

**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 A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 15,226

VERIFIED STATEMENT OF PAUL HADEN

Paul Haden, 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.
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 a record title owner in a federal oil and gas lease for purposes of obtaining Bureau of Land Management ("BLM") approval of a communitization agreement.
 - (b) No opposition is expected because the record title owner being pooled is deceased, and his heir has been contacted regarding the proposed well but refuses to sign the communitization agreement.
 - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2N/2 of Section 27, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 27 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Ursa 27 B2EH Fed. Com. Well No. 1H, a horizontal well with a surface location in the SW/4NW/4, and a terminus in the SE/4NE/4, of Section 27.
 - (d) The party being pooled is B.N. Muncy, Jr., who owns a 50% record title interest in Lease LC 058186. A copy of the BLM's Serial Register Page for the lease, which covers the SE/4NE/4 of Section 27, is attached hereto as Attachment B.

Oil Conservation Division
Case No. 1
Exhibit No. 1

(e) A copy of the proposal letter sent to the record title owner's heir is attached hereto as Attachment C. This address on the letter is current and correct. In addition, we have spoken with Nelson Muncy regarding signing communitization agreements for this well and other wells drilled by Mewbourne.

(f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the interest owners in the communitization agreement for the well.

(g) Because the pooled party owns only record title, a risk charge is not requested.

(h) Because the pooled party owns only record title, overhead charges are not requested.

(i) The offset operators or working interest owners are listed on Attachment D.

(j) Applicant requests that it be designated operator of the well.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Paul Haden, 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.

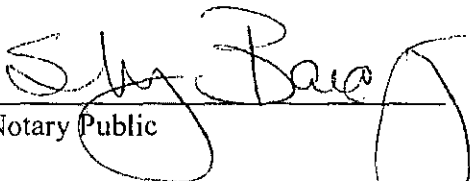


Paul Haden

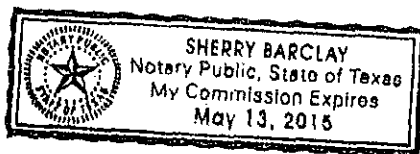
SUBSCRIBED AND SWORN TO before me this 20th day of October, 2014 by Paul Haden.

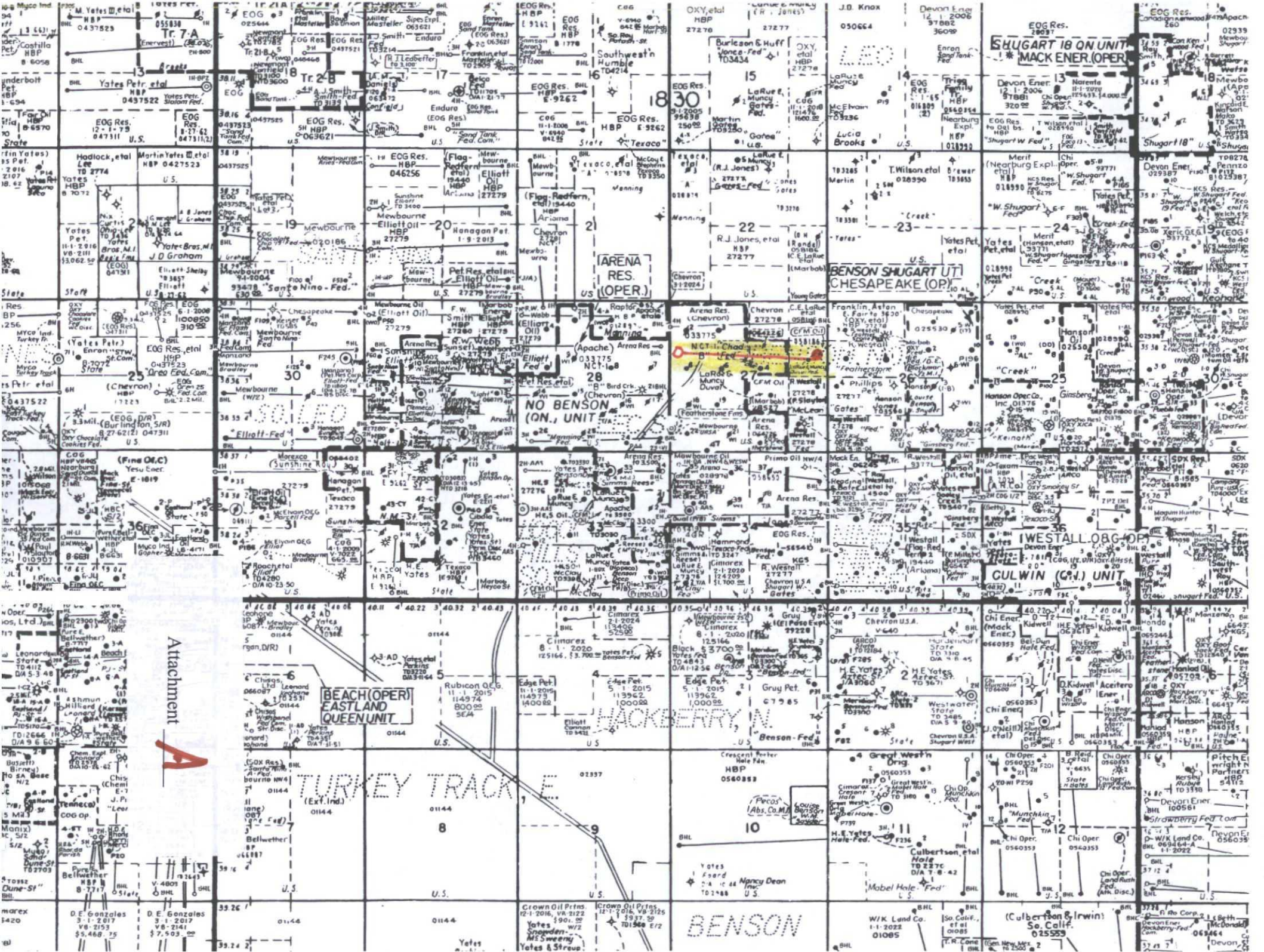
My Commission Expires:

