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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21293, LEA COUNTY, NEW MEXICO

Case No. 21480 Order No. R-21293

MEWBOURNE OIL COMPANY'S HEARING EXHIBITS

Exhibit A	Self-Affirmed Statement of Brad Dunn	
A-1	Application	
A-2	Order No. R-21293	
A-3	Plat of Tracts	
A-4	List of Tract Ownership and Pooled Parties	
A-5	Well Proposal Letter	
A-6	Summary of Communications	
A-7	Proposed Notice of Hearing	
A-8	Hearing Notice Letter and Return Receipts	
A-9	Affidavit of Publication	

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

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Case No. 21480 Order No. R-21293

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 am familiar with Mewbourne's application in this case and with the status of the lands in the subject area. A copy of Mewbourne's application is attached as Exhibit A-1.
- 3. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.
- 4. Division Order No. R-21293, entered on April 28, 2020 in Case No. 21157, created a 240-acre, more or less, standard horizontal spacing unit ("HSU") 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 and designated Mewbourne as the operator of the HSU. Order No. R-21293 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the HSU to the Inland 26/23 B2PI State Com #1H well, to 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. A copy of Order No. R-21293 is attached as Exhibit A-2.

Case No. 21480

- 5. Since the entry of Order No. R-21293, Mewbourne has determined that there are additional uncommitted mineral interests in the HSU who were not provided notice of the April 16, 2020, compulsory pooling hearing in Case No. 21157, and as a result, whose interests were not pooled by the terms of Order No. R-21293.
 - 6. Exhibit A-3 provides a plat of the tracts included in the HSU.
- 7. Exhibit A-4 identifies the mineral interests in each tract included in the HSU and identifies the additional uncommitted mineral interests to be pooled under the terms of Order No. R-21293. Exhibit A-4 also identifies the additional uncommitted mineral interest owners who are unlocatable.
- 8. I sent well proposal letters to the additional uncommitted interests, other than the Heirs and/or Assigns of Ruth E. Tull, on June 15, 2020. I sent a well proposal letter to the Heirs and/or Assigns of Ruth E. Tull on July 6, 2020. A sample of the letter is attached as Exhibit A-5. A summary of my follow-up contacts with the additional uncommitted interests is attached as Exhibit A-6.
- 9. In my opinion, Mewbourne has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed well.
 - 10. Mewbourne's proposed notice of hearing is attached as Exhibit A-7.
- 11. At my direction, notice of Mewbourne's application and the Division hearing was provided to the additional uncommitted interests more than 20 days prior to the hearing date. The notice letter and associated receipts are attached as Exhibit A-8.
- 12. 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-9.

- 13. Mewbourne requests that the additional mineral interest owners be pooled under the terms of Order No. R-21293. In my opinion, the granting of Mewbourne's application would serve the interests of conservation and the prevention of waste.
- 14. The exhibits attached hereto were either prepared by me or under my supervision, or were compiled from company business records.
- 15. 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 14 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

10/28/2020 Date

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21293, LEA COUNTY, NEW MEXICO

Case No. 21480 Order No. R-21293

APPLICATION

Mewbourne Oil Company ("Mewbourne"), by and through the undersigned counsel, files this application with the Oil Conservation Division ("Division") to pool additional interest owners under the terms of Order No. R-21293. In support of its application, Mewbourne states the following.

- 1. Division Order No. R-21293, entered on April 28, 2020 in Case No. 21157, created 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 Unit") and designated Mewbourne as the operator of the Unit. Order No. R-21293 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the Unit to the Inland 26/23 B2PI State Com #1H well, to 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.
- 2. Since the entry of Order No. R-21293, Mewbourne has determined that there are additional mineral interest owners in the Unit who were not provided notice of the April 16, 2020, compulsory pooling hearing in Case No. 21157, and as a result, whose interests were not pooled by the terms of Order No. R-21293.

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MEWBOURNE OIL

Exhibit A-1

The pooling of additional mineral interest owners under the terms of Order No. R-3.

21293 will prevent waste, protect correlative rights, and promote administrative efficiency.

4. In order to permit Mewbourne to obtain its just and fair share of the oil and gas

underlying the subject lands, the additional interest owners should be pooled in the Unit pursuant

to the terms of Order No. R-21293.

In order to provide proper notice to these additional interest owners and to bring 5.

their interests under the terms of Order No. R-21293, Mewbourne requests that this case be called

for hearing at the next available examiner docket.

WHEREFORE, Mewbourne requests that this application be set for hearing before the

Division on November 5, 2020, and after notice and hearing as required by law, the Division issue

an order pooling the additional interest owners pursuant to the terms of Order No. R-21293.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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

dblanco@hinklelawfirm.com

Counsel for Mewbourne Oil Company

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO.	21157	
ORDER NO.	R-21293	

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on April 16, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Mewbounre Oil Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

Case No. 21480
MEWBOURNE OIL
Exhibit A-2

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who

- elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 4/28/2020

Exhibit A

ALL INFORMATION IN THE APPLICA	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case:	21157		
Date	April 10, 2020		
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 County, New Mexico		
Entries of Appearance/Intervenors:	None		
Well Family	Inland 26/23 B2PI State Com. Well No. 1H		
Formation/Pool			
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		
Spacing Unit			
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		
Other Situations			
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		
Vell(s)			
lame & API (if assigned), surface and	Inland 26/23 B2PI State Com. Well No. 1H		
ottom hole location, footages,	API No. 30-025-45283		
ompletion target, orientation,	SHL: 205 FSL & 1220 FEL §26		
ompletion status (standard or non-	BHL: 2540 FSL & 500 FEL §23		
tandard)	Second Bone Spring Sand		
	Standup Standard		
orizontal Well First and Last Take	FTP: 100' FSL and 500' FEL, Section 26		
oints	LTP: 2540' FSL and 500' FEL, Section 23		

AFE Concurand One	
AFE Capex and Operating Costs	
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
Notice of Hearing	
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
Ownership Determination	
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
loinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (i.e. Exhibit A of	
IOA)	Exhibit A-8
Chronology of Contact with Non-Joined	
Working Interests	Cultility A 7
Overhead Rates In Proposal Letter	Exhibit A-7
	Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-12
Cost Estimate to Equip Well Cost Estimate for Production Facilities	Exhibit A-12
	Exhibit A-12
Geology	
Summary (including special	61775
considerations)	Exhibit B
pacing Unit Schematic	Exhibit B-1
Sunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Vell Orientation (with rationale)	Exhibit B
arget Formation	Exhibit B, Bone Spring
ISU Cross Section	Exhibit B-4
Depth Severance Discussion	Not Applicable
orms, Figures and Tables	
-102	Exhibit A-2
racts	Exhibit A-3
ummary of Interests, Unit	
ecapitulation (Tracts)	Exhibits A-3, A-4
eneral Location Map (including basin)	Exhibit A-1
Vell 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 8-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana Hardy
Signed Name (Attorney or Party Representative):	long d. Honely
Date:	April 10, 2020

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 TRACT 2 26 TRACT 3 TRACT 4

<u>Tract 1:</u> 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

Case No. 21480
MEWBOURNE OIL
Exhibit A-3

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

McCombs Energy, LTD

Axis Energy Corporation

Great Western Drilling LTD.

Alpha Energy Partners, LLC

Fall Creek of San Angelo

Brian McLaughlin, heirs and/or assigns

Patco, Ltd.

Donald H. Witte, heirs and/or assigns

Broken Bridge Farms

The Lynn Parsley Maxwell Trust

The Jan Parsley Sheffield Trust

Craig Bishop, heirs and/or assigns

Ruth E. Tull, heirs and/or assigns

Barry Hopkins, heirs and/or assigns

Henry Hwang, heirs and/or assigns

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:

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	% Leasehold Interest 81.030000%
*SIANA Oil & Gas Company, LLC 810 Houston Street Fort Worth, Texas 76102 (Previously pooled under order #R-21293)	10.000000%
*Patco, Ltd. 7977 Caruth Ct. Dallas, TX 75225-8136	1.833333%
*Donald H. Witte, heirs and/or devisees 500 Lakeside Dr. Altus, OK 73521 (Unlocatable)	1.791667%
*Broken Bridge Farms 225 Rocky Point Rd. Palos Verdes Estates, CA 90274-2621 (Unlocatable)	1.595000%
*The Lynn Parsley Maxwell Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*The Jan Parsley Sheffield Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*Craig Bishop, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	0.666667%
*Ruth E. Tull, heirs and/or devisees P.O. Box 11107 Midland, TX 79702	0.333333% Case No. 21480 MEWBOURNE OIL

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*Barry Hopkins, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)

0.333333%

0.2500000%

*The heirs and/or devisees of Brian McLaughlin

Church Lane, Remenham

Henly-on-Thames Oxon RG 9 3EX

England

(Previously pooled under order #R-21293)

*Henry Hwang, heirs and/or devisees 97 Lafayette St. Apt San Francisco, CA 94103-2544

0.166667%

100.000000%

OWNERSHIP BY TRACT

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

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

% Leasehold Interest

100.00000%

100.000000%

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

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

% Leasehold Interest

70.00000%

*SIANA Oil & Gas Company, LLC

810 Houston Street

Fort Worth, Texas 76102

(Previously pooled under order #R-21293)

30.000000%

100.000000%

^{*} Total interest being pooled: 18.970000%

E/2SE/4 Section 26 (80 Acres):	
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	% Leasehold Interest 73.090000%
*Patco, Ltd. 7977 Caruth Ct. Dallas, TX 75225-8136	5.500000%
*Donald H. Witte, heirs and/or devisees 500 Lakeside Dr. Altus, OK 73521 (Unlocatable)	5.375000%
*Broken Bridge Farms 225 Rocky Point Rd. Palos Verdes Estates, CA 90274-2621 (Unlocatable)	4.785000%
*The Lynn Parsley Maxwell Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	3.000000%
*The Jan Parsley Sheffield Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	3.000000%
*Craig Bishop, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	2.000000%
*Ruth E. Tull, heirs and/or devisees P.O. Box 11107 Midland, TX 79702	1.000000%
*Barry Hopkins, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*The heirs and/or devisees of Brian McLaughlin Church Lane, Remenham Henly-on-Thames Oxon RG 9 3EX England (Previously pooled under order #R-21293)	0.750000%

*Henry Hwang, heirs and/or devisees 97 Lafayette St. Apt San Francisco, CA 94103-2544

0.500000%

100.000000%

MEWBOURNE OIL COMPANY

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

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

June 15, 2020

Via Certified Mail

Barry Hopkins P.O. Box 11005 Midland, TX 79702

Re:

- 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
- 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 Mr. Hopkins:

Under the terms of the governing Operating Agreement dated May 15, 2018, 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.

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.

Case No. 21480

Should you have any questions regarding the above, please email me at $\underline{bdunn@mewbourne.com}$ or call me at (432) 682-3715. Thank you.

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn

Petroleum Landman

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name: INLAND 26/23 B2F	Y STATE COM #1H	P	rospect: OS	UDO (INLANE	26/23)	
Location: SL: 205 FSL & 1220	FEL (26); BHL: 2540 FSL & 500 FE		County: Lea			ST: NM
Sec. 26 Blk: Survey		TWP: 21	A DESCRIPTION OF THE PERSON NAMED IN	34E Prop. T	VD: 10364	TMD: 17978
10	TANGIBLE COSTS 0180		CODE	ТСР	CODE	Council
Regulatory Permits & Surveys			0180-0100		0 0180-0200	CC
Location / Road / Site / Preparation	1		0180-0105		0 0180-0205	\$37,50
Location / Restoration			0180-0106		0 0180-0205	
Daywork / Turnkey / Footage Drilli	ng 28 days drig / 3 days comp @ 5	2150014				\$30,000
Fuel	a de la companya de l	\$21500/d	0180-0110		0 0180-0210	\$68,900
	1700 gal/day @ \$2.74/gal		0180-0114	\$139,30	0 0180-0214	\$310,000
Mud, Chemical & Additives			0160-0120	\$200,00	0 0180-0220	1.15 Ltte:10
Horizontal Drillout Services				100000000000000000000000000000000000000	0180-0222	\$200,000
Cementing			0180-0125	\$125,00		\$30,000
Logging & Wireline Services			0180-0130	\$2,50		
Casing / Tubing / Snubbing Service			0180-0134			\$310,000
Mud Logging				\$20,00		\$90,000
Stimulation			0180-0137	\$25,00	0	
	39 Stg 15.0 MM gal / 15.0 MM I	lb			0180-0241	\$1,450,000
Stimulation Rentals & Other					0180-0242	\$200,000
Water & Other			0180-0145	\$80,00	0180-0245	\$530,000
Bits		la di la di	0180-0148	\$138,80	0160-0248	\$8,000
Inspection & Repair Services			0160-0150	\$40,00		\$5,000
MIsc. Air & Pumping Services			0180-0154	4.10,00	0180-0254	\$10,000
Testing & Flowback Services			0180-0158	C15 000	0180-0258	
Completion / Workover Rig			0100-0136	\$13,000		\$30,000
Rig Mobilization				2.2	0180-0260	\$10,500
Transportation			0180-0164	\$150,000		
			0180-0165		0180-0265	\$20,000
Welding Services			0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision			0180-0170		0180-0270	\$52,500
Directional Services	Includes Vertical Control		0180-0175	\$350,000		402,500
Equipment Rental			0180-0180		0180-0280	\$30,000
Well / Lease Legal						\$30,000
Well / Lease Insurance			0180-0184		0180-0284	
Intangible Supplies			0180-0185		0180-0285	
			0180-0188		0180-0288	\$10,000
Damages		7 19	0180-0190	\$20,000	0180-0290	
ROW & Easements		- CAR 1024	0180-0192		0180-0292	\$4,000
Pipeline Interconnect			A SECTION OF		0180-0293	7 //000
Company Supervision			0180-0195	\$148,800		\$91,200
Overhead Fixed Rate			0180-0196			
Well Abandonment				\$10,000		\$20,000
Contingencies	01/ 17071 01/100		0180-0198		0180-0298	
Contingencies	2% (TCP) 2% (CC)		0180-0199	\$55,800	0180-0299	\$71,300
		TOTAL		\$2,843,300		\$3,633,900
TA	ANGIBLE COSTS 0181					
Casing (19.1" - 30")	1101522 00313 0101				!	
Casing (10.1" - 19.0")			0181-0793			
	1800' - 13 3/8" 54.5# J-55 ST&C (0181-0794	\$61,800		
Casing (8.1" ~ 10.0")	5800' - 9 5/8" 40# N-80 LT&C @ S		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 @	S11.75/ft			0181-0797	\$102,900
Tubing	9850' - 2 7/8" 6.5# EUE tbg @ \$4.		i		0181-0798	\$47,800
Drilling Head			0181-0860	\$40,000	0101-0/301	\$41,000
Tubing Head & Upper Section			0101-00001	940,000		
Horizontal Completion Tools	Completion Linear Linear		-		0181-0870	\$30,000
Sucker Rods	Completion Liner Hanger				0181-0871	\$82,000
					0181-0875	
Subsurface Equipment					0181-0880	
Artificial Lift Systems	Gas Lift Valves & Packer				0181-0884	\$25,000
Pumping Unit					0181-0885	420,000
Surface Pumps & Prime Movers	(1/2) Surface pumps/VRU		1			662.500
Tanks - Oil	(1/2) 6 - 750 bbl		 		0181-0886	\$62,500
Tanks - Water	(1/2) 5 - 750 bbl				0181-0890	\$60,000
Separation / Treating Equipment		.HIDIDTIC: :==			0181-0891	\$53,000
	(1/2) 30"x10'x1k# 3 ph/36"x15'x1k	SHILVE LIFTATE 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		l i		0181-0900	\$12,500
Fittings / Valves & Accessories					0181-0906	\$175,000
Cathodic Protection	Includes Automation			-	0181-0908	
Electrical Installation			 			\$57,500
quipment Installation			 		0181-0909	\$37,500
Pipeline Construction					0181-0910	\$100,000
ipenne constituction					0181-0920	\$25,000
		TOTAL		\$499,100		\$1,061,200
				\$400,100		\$1,001,200
		SUBTOTAL		\$3,342,400		\$4,695,100
	707.					
	TOTAL	WELL COST		\$8,03	7,500	
Operator has secured Ext I elect to purchase my o	Operator's Extra Expense insurance a tra Expense insurance covering costs of wn well control insurance policy.	well control, clean up	and redrilling as	e premium. estimaled in Lin	e Item 0180-01	85.
neither box is chacked above, non-operating w	arking interest owner elects to be covered by	Operator's well control in	surance.			
Prepared by:	Levi Jackson	Date:	1/29/2020	_		
Company Approval:	white	_	4.00.			
Sampany repproval.		Date;	1/29/2020	-		
Joint Owner Interest:	Amount:	100 30-71-9-10-10-1	A POT TO COMPANY	angue et appoi		2-10, 12 - 12 - 1
	Amount;					
Joint Owner Name:		Signature:				

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.

Patco, Ltd.

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 07/07/2020: Phone call with Sutton who represents this interest regarding whether or not they are still claiming this interest
- 3) 07/08/2020: Email correspondence with Sutton who represents this interest discussing this interest's history and its current status. Sutton said he wanted until 08/08/2020 to figure out if he thinks they might still own this interest or not. Never heard back from him again.

Case No. 21480

The heirs and/or devisees of Donald H. Witte

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

Broken Bridge Farms

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

The Lynn Parsley Maxwell Trust

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

The Jan Parsley Sheffield Trust

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

The heirs and/or devisees of Craig Bishop

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

The heirs and/or devisees of Ruth E. Tull

- 1) 06/01/2020: Phone call with Doug Tull who represents this interest regarding whether or not they are still claiming this interest. He provided me with his email address.
- 2) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 3) 07/06/2020: Emailed Doug Tull asking if he is claiming this interest and how he would like to proceed. Also emailed him the Inland 26/23 well proposal letter and corresponding AFE's. Never heard back.

The heirs and/or devisees of Barry Hopkins

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

The heirs and/or devisees of Henry Hwang

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 06/21/2020-07/10/2020: Many Email correspondences with David Hwang who represents this interest regarding whether or not he is still claiming this interest and how he would like to proceed. David was unable to provide any form of proof that he indeed owns this interest of his father now. He said he is out of luck on claiming this interest and to just force-pool this interest.

Application of Mewbourne Oil Company to Pool Additional Interest Owners Under the Terms of Order No. R-21293, Lea County, New Mexico. Applicant seeks to pool additional interest owners under the terms of Oil Conservation Division Order No. R-21293, which created 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 Unit") and designated Mewbourne as the operator of the Unit. Order No. R-21293 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the Unit to the Inland 26/23 B2PI State Com #1H well, to 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 well is located approximately 12.5 miles west of Eunice, New Mexico.

Case No. 21480



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

October 6, 2020

VIA CERTIFIED MAIL

Broken Bridge Farms 225 Rocky Point Rd Palos Verdes Estates, CA 90274-2621

MEWBOURNE OIL

Exhibit A-8

Case No. 21480

Mewbourne Oil Company NMOCD Applications Re:

Dear Sir or Madam:

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

In Case No. 21479, Mewbourne seeks to pool additional interest owners under the terms of Division Order No. R-21292, which created 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 and designated Mewbourne as the operator of the Unit. Order No. R-21292 further pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the Inland 26/23 B2OJ State Com #1H well, to be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit J in Section 23, Township 21 South, Range 34 East.

