

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

**APPLICATION OF TOM M. RAGSDALE TO REVOKE
ORDER NOS. R-20924 & R-20924-A OR, IN THE ALTERNATIVE,
TO DECLARE UNREASONABLE CERTAIN COSTS
IMPOSED BY MEWBOURNE OIL COMPANY**

**Case No. 21902
(Case No. 21324 below)**

PRE-HEARING STATEMENT

Applicant TOM M. RAGSDALE (“Mr. Ragsdale”) provides this pre-hearing statement as required by the applicable rules.

APPEARANCES

APPLICANT

TOM M. RAGSDALE

APPLICANT’S ATTORNEY:

Sharon T. Shaheen, Esq.
MONTGOMERY & ANDREWS, P.A.
P.O. Box 2307
Santa Fe, New Mexico 87504-2307
(505) 986-2678
[sshahleen@montand.com](mailto:sshaheen@montand.com)

OTHER PARTY

MEWBOURNE OIL COMPANY

OTHER PARTY’S ATTORNEY:

James Bruce, Esq.
PO Box 1056
Santa Fe, NM 87504-1056
jamesbruc@aol.com

STATEMENT OF THE CASE

Applicant in the above-styled cause seeks an order from the Commission revoking Order Nos. R-20924 and R-20924-A or, in the alternative, declaring certain costs unreasonable as

imposed by Mewbourne Oil Co. (“Mewbourne”). The foregoing orders arise out of Division Case Nos. 20580 and 20809, respectively.

In Case No. 20580, Mewbourne filed an application seeking to pool the Bone Spring formation underlying the E2/E2 of Sections 10 and 15, Township 23 South, Range 34 East, NMPM, in Lea County, New Mexico, for the purpose of drilling the Ibex 10/15 B1AP Fed. Com. Well No. 2H, API# 30-025-46188 (“10/15 2H”), and the Ibex 10/15 B3AP Fed. Com. Well No. 1H, API# 30-025-46189. In Case No. 20809, Mewbourne filed an application seeking to pool the Bone Spring formation underlying the E2/E2 of Sections 10 and 15, Township 23 South, Range 34 East, NMPM, in Lea County, New Mexico, for the purpose of drilling the Ibex 15/10 B1PA Fed. Com. Well No. 2H, API# 30-025-47060 (“15/10 2H”), and the Ibex 15/10 B3PA Fed. Com. Well No. 1H, API# 30-025-46948.

As detailed in Mr. Ragsdale’s application in the instant matter, Mewbourne has improperly attempted to impose failed drilling costs in the amount of \$3,102,500, relating to Mewbourne’s efforts to drill the 10/15 2H and substitute well Ibex 10/15 B1AP Fed Com No. 2Y, API# 30-025-46260 (“10/15 2Y”) prior to entry of Order No. R-20924, on costs attributable to the 15/10 2H, which was drilled under Order No. 20924-A. As explained in the Application, Mewbourne’s efforts are improper for several reasons.

First, Mewbourne failed to provide notice of its intent to force pool all four wells under one order. Second, Mewbourne misrepresented the status of the 10/15 Wells in the hearing for Case No. 20809 (“15/10 Hearing”). Third, Mewbourne’s actions are contrary to law because (1) Mr. Ragsdale never had the opportunity to elect to participate in the 10/15 Wells under a force-pooling order prior to Mewbourne’s attempts to drill, and Mewbourne thus assumed the risk of drilling the 10/15 2H and 10/15 2Y by drilling before a force-pooling order was entered; (2) the

costs of drilling an abandoned well are not considered “well costs” under Rule 19.15.13.8(B)(1) NMAC; (3) Mewbourne is not entitled to recover these costs because the 15/10 Wells are not substitute wells for the 10/15 Wells under Rule 19.15.13.8(B)(4) NMAC; (4) Order No. R-20924-A does not incorporate 19.15.13.8(1)NMAC or provide that all of the wells proposed in two different force-pooling cases have the same election; and (5) Paragraph 27 of Order No. R-20924-A does not provide that the only election available to a pooled working interest owner is to elect and render payment of the estimated well costs for all three attempts to drill the First Bone Spring well, along with the Third Bone Spring test.

Notice that does not substantially comply with notice requirements is defective and renders an order void and invalid. *Martinez v. Maggiore*, 2003-NMCA-043, ¶¶ 12-13, 133 N.M. 472; *see id.* ¶ 22 (stating that it may be “particularly misleading” when notice omits facts pertinent to an administrative approval); *see also Johnson v. N.M. Oil Conservation Comm’n*, 1999-NMSC-021, ¶ 3, 127 N.M. 120 (concluding that the Commission’s order was invalid with respect to appellees, because they “were not afforded reasonable notice of the proceedings as required by the OGA and its implementing regulations”); *Nesbit v. City of Albuquerque*, 1977-NMSC-107, ¶ 3, 91 N.M. 455 (“Where substantial compliance with mandatory publication requirements is not met, the action of the [administrative authority] is invalid.”).

Here, notice was defective because it failed to provide an adequate “description of the hearing’s purpose” and “a reasonable identification of the adjudication’s subject matter that alerts persons who may be affected if the division grants the application.” *See* 19.15.4.9(A)(5)-(6) NMAC; *see also* NMSA 1978, § 70-2-23 (“[B]efore any . . . order . . . shall be made under the provisions of [the Oil and Gas Act], a public hearing shall be held . . . [and t]he division shall first give reasonable notice of such hearing . . .”). Apparently, Mewbourne’s purpose was to obtain

one order pooling the two 10/15 wells and the two 15/10 wells, which would purportedly allow it to impute the actual costs of failed attempts to drill the 10/15 2H and 2Y on estimated costs of the 15/10 2H. The notice published by the Division did not alert interested parties to this purpose. See Notice of Hearing on Oct. 23, 2019, ¶ 29, available at <http://www.emnrd.state.nm.us/OCD/documents/10-03OCDHEARING.pdf> (stating that Mewbourne sought to pool the two 15/10 wells). Moreover, as explained in the instant Application, neither the application nor the notice letter in Mewbourne’s Case No. 20809 adequately informed the interest owners of the purpose of the proceeding. Application ¶¶ 12-13. Thus, notice was not reasonable. See § 70-2-23.

Consequently, Mr. Ragsdale seeks revocation of Order Nos. R-20924 and R-20924-A or, in the alternative, a decision that Mewbourne cannot shoehorn costs for its failed attempts to drill the 10/15 2H and 10/15 2Y into the costs for the 15/10 2H. Mr. Ragsdale further seeks to be deemed a consenting party under a revised AFE for the 15/10 2H, without the improper costs for failed attempts to drill the 10/15 2H and 10/15 2Y.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Tom M. Ragsdale	1 hour	10-12

OTHER PARTY:

WITNESSES	EST. TIME	EXHIBITS
TBD		

PROCEDURAL MATTERS

A. Documents Submitted Concurrently with this Pre-Hearing Statement

Included with this pre-hearing statement are (1) a list of material facts not in dispute¹ that were previously submitted in Case No. 21324 before the Division, and (2) the written direct testimony of Mr. Ragsdale and his exhibits.

B. List of Exhibits

The exhibits attached to Mr. Ragsdale's direct testimony include the following:

- Exhibit 1:** Maps of 10/15 Wells and 15/10 Wells (previously submitted to the Division by Mewbourne in Case No. 20809)
- Exhibit 2:** Mewbourne's C-102s for the 10/15 2H and 15/10 2H (previously submitted to the Division by Mewbourne in Case Nos. 20580 and 20809)
- Exhibit 3:** Exhibit package previously submitted to the Division by Mewbourne in Case No. 20580
- Exhibit 4:** Exhibit package previously submitted to the Division by Mewbourne in Case No. 20809
- Exhibit 5:** Letter, Mitch Robb to Tom Ragsdale (Mar. 5, 2020)
- Exhibit 6:** Emails between Mitch Robb and Karen Stanford (Mar. 11, 2020)
- Exhibit 7:** Handwritten notes, Karen Stanford, phone calls with Mitch Robb (Mar. 18, 2020)
- Exhibit 8:** Letter, Tom Ragsdale to Ken Waits (Apr. 15, 2020)
- Exhibit 9:** Letter, Bruce Insalaca to Karen Stanford & Tom Ragsdale (May 15, 2020)
- Exhibit 10:** Letter, Bruce Insalaco to Tom Ragsdale (Apr. 23, 2020)

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

Sharon T. Shaheen
P.O. Box 2307
Santa Fe, New Mexico 87504-2307
Telephone: (505) 982-2678
Email: sshaheen@montand.com

Attorney for Tom M. Ragsdale

¹ The Parties have begun to confer about these facts, but Siana has had insufficient time to determine whether additional facts submitted by Mewbourne are undisputed. The Parties will continue to confer in an effort to agree to a set of undisputed facts prior to Hearing.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following
counsel of record by electronic mail on January 6, 2022:

James Bruce, Esq.
PO Box 1056
Santa Fe, NM 87504-1056
jamesbruc@aol.com

Attorney for Mewbourne Oil Co.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

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LIST OF UNDISPUTED MATERIAL FACTS

Applicant Tom M. Ragsdale (“Mr. Ragsdale”) and Mewbourne Oil Co. (“Mewbourne”) jointly submit this statement containing material facts not in dispute.

Orders at Issue

1. Order No. R-20924 (entered in Case No. 20580) pooled the Bone Spring formation underlying the E2/E2 of Sections 10 and 15, Township 23 South, Range 34 East, NMPM, in Lea County, New Mexico, for the purpose of drilling the Ibex 10/15 B1AP Fed. Com. Well No. 2H, API# 30-025-46188 (“10/15 2H”) and the Ibex 10/15 B3AP Fed. Com. Well No. 1H, API# 30-025-46189 (“10/15 1H”) (collectively, “10/15 Wells”).

2. Order No. R-20924-A (entered in Case No. 20809) pooled the same unit for the purpose of drilling the 10/15 Wells *and* for drilling the Ibex 15/10 B1PA Fed. Com. Well No. 2H, API# 30-025-47060 (“15/10 2H”), and the Ibex 15/10 B3PA Fed. Com. Well No. 1H, API# 30-025-46948 (“15/10 1H”) (collectively, “15/10 Wells”).

3. Mewbourne relies on Order No. R-20924-A to assert that it can impute the costs of attempts to drill the 10/15 2H and a substitute well, the Ibex 10/15 B1AP Fed Com No. 2Y (“10/15 2Y”), as part of the estimated costs for the 15/10 2H.

Procedural History and Chronology of Events

4. Mewbourne mailed well proposals for the 10/15 Wells on March 19, 2019, which were received by Mr. Ragsdale on March 21, 2019.

5. Mewbourne visited with a representative of Mr. Ragsdale via phone conversation on April 3, 2019 regarding the 10/15 Wells.

6. On April 4, 2019, Tracy Anderson elected to participate in the 10/15 Wells under the governing Joint Operating Agreement. This interest would later be acquired by Mr. Ragsdale.

7. Mewbourne exchanged emails on April 8, 2019 with a representative of Mr. Ragsdale regarding the 10/15 Wells.

8. Mewbourne visited with a representative of Mr. Ragsdale via phone conversation on April 16, 2019 regarding the 10/15 Wells.

9. On April 17, 2019, Mewbourne sent Mr. Ragsdale a copy of the Joint Operating Agreement covering the 10/15 Wells.

10. On or about May 20, 2019, Mewbourne filed an application in Case No. 20580, seeking to pool the Bone Spring formation underlying the E2/E2 of Sections 10 and 15, Township 23 South, Range 34 East, NMPM, in Lea County, New Mexico, for the purpose of drilling the 10/15 Wells.

11. On June 6, 2019, Mr. Ragsdale received notice of the application in Case No. 20580.

12. Mr. Ragsdale did not enter an appearance in Case No. 20580.

13. On June 13, 2019, Case No. 20580 was presented by affidavit.

14. On June 27, 2019, after notice by publication was complete, Case No. 20580 was taken under advisement.

15. On July 3, 2019, Mewbourne's applications for permits to drill ("APD") the 10/15 Wells were approved.

16. On July 12, 2019, Mewbourne spudded the 10/15 2H, had drilling issues, and abandoned the operation.

17. On July 24, 2019, Mewbourne received approval from the Bureau of Land Management to drill a substitute well, the 10/15 2Y.

18. On July 24, 2019, Mewbourne plugged and abandoned the 10/15 2H, due to drilling issues.

19. On July 26, 2019, Mewbourne subsequently spudded the substitute 10/15 2Y well, again had drilling issues, and plugged and abandoned the well.

20. On August 27, 2019, Mewbourne applied for permits to drill the 15/10 2H and the 15/10 1H.

21. On September 3, 2019, Mewbourne filed its application in Case No. 20809, again seeking to pool the Bone Spring formation underlying the E2/E2 of Sections 10 and 15, Township 23 South, Range 34 East, NMPM, in Lea County, New Mexico, but for the purpose of drilling the 15/10 Wells, which were the same target interval, same ownership and same dedicated spacing unit as the 10/15 Wells.

22. Mewbourne's application for Case No. 20809 states that Mewbourne was seeking to pool the Bone Spring formation underlying the E2/E2 of Sections 10 and 15, Township 23 South, Range 34 East, NMPM, in Lea County, New Mexico for the purpose of drilling the 15/10 Wells.

23. Mewbourne's application in Case No. 20809 did not reference the 10/15 Wells.

24. The application in Case No. 20809 did not request that all four wells be pooled together.

25. The notice letters in Case No. 20809 did not inform interested parties, which included Mr. Ragsdale, of Mewbourne's intent to combine all four wells in the order requested in Case No. 20809, which was ultimately issued as Order No. R-20924-A.

26. At no time did Mewbourne inform Mr. Ragsdale that Mewbourne intended to incorporate the 10/15 Wells in Case No. 20809, along with the 15/10 Wells.

27. On October 3, 2019, Case No. 20809 was presented by affidavit ("15/10 Hearing").

28. On October 15, 2019, Order No. R-20924 was entered in Case No. 20580, pooling the proposed unit for the purpose of drilling the 10/15 Wells.

29. Mr. Ragsdale never received a copy of Order No. R-20924(Case No. 20580) and Mewbourne never informed Mr. Ragsdale that he had been forcepooled in Order No. 20924.

30. On February 13, 2020, Mr. Ragsdale received a well proposal for the 15/10 Wells for an interest that is not at issue in this proceeding, which was subject to the joint operating agreement ("Subsequently Acquired Interest"). Mr. Ragsdale timely elected to participate in the 15/10 Wells with respect to the Subsequently Acquired Interest. The Authorizations for Expenditure ("AFE") tendered to Mr. Ragsdale for the Subsequently Acquired Interest did not impose the costs of attempts to drill the 10/15 Wells, because those elections were previously received from Mr. Ragsdale's predecessor and accounted for under the joint operating agreement.

31. On February 19, 2020, Order No. R-20924-A was entered in Case No. 20809, pooling the proposed unit for the purpose of drilling both the 10/15 Wells and the 15/10 Wells. Order No. R-20924-A expressly superseded Order No. R-20924.

32. On February 27, 2020, Mewbourne received approval of its APD for the 15/10 1H.

33. On March 10, 2020, Mr. Ragsdale received an election notice, under Order No. R-20924-A for the 15/10 Wells.

34. On March 11, 2020, Mr. Ragsdale received an election notice under Order No. R-20924-A (Case No. 20809) and AFEs for the 15/10 Wells. The AFE for the 15/10 2H included an additional \$3,102,500 attributed to Mewbourne's attempts to drill the 10/15 2H and the 10/15 2Y.

35. On March 12, 2020, Mewbourne visited with a representative of Mr. Ragsdale regarding the AFE costs.

36. The AFE provided to Mr. Ragsdale for the 15/10 2H along with the election letter was not the AFE that was submitted to the Division in Case No. 20809. *See* Letter, Mitch Robb to Tom Ragsdale (Mar. 5, 2020). The AFE submitted to the Division did not include the imputed costs for the attempts to drill the 10/15 2H and the 10/15 2Y. *See* Case No. 20809, Verified Statement of Mitch Robb at 2, ¶ 2(i) and Attachment C.

37. Mr. Ragsdale's elections were due by April 10, 2020, however, Mewbourne did not receive such elections nor did Mewbourne receive any further communication from Mr. Ragsdale past the conversation on March 12, 2020.

38. By letter dated April 15, 2020, Mr. Ragsdale sent in executed AFEs to Mewbourne. The AFE for the 15/10 2H was not the AFE provided to Mr. Ragsdale along with

the pooling order. Mr. Ragsdale was past the due date as provided for under the respective pooling order.

39. Mewbourne responded to Mr. Ragsdale's letter dated April 15, 2020, allowing Mr. Ragsdale the opportunity to still participate in the subject wells under certain conditions. *See* Letter, Bruce Insalaco to Karen Stanford & Tom Ragsdale (May 15, 2020).

40. Mr. Ragsdale met the subsequent conditions set out by Mewbourne for participation in the 15/10 1H and was allowed to participate in said well. Mr. Ragsdale did not meet the subsequent conditions set out by Mewbourne for participation in the 15/10 2H, specifically, he did not tender his share of the costs at issue in this proceeding because Mr. Ragsdale believes that Mewbourne lacks authority to impose those costs.

41. The AFE signed by Mr. Ragsdale on April 15, 2020 for the 15/10 2H was the same AFE that Mewbourne submitted to the Division in Case No. 20809.

42. Mr. Ragsdale tendered payment for his share of the 15/10 1H and was deemed consenting therein. *See* Letter, Bruce Insalaco to Karen Stanford & Tom Ragsdale (May 15, 2020).

43. Mr. Ragsdale tendered payment for his share of the 15/10 2H, based on the AFE cost to drill that well only, and did not include the imputed costs for the attempts to drill the 10/15 2H and the 10/15 2Y. *See* Ex. 4. This payment was rejected by Mewbourne, which thereafter considered Mr. Ragsdale non-consenting in the 15/10 2H. *See* Letter, Bruce Insalaco to Karen Stanford & Tom Ragsdale (May 15, 2020).

Respectfully submitted,

By: /s/ Sharon T. Shaheen

Sharon T. Shaheen

MONTGOMERY & ANDREWS, P.A.

P.O. Box 2307

Santa Fe, New Mexico 87504-2307

Telephone: (505) 982-2678

Email: sshaheen@montand.com

Attorney for Tom M. Ragsdale

AND

By: /s/ James Bruce

James Bruce

PO Box 1056

Santa Fe, NM 87504

505-982-2043

jamesbruc@aol.com

Attorney for Mewbourne Oil Co.

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DIRECT TESTIMONY OF TOM M. RAGSDALE

Q: Please state your full name for the record.

A: My name is Tom M. Ragsdale.

Q: Are you the applicant in this case?

A: Yes.

Q: What is your occupation?

A: I am a petroleum engineer.

Q: Do you seek to have your testimony in this matter admitted as an expert witness and as a fact witness?

A: Yes, I do.

Q: Please describe your education and work experience.

A: I received a degree in petroleum engineering from Texas A&M in 1985. My work experience since that time is as follows: I worked for a Louisiana drilling company, Grey Wolf Drilling Co., in 1985-86, and a Louisiana production company, Petroleum Engineers, Inc., in 1987. I then worked for IP Petroleum, a wholly owned subsidiary of International Paper, for approximately three years. Thereafter, I worked for Meridian Oil for approximately one year. I then worked for Costilla Petroleum Company for several years. Beginning in 1992, I worked as an independent consultant for two years. I started Siana Oil & Gas in 1994. In 1996, Siana began contract operating in NM. In 1998, I started acquiring and managing minerals in NM. I have managed minerals in New Mexico since that time..

Q: Do you own the mineral interest at issue in this proceeding?

A: Yes, I do.

Q: What is the nature of that interest?

A: I own approximately 4.89 % working interest in the spacing units and wells at issue in this proceeding.

Q: Are there any undisputed facts in this case?

A: I believe so. Mewbourne and I agreed to a number of undisputed facts that were submitted in this case before the Division. I also submitted the same set of undisputed facts to the Commission, as an attachment to my pre-hearing statement in this proceeding before the Commission.

Q: To your knowledge, are there any disputed facts material to this proceeding?

A: Not to my knowledge. However, I may provide some additional information relating to some of the undisputed facts, particularly with respect to communications with Mewbourne that are identified in the undisputed facts. I will also provide facts relating to my understanding of the previous proceedings related to this case, that is, Case Nos. 20580 and 20809.

Q: What are you seeking in this case?

A: I am asking the Commission to issue an order revoking Order Nos. R-20924 (Case No. 20580) and R-20924-A (20809) or, in the alternative, declaring certain costs imposed thereunder unreasonable.

Q: Can you please describe the lands and wells at issue in this application?

A: In Case No. 20580, Order No. R-20924 pooled the Bone Spring formation underlying the E2/E2 of Sections 10 and 15, Township 23 South, Range 34 East, NMPM, in Lea County, New Mexico, for the purpose of drilling the Ibex 10/15 B1AP Fed. Com. Well No. 2H, API# 30-025-46188 (“10/15 2H”) and the Ibex 10/15 B3AP Fed. Com. Well No. 1H, API# 30-025-46189 (“10/15 1H”) (collectively, “10/15 Wells”).

In Case No. 20809, Order No. R-20924-A pooled the same unit for the purpose of drilling the 10/15 Wells and for drilling the Ibex 15/10 B1PA Fed. Com. Well No. 2H, API# 30-025-47060 (“15/10 2H”), and the Ibex 15/10 B3PA Fed. Com. Well No. 1H, API# 30-025-46948 (“15/10 1H”) (collectively, “15/10 Wells”).

Q: What is the issue in this proceeding?

A: The issue is whether Mewbourne can allocate costs for failed attempts to drill the 10/15 2H and a substitute well, the Ibex 10/15 B1AP Fed Com No. 2Y (“10/15 2Y”), which were incurred prior to any related forcepooling order, in Mewbourne’s estimated costs to drill the 15/10 2H.

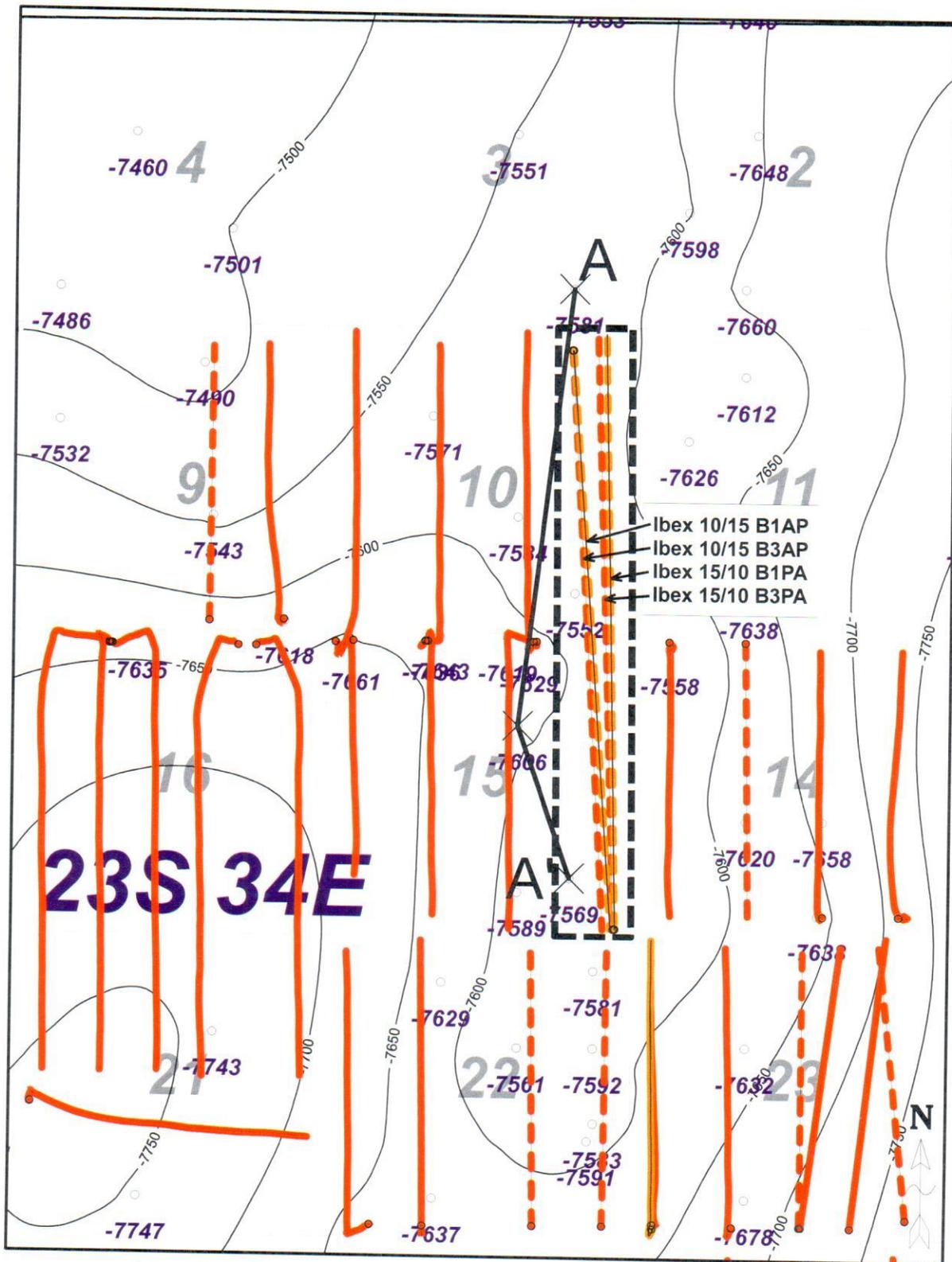
Q: Did you enter an appearance in Case No. 20580, in which Mewbourne sought to pool the 10/15 Wells?

- A:** I did not. I did not object to the wells as proposed by Mewbourne in its well proposals, applications, and the related notice letter. Entering an appearance was therefore unnecessary.
- Q:** What happened next?
- A:** Prior to an order being issued in Case No. 20580, Mewbourne made two failed attempts to drill the 10/15 2H. Subsequently and, again, prior to an order being issued in Case No. 20580, Mewbourne filed its application in Case No. 20809, seeking to force pool the same lands but for the purpose of drilling the 15/10 Wells.
- Q:** Did you enter an appearance in Case No. 20809, in which Mewbourne sought to pool the 15/10 Wells?
- A:** I did not. Again, I did not object to the wells as proposed by Mewbourne in its well proposals, applications, and the related notice letter. Entering an appearance was therefore unnecessary.
- Q:** Did you receive a well proposal for the 15/10 Wells prior to the filing of the application in Case No. 20809?
- A:** I did not.
- Q:** In its application and notice letter to interested parties in Case No. 20809, did Mewbourne propose to forcepool the 10/15 Wells and the 15/10 Wells as four different wells in Case No. 20809?
- A:** My review of the filings in that matter, as well as the resulting order, indicate that is the case.
- Q:** Were you informed by Mewbourne prior to the hearing in Case No. 20809 that Mewbourne intended to forcepool the 10/15 Wells, which were the subject of Case No. 20580, along with the 15/10 Wells in Case No. 20809?
- A:** No.
- Q:** Prior to sending out election notices, did Mewbourne ever inform you that the 15/10 Wells were substitute wells for the 10/15 Wells?
- A:** No.
- Q:** At what point did you learn that Mewbourne considered the 15/10 Wells to be substitute wells for the 10/15 Wells?
- A:** I learned that Mewbourne considered the 15/10 Wells to be substitutes for the 10/15 Wells during communications with Mewbourne after I received the election notices for the 15/10 Wells.

- Q:** Were you a few days late in returning the executed AFEs for the 15/10 Wells?
- A:** Yes, I was.
- Q:** Why?
- A:** There are several reasons. First, I was confounded by the extra costs imposed on the 15/10 2H and it was necessary to investigate the basis for Mewbourne's imposition of those extraneous costs. Second, COVID restrictions were implemented during this time period and work was disrupted as a result. Finally, my employee handling this matter was out-of-state for two weeks during this time period, because her father was dying.
- Q:** When you investigated the circumstances relating to Mewbourne's claim in this regard, did you review the exhibits submitted by Mewbourne in the two previous cases?
- A:** Yes, I did.
- Q:** Turning to Applicant's Exhibit 1—please describe this exhibit.
- A:** Exhibit 1 contains maps that were submitted by Mewbourne in support of its application in Case No. 20809. The first page indicates the separate locations of each of the four wells that were pooled in Case No. 20809. The second page shows the locations of the 10/15 1H as compared to the 15/10 1H, and the third page shows the locations of the 10/15 2H as compared to the 15/10 2H.
- Q:** Is there any indication on Exhibit 1 that Mewbourne intended to drill the 15/10 2H as a so-called "substitute" or replacement well for the 10/15 2H?
- A:** No, there is not.
- Q:** Turning to Applicant's Exhibit 2—please describe this exhibit.
- A:** This exhibit includes the C-102s for the 10/15 2H and the 15/10 2H that were submitted by Mewbourne to the Division in Case Nos. 20580 and 20809.
- Q:** Is there any indication on Exhibit 2 that Mewbourne intended to drill the 15/10 2H as a so-called "substitute" or replacement well for the 10/15 2H?
- A:** No, there is not.
- Q:** Turning to Applicant's Exhibit 3 and Exhibit 4—please describe these exhibits.
- A:** These exhibits consist of the exhibits that were submitted by Mewbourne to the Division in Case Nos. 20580 and 20809, respectively, including the verified statements of Mr. Robb, Mewbourne's landman.
- Q:** Is there any indication in Exhibits 3 or 4 that Mewbourne intended to drill the 15/10 2H as a so-called "substitute" or replacement well for the 10/15 2H?

- A:** No, there is not.
- Q:** Turning to Applicant's Exhibit 5 – please describe this exhibit.
- A:** Exhibit 5 is a letter election notice from Mitch Robb at Mewbourne to myself, dated March 5, 2020, to which is attached a revised AFE for the 15/10 2H, which was revised to include the costs of failed attempts to drill the 10/15 2H.
- Q:** Turning to Applicant's Exhibit 6—please describe this exhibit.
- A:** Exhibit 6 is an email chain dated March 11, 2020, between my former landman, Karen Stanford, and Mitch Robb of Mewbourne. This email chain reflects the questions that I, and Ms. Stanford, had about the costs for the previous failed drilling attempts imposed on the estimated costs for the 15/10 2H.
- Q:** To clarify, Ms. Stanford was employed at that time as a contract landman for your company, Siana Oil and Gas, is that correct?
- A:** Yes, it is.
- Q:** And you are the sole proprietor of Siana Oil and Gas, right?
- A:** That is correct.
- Q:** And at the time she was communicating with Mr. Robb, she was acting on your behalf, is that right?
- A:** Yes, it is.
- Q:** Turning to Exhibit 7—please describe this exhibit.
- A:** Exhibit 7 consists of handwritten notes that Ms. Stanford took when she spoke with Mr. Robb on my behalf after the previous email exchange we discussed as Exhibit 7.
- Q:** And what do these notes indicate?
- A:** In their phone call, Mr. Robb told Ms. Stanford that my questions about the inflated estimated costs on the 15/10 2H should be directed to Mewbourne's attorney, Mr. Bruce.
- Q:** Please describe Exhibit 8.
- A:** Exhibit 8 is a letter dated April 15, 2020 from me to Ken Waits of Mewbourne including the executed AFEs and explaining the basis for the amount I submitted to participate in the 15/10 2H.
- Q:** And what was the basis for the amount that you submitted to participate in the 15/10 2H?
- A:** I submitted the amount attributable to my interest, without including the costs for the failed attempts to drill the junked 10/15 2H wells.

- Q:** Did the costs that you submitted reflect the costs in the AFE that were submitted by Mewbourne to the Division for the 15/10 2H in Case No. 20809?
- A:** That is correct.
- Q:** How did Mewbourne respond to your letter of April 15?
- A:** I had a phone conversation with Mr. Insalaco, in which he told us that the 15/10 2H was a substitute well for the 10/15 2H junked wells.
- Q:** And did Mr. Insalaco follow up with a written response?
- A:** Yes, he did. His response is the letter provided as Exhibit 9.
- Q:** And what did Mr. Insalaco state in his letter?
- A:** He stated that the only election available to pooled working interests is to elect to render payment for costs of all three attempts to drill the first Bone Spring well, including the two failed attempts to drill the 10/15 2H.
- Q:** You ultimately submitted payment for estimated costs for the 15/10 wells, correct?
- A:** Yes, I did. But Mewbourne rejected the payment for the 15/10 2H, because it did not include the disputed costs related to the junked wells.
- Q:** Is this rejection reflected in Exhibit 10?
- A:** Yes, it is.
- Q:** How does Mewbourne view your status in the 15/10 Wells now?
- A:** I understand that Mewbourne deems me consenting in the 15/10 1H but non-consenting for the 15/10 2H because I did not include in my payment of estimated costs a share of the additional \$3.1 million that Mewbourne improperly tacked on in the March 2020 AFEs. A letter from Bruce Insalaca at Mewbourne to me, dated May 15, 2020, evidences the basis for Mewbourne deeming me non-consenting in the 15/10 2H. *See* Exhibit 7, attached hereo. The list of undisputed facts also explains this sequence of events.
- Q:** Does this conclude your testimony at this time?
- A:** Yes, it does. However, as Applicant, I reserve the right to present additional direct testimony at hearing on this matter.



ATTACHMENT *A*

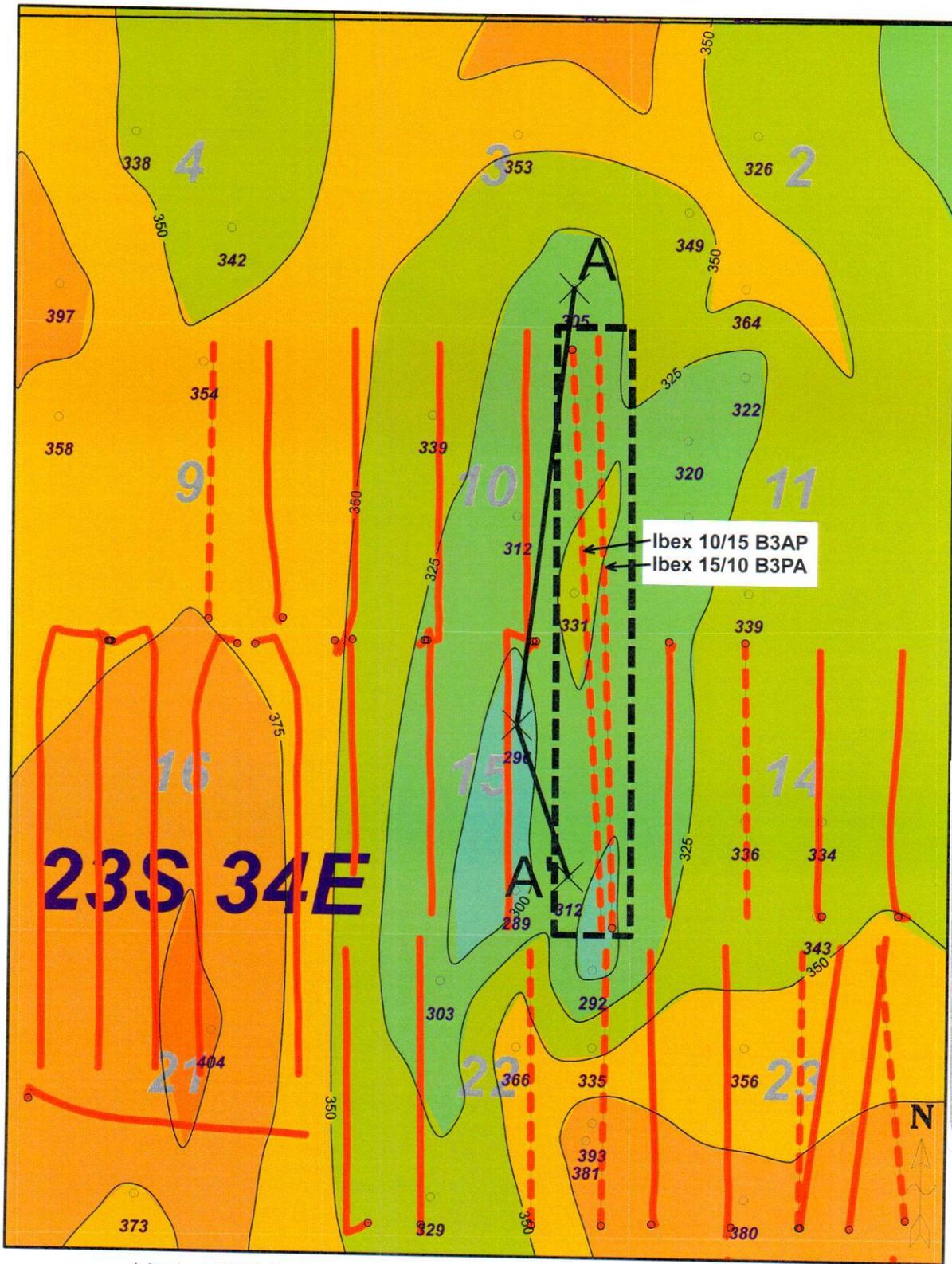


Horizontal Color Code

- 1st Sd Drilled Well
- 1st Sd Permit
- 3rd Sd Drilled Well
- 3rd Sd Permit

MOC Mewbourne Oil Company		
1 st and 3 rd BSPG horizontal well activity Map Top of 3 rd BSPG Sand Structure Map Exhibit C.I. = 50'		
Section 10 & 15, 23S/34E, Lea County, New Mexico		
Author: JRC	Scale: 1" = 2500'	Date: 27 September, 2019

NMOCC Case No. 21902
 Exhibit 1
 Ragsdale Direct Testimony
 January 13, 2022



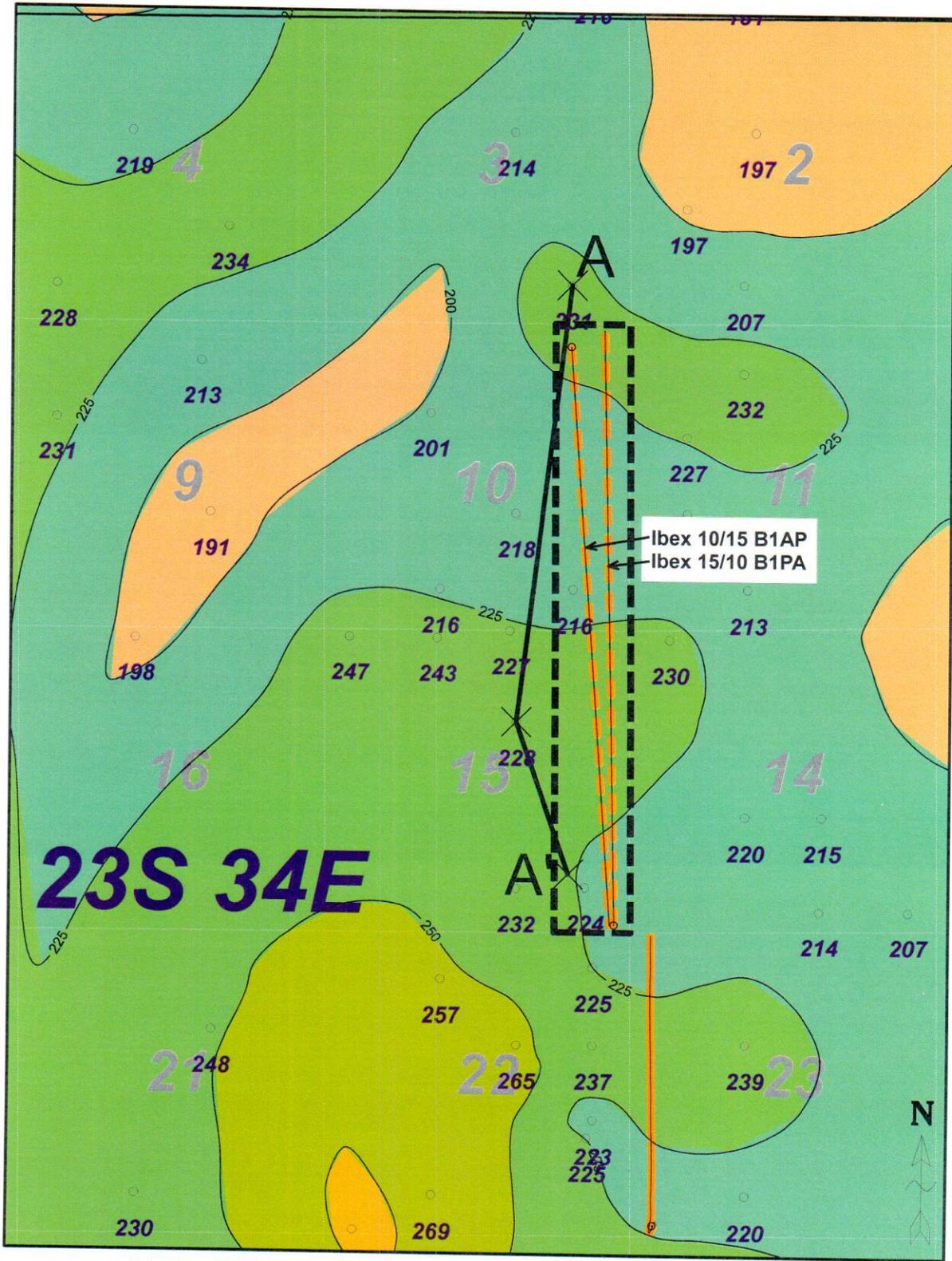
ATTACHMENT B

1 inch = 2500 feet
 2500 0 2500 ft

3rd Bone Spring
Horizontal Color Code

Drilled Well ———
 Permitted Well - - - - -

MOC Mewbourne Oil Company		
Ibex 15/10 B3PA Fed Com #1H Ibex 10/15 B3AP Fed Com #1H 3 rd BSPG Gross Sand Isopach Map Exhibit C.I. = 25'		
Section 10 & 15, 23S/34E, Lea County, New Mexico		
Author: JRC	Scale: 1" = 2500'	Date: 30 September, 2019



23S 34E

1 inch = 2500 feet
 2500 0 2500 ft

1st Bone Spring
Horizontal Color Code

Drilled Well 
 Permitted Well 

MOC Mewbourne Oil Company		
Ibex 15/10 B1PA Fed Com #2H Ibex 10/15 B1AP Fed Com #2H 1 st BSPG Gross Sand Isopach Map Exhibit C.I. = 25' Section 10 & 15, 23S/34E, Lea County, New Mexico		
Author: JRC	Scale: 1" = 2500'	Date: 30 September, 2019

ATTACHMENT 

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name IBEX 10/15 BIAP FED COM			6 Well Number 2H
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3369'

10 Surface Location

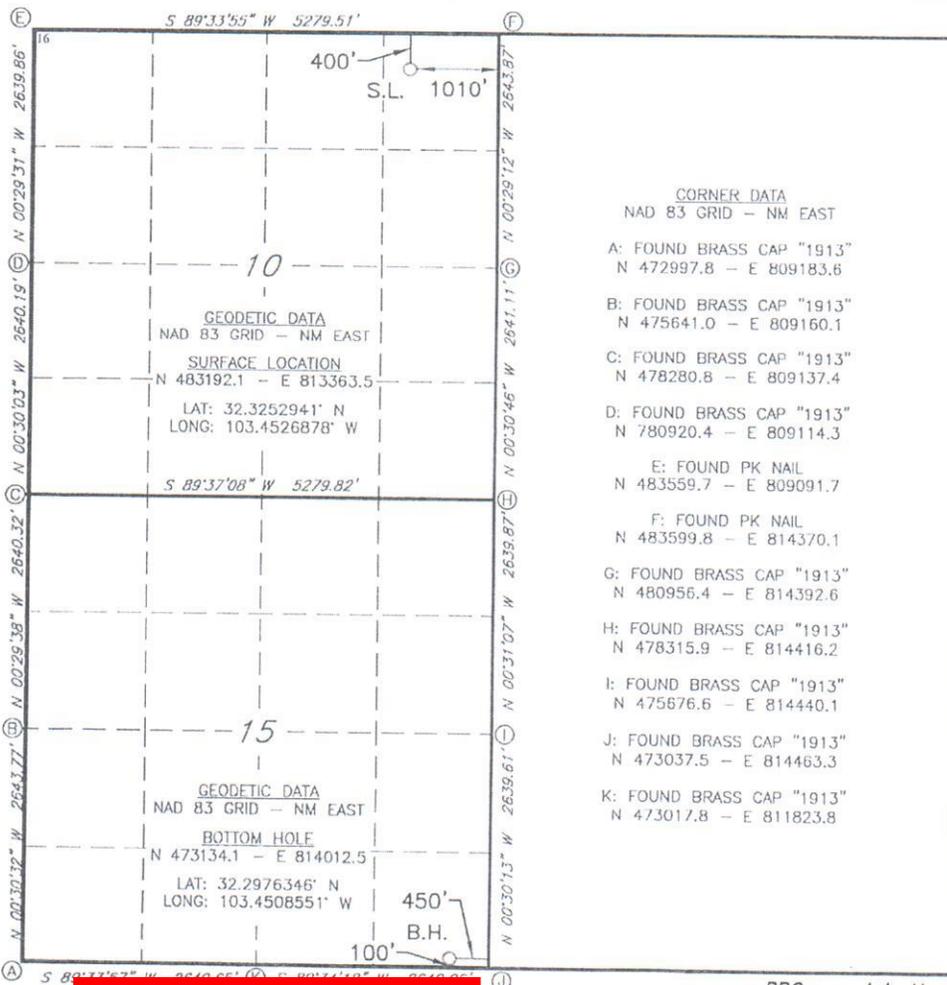
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
A	10	23S	34E		400	NORTH	1010	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
P	15	23S	34E		100	SOUTH	450	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

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.



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

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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

1-14-19
Date of Survey
Signature and Seal of Professional Surveyor _____
19680
Certificate Number

RRC - Job No.: LS19010039

NMOCC CASE No. 21902
Exhibit 2
Ragsdale Direct Testimony
January 13, 2022

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name IBEX 15/10 B3PA FED COM			⁶ Well Number 1H
⁷ GRID NO.		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3413'

¹⁰ Surface Location

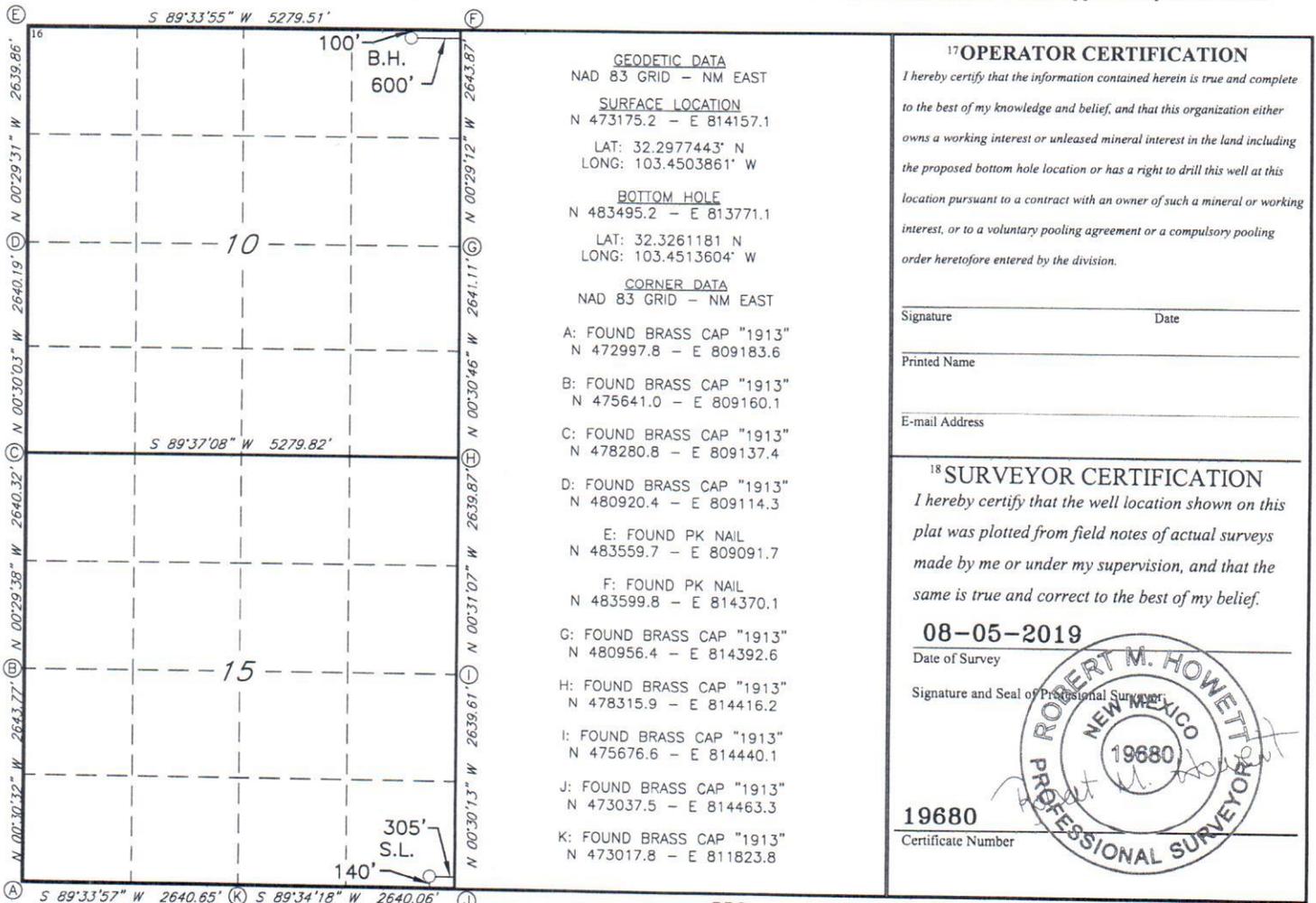
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
P	15	23S	34E		140	SOUTH	305	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	10	23S	34E		100	NORTH	600	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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.



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Form C-102
Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name IBEX 15/10 B1PA FED COM			6 Well Number 2H
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3412'

10 Surface Location

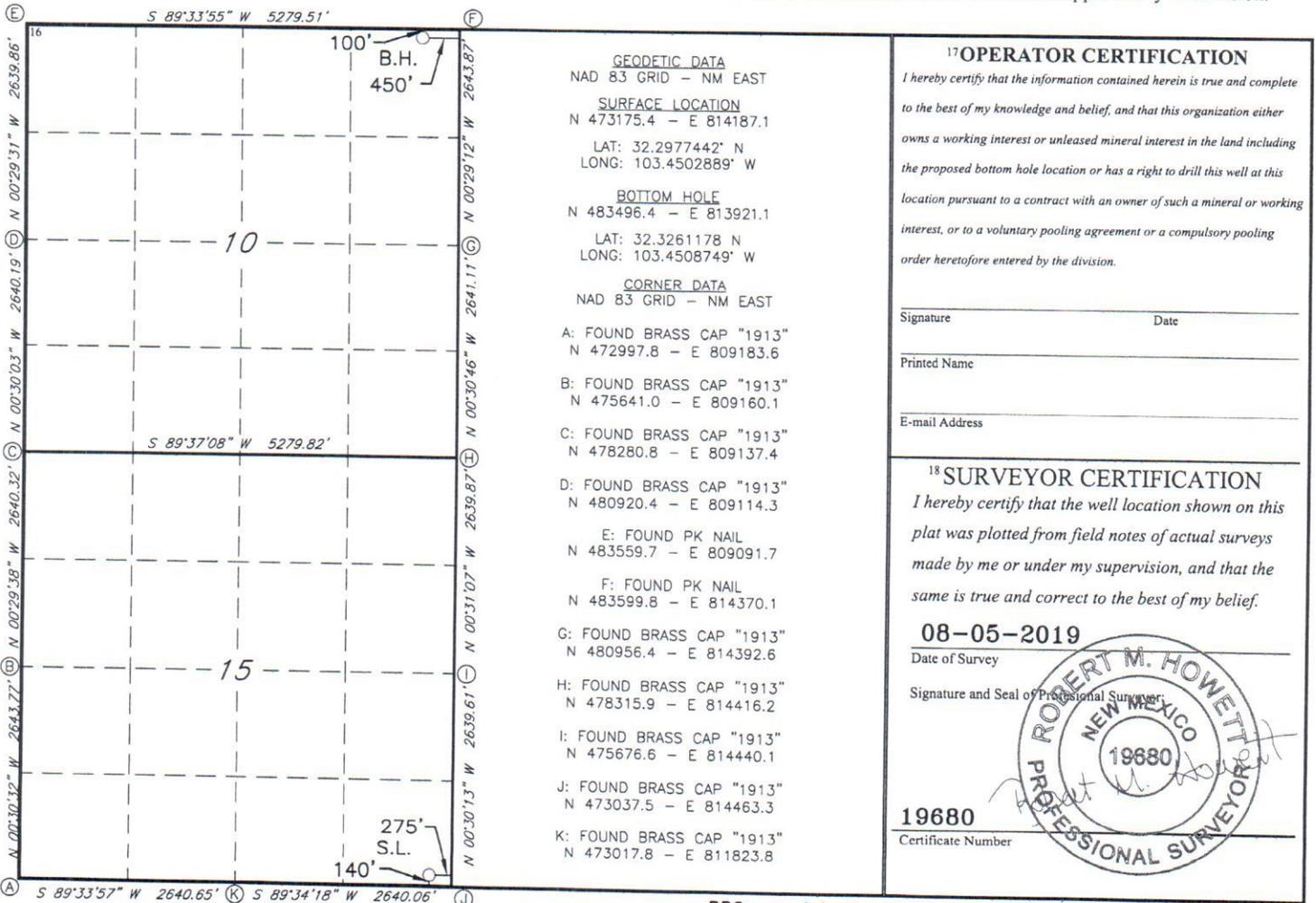
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
P	15	23S	34E		140	SOUTH	275	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	10	23S	34E		100	NORTH	450	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------	--------------------	-----------------------	--------------

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.



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

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

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

Case No. 20580

VERIFIED STATEMENT OF MITCH ROBB

Mitch Robb, being duly sworn upon his oath, deposes and states:

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

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

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

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

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying the E/2E/2 of Section 10 and the E/2E/2 of Section 15, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to:

(i) the Ibex 10/15 B1AP Fed. Com. Well No. 2H, a horizontal well with a first take point in the NE/4 NE/4 of 10 and a final take point in the SE/4 SE/4 of Section 15;

(ii) the Ibex 10/15 B3AP Fed. Com. Well No. 1H, a horizontal well with a first take point in the NE/4 NE/4 of 10 and a final take point in the SE/4 SE/4 of Section 15.

(d) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses, or last known addresses, are also set forth.

NMOCC Case No. 21902
Exhibit 3
Ragsdale Direct Testimony
January 13, 2022

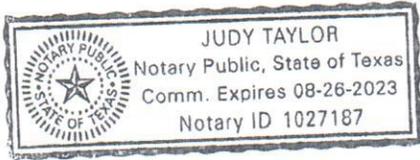
EXHIBIT

- (e) In order to locate the interest owners Mewbourne examined the county records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.
- (f) Attachment C contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the owners.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.
- (j) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Mewbourne requests that it be designated operator of the wells.
- (m) The attachments to this affidavit were prepared by me, or compiled from Company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

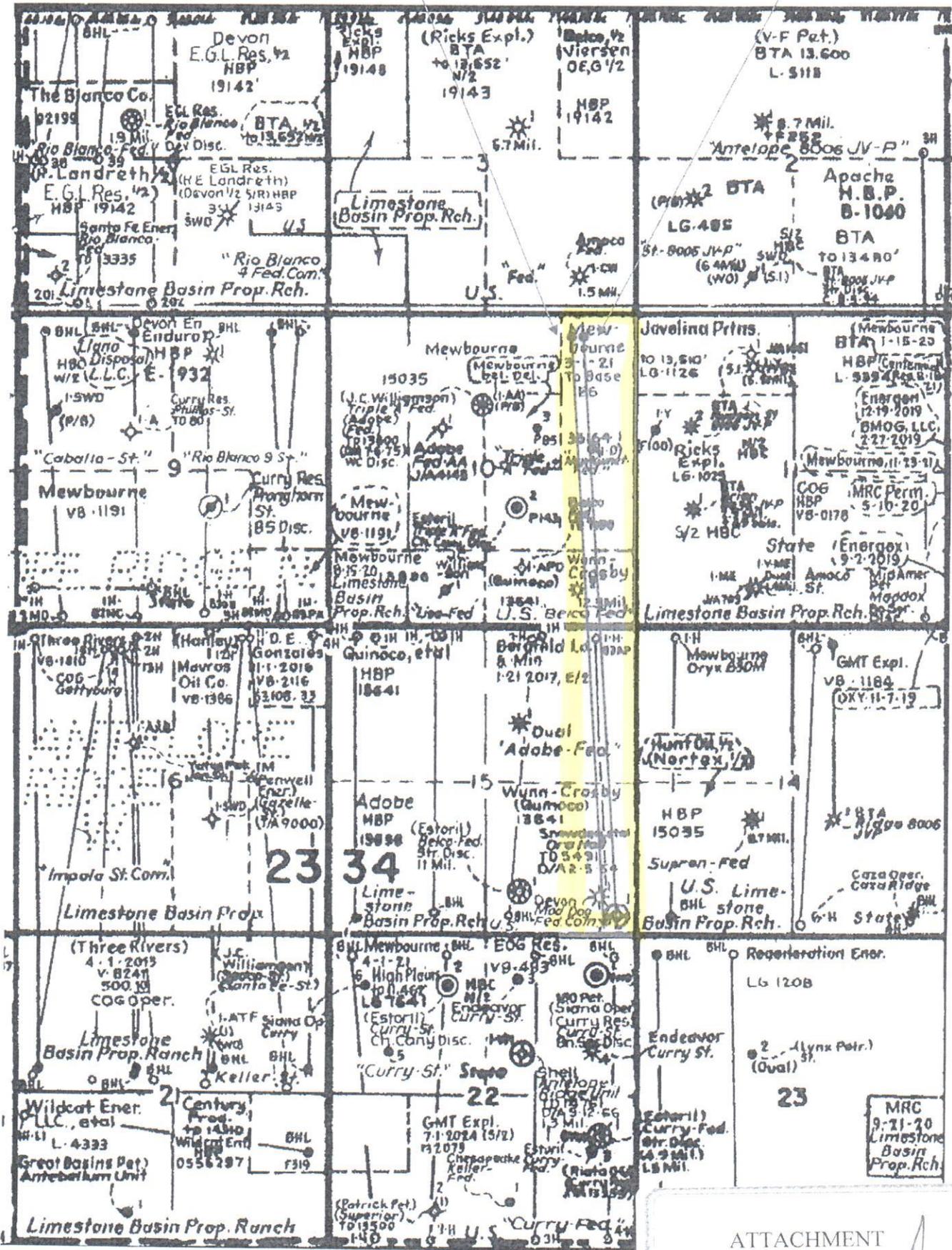


Mitch Robb
Mitch Robb

SUBSCRIBED AND SWORN TO before me this 13th day of June, 2019 by Mitch Robb.

My Commission Expires: 8-26-23

Judy Taylor
Notary Public



ATTACHMENT **A**

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name IBEX 10/15 B3AP FED COM			⁶ Well Number 1H
⁷ OGRID NO.		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3369'

¹⁰ Surface Location

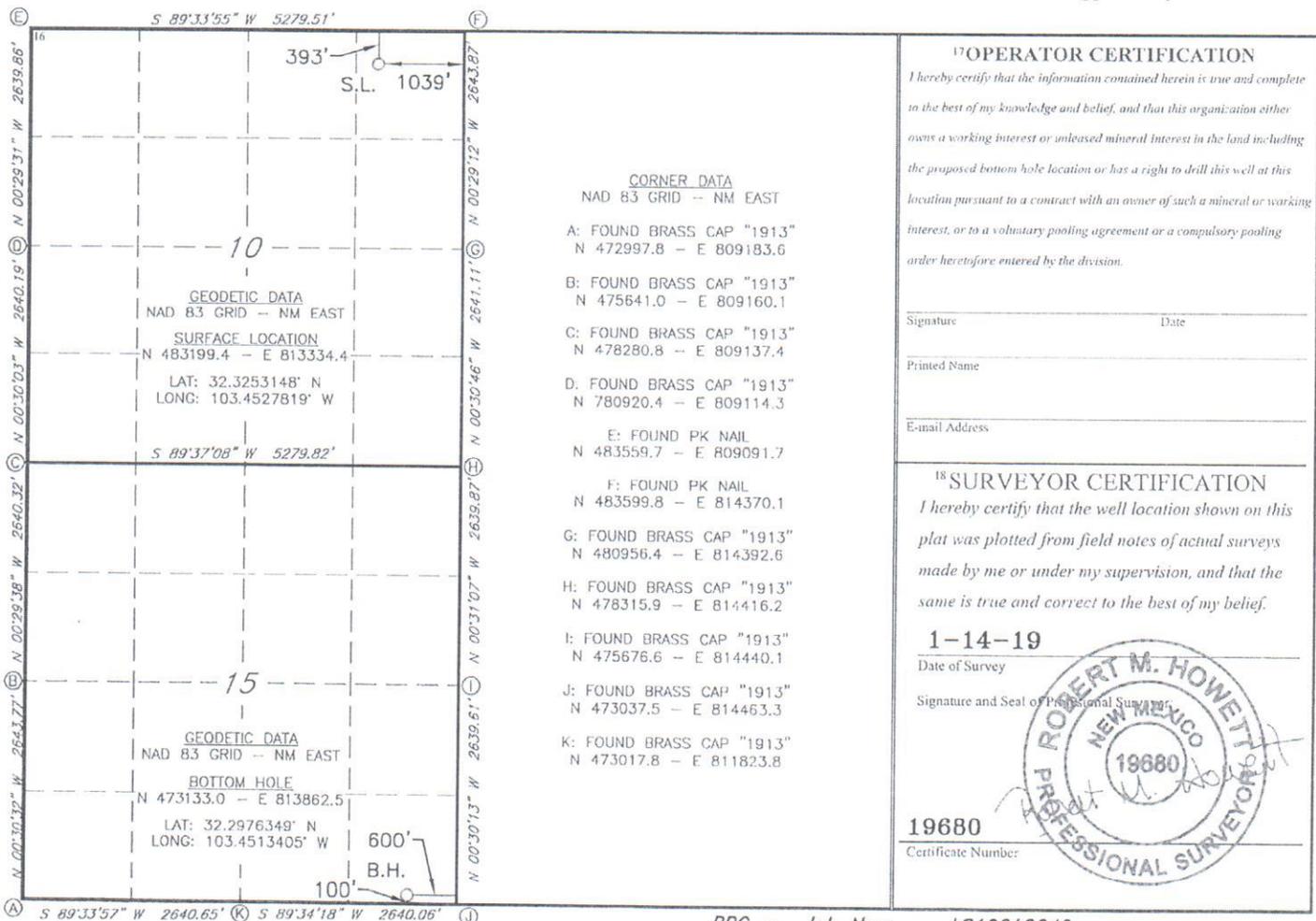
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
A	10	23S	34E		393	NORTH	1039	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	23S	34E		100	SOUTH	600	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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.



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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name IBEX 10/15 BIAP FED COM			6 Well Number 2H
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3369'

10 Surface Location

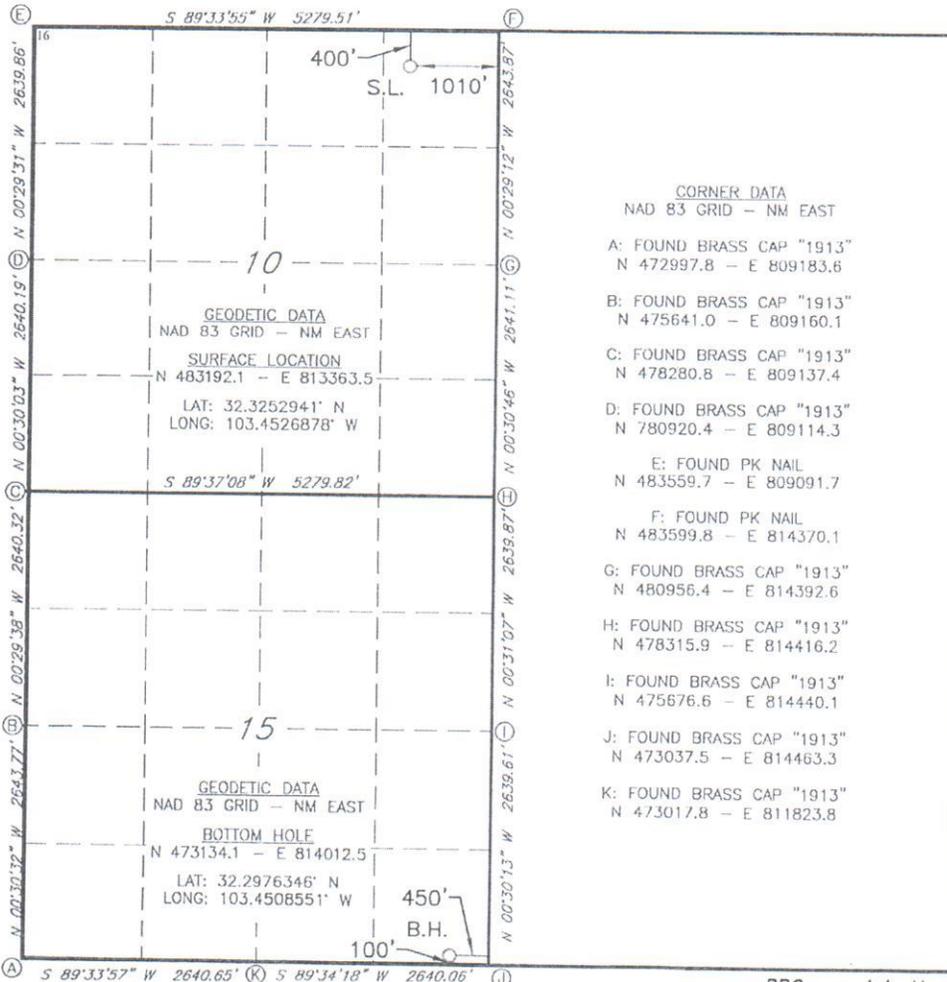
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
A	10	23S	34E		400	NORTH	1010	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
P	15	23S	34E		100	SOUTH	450	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

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

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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

1-14-19
Date of Survey
Signature and Seal of Professional Surveyor _____
19680
Certificate Number

Tract Ownership
Ibex 10/15 B3AP Fed Com #1H Well
E/2E/2 of Section 10 & E/2E/2 of Section 15, T23S, R34E
Lea County, New Mexico

E/2E/2 of Section 10 &
E/2E/2 of Section 15, T23S, R34E:

Ownership:

Mewbourne Oil Company, Operator, and Challenger Crude, Ltd., et al, as Non-Operators	70.525868%
*Marathon Oil Permian LLC	18.148066%
*Blanco Holdings I, Ltd.	1.126978%
*Endeavor Energy Resources, L.P.	0.734950%
*Maverick Oil & Gas Corporation	0.615736%
*Phoebe Thompkins	0.020307%
*Tom M. Ragsdale	4.890142%
*Energy Investors 1987, L.P.	1.232000%
*Landis Drilling Co.	0.533334%
*Boerne Land & Cattle Company, Inc.	0.790777%
*Douglas A. Tatum, P.C.	0.667202%
*Charles C. Albright III, Trustee	0.042088%
*Pride Energy Company	0.351563%
*PW Production, Inc.	0.139101%
*Noel and Elizabeth Workman	0.102713%
*Black & Gold Resources	0.079175%
*Siana Oil & Gas Company, LLC	0.000000%
*LRF Limited Partnership	0.000000%
*Estate of Larry Moore	0.000000%
*Estoril Producing Corporation	0.000000%
*Estate of Max Curry	0.000000%
*Devon Energy Production Company, L.P.	0.000000%
*Chessie Exploration, Inc.	0.000000%
*Black & Gold Resources, LLC	0.000000%
*ACF Petroleum Company	0.000000%

Total Interest being force pooled: 29.551099%

* Denotes an interest that is being force pooled.

ATTACHMENT **B**

Tract Ownership
Ibex 10/15 B1AP Fed Com #2H Well
E/2E/2 of Section 10 & E/2E/2 of Section 15, T23S, R34E
Lea County, New Mexico

E/2E/2 of Section 10 &
E/2E/2 of Section 15, T23S, R34E:

Ownership:

Mewbourne Oil Company, Operator, and Challenger Crude, Ltd., et al, as Non-Operators	71.254577%
*Marathon Oil Permian LLC	17.511214%
*Blanco Holdings I, Ltd.	1.087430%
*Endeavor Energy Resources, L.P.	0.709160%
*Maverick Oil & Gas Corporation	0.594129%
*Phoebe Thompkins	0.015395%
*Tom M. Ragsdale	4.890142%
*Energy Investors 1987, L.P.	1.232000%
*Landis Drilling Co.	0.533334%
*Boerne Land & Cattle Company, Inc.	0.790777%
*Douglas A. Tatum, P.C.	0.667202%
*Charles C. Albright III, Trustee	0.042088%
*Pride Energy Company	0.351563%
*PW Production, Inc.	0.139101%
*Noel and Elizabeth Workman	0.102713%
*Black & Gold Resources	0.079175%
*Siana Oil & Gas Company, LLC	0.000000%
*LRF Limited Partnership	0.000000%
*Estate of Larry Moore	0.000000%
*Estoril Producing Corporation	0.000000%
*Estate of Max Curry	0.000000%
*Devon Energy Production Company, L.P.	0.000000%
*Chessie Exploration, Inc.	0.000000%
*Black & Gold Resources, LLC	0.000000%
*ACF Petroleum Company	0.000000%

Total Interest being force pooled: 28.819689%

* Denotes an interest that is being force pooled.

Summary of Communications
Ibex 10/15 B3AP Fed Com #1H Well
Ibex 10/15 B1AP Fed Com #2H Well
E/2E/2 of Section 10 & E/2E/2 of Section 15, T23S, R34E
Lea County, New Mexico

Black & Gold Resources, LLC

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed party.

03/19/2017: Sent a Communitization Agreement to the above listed party.

04/09/2019: Received signed AFEs from above listed party.

Pride Energy Company

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed party.

03/19/2017: Sent a Communitization Agreement to the above listed party.

03/27/2019: Spoke with above listed party and they will most likely participate under pooling order.

03/29/2019: Spoke with above listed party regarding Working Interest Unit and Well Proposal.

Tom M. Ragsdale

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed party.

04/16-25/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Maverick Oil & Gas Corporation

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed party.

03/21/2019: Received signed AFEs from above listed party.

03/21-04/23/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Endeavor Energy Resources, L.P.

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed party.

04/12-15/2019: Email correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Blanco Holdings I, Ltd.

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed party.

03/25/2019: Received signed AFEs from above listed party.

04/02/2019: Email correspondence with above listed party.



Marathon Oil Permian LLC

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed party.

03/21/2019: Spoke with above listed party regarding Working Interest Unit and Well Proposal.

04/17/2019: Spoke with above listed party regarding Working Interest Unit and Well Proposal.

05/29/2019: Called with above listed party regarding Working Interest Unit and Well Proposal.

Noel and Elizabeth Workman

P W Production, Inc.

Charles C. Albright, III, Trustee

Douglas A. Tatum, P.C.

Boerne Land & Cattle Company, Inc.

Landis Drilling Co.

Energy Investors 1987, L.P.

Phoebe Tompkins

03/18/2017: Sent a Working Interest Unit and Well Proposal to the above listed parties. We have not heard any response regarding the same to date.

LRF Limited Partnership

03/19/2017: Sent a Communitization Agreement to the above listed party (record title owner only).

Joan M. Moore, Independent Executrix of the Estate of Larry Moore, deceased

03/19/2017: Sent a Communitization Agreement to the above listed party (record title owner only).

Estoril Producing Corporation

03/19/2017: Sent a Communitization Agreement to the above listed party (record title owner only).

Chessie Exploration, Inc

03/19/2017: Sent a Communitization Agreement to the above listed party (record title owner only).

ACF Petroleum Company

03/19/2017: Sent a Communitization Agreement to the above listed party (record title owner only).

Siana Oil & Gas Company, LLC

03/19/2017: Sent a Communitization Agreement to the above listed party.

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 13, 2018

Via Certified Mail

Black & Gold Resources, LLC
25025 IH 45 N, Suite 420
Spring, TX 77380
Attn: David V. De Marco

Re: Ibex 10/15 B3AP Fed Com #1H
Ibex 10/15 B1AP Fed Com #2H
Section 10/15, T23S, R34E
Lea County, New Mexico

Ladies and Gentlemen:

Enclosed for your further handling is our proposed Communitization Agreement dated March 1, 2019 covering the captioned land and a set of extra signature/notary pages of same. This agreement communitizes the leases covering the captioned land for Bone Spring production. The captioned Ibex 10/15 B3AP Fed Com #1H and Ibex 10/15 B1AP Fed Com #2H are horizontal wells with the E/2E/2 of the captioned Section 10 and Section 15 being dedicated to the well as the proration unit.

In reference to the above, please have the agreement executed and return only the extra set of signature/notary pages to me for further handling. Please retain the copy of the Communitization Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Black & Gold Resources, LLC
25025 IH 45 N, Suite 420
Spring, TX 77380
Attn: David V. De Marco

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15)		100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E		Sections 10/15, T23S, R34E
Lea County, New Mexico		Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Sections 10 & 15 for oil and gas production. The targeted intervals for the proposed unit are the Bone Spring and Wolfcamp formations.

Mewbourne as Operator hereby proposes to drill the captioned Ibex 10/15 B1AP Fed Com #2H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,636 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,918 feet. The E/2E/2 of the captioned Sections 10 & 15 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Ibex 10/15 B3AP Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,266 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 21,533 feet. The E/2E/2 of the captioned Sections 10 & 15 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated March 8, 2019 for the captioned proposed wells. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

Should you elect to participate under a Joint Operating Agreement ("JOA"), a copy of our JOA follow under a separate cover letter for your further handling and review in the near future.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman



March 21, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5039 3332 58.

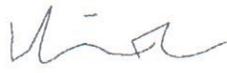
Item Details

Status: Delivered, Left with Individual
Status Date / Time: March 21, 2019, 1:25 pm
Location: SPRING, TX 77380
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Attn David V De Marco

Shipment Details

Weight: 1lb, 0.0oz

Recipient Signature

Signature of Recipient: 
Address of Recipient: 25025 145 N
Ste. 420

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475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Attn: David V. De Marco
Black & Gold Resources, LLC
25025 IH 45 N, Suite 420
Spring, TX 77380
Reference #: IBEX 10 15 B3AP 1H B1AP2H MR
Item ID: IBEX 10 15 B3AP 1H B1AP2H

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 13, 2018

Via Certified Mail

Pride Energy Company
P.O. Box 701950
Tulsa, OK 74170

Re: Ibex 10/15 B3AP Fed Com #1H
Ibex 10/15 B1AP Fed Com #2H
Section 10/15, T23S, R34E
Lea County, New Mexico

Ladies and Gentlemen:

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman



March 26, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5039 3332 96.

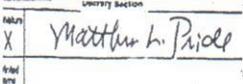
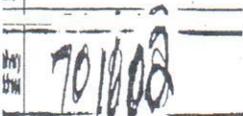
Item Details

Status: Delivered, PO Box
Status Date / Time: March 26, 2019, 9:46 am
Location: TULSA, OK 74136
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Pride Energy Company

Shipment Details

Weight: 1lb, 0.0oz

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Pride Energy Company
PO BOX 701950
Tulsa, OK 74170
Reference #: IBEX 10 15 B3AP 1H B1AP2H MR
Item ID: IBEX 10 15 B3AP 1H B1AP2H

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Tom M. Ragsdale
400 N. Sam Houston Parkway East, Suite 601
Houston, Texas 77060
Attn: Karen Stanford

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15)		100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E		Sections 10/15, T23S, R34E
Lea County, New Mexico		Lea County, New Mexico

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 13, 2018

Via Certified Mail

Siana Oil & Gas Company, LLC &
Tom M. Ragsdale
400 N. Sam Houston Parkway East, Suite 601
Houston, Texas 77060
Attn: Karen Stanford

Re: Ibex 10/15 B3AP Fed Com #1H
Ibex 10/15 B1AP Fed Com #2H
Section 10/15, T23S, R34E
Lea County, New Mexico

Ladies and Gentlemen:

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Re: Ibex 10/15 Wells

Karen Stanford <kstanford@sianaoil.com>

Thu 4/25/2019 4:01 PM

To: Mitch Robb <mrobb@mewbourne.com>

Great - I have it now. Thanks for the explanations! Karen

From: Mitch Robb <mrobb@mewbourne.com>

Sent: Thursday, April 25, 2019 3:24:25 PM

To: Karen Stanford

Subject: Re: Ibex 10/15 Wells

The AFEs that I sent assumed that Tom would participate under the pooling order so they did not take these calculations into consideration.

Yes, the B1AP #2H will be a first bone spring well with a TVD of 9,636' (Contract Area A).

Mitch

From: Karen Stanford <kstanford@sianaoil.com>

Sent: Thursday, April 25, 2019 3:20 PM

To: Mitch Robb

Subject: Re: Ibex 10/15 Wells

Thanks Mitch and thanks for the explanation earlier. I did get the same interest you are showing on your spreadsheet when I calculated it -(for the B3AP #1H anyway.) However, the AFEs you sent Tom have a different interest on it. Are the AFEs incorrect or are they calculated differently?

Also, with regards to the B1AP #2H well - Is that a 1st Bone Spring well? What is the vertical depth of the objective for that well? Contract area A goes to a depth 9,970'. What is that formation/zone?

Thanks so much for your help!

Karen

From: Mitch Robb <mrobb@mewbourne.com>

Sent: Thursday, April 25, 2019 2:21:02 PM

To: Karen Stanford

Subject: Re: Ibex 10/15 Wells

Karen,

I've attached a spreadsheet reflecting my calculations for Tom's interest in the Ibex 10/15 JOA and individual wells.

Please let me know if you have any questions.

Thanks,

Mitch Robb

Landman

Mewbourne Oil Company

Office: (432) 682-3715

Cell: (918) 200-4242

Email: mrobb@mewbourne.com

From: Karen Stanford <kstanford@sianoil.com>**Sent:** Wednesday, April 24, 2019 1:26 PM**To:** Mitch Robb**Subject:** Re: Ibex 10/15 Wells

Hi Mitch,

I just left you a voice message. I have some questions about the interest calculations for the Ibex 10-15 JOA. When you have a minute, can you call me on my cell please?

713-320-6871

Thanks so much,

Karen Stanford

From: Karen Stanford**Sent:** Monday, April 22, 2019 1:35:25 PM**To:** Mitch Robb**Cc:** Tom Ragsdale**Subject:** RE: Ibex 10/15 Wells

Hi Mitch – thanks for sending this. I am reviewing the JOA and will get back with you on comments soon.

Would you please send me any supplements to the original title opinion and the Division Order title opinions for all the Pronghorn wells at your earliest convenience?

I would also like to get the original title opinion/supplements for the Ibex and the division order title opinions as well.

And lastly, can you tell me who in your accounting group I should contact about payout statements for these wells?

Thanks so much,

Karen Stanford

From: Mitch Robb <mrobb@mewbourne.com>**Sent:** Wednesday, April 17, 2019 3:03 PM**To:** Karen Stanford <kstanford@sianoil.com>**Cc:** Tom Ragsdale <tmragsdale@sianoil.com>**Subject:** Re: Ibex 10/15 Wells

Here you go.

Mitch

From: Karen Stanford <kstanford@sianaoil.com>
Sent: Wednesday, April 17, 2019 12:28 PM
To: Mitch Robb
Cc: Tom Ragsdale
Subject: Re: Ibex 10/15 Wells

Thanks for sending this Mitch - please send the Exhibit A.

Karen

From: Mitch Robb <mrobb@mewbourne.com>
Sent: Wednesday, April 17, 2019 8:52:16 AM
To: Karen Stanford
Cc: Tom Ragsdale
Subject: Re: Ibex 10/15 Wells

Karen,

Please see the attached JOA for our Ibex 10/15 Prospect. If y'all decide that this form is acceptable and that you want to sign the JOA, I can send you an amended Exhibit "A" that will be similar to what Peter Way sent you.

Please let me know if you have any questions.

Thanks,

Mitch Robb

Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell: (918) 200-4242
Email: mrobb@mewbourne.com

From: Karen Stanford <kstanford@sianaoil.com>
Sent: Tuesday, April 16, 2019 2:57 PM
To: Mitch Robb
Cc: Tom Ragsdale
Subject: Ibex 10/15 Wells

Hi Mitch – thanks for returning my calls today – sorry I missed you.

Would you please send me your proposed JOA for the Ibex 10/15 Wells? Also, I just want to see what your proposal/plan is for the existing JOAs that cover that acreage. Will you modify those JOA's to exclude the E/2 E/2? I assume that will change working interests as well.

I also wanted to ask you again about Tom's NRI on the revenue statements for the Pronghorn CN and BO wells, as well as the Ibex NC. They are still capped at a 75% NRI and Tom's NRI is higher than that. These wells have been producing for about 8 months and we would like the adjustment made as soon as possible.

I will be in Tom's office all afternoon – please call if you have a chance.

Thanks so much,

Karen Stanford



March 21, 2019

Dear Simple Certified:

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9402 8106 9994 5039 3331 35.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: March 21, 2019, 12:10 pm
Location: HOUSTON, TX 77060
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Tom Ragsdale

Shipment Details

Weight: 1lb, 0.0oz

Recipient Signature

Signature of Recipient: *Tom Ragsdale*
Address of Recipient: *400 N SAM HOUSTON
601*

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Tom Ragsdale
400 N SAM HOUSTON PKWY E STE 601
HOUSTON, TX 77060
Reference #: IBEX 10 15 B3AP 1H B1AP2H MR
Item ID: IBEX 10 15 B3AP 1H B1AP2H

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Maverick Oil & Gas Corporation
1001 W Wall St.
Midland, TX 79701

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15)		100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E		Sections 10/15, T23S, R34E
Lea County, New Mexico		Lea County, New Mexico

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Regarding the above, enclosed for your further handling is our Operating Agreement dated March 1, 2019, along with an extra set of signature pages and our AFEs dated March 8, 2019 for the captioned proposed wells. Please sign and return said AFE and extra set of signature pages at your earliest convenience if you elect to participate in the captioned well and WIU and return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Re: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H

Mitch Robb

Tue 4/23/2019 4:57 PM

To: Ben Kimbrough <ben@mogc-kec.com>

From: Ben Kimbrough <ben@mogc-kec.com>**Sent:** Monday, April 22, 2019 3:23 PM**To:** Mitch Robb**Subject:** RE: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H**From:** Mitch Robb <mrobb@mewbourne.com>**Sent:** Monday, April 22, 2019 3:08 PM**To:** Ben Kimbrough <ben@mogc-kec.com>**Subject:** Re: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H

More comments below:

From: Ben Kimbrough <ben@mogc-kec.com>**Sent:** Monday, April 22, 2019 11:14 AM**To:** Mitch Robb**Subject:** RE: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H**From:** Mitch Robb <mrobb@mewbourne.com>**Sent:** Monday, April 22, 2019 11:02 AM**To:** Ben Kimbrough <ben@mogc-kec.com>**Subject:** Re: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H

Ben,

I've made my comments on your requests below:

From: Ben Kimbrough <ben@mogc-kec.com>**Sent:** Monday, April 22, 2019 10:12 AM**To:** Mitch Robb**Subject:** RE: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H

Mitch,

We are going to need the following changes in the JOA.

1) Other Provisions, Article XVI:

B. Replacement Exhibit "A" – Exhibit "A" (*is an approximation only*) and may be amended from time to time to reflect re-calculation of interests based upon uncommitted interests, This is the interest that we show based on the title opinion. If the interest changes then that's when this provision would come into effect. If I add "this is an approximation" then we will never have an official WI on the Exhibit "A". All they have been thus far is an approximation. I have discussed this with Mewbourne's legal counsel and they said this is some of the trickiest title Mewbourne has, yet you have sent division orders without the division order title opinion. This seems imprudent (7 months later). We set all the parties up on temp decks and sent out division orders based on the drilling title opinion WI figures. It was either do this or hold everyone in suspense until we had the DOTO rendered. 7 months so far for a DOTO. It's complicated title and we are at the will of the attorneys.

C. Needs to be struck in its entirety. There is already an operating agreement in place out here. Mewbourne and Maverick have interest in this tract subject to that agreement. We need this provision because these new wells are two-miles going from Section 10 to Section 15. I used the old JOA's WI to calculate the WI on this JOA but we can't operate these wells under those older JOAs since they cover Sections 10 & 15 separately. I would say that the Old JOA's are modified for these wells only but are not "superseded" considering everyone's contractual interest. I used the contractual interest from the old JOA to calculate the new JOA figures. This just sets up the two-mile contract area for these upcoming wells. You didn't use the contractual interest from the old JOA on the other wells, because our interest is much higher over there. I'm not sure what you're referring to. I used the contractual interests from the drilling title opinion that we have as well as the contractual interest created under the Ibex 10 JOA.

2) COPAS Overhead, Article III – A (i) and A (ii) need to be covered by overhead rates. Which is Alternative 2 in A (i) and Alternative 1 in A (ii).

A(i) we have always been under Alternative 1. We are tired of getting billed out the butt by all companies' "extra services". All of the other parties are fine with this and we prefer to leave as is. Just because everyone else is OK with being billed in excess doesn't mean we want to be billed that way. Which costs of ours are our being billed in excess for?

A(ii) we had Alternative 2 checked in the last Ibex 10 JOA but compromised with Alternative 3 for this one since other parties requested Article 1 as well.

See previous point. We are with the rest of the parties you have mentioned. The other parties are fine with Alternative 3 as a compromise. With these other parties, I typically send the COPAS with Alternative 2 checked and then we settle on Alternative 3. See previous comment. We are in many wells with Mewbourne and are going to be in MANY more with our Nearburg interest, Kimbrough interest, L. Summers interest and multiple Maverick entities' interests.

Any news on the other Ibex wells DOTO? Still waiting on the DOTO from our attorney. See 1) B above.

Thanks,
Ben Kimbrough
Maverick Oil & Gas Corporation
(432) 682-2500

From: Ben Kimbrough <ben@mogc-kec.com>
Sent: Monday, April 15, 2019 3:07 PM
To: 'Mitch Robb' <mrobb@mewbourne.com>
Subject: RE: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H

Any news on the DOTO?

Ben Kimbrough
Maverick Oil & Gas Corporation
(432) 682-2500

From: Ben Kimbrough <ben@mogc-kec.com>
Sent: Tuesday, March 26, 2019 9:08 AM
To: Mitch Robb <mrobb@mewbourne.com>
Subject: Re: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H

Mitch,

We will sign a JOA, but I'm sure you understand, that we cannot agree to a contractual interest until we have a title opinion. The last JOA we signed didn't show interests.

Thanks,
Ben

Sent from my iPhone

On Mar 26, 2019, at 8:16 AM, Mitch Robb <mrobb@mewbourne.com> wrote:

Ben,

Yes, the attorney has all the documents that he needs to render the opinion. I did not list any of Maverick's interest under the uncommitted interest since I believe y'all will sign up under the JOA. The total uncommitted interests are an estimate based on the last JOAs in Sections 10 and 15.

I'll let you know once the opinion comes in.

Thanks,

Mitch Robb
Landman
Mewbourne Oil Company
Office: (432) 682-3715
Cell: (918) 200-4242
Email: mrobb@mewbourne.com

From: Ben Kimbrough <ben@mogc-kec.com>
Sent: Thursday, March 21, 2019 4:43 PM
To: Mitch Robb
Subject: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H

Mitch,

Please find attached our election to participate in the subject wells. I cannot sign the JOA and agree to the outlined interest contained within until I receive a DOTO. We have elected to participate in every well Mewbourne has proposed. I see that you have an uncommitted Working Interest section, any of that interest that is ours participated. Has your attorney received all of the documents so he can render his opinion?

Thanks,
Ben Kimbrough
Maverick Oil & Gas Corporation
(432) 682-2500



March 19, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
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Status Date / Time: March 19, 2019, 9:55 am
Location: MIDLAND, TX 79701
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Attn Permian Land Manager

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Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient: 
Address of Recipient: 1001 W. Wall Street

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Sincerely,
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Attn: Permian Land Manager
Maverick Oil & Gas Corporation
1001 W. Wall Street
Midland, TX 79701
Reference #: IBEX 10 15 BIAP 2H B3AP 1H WIU MR
Item ID: IBEX 10 15 BIAP 2H B3AP 1H WIU

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Endeavor Energy Resources, L.P.
110 North Marienfeld Street, Suite 200
Midland, TX 79701

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15)		100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E		Sections 10/15, T23S, R34E
Lea County, New Mexico		Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Sections 10 & 15 for oil and gas production. The targeted intervals for the proposed unit are the Bone Spring and Wolfcamp formations.

Mewbourne as Operator hereby proposes to drill the captioned Ibex 10/15 B1AP Fed Com #2H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,636 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,918 feet. The E/2E/2 of the captioned Sections 10 & 15 will be dedicated to the well as the proration unit.

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Regarding the above, enclosed for your further handling is our Operating Agreement dated March 1, 2019, along with an extra set of signature pages and our AFEs dated March 8, 2019 for the captioned proposed wells. Please sign and return said AFE and extra set of signature pages at your earliest convenience if you elect to participate in the captioned well and WIU and return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Re: EER Executed Ibex AFE's - Lea County, NM

Mitch Robb

Mon 4/15/2019 10:46 AM

To: Kevin Gavigan <KGavigan@eeronline.com>

Kevin,

Thanks for sending those over. I am applying for forced pooling soon so if you could get the signed JOA pages in as soon as possible, that would be great.

Mitch Robb

Landman

Mewbourne Oil Company

Office: (432) 682-3715

Cell: (918) 200-4242

Email: mrobb@mewbourne.com

From: Kevin Gavigan <KGavigan@eeronline.com>**Sent:** Friday, April 12, 2019 10:09 AM**To:** Mitch Robb**Subject:** EER Executed Ibex AFE's - Lea County, NM

Mitch,

Attached are signed AFE's providing for Endeavor's election to participate in the upcoming Ibex wells. The originals have been sent in the mail.

I have also received the proposed JOA. Just a head's up, but this is going to take some time to get back to you. I will follow up with any questions.

Thanks,

Kevin

Kevin Gavigan, CPL

Senior Landman

Endeavor Energy Resources

110 N. Marienfeld St., Suite 200

Midland, TX 79701

Direct: (432) 262-4121

Mobile: (405) 219-0794

**Endeavor
Energy
Resources**



March 19, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5039 3050 40.

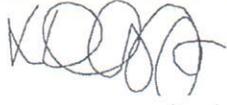
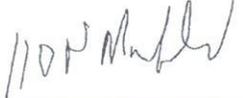
Item Details

Status: Delivered, Left with Individual
Status Date / Time: March 19, 2019, 11:06 am
Location: MIDLAND, TX 79701
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Endeavor Energy Resources LLC

Shipment Details

Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient: 
Address of Recipient: 

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Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Endeavor Energy Resources, LLC
Attn: Permian Land Manager
110 N MARIENFELD ST STE 200
MIDLAND, TX 79701
Reference #: IBEX 10 15 BIAP 2H B3AP 1H WIU MR
Item ID: IBEX 10 15 BIAP 2H B3AP 1H WIU

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Blanco Holdings I, Ltd.
P.O. Box 36530
Houston, TX 77236
Attn: Peter Way

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15)		100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E		Sections 10/15, T23S, R34E
Lea County, New Mexico		Lea County, New Mexico

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

RE: Ibex 10/15 - Well Proposals

Peter Way <pway@wayholding.com>

Tue 4/2/2019 10:33 AM

To: Mitch Robb <mrobb@mewbourne.com>

Cc: Karen Stanford <karenstanford@yahoo.com>

Mitch,

I asked Karen Stanford to look at them in light of some of the discussions she has had with Mewbourne on their JOA's and advise me on them. I am waiting to hear back from her.

Peter

From: Mitch Robb <mrobb@mewbourne.com>

Sent: Tuesday, April 02, 2019 10:24 AM

To: Peter Way <pway@wayholding.com>

Subject: Ibex 10/15 - Well Proposals

Hey Peter,

I received Blanco's signed AFEs for the Ibex 10/15 wells and wanted to see if you had any questions on the Joint Operating Agreement (covering all of Sections 10&15-T23S-R34E, Lea County, NM) that I sent with the well proposals.

I'll need the original signed JOA pages whenever you get a chance. Please let me know if you have any questions.

Thanks,

Mitch Robb

Landman

Mewbourne Oil Company

Office: (432) 682-3715

Cell: (918) 200-4242

Email: mrobb@mewbourne.com

This email has been scanned for email related threats and delivered safely by Mimecast.

For more information please visit <http://www.mimecast.com>



March 20, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5039 3052 79.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: March 20, 2019, 4:07 pm
Location: HOUSTON, TX 77074
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Blanco Holdings I Ltd

Shipment Details

Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Blanco Holdings I, Ltd.
po box 36530
Houston, TX 77236
Reference #: IBEX 10 15 BIAP 2H B3AP 1H WIU MR
Item ID: IBEX 10 15 BIAP 2H B3AP 1H WIU

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056
Attn: Matt Brown

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15)		100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E		Sections 10/15, T23S, R34E
Lea County, New Mexico		Lea County, New Mexico

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman



March 20, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5039 3047 39.

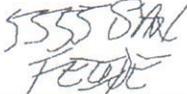
Item Details

Status: Delivered, Front Desk/Reception/Mail Room
Status Date / Time: March 20, 2019, 2:03 pm
Location: HOUSTON, TX 77056
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Attn Matt Brown

Shipment Details

Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient: 
Address of Recipient: 

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Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Attn: Matt Brown
Marathon Oil Company
5555 SAN FELIPE ST
HOUSTON, TX 77056
Reference #: IBEX 10 15 BIAP 2H B3AP 1H WIU MR
Item ID: IBEX 10 15 BIAP 2H B3AP 1H WIU MR

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Noel and Elizabeth Workman
181 Carpenter Circle
Sewanee, TN 37375

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
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Lea County, New Mexico		Lea County, New Mexico

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Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

April 17, 2019

Via Certified Mail

Noel and Elizabeth Workman
488 Alexian Way, Apt. 108
Signal Mountain, TN 37377

Re: Ibex 10/15 B1AP Fed Com #2H & Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10) 393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15) 100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E Sections 10/15, T23S, R34E
Lea County, New Mexico Lea County, New Mexico

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Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Mitch Robb
500 W TEXAS AVE STE 1020
MIDLAND TX 79701-4279

IBEX 10 13 B1AP 2H 89AP
1H



Noel and Elizabeth Workman
181 CARPENTER CIR
SEWANEE TN 37375-2012

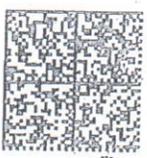
9414 8106 9994 5039 3366 81



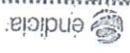
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79701427970

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

P W Production, Inc.
15 E 5th St Suite 1000
Tulsa, OK 74103
Attn: Land Department

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
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Sincerely,

MEWBOURNE OIL COMPANY


Mitch Robb
Landman



March 25, 2019

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8106 9994 5039 3367 66.

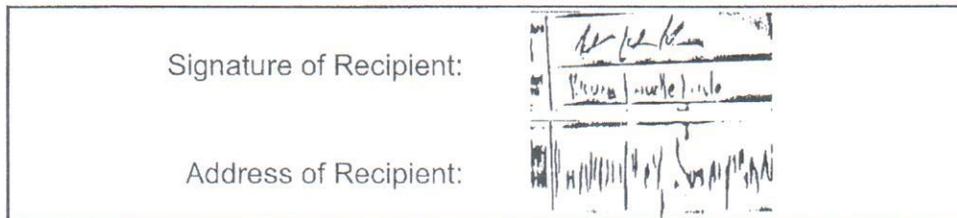
Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: March 25, 2019, 5:08 am
Location: TULSA, OK 74103
Postal Product: First-Class Mail®
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Recipient Name: P W Production Inc

Shipment Details

Weight: 1.0oz

Recipient Signature



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Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

P W Production Inc
15 E 15TH ST STE 1000
TULSA, OK 74119
Reference #: IBEX 10 15 B1AP 2H B3AP 1H MR
Item ID: IBEX 10 15 B1AP 2H B3AP 1H

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Charles C. Albright, III, Trustee
729 W. 16th Street, Suite B8
Costa Mesa, CA 92627

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
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MEWBOURNE OIL COMPANY



Mitch Robb
Landman

Recipient Name:	Charles C. Albright, III Trustee
Company:	
Address 1:	729 W 16TH ST STE B8
Address 2:	
City:	COSTA MESA
State:	CA
Zip:	92627
Date Sent:	3/19/2019 4:56 PM
Tracking Number:	9414810699945039341562
Last Status:	In Transit

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 15, 2019

Via Certified Mail

Douglas A. Tatum, P.C.
17480 Dallas Parkway
Dallas, TX 75287

Re: Ibex 10/15 B1AP Fed Com #2H	&	Ibex 10/15 B3AP Fed Com #1H
400' FNL & 1010' FEL (SL : Sec. 10)		393' FNL & 1039' FEL (SL : Sec. 10)
100' FSL & 450' FEL (BHL : Sec. 15)		100' FSL & 600' FEL (BHL : Sec. 15)
Sections 10/15, T23S, R34E		Sections 10/15, T23S, R34E
Lea County, New Mexico		Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Sections 10 & 15 for oil and gas production. The targeted intervals for the proposed unit are the Bone Spring and Wolfcamp formations.

Mewbourne as Operator hereby proposes to drill the captioned Ibex 10/15 B1AP Fed Com #2H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,636 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,918 feet. The E/2E/2 of the captioned Sections 10 & 15 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Ibex 10/15 B3AP Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 11,266 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 21,533 feet. The E/2E/2 of the captioned Sections 10 & 15 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated March 8, 2019 for the captioned proposed wells. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

Should you elect to participate under a Joint Operating Agreement ("JOA"), a copy of our JOA follow under a separate cover letter for your further handling and review in the near future.

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

Sincerely,

MEWBOURNE OIL COMPANY



Mitch Robb
Landman

3/2019

MITCH ROBB
500 W TEXAS AVE STE 1020
MIDLAND TX 79701-4279

IBEX 10 15 B7AP 2H B3AP
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