5/13/2015



Notary Public





**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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01 02-25-1920;041STAT0437;30USC226

Case Type 311111: O&G LSE NONCOMP PUB LAND
Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Total Acres 160.000
Serial Number NMLC-- 0 058186

			Serial Number: NMLC-- 0 058186	
Name & Address			Int Rel	% Interest
CONCHO OIL & GAS LLC	600 W ILLINOIS AVE, ONE CONCHO CENTE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
FULTON LOUIS	PO BOX 1176	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
LARUE & MUNCY	PO BOX 196	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
LARUE & MUNCY	PO BOX 196	ARTESIA NM 88210	LESSEE	100.000000000
LARUE C E	PO BOX 1370	ARTESIA NM 882111370	OPERATING RIGHTS	0.000000000
LEGACY RESERVES OPERATING LP	303 W WALL ST STE 1800	MIDLAND TX 797015106	OPERATING RIGHTS	0.000000000
RALPH NIX PARTNERSHIP	PO BOX 440	ARTESIA NM 882110440	OPERATING RIGHTS	0.000000000
REGENERATION ENERGY CORP	PO BOX 210	ARTESIA NM 882110210	OPERATING RIGHTS	0.000000000

Serial Number: NMLC-- 0 058186						
Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office
23	0180S	0300E	022	ALIQ	E2SE;	CARLSBAD FIELD OFFICE
23	0180S	0300E	027	ALIQ	E2NE;	CARLSBAD FIELD OFFICE
					County	Mgmt Agency
					EDDY	BUREAU OF LAND MGMT
					EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMLC-- 0 058186

23 0180S 0300E 727 FF NWSE,ASGN; CARLSBAD FIELD OFFICE EDDY BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 058186					
Act Date	Code	Action	Action Remark	Pending Office	
12/30/1938	387	CASE ESTABLISHED			
12/31/1938	496	FUND CODE	05;145003		
12/31/1938	530	RLTY RATE - 12 1/2%			
12/31/1938	868	EFFECTIVE DATE			
04/19/1940	553	CASE CREATED BY ASGN	OUT OF NMLC028982;		
08/31/1940	650	HELD BY PROD - ACTUAL			
08/31/1940	658	MEMO OF 1ST PROD-ACTUAL			
11/19/1956	102	NOTICE SENT-PROD STATUS			
01/15/1964	676	SUS OPS & PROD/NO PMT	POTASH;		
06/01/1976	570	CASE SEGREGATED BY ASGN	INTO NMNM28527;		
03/13/1978	235	EXTENDED	THRU 06/01/78;		
10/13/1978	678	SUSP LIFTED	POTASH;		
01/03/1979	235	EXTENDED	THRU 12/29/79;		
04/08/1983	932	TRF OPER RGTS FILED			
05/09/1983	933	TRF OPER RGTS APPROVED	EFF 05/01/83;		
07/09/1985	963	CASE MICROFILMED	CNUM 103,732 AC		
05/05/1986	932	TRF OPER RGTS FILED			
09/08/1986	933	TRF OