11610.  
Lease Dated: November 10, 1944.  
Lessor: State of New Mexico.  
Lessee: Wilson Oil Company.  
Recorded: Unrecorded.  
Description: Township 21 South, Range 34 East, N.M.P.M.  
Section 23: N/2SE/4, SW/4SE/4,  
containing 120.00 acres, more or less
3. Lease Serial No: B-1651.  
Lease Dated: January 23, 1933.  
Lessor: State of New Mexico.  
Lessee: Simms Oil Company.  
Recorded: Unrecorded.  
Description: Township 21 South, Range 34 East, N.M.P.M.  
Section 23: SE/4SE/4,  
containing 40.00 acres, more or less
4. Lease Serial No: V-5887.  
Lease Dated: July 1, 2000.  
Lessor: State of New Mexico.  
Lessee: BTA Oil Producers.  
Recorded: Unrecorded.  
Description: Township 21 South, Range 34 East, N.M.P.M.  
Section 26: N/2,  
containing 320.00 acres, more or less
5. Lease Serial No: B-158.  
Lease Dated: August 14, 1931.  
Lessor: State of New Mexico.  
Lessee: The Texas Company.  
Recorded: Unrecorded.  
Description: Township 21 South, Range 34 East, N.M.P.M.  
Section 26: S/2,  
containing 320.00 acres, more or less

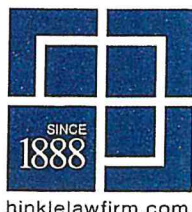
5. Burdens on Production:

Burdens of Record.

End of Exhibit "A"

**Case No. \_\_\_\_\_: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Inland 26/23 B2PI State Com #1H well, which will be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit I in Section 23, Township 21 South, Range 34 East. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 12.5 miles west of Eunice, New Mexico.





## HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

March 6, 2020

### VIA CERTIFIED MAIL

Siana Oil & Gas Company, LLC  
Attn: Karen Stanford  
400 N. Sam Houston Pkwy East, Suite 601  
Houston, TX 77060

Case No. 21157

**MEWBOURNE OIL  
Exhibit A-10**

Re: Mewbourne Oil Company NMOCD Applications

Dear Ms. Stanford:

Enclosed are copies of two applications for compulsory pooling that Mewbourne Oil Company ("Mewbourne") has filed with the New Mexico Oil Conservation Division ("the Division"). The applications request the following.

1. In Case No. 21156, Mewbourne requests an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 26 and the W/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Inland 26/23 B2OJ State Com #1H well.

2. In Case No. 21157, Mewbourne requests an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Inland 26/23 B2PI State Com #1H well.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, April 2, 2020 in Room 311 at the New Mexico State Capitol Building, 490 Old Santa Fe Trail, Santa Fe, New Mexico. Siana Oil & Gas Company, LLC ("Siana") is not required to attend this hearing, but as an owner of an interest that may be affected by Mewbourne's applications, it may appear at the hearing and present testimony. If Siana does not appear at that time and become a party of record, it will be precluded from contesting the matters at a later date.

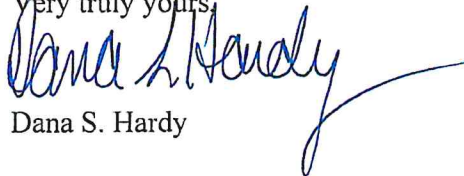
A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in these matters must be filed no later than Thursday, March 26, 2020. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will

March 6, 2020  
Page 2

need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

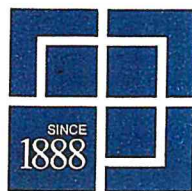
Very truly yours,

A handwritten signature in blue ink, appearing to read "Dana S. Hardy", with a long, sweeping horizontal line extending to the right.

Dana S. Hardy

Enclosures





hinklelawfirm.com

## HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

March 6, 2020

VIA UNITED STATES MAIL

and

E-MAIL: [fiona@boyd-thorpe-associates.co.uk](mailto:fiona@boyd-thorpe-associates.co.uk)

The Heirs and/or Devisees of Brian McLaughlin  
Attn: Fiona Thorpe  
Church Lane, Remenham  
Henly-on-Thames  
Oxon RG 9 3EX  
England

Re: Mewbourne Oil Company NMOCD Applications

Dear Ms. Thorpe:

Enclosed are copies of two applications for compulsory pooling that Mewbourne Oil Company ("Mewbourne") has filed with the New Mexico Oil Conservation Division ("the Division"). The applications request the following.

1. In Case No. 21156, Mewbourne requests an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 26 and the W/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Inland 26/23 B2OJ State Com #1H well.

2. In Case No. 21157, Mewbourne requests an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Inland 26/23 B2PI State Com #1H well.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, April 2, 2020 in Room 311 at the New Mexico State Capitol Building, 490 Old Santa Fe Trail, Santa Fe, New Mexico. The heirs and/or devisees of Brian McLaughlin ("the heirs") are not required to attend this hearing, but as an owner of an interest that may be affected by Mewbourne's applications, they may appear at the hearing and present testimony. If the heirs do not appear at that time and become a party of record, they will be precluded from contesting the matters at a later date.

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
575-622-6510  
(FAX) 575-623-9332

PO BOX 1720  
ARTESIA, NEW MEXICO 88211  
575-622-6510  
(FAX) 575-746-6316

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554  
(FAX) 505-982-8623

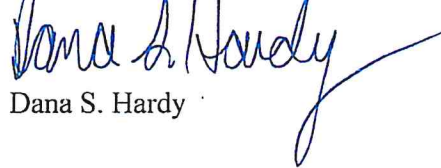
7601 JEFFERSON ST NE • SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

March 6, 2020  
Page 2

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in these matters must be filed no later than Thursday, March 26, 2020. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,



Dana S. Hardy

Enclosures

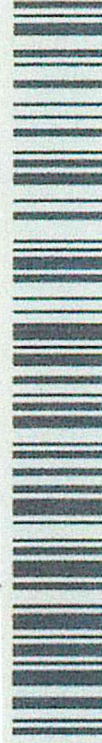


**SENDER: COMPLETE THIS SECTION**

- 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:**

Siana Oil & Gas Company  
Attn: Karen Stanford  
400 N. Sam Houston Pkwy East  
Suite 601  
Houston, TX 77060



9590 9402 4714 8344 6447 08

**2 Article Number (Transfer from service label)**

7019 2970 0000 7593 5802

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

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

X *ELH*

**B. Received by (Printed Name)**

*Elizabeth Ragsdale*

**D. Is delivery address different from item address? 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
- ☐ Restricted Delivery

Dom



## Sheryl McInnis

---

**To:** fiona@boyd-thorpe-associates.co.uk  
**Cc:** Dana Hardy  
**Subject:** Mewbourne Oil Company NMOCD Application  
**Attachments:** 2020-03-06 Hearing Notice Letter to Brian McLaughlin Heirs.pdf; Application (B2PI State Com #1H Well).pdf; 2020-02-26 Application (B2OJ State Com #1H Well).pdf

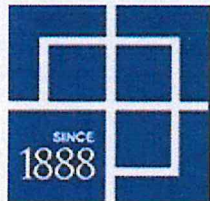
Dear Ms. Thorpe,

Attached please find the following documents pertaining to Mewbourne Oil Company's New Mexico Oil Conservation Division Applications:

- Hearing Notice Letter dated March 6, 2020;
- Mewbourne Oil Company Application (Case No. 21156); and
- Mewbourne Oil Company Application (Case No. 21157).

Please let us know if you have any questions.

Regards,  
Sheryl McInnis  
*Paralegal to Dana Hardy*



Sheryl McInnis, ACP  
*Advanced Certified Paralegal*  
Hinkle Shanor LLP  
P.O. Box 2068  
Santa Fe, New Mexico 87504  
(505) 982-4554 telephone  
(505) 982-8623 facsimile  
[smcinnis@hinklelawfirm.com](mailto:smcinnis@hinklelawfirm.com)

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## Sheryl McInnis

---

**From:** Mail Delivery System <MAILER-DAEMON@dispatch1-us1.ppe-hosted.com>  
**To:** fiona@boyd-thorpe-associates.co.uk  
**Sent:** Friday, March 6, 2020 3:42 PM  
**Subject:** Relayed: Mewbourne Oil Company NMOCD Application

This is the mail system at host dispatch1-us1.ppe-hosted.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<fiona@boyd-thorpe-associates.co.uk>: delivery via  
aspmx.l.google.com[172.217.214.26]:25: 250 2.0.0 OK 1583534499



Message Headers


s22si1775709jan.59 - gsmtip

# 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).

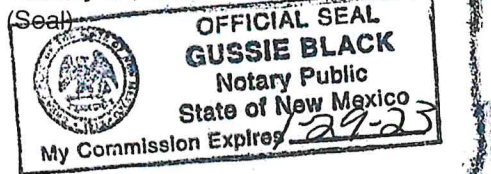
Beginning with the issue dated  
March 11, 2020  
and ending with the issue dated  
March 11, 2020.

  
Publisher

Sworn and subscribed to before me this  
11th day of March 2020.

  
Business Manager

My commission expires  
January 29, 2023



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 NOTICE MARCH 11, 2020

This is to notify all interested parties, including Siana Oil & Gas Company, LLC - Attn: Karen Stanford, the Heirs and/or Devises of Brian McLaughlin - Attn: Fiona Thorpe, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 21157) at 8:15 a.m. on April 2, 2020 in Room 311 at the New Mexico State Capitol Building, 490 Old Santa Fe Trail, Santa Fe, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Inland 26/23 B2PI State Com #1H well, which will be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit I in Section 23, Township 21 South, Range 34 East. The completed interval for the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The location of the well is approximately 12.5 miles west of Eunice, New Mexico.  
#35297

02107475

00240487

HINKLE, HENSLEY, SHANOR & MARTIN, LLP  
PO BOX 2068  
SANTA FE, NM 87504

Case No. 21157

**MEWBOURNE OIL  
Exhibit A-11**



# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: <b>INLAND 26/23 B2PI STATE COM #1H</b>		Prospect: <b>OSUDO (INLAND 26/23)</b>	
Location: <b>SL: 205 FSL &amp; 1220 FEL (26); BHL: 2540 FSL &amp; 500 FEL (23)</b>		County: <b>Lea</b> ST: <b>NM</b>	
Sec. <b>26</b>	Blk: <b></b>	Survey: <b></b>	TWP: <b>21S</b> RNG: <b>34E</b> Prop. TVD: <b>10364</b> TMD: <b>17978</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$85,000	0180-0205	\$37,500
Location / Restoration		0180-0106	\$250,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling 28 days drlg / 3 days comp @ \$21500/d		0180-0110	\$642,900	0180-0210	\$68,900
Fuel 1700 gal/day @ \$2.74/gal		0180-0114	\$139,300	0180-0214	\$310,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$200,000
Cementing		0180-0125	\$125,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$310,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$25,000		
Stimulation 39 Stg 15.0 MM gal / 15.0 MM lb				0180-0241	\$1,450,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$80,000	0180-0245	\$530,000
Bits		0180-0148	\$138,800	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	\$46,500	0180-0270	\$52,500
Directional Services Includes Vertical Control		0180-0175	\$350,000		
Equipment Rental		0180-0180	\$236,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,700	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$20,000	0180-0290	
ROW & Easements		0180-0192		0180-0292	\$4,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$148,800	0180-0295	\$91,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$55,800	0180-0299	\$71,300
<b>TOTAL</b>			<b>\$2,843,300</b>		<b>\$3,633,900</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 1800' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$61,800		
Casing (8.1" - 10.0") 5800' - 9 5/8" 40# N-80 LT&C @ \$24.48/ft		0181-0795	\$151,600		
Casing (6.1" - 8.0") 10700' - 7" 29# HCP-110 LT&C @ \$21.5/ft		0181-0796	\$245,700		
Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft				0181-0797	\$102,900
Tubing 9850' - 2 7/8" 6.5# EUE tbg @ \$4.54/ft				0181-0798	\$47,800
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$82,000
Sucker Rods				0181-0875	
Subsurface Equipment				0181-0880	
Artificial Lift Systems Gas Lift Valves & Packer				0181-0884	\$25,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers (1/2) Surface pumps/VRU				0181-0886	\$62,500
Tanks - Oil (1/2) 6 - 750 bbl				0181-0890	\$60,000
Tanks - Water (1/2) 5 - 750 bbl				0181-0891	\$53,000
Separation / Treating Equipment (1/2) 30"x10"x1k# 3 ph/36"x15"x1k#/VRT/Flare/GB				0181-0895	\$150,000
Heater Treaters, Line Heaters (1/2) 8'x20'x75# HT				0181-0897	\$25,500
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering 1/4 mile gas line				0181-0900	\$12,500
Fittings / Valves & Accessories				0181-0906	\$175,000
Cathodic Protection Includes Automation				0181-0908	\$57,500
Electrical Installation				0181-0909	\$37,500
Equipment Installation				0181-0910	\$100,000
Pipeline Construction				0181-0920	\$25,000
<b>TOTAL</b>			<b>\$499,100</b>		<b>\$1,061,200</b>
<b>SUBTOTAL</b>			<b>\$3,342,400</b>		<b>\$4,695,100</b>

<b>TOTAL WELL COST</b>		<b>\$8,037,500</b>
------------------------	--	--------------------

**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: <u>Levi Jackson</u>	Date: <u>1/29/2020</u>
Company Approval: <u><i>M. Whittier</i></u>	Date: <u>1/29/2020</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	

Case No. 21157

**MEWBOURNE OIL  
Exhibit A-12**

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

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

**Case No. 21157**

**SELF-AFFIRMED STATEMENT OF  
JORDAN CARRELL**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
2. I am a geologist at Mewbourne Oil Company ("Mewbourne"). I am familiar with the geological matters that pertain to Mewbourne's application.
3. I have previously testified before the New Mexico Oil Conservation Division as an expert in geology, and my qualifications were accepted.
4. A general location map of the proposed horizontal spacing unit ("HSU") is attached as Exhibit B-1.
5. A structure map of the top of the Second Bone Spring Sand formation is attached as Exhibit B-2. The map shows that the structure dips to the southwest with approximately 100' of elevation change across the HSU. It also shows a line of cross section and the HSU for the proposed Inland 26/23 B2PI State Com #1H.
6. Attached as Exhibit B-3 is a gross sand isopach map of the Lower Second Bone Spring Sand formation, which is the target zone for the proposed wells. It shows that the sand across the HSU has an approximate thickness of 70-80'.

Case No. 21157

**MEWBOURNE OIL  
Exhibit B**



7. Attached as Exhibit B-4 is a north to south cross section. The well logs on the cross section provide a representative sample of the Second Bone Spring Sand formation in the area. The target zone for the proposed wells is continuous across the HSU.

8. Attached as Exhibit B-5 is a table containing production data from other Second Bone Spring Sand wells drilled in the vicinity. The preference is for standup wells (north to south or south to north), and the completed wells in the area (recent completions) apparently are commercial.

9. Exhibit B-6 includes Well Planning Reports for the proposed well. The report contains a plot and lateral trajectory schematics of the planned wellbore. The well's producing interval will be orthodox.

10. There are no depth severances in the Bone Spring formation in the proposed HSU.

11. Based on the information discussed above, I am able to conclude that:

- a) The HSU is justified from a geologic standpoint;
- b) There is no faulting or other geologic impediment that could adversely affect the drilling of the proposed wells; and
- c) Each quarter-quarter section in the HSU will contribute more or less equally to production.

12. In my opinion, the granting of Mewbourne's application will serve the interests of conservation and the prevention of waste.

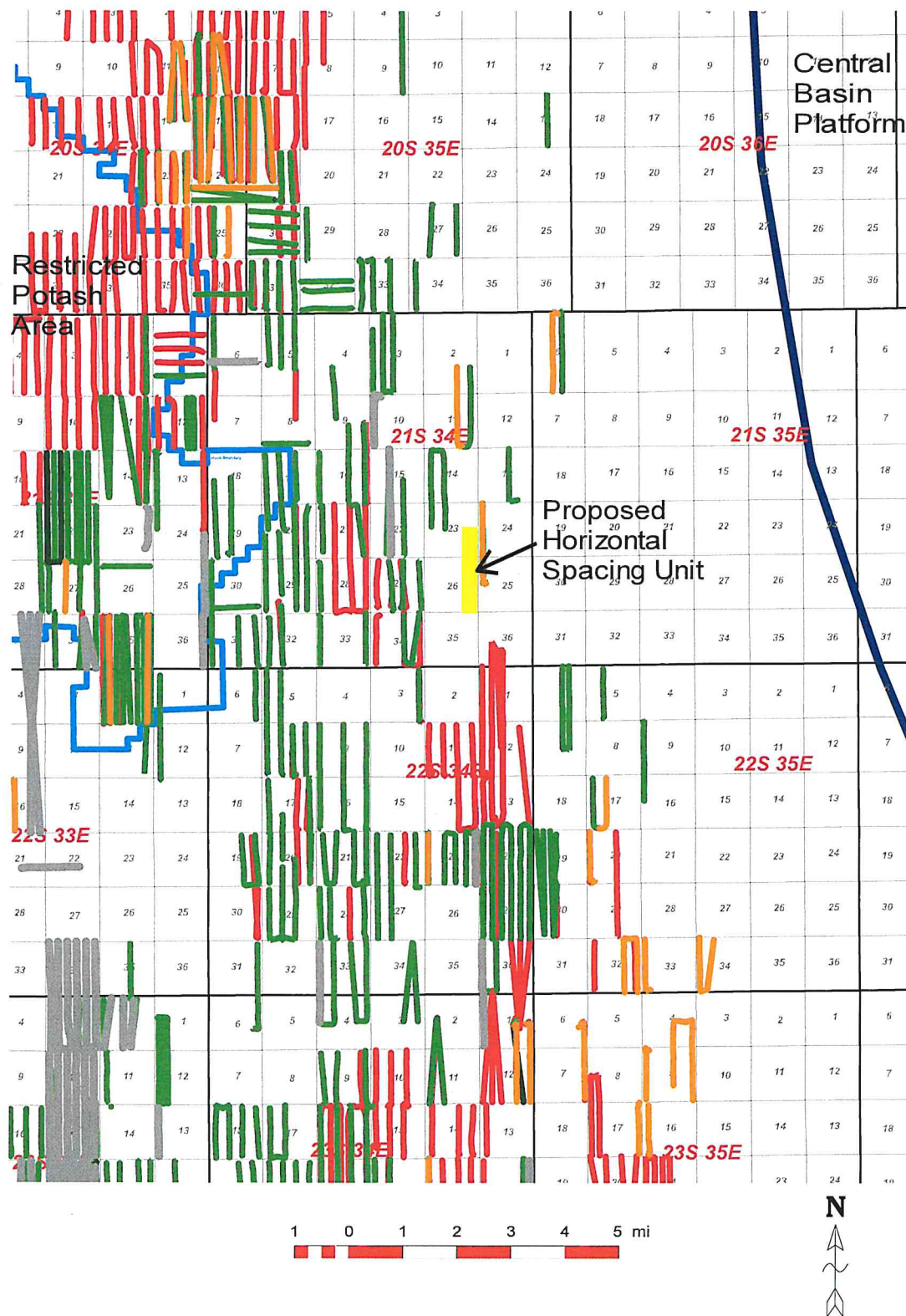
13. Exhibits B-1 through B-6 were either prepared by me or compiled from company records.

14. 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 13 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.

Jordan Carrell  
Jordan Carrell

Date 4-6-2020



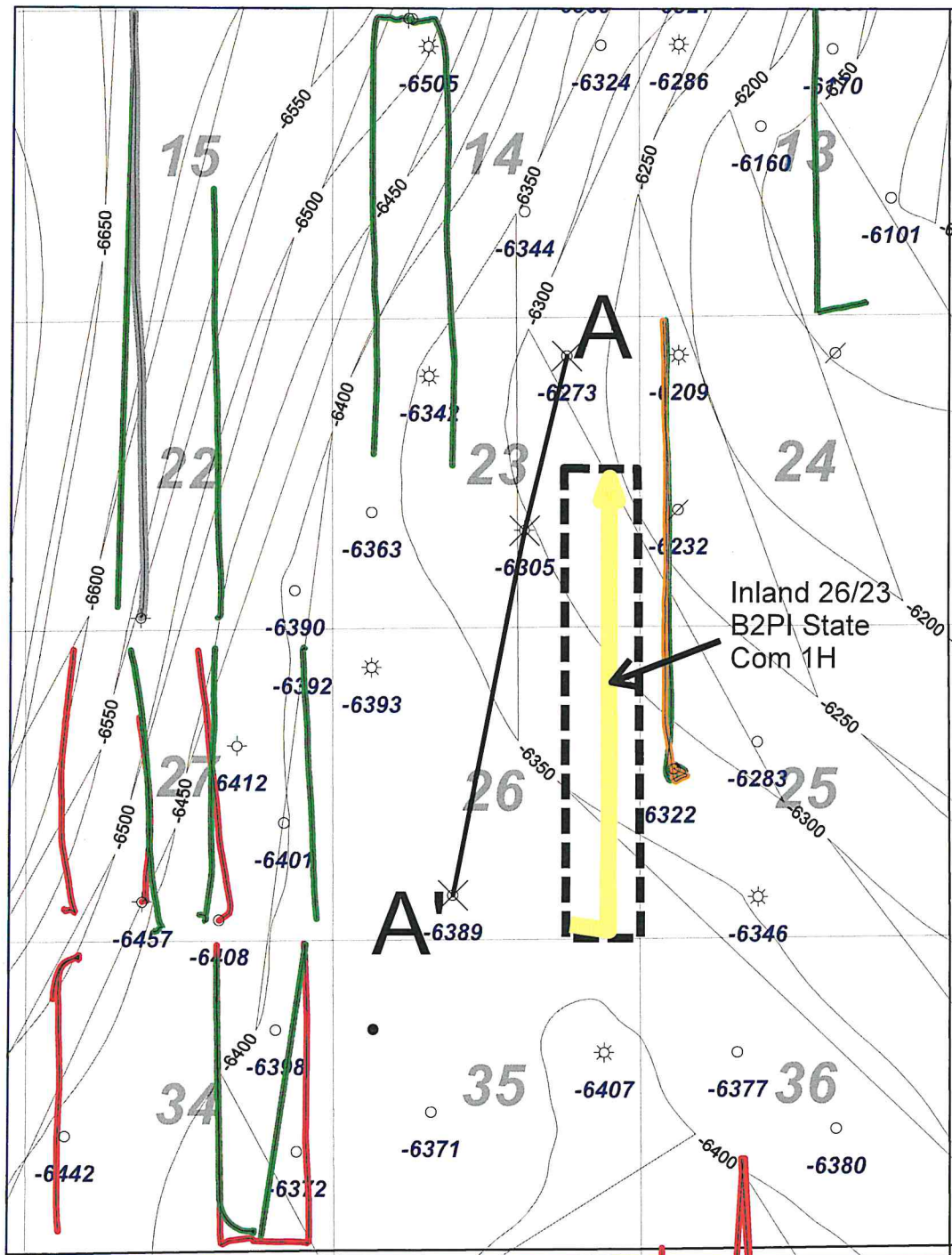
BSPG Horizontal Color Code

- Avalon Shale Well
- 1st BSPG Sand Well
- 2nd BSPG Sand Well
- 3rd BSPG Sand Well

<b style="font-size: 1.2em;">Mewbourne Oil Company</b>		
<b>Inland 26/23 B2PI State Com #1H</b> <b>Regional Map of Proposed Horizontal Spacing Unit</b>		
3/9/20	Lea County	New Mexico

Case No. 21157

**MEWBOURNE OIL**  
**Exhibit B-1**



Wells deeper than 7000'

●  
TD

2nd BSPG Sand  
structural top  
(subsea)

2500 0 2500 ft

1 inch = 2200 feet



BSPG Horizontal Color Code

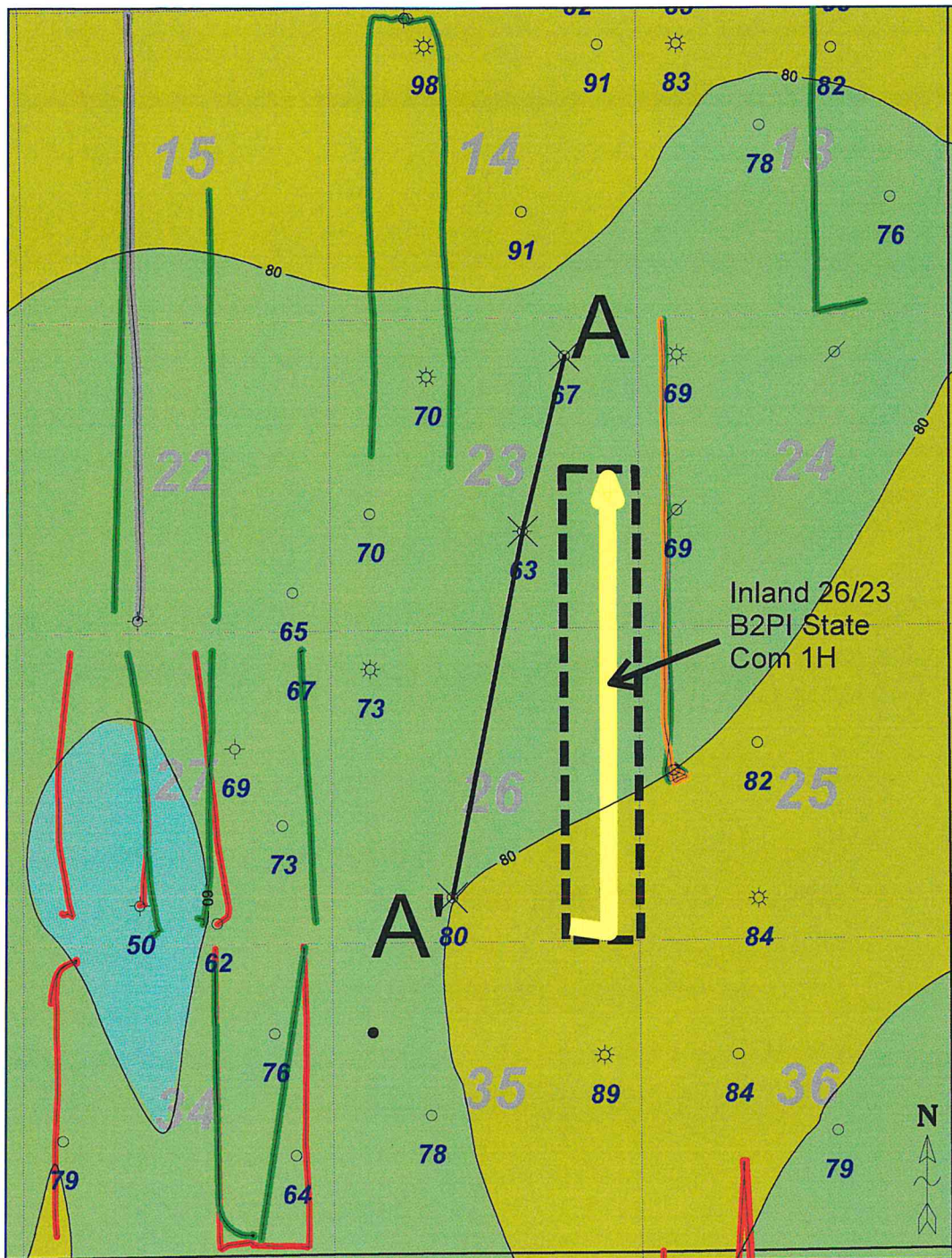
- Avalon Shale Well
- 1st BSPG Sand Well
- 2nd BSPG Sand Well
- 3rd BSPG Sand Well

<b>Mewbourne Oil Company</b>		
<b>Inland 26/23 B2PI State Com #1H</b> 2nd BSPG Sand Top Structure Contour Map C.I. = 50'		
3/9/20	Lea County	New Mexico
Scale: 1" = 2200'		

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**MEWBOURNE OIL**  
**Exhibit B-2**

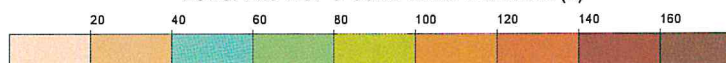




Wells deeper than 7000'

TD  
Lower 2nd  
BSPG Sd gross  
thickness (ft)

Lower 2nd BSPG Sand Gross Thickness (ft)



2500 0 2500 ft

1 inch = 2200 feet

BSPG Horizontal Color Code

- Avalon Shale Well
- 1st BSPG Sand Well
- 2nd BSPG Sand Well
- 3rd BSPG Sand Well



**Mewbourne Oil Company**

Inland 26/23 B2PI State Com #1H  
Lower 2nd BSPG Sand Gross Thickness Isopach Map  
C.I. = 20'

3/9/20

Lea County

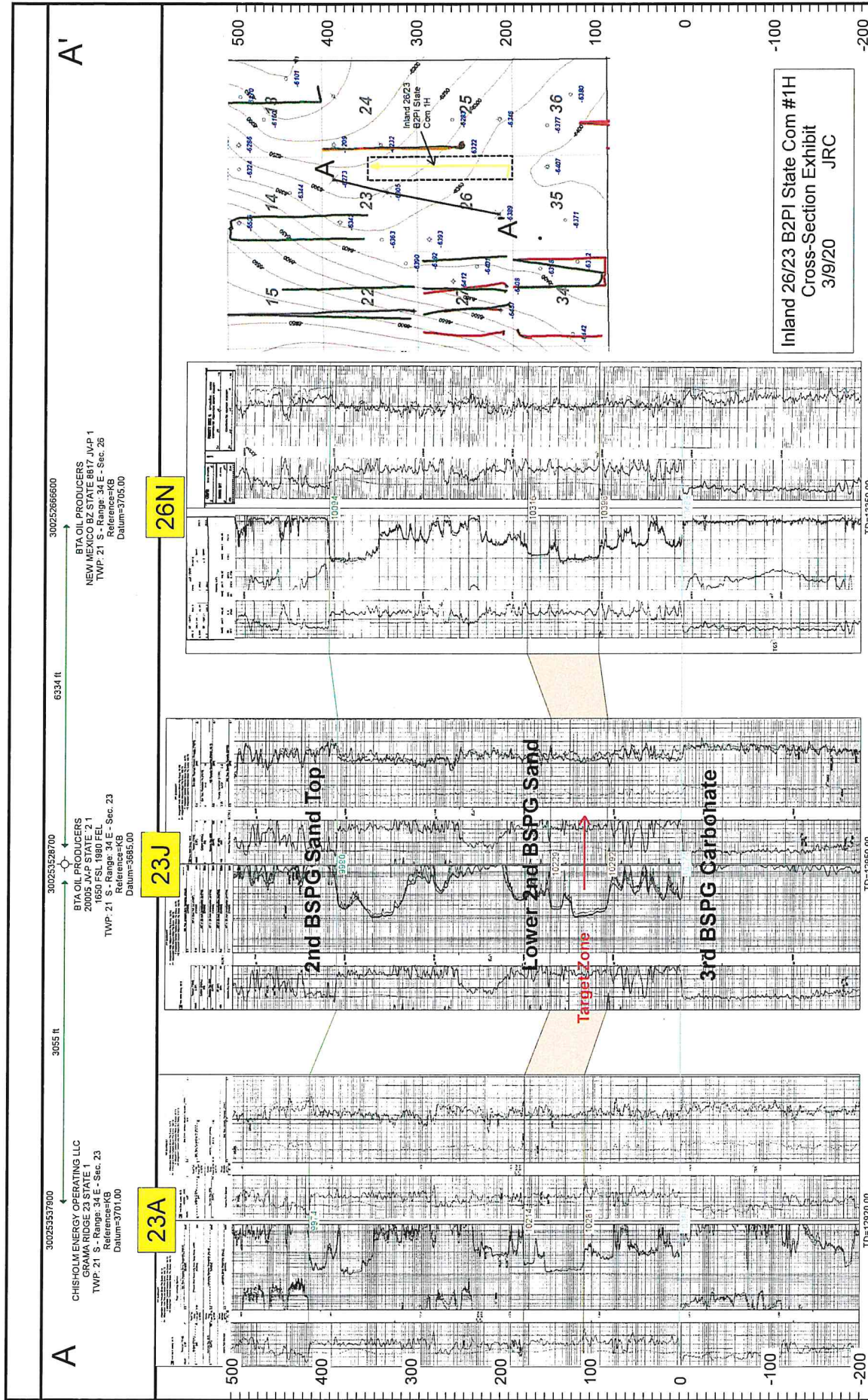
New Mexico

Scale: 1" = 2200'

Case No. 21157

**MEWBOURNE OIL  
Exhibit B-3**





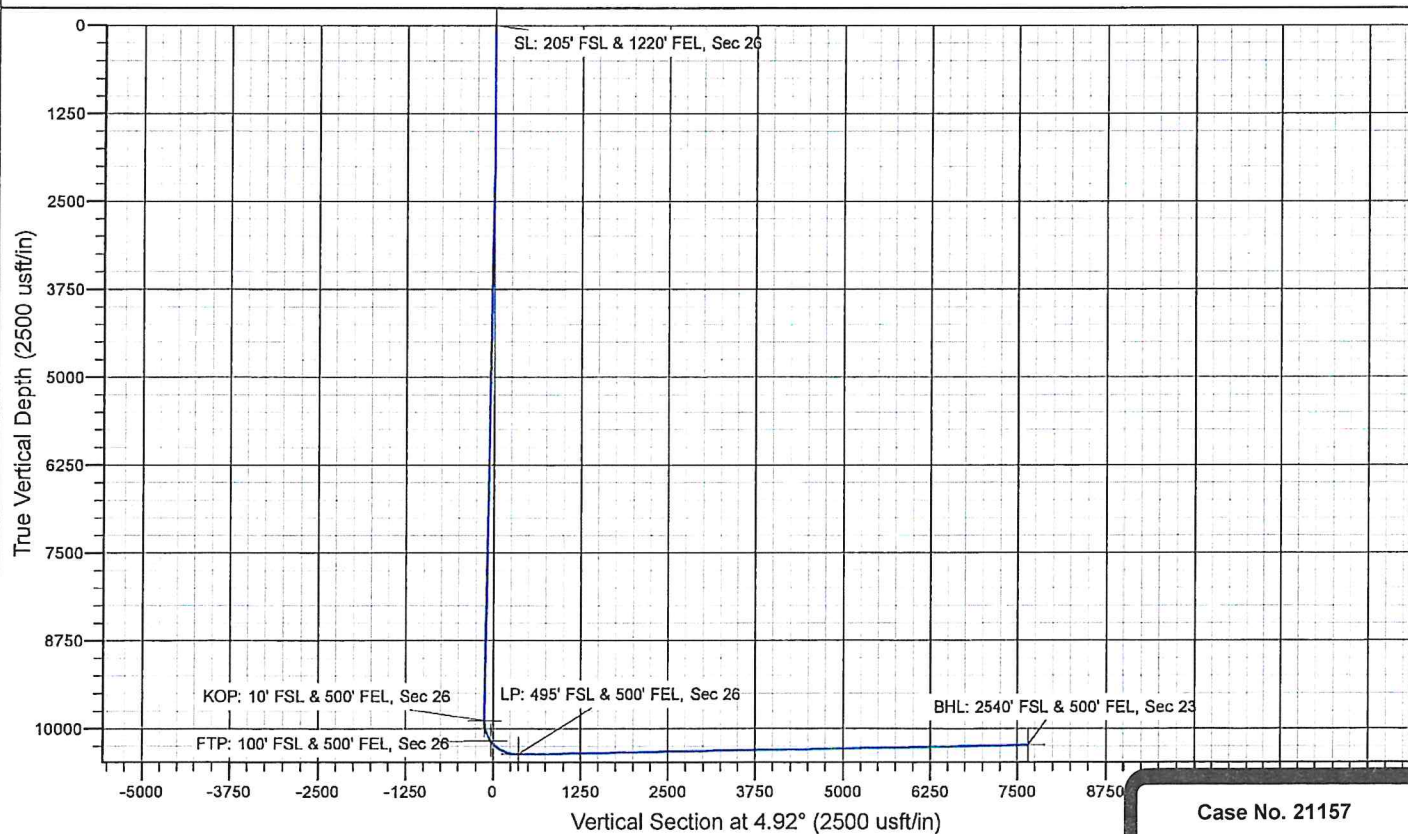
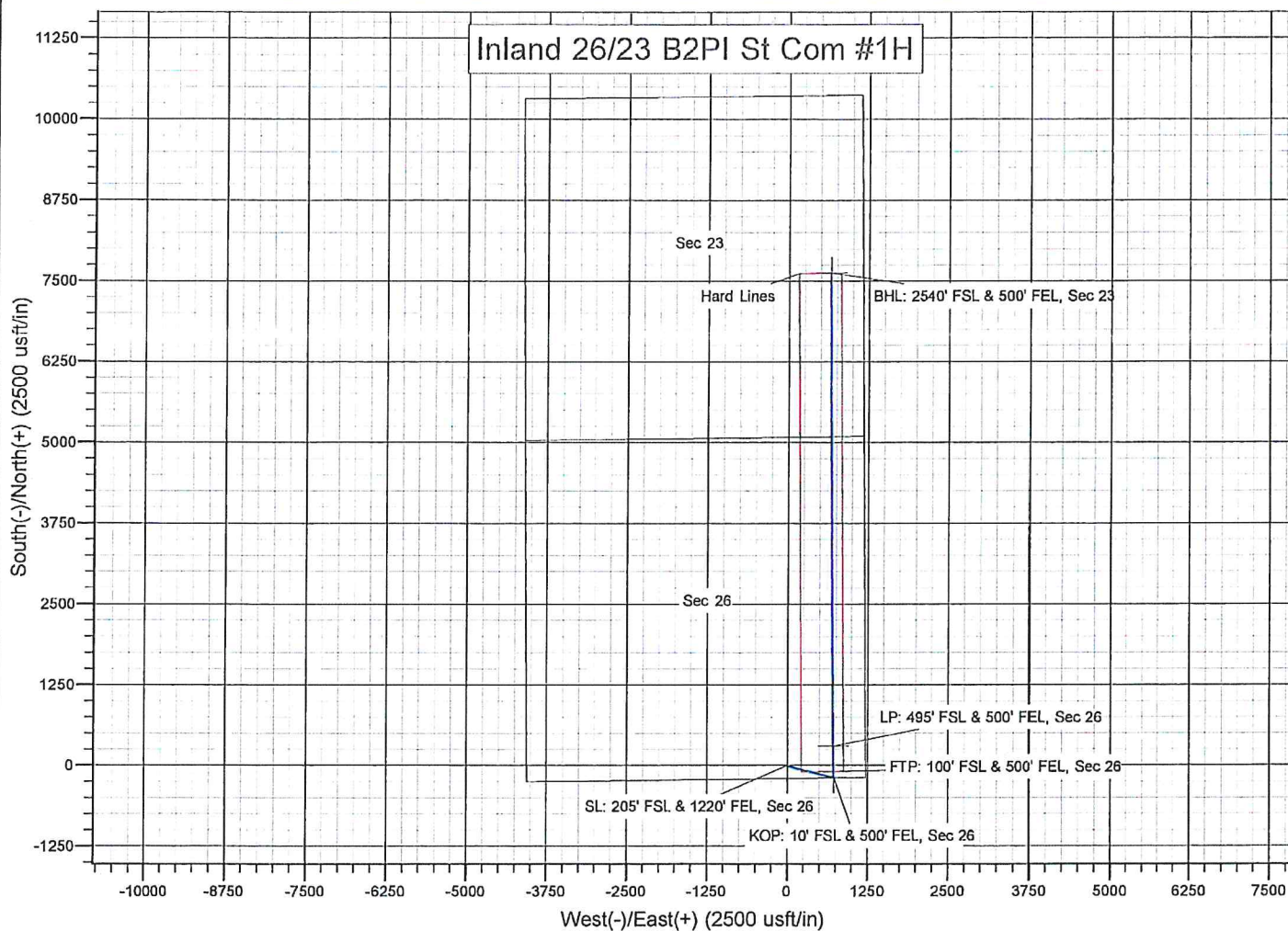
Inland 2nd Bone Spring Sand Horizontal Production Data Table									
Well Name	Operator	API	Location	Comp Date	Cum Oil (MBO)	Cum Gas (BCF)	Cum Water (MBW)	NS/EW	HZ Target
DOLLY VARDEN 25/24 B2ED STATE COM #1H	MEWBOURNE OIL CO	300254540000	25E24D/21S/34E	11/23/2019	101	0.12	137	NS	Lower 2nd BSPG Sd
BRUCE KEPLINGER 13 STATE COM #123H	MATADOR PRODUCTION CO	300254543400	13OB/21S/34E	4/12/2019	45	0.07	91	NS	Upper 2nd BSPG Sd
OUTLAND 14-23 STATE COM 2BS #2H	CHISHOLM ENERGY	300254415702	14D23E/21S/34E	11/12/2018	161	0.29	214	NS	Lower 2nd BSPG Sd
OUTLAND 14-23 STATE COM 2BS #3H	CHISHOLM ENERGY	300254415801	14C23F/21S/34E	11/12/2018	152	0.35	210	NS	Lower 2nd BSPG Sd
LYCHEE BWS STATE COM #1H	COG OPERATING	300254244500	22O15J/21S/34E	7/12/2016	479	1.02	488	NS	Lower 2nd BSPG Sd
LYCHEE STATE COM #503H	COG OPERATING	300254642300	15C22N/21S/34E	SPUD 11/17/19	-	-	-	NS	Lower 2nd BSPG Sd
GRAMMA 27 STATE #2H	CAZA OPERATING	300254188800	27AP/21S/34E	8/24/2014	142	0.3	101	NS	Lower 2nd BSPG Sd
GRAMMA 27 STATE #3H	CAZA OPERATING	300254348800	27OB/21S/34E	3/25/2017	73	0.2	140	NS	Lower 2nd BSPG Sd
SLICK MESA 27 STATE #3H	MARSHALL & WINSTON INC	300254217201	27NC/21S/34E	5/28/2015	36	0.1	64	NS	Lower 2nd BSPG Sd
GRAMA RIDGE EAST 34 STATE COM 2BS #8H	CHISHOLM ENERGY	300254382300	34OB/21S/34E	8/10/2018	153	0.27	122	NS	Lower 2nd BSPG Sd
GRAMA RIDGE EAST 34 STATE COM 2BS #9H	CHISHOLM ENERGY	30024653700	34PA/21S/34E	SPUD 3/2/20	-	-	-	NS	Lower 2nd BSPG Sd

Case No. 21157

MEWBOURNE OIL  
Exhibit B-5



# Inland 26/23 B2PI St Com #1H



Case No. 21157

MEWBOURNE OIL  
Exhibit B-6



# **Mewbourne Oil Company**

Lea County, New Mexico NAD 83

Inland 26/23 B2PI St Com #1H

Sec 26, T21S, R34E

SL: 205' FSL & 1220' FEL, Sec 26

BHL: 2540' FSL & 500' FEL, Sec 23

Plan: Design #1

## **Standard Planning Report**

02 April, 2020



# Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Inland 26/23 B2PI St Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3704.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3704.0usft (Original Well Elev)
Site:	Inland 26/23 B2PI St Com #1H	North Reference:	Grid
Well:	Sec 26, T21S, R34E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 2540' FSL & 500' FEL, Sec 23		
Design:	Design #1		

Project	Lea County, New Mexico NAD 83		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Inland 26/23 B2PI St Com #1H		
Site Position:		Northing:	526,160.00 usft
From:	Map	Easting:	818,147.00 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "
		Latitude:	32.4432823
		Longitude:	-103.4360368
		Grid Convergence:	0.48 °

Well	Sec 26, T21S, R34E		
Well Position	+N/-S	0.0 usft	Northing:
	+E/-W	0.0 usft	Easting:
Position Uncertainty	0.0 usft	Wellhead Elevation:	3,707.0 usft
		Latitude:	32.4432823
		Longitude:	-103.4360368
		Ground Level:	3,679.0 usft

Wellbore	BHL: 2540' FSL & 500' FEL, Sec 23		
Magnetics	Model Name	Sample Date	Declination
			(°)
	IGRF2010	10/19/2018	6.62
			Dip Angle
			(°)
			Field Strength
			(nT)
			48,024

Design	Design #1		
Audit Notes:			
Version:	Phase:	PROTOTYPE	Tie On Depth:
			0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.0	0.0	0.0
			Direction
			(°)
			4.92

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	
1,850.0	0.00	0.00	1,850.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,219.7	5.55	104.47	2,219.1	-4.5	17.3	1.50	1.50	0.00	104.47	
9,555.3	5.55	104.47	9,520.4	-181.5	703.7	0.00	0.00	0.00	0.00	
9,925.0	0.00	0.00	9,889.5	-186.0	721.0	1.50	-1.50	0.00	180.00	KOP: 10' FSL & 500' I
10,683.6	91.02	359.52	10,367.0	300.0	717.0	12.00	12.00	0.00	-0.48	
18,011.0	91.02	359.52	10,237.0	7,626.0	656.0	0.00	0.00	0.00	0.00	BHL: 2540' FSL & 500'



# Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Inland 26/23 B2PI St Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3704.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3704.0usft (Original Well Elev)
Site:	Inland 26/23 B2PI St Com #1H	North Reference:	Grid
Well:	Sec 26, T21S, R34E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 2540' FSL & 500' FEL, Sec 23		
Design:	Design #1		

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: 205' FSL & 1220' FEL, Sec 26									
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
1,850.0	0.00	0.00	1,850.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.75	104.47	1,900.0	-0.1	0.3	-0.1	1.50	1.50	0.00
2,000.0	2.25	104.47	2,000.0	-0.7	2.9	-0.5	1.50	1.50	0.00
2,100.0	3.75	104.47	2,099.8	-2.0	7.9	-1.4	1.50	1.50	0.00
2,200.0	5.25	104.47	2,199.5	-4.0	15.5	-2.7	1.50	1.50	0.00
2,219.7	5.55	104.47	2,219.1	-4.5	17.3	-3.0	1.50	1.50	0.00
2,300.0	5.55	104.47	2,299.0	-6.4	24.8	-4.3	0.00	0.00	0.00
2,400.0	5.55	104.47	2,398.6	-8.8	34.2	-5.9	0.00	0.00	0.00
2,500.0	5.55	104.47	2,498.1	-11.2	43.5	-7.5	0.00	0.00	0.00
2,600.0	5.55	104.47	2,597.6	-13.6	52.9	-9.1	0.00	0.00	0.00
2,700.0	5.55	104.47	2,697.2	-16.1	62.3	-10.7	0.00	0.00	0.00
2,800.0	5.55	104.47	2,796.7	-18.5	71.6	-12.3	0.00	0.00	0.00
2,900.0	5.55	104.47	2,896.2	-20.9	81.0	-13.9	0.00	0.00	0.00
3,000.0	5.55	104.47	2,995.8	-23.3	90.3	-15.5	0.00	0.00	0.00
3,100.0	5.55	104.47	3,095.3	-25.7	99.7	-17.1	0.00	0.00	0.00
3,200.0	5.55	104.47	3,194.8	-28.1	109.0	-18.7	0.00	0.00	0.00
3,300.0	5.55	104.47	3,294.4	-30.5	118.4	-20.3	0.00	0.00	0.00
3,400.0	5.55	104.47	3,393.9	-33.0	127.7	-21.9	0.00	0.00	0.00
3,500.0	5.55	104.47	3,493.4	-35.4	137.1	-23.5	0.00	0.00	0.00
3,600.0	5.55	104.47	3,593.0	-37.8	146.5	-25.1	0.00	0.00	0.00
3,700.0	5.55	104.47	3,692.5	-40.2	155.8	-26.7	0.00	0.00	0.00
3,800.0	5.55	104.47	3,792.0	-42.6	165.2	-28.3	0.00	0.00	0.00
3,900.0	5.55	104.47	3,891.6	-45.0	174.5	-29.9	0.00	0.00	0.00
4,000.0	5.55	104.47	3,991.1	-47.4	183.9	-31.5	0.00	0.00	0.00
4,100.0	5.55	104.47	4,090.6	-49.9	193.2	-33.1	0.00	0.00	0.00
4,200.0	5.55	104.47	4,190.2	-52.3	202.6	-34.7	0.00	0.00	0.00
4,300.0	5.55	104.47	4,289.7	-54.7	212.0	-36.3	0.00	0.00	0.00
4,400.0	5.55	104.47	4,389.2	-57.1	221.3	-37.9	0.00	0.00	0.00
4,500.0	5.55	104.47	4,488.8	-59.5	230.7	-39.5	0.00	0.00	0.00
4,600.0	5.55	104.47	4,588.3	-61.9	240.0	-41.1	0.00	0.00	0.00
4,700.0	5.55	104.47	4,687.8	-64.3	249.4	-42.7	0.00	0.00	0.00
4,800.0	5.55	104.47	4,787.3	-66.7	258.7	-44.3	0.00	0.00	0.00
4,900.0	5.55	104.47	4,886.9	-69.2	268.1	-45.9	0.00	0.00	0.00
5,000.0	5.55	104.47	4,986.4	-71.6	277.5	-47.5	0.00	0.00	0.00

# Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Inland 26/23 B2PI St Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3704.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3704.0usft (Original Well Elev)
Site:	Inland 26/23 B2PI St Com #1H	North Reference:	Grid
Well:	Sec 26, T21S, R34E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 2540' FSL & 500' FEL, Sec 23		
Design:	Design #1		