In Case No. 21480, Mewbourne seeks to pool additional interest owners under the terms of Division Order No. R-21293, which created 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 and designated Mewbourne as the operator of the Unit. Order No. R-21293 further pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the Inland 26/23 B2PI State Com #1H well, to 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.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. Broken Bridge Farms is not required to attend the hearing, but as an owner of an interest that may be affected by Mewbourne's application, it may appear at the hearing and present testimony. If Broken Bridge Farms does not appear at that time and become a party of record, it will be precluded from contesting the matter 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 this matter must be filed no later than Thursday, October 29, 2020. The Pre-Hearing Statement must be filed with the Division 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.

Enclosures

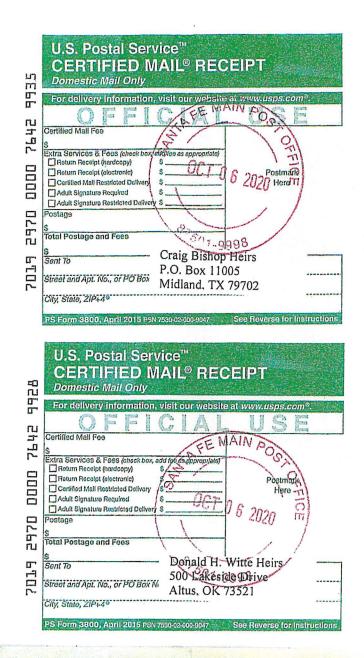
Dana S. Hardy

HINKLE SHANOR LLP

COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature Complete items 1, 2, and 3. ☐ Agent Print your name and address on the reverse X ☐ Addressee so that we can return the card to you. C. Date of Delivery B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. D. Is delivery address different from item 1? ☐ Yes 1. Article Addressed to: If YES, enter delivery address below: □ No Broken Bridge Farms 225 Rocky Point Rd Palos Verdes Estates, CA 90274 3. Service Type ☐ Priority Mall Express® □ Priority Mail Express® □ Registered Mail™ □ Registered Mail™ □ Return Receipt for Merchandise □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Certified Mail® 9590 9402 4582 8278 5987 12 Collect on Delivery Collect on Delivery Restricted Delivery Collect Mall 2. Article Number (Transfer from service label) 7019 2970 0000 7642 9805 Restricted Delivery Domestic Return Receipt PS Form 3811, July 2015 PSN 7530-02-000-9053 U.S. Postal Service" **CERTIFIED MAIL® RECEIPT**



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 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 mallplece, or on the front if space permits. 1. Article Addressed to: Henry Hwang Heirs 636 Noriega Street San Francisco, CA 94122-4616 	A. Signature A. Signature A. Agent Addressee B. Received by (Printed Name) C. Date of Delivery AVID HWANG C. Date of Delivery C. J 202 D. Is delivery address different from item 1? I Yes If YES, enter delivery address below:
6)	3. Service Type ☐ Priority Mail Express® ☐ Adult Signature ☐ Registered Mail™









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 October 08, 2020 and ending with the issue dated October 08, 2020.

Sworn and subscribed to before me this 8th day of October 2020.

Business Manager

My commission expires

January 29, 2023

OFFICIAL SEAL Gussie Black Notary Public State of New Mexico

My Commission Expires

and the state of the 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 October 8, 2020

This is to notify all interested parties, including Barry Hopkins, heirs and/or devisees, Broken Bridge Farms, Craig Bishop, heirs and/or devisees, Donald H. Witte, heirs and/or devisees, Henry Hwang, heirs and/or assigns, The Jan Parsley Sheffield Trust, The Lynn Parsley Maxwell Trust, Patco, Ltd., Ruth E. Tull, heirs and/or devisees, 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. 21480). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the d o c k e t f or the hearing d ate; http://www.emnrd.state.nm.us/OCD/hearings.html. Applicant seeks to pool additional interest owners Applicant seeks to pool additional interest owners under the terms of Oil Conservation Division Order under the terms of Oil Conservation Division Order No. R-21293, which created 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 Unit") and designated Mewbourne as the operator of the Unit. Order No. R-21293 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the Unit to the Inland 26/23 B2PI State Com #1H well; to be horizontally drilled from a surface location in Unit P in Section 23, Township 21 South, Range 34 East. The well is located approximately 12.5 miles west of Eunice, New Mexico.

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00247221

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

Case No. 21480