## 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)
5,100.0	5.55	104.47	5,085.9	-74.0	286.8	-49.1	0.00	0.00	0.00
5,200.0	5.55	104.47	5,185.5	-76.4	296.2	-50.7	0.00	0.00	0.00
5,300.0	5.55	104.47	5,285.0	-78.8	305.5	-52.3	0.00	0.00	0.00
5,400.0	5.55	104.47	5,384.5	-81.2	314.9	-53.9	0.00	0.00	0.00
5,500.0	5.55	104.47	5,484.1	-83.6	324.2	-55.5	0.00	0.00	0.00
5,600.0	5.55	104.47	5,583.6	-86.1	333.6	-57.2	0.00	0.00	0.00
5,700.0	5.55	104.47	5,683.1	-88.5	343.0	-58.8	0.00	0.00	0.00
5,800.0	5.55	104.47	5,782.7	-90.9	352.3	-60.4	0.00	0.00	0.00
5,900.0	5.55	104.47	5,882.2	-93.3	361.7	-62.0	0.00	0.00	0.00
6,000.0	5.55	104.47	5,981.7	-95.7	371.0	-63.6	0.00	0.00	0.00
6,100.0	5.55	104.47	6,081.3	-98.1	380.4	-65.2	0.00	0.00	0.00
6,200.0	5.55	104.47	6,180.8	-100.5	389.7	-66.8	0.00	0.00	0.00
6,300.0	5.55	104.47	6,280.3	-103.0	399.1	-68.4	0.00	0.00	0.00
6,400.0	5.55	104.47	6,379.9	-105.4	408.5	-70.0	0.00	0.00	0.00
6,500.0	5.55	104.47	6,479.4	-107.8	417.8	-71.6	0.00	0.00	0.00
6,600.0	5.55	104.47	6,578.9	-110.2	427.2	-73.2	0.00	0.00	0.00
6,700.0	5.55	104.47	6,678.5	-112.6	436.5	-74.8	0.00	0.00	0.00
6,800.0	5.55	104.47	6,778.0	-115.0	445.9	-76.4	0.00	0.00	0.00
6,900.0	5.55	104.47	6,877.5	-117.4	455.2	-78.0	0.00	0.00	0.00
7,000.0	5.55	104.47	6,977.1	-119.9	464.6	-79.6	0.00	0.00	0.00
7,100.0	5.55	104.47	7,076.6	-122.3	474.0	-81.2	0.00	0.00	0.00
7,200.0	5.55	104.47	7,176.1	-124.7	483.3	-82.8	0.00	0.00	0.00
7,300.0	5.55	104.47	7,275.6	-127.1	492.7	-84.4	0.00	0.00	0.00
7,400.0	5.55	104.47	7,375.2	-129.5	502.0	-86.0	0.00	0.00	0.00
7,500.0	5.55	104.47	7,474.7	-131.9	511.4	-87.6	0.00	0.00	0.00
7,600.0	5.55	104.47	7,574.2	-134.3	520.7	-89.2	0.00	0.00	0.00
7,700.0	5.55	104.47	7,673.8	-136.8	530.1	-90.8	0.00	0.00	0.00
7,800.0	5.55	104.47	7,773.3	-139.2	539.4	-92.4	0.00	0.00	0.00
7,900.0	5.55	104.47	7,872.8	-141.6	548.8	-94.0	0.00	0.00	0.00
8,000.0	5.55	104.47	7,972.4	-144.0	558.2	-95.6	0.00	0.00	0.00
8,100.0	5.55	104.47	8,071.9	-146.4	567.5	-97.2	0.00	0.00	0.00
8,200.0	5.55	104.47	8,171.4	-148.8	576.9	-98.8	0.00	0.00	0.00
8,300.0	5.55	104.47	8,271.0	-151.2	586.2	-100.4	0.00	0.00	0.00
8,400.0	5.55	104.47	8,370.5	-153.6	595.6	-102.0	0.00	0.00	0.00
8,500.0	5.55	104.47	8,470.0	-156.1	604.9	-103.6	0.00	0.00	0.00
8,600.0	5.55	104.47	8,569.6	-158.5	614.3	-105.2	0.00	0.00	0.00
8,700.0	5.55	104.47	8,669.1	-160.9	623.7	-106.8	0.00	0.00	0.00
8,800.0	5.55	104.47	8,768.6	-163.3	633.0	-108.4	0.00	0.00	0.00
8,900.0	5.55	104.47	8,868.2	-165.7	642.4	-110.1	0.00	0.00	0.00
9,000.0	5.55	104.47	8,967.7	-168.1	651.7	-111.7	0.00	0.00	0.00
9,100.0	5.55	104.47	9,067.2	-170.5	661.1	-113.3	0.00	0.00	0.00
9,200.0	5.55	104.47	9,166.8	-173.0	670.4	-114.9	0.00	0.00	0.00
9,300.0	5.55	104.47	9,266.3	-175.4	679.8	-116.5	0.00	0.00	0.00
9,400.0	5.55	104.47	9,365.8	-177.8	689.2	-118.1	0.00	0.00	0.00
9,500.0	5.55	104.47	9,465.4	-180.2	698.5	-119.7	0.00	0.00	0.00
9,555.3	5.55	104.47	9,520.4	-181.5	703.7	-120.6	0.00	0.00	0.00
9,600.0	4.88	104.47	9,564.9	-182.5	707.6	-121.2	1.50	-1.50	0.00
9,700.0	3.38	104.47	9,664.6	-184.3	714.6	-122.4	1.50	-1.50	0.00
9,800.0	1.88	104.47	9,764.5	-185.5	719.0	-123.2	1.50	-1.50	0.00
9,900.0	0.38	104.47	9,864.5	-186.0	720.9	-123.5	1.50	-1.50	0.00
9,925.0	0.00	0.00	9,889.5	-186.0	721.0	-123.5	1.50	-1.50	0.00
KOP: 10' FSL & 500' FEL, Sec 26									
10,000.0	9.00	359.52	9,964.2	-180.1	721.0	-117.7	12.00	12.00	0.00



# Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Inland 26/23 B2PI St Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3704.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3704.0usft (Original Well Elev)
Site:	Inland 26/23 B2PI St Com #1H	North Reference:	Grid
Well:	Sec 26, T21S, R34E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 2540' FSL & 500' FEL, Sec 23		
Design:	Design #1		

## 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)
10,100.0	20.99	359.52	10,060.6	-154.3	720.7	-92.0	12.00	12.00	0.00
10,200.0	32.99	359.52	10,149.6	-109.0	720.4	-46.9	12.00	12.00	0.00
10,224.7	35.96	359.52	10,170.0	-95.0	720.2	-32.9	12.00	12.00	0.00
FTP: 100' FSL & 500' FEL, Sec 26									
10,300.0	44.99	359.52	10,227.2	-46.2	719.8	15.7	12.00	12.00	0.00
10,400.0	56.99	359.52	10,290.0	31.4	719.2	92.9	12.00	12.00	0.00
10,500.0	68.99	359.52	10,335.3	120.3	718.5	181.4	12.00	12.00	0.00
10,600.0	80.99	359.52	10,361.2	216.7	717.6	277.4	12.00	12.00	0.00
10,683.6	91.02	359.52	10,367.0	300.0	717.0	360.3	12.00	12.00	0.00
LP: 495' FSL & 500' FEL, Sec 26									
10,700.0	91.02	359.52	10,366.7	316.4	716.8	376.7	0.00	0.00	0.00
10,800.0	91.02	359.52	10,364.9	416.4	716.0	476.2	0.00	0.00	0.00
10,900.0	91.02	359.52	10,363.2	516.3	715.2	575.7	0.00	0.00	0.00
11,000.0	91.02	359.52	10,361.4	616.3	714.3	675.3	0.00	0.00	0.00
11,100.0	91.02	359.52	10,359.6	716.3	713.5	774.8	0.00	0.00	0.00
11,200.0	91.02	359.52	10,357.8	816.3	712.7	874.4	0.00	0.00	0.00
11,300.0	91.02	359.52	10,356.1	916.3	711.8	973.9	0.00	0.00	0.00
11,400.0	91.02	359.52	10,354.3	1,016.2	711.0	1,073.4	0.00	0.00	0.00
11,500.0	91.02	359.52	10,352.5	1,116.2	710.2	1,173.0	0.00	0.00	0.00
11,600.0	91.02	359.52	10,350.7	1,216.2	709.3	1,272.5	0.00	0.00	0.00
11,700.0	91.02	359.52	10,349.0	1,316.2	708.5	1,372.1	0.00	0.00	0.00
11,800.0	91.02	359.52	10,347.2	1,416.2	707.7	1,471.6	0.00	0.00	0.00
11,900.0	91.02	359.52	10,345.4	1,516.2	706.8	1,571.2	0.00	0.00	0.00
12,000.0	91.02	359.52	10,343.6	1,616.1	706.0	1,670.7	0.00	0.00	0.00
12,100.0	91.02	359.52	10,341.9	1,716.1	705.2	1,770.2	0.00	0.00	0.00
12,200.0	91.02	359.52	10,340.1	1,816.1	704.3	1,869.8	0.00	0.00	0.00
12,300.0	91.02	359.52	10,338.3	1,916.1	703.5	1,969.3	0.00	0.00	0.00
12,400.0	91.02	359.52	10,336.5	2,016.1	702.7	2,068.9	0.00	0.00	0.00
12,500.0	91.02	359.52	10,334.8	2,116.0	701.8	2,168.4	0.00	0.00	0.00
12,600.0	91.02	359.52	10,333.0	2,216.0	701.0	2,267.9	0.00	0.00	0.00
12,700.0	91.02	359.52	10,331.2	2,316.0	700.2	2,367.5	0.00	0.00	0.00
12,800.0	91.02	359.52	10,329.5	2,416.0	699.4	2,467.0	0.00	0.00	0.00
12,900.0	91.02	359.52	10,327.7	2,516.0	698.5	2,566.6	0.00	0.00	0.00
13,000.0	91.02	359.52	10,325.9	2,615.9	697.7	2,666.1	0.00	0.00	0.00
13,100.0	91.02	359.52	10,324.1	2,715.9	696.9	2,765.7	0.00	0.00	0.00
13,200.0	91.02	359.52	10,322.4	2,815.9	696.0	2,865.2	0.00	0.00	0.00
13,300.0	91.02	359.52	10,320.6	2,915.9	695.2	2,964.7	0.00	0.00	0.00
13,400.0	91.02	359.52	10,318.8	3,015.9	694.4	3,064.3	0.00	0.00	0.00
13,500.0	91.02	359.52	10,317.0	3,115.8	693.5	3,163.8	0.00	0.00	0.00
13,600.0	91.02	359.52	10,315.3	3,215.8	692.7	3,263.4	0.00	0.00	0.00
13,700.0	91.02	359.52	10,313.5	3,315.8	691.9	3,362.9	0.00	0.00	0.00
13,800.0	91.02	359.52	10,311.7	3,415.8	691.0	3,462.4	0.00	0.00	0.00
13,900.0	91.02	359.52	10,309.9	3,515.8	690.2	3,562.0	0.00	0.00	0.00
14,000.0	91.02	359.52	10,308.2	3,615.7	689.4	3,661.5	0.00	0.00	0.00
14,100.0	91.02	359.52	10,306.4	3,715.7	688.5	3,761.1	0.00	0.00	0.00
14,200.0	91.02	359.52	10,304.6	3,815.7	687.7	3,860.6	0.00	0.00	0.00
14,300.0	91.02	359.52	10,302.8	3,915.7	686.9	3,960.2	0.00	0.00	0.00
14,400.0	91.02	359.52	10,301.1	4,015.7	686.0	4,059.7	0.00	0.00	0.00
14,500.0	91.02	359.52	10,299.3	4,115.7	685.2	4,159.2	0.00	0.00	0.00
14,600.0	91.02	359.52	10,297.5	4,215.6	684.4	4,258.8	0.00	0.00	0.00
14,700.0	91.02	359.52	10,295.7	4,315.6	683.5	4,358.3	0.00	0.00	0.00
14,800.0	91.02	359.52	10,294.0	4,415.6	682.7	4,457.9	0.00	0.00	0.00
14,900.0	91.02	359.52	10,292.2	4,515.6	681.9	4,557.4	0.00	0.00	0.00
15,000.0	91.02	359.52	10,290.4	4,615.6	681.0	4,656.9	0.00	0.00	0.00



# Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Inland 26/23 B2PI St Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3704.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3704.0usft (Original Well Elev)
Site:	Inland 26/23 B2PI St Com #1H	North Reference:	Grid
Well:	Sec 26, T21S, R34E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 2540' FSL & 500' FEL, Sec 23		
Design:	Design #1		

## 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)
15,100.0	91.02	359.52	10,288.6	4,715.5	680.2	4,756.5	0.00	0.00	0.00
15,200.0	91.02	359.52	10,286.9	4,815.5	679.4	4,856.0	0.00	0.00	0.00
15,300.0	91.02	359.52	10,285.1	4,915.5	678.6	4,955.6	0.00	0.00	0.00
15,400.0	91.02	359.52	10,283.3	5,015.5	677.7	5,055.1	0.00	0.00	0.00
15,500.0	91.02	359.52	10,281.5	5,115.5	676.9	5,154.7	0.00	0.00	0.00
15,600.0	91.02	359.52	10,279.8	5,215.4	676.1	5,254.2	0.00	0.00	0.00
15,700.0	91.02	359.52	10,278.0	5,315.4	675.2	5,353.7	0.00	0.00	0.00
15,800.0	91.02	359.52	10,276.2	5,415.4	674.4	5,453.3	0.00	0.00	0.00
15,900.0	91.02	359.52	10,274.5	5,515.4	673.6	5,552.8	0.00	0.00	0.00
16,000.0	91.02	359.52	10,272.7	5,615.4	672.7	5,652.4	0.00	0.00	0.00
16,100.0	91.02	359.52	10,270.9	5,715.3	671.9	5,751.9	0.00	0.00	0.00
16,200.0	91.02	359.52	10,269.1	5,815.3	671.1	5,851.4	0.00	0.00	0.00
16,300.0	91.02	359.52	10,267.4	5,915.3	670.2	5,951.0	0.00	0.00	0.00
16,400.0	91.02	359.52	10,265.6	6,015.3	669.4	6,050.5	0.00	0.00	0.00
16,500.0	91.02	359.52	10,263.8	6,115.3	668.6	6,150.1	0.00	0.00	0.00
16,600.0	91.02	359.52	10,262.0	6,215.2	667.7	6,249.6	0.00	0.00	0.00
16,700.0	91.02	359.52	10,260.3	6,315.2	666.9	6,349.1	0.00	0.00	0.00
16,800.0	91.02	359.52	10,258.5	6,415.2	666.1	6,448.7	0.00	0.00	0.00
16,900.0	91.02	359.52	10,256.7	6,515.2	665.2	6,548.2	0.00	0.00	0.00
17,000.0	91.02	359.52	10,254.9	6,615.2	664.4	6,647.8	0.00	0.00	0.00
17,100.0	91.02	359.52	10,253.2	6,715.2	663.6	6,747.3	0.00	0.00	0.00
17,200.0	91.02	359.52	10,251.4	6,815.1	662.7	6,846.9	0.00	0.00	0.00
17,300.0	91.02	359.52	10,249.6	6,915.1	661.9	6,946.4	0.00	0.00	0.00
17,400.0	91.02	359.52	10,247.8	7,015.1	661.1	7,045.9	0.00	0.00	0.00
17,500.0	91.02	359.52	10,246.1	7,115.1	660.3	7,145.5	0.00	0.00	0.00
17,600.0	91.02	359.52	10,244.3	7,215.1	659.4	7,245.0	0.00	0.00	0.00
17,700.0	91.02	359.52	10,242.5	7,315.0	658.6	7,344.6	0.00	0.00	0.00
17,800.0	91.02	359.52	10,240.7	7,415.0	657.8	7,444.1	0.00	0.00	0.00
17,900.0	91.02	359.52	10,239.0	7,515.0	656.9	7,543.6	0.00	0.00	0.00
18,000.0	91.02	359.52	10,237.2	7,615.0	656.1	7,643.2	0.00	0.00	0.00
18,011.0	91.02	359.52	10,237.0	7,626.0	656.0	7,654.2	0.00	0.00	0.00

BHL: 2540' FSL & 500' FEL, Sec 23

# Planning Report

Database:	Hobbs	Local Co-ordinate Reference:	Site Inland 26/23 B2PI St Com #1H
Company:	Mewbourne Oil Company	TVD Reference:	WELL @ 3704.0usft (Original Well Elev)
Project:	Lea County, New Mexico NAD 83	MD Reference:	WELL @ 3704.0usft (Original Well Elev)
Site:	Inland 26/23 B2PI St Com #1H	North Reference:	Grid
Well:	Sec 26, T21S, R34E	Survey Calculation Method:	Minimum Curvature
Wellbore:	BHL: 2540' FSL & 500' FEL, Sec 23		
Design:	Design #1		

Design Targets										
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	
- hit/miss target	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)			
- Shape										
SL: 205' FSL & 1220' FE	0.00	0.00	0.0	0.0	0.0	526,160.00	818,147.00	32.4432823	-103.4360368	
- plan hits target center										
- Point										
KOP: 10' FSL & 500' FEI	0.00	0.00	9,889.5	-186.0	721.0	525,974.00	818,868.00	32.4427545	-103.4337050	
- plan hits target center										
- Point										
FTP: 100' FSL & 500' FE	0.00	0.00	10,170.0	-95.0	720.2	526,065.00	818,867.24	32.4430046	-103.4337050	
- plan hits target center										
- Point										
BHL: 2540' FSL & 500' F	0.00	0.00	10,237.0	7,626.0	656.0	533,786.00	818,803.00	32.4642270	-103.4337023	
- plan hits target center										
- Point										
LP: 495' FSL & 500' FEL	0.00	0.00	10,367.0	300.0	717.0	526,460.00	818,864.00	32.4440903	-103.4337047	
- plan hits target center										
- Point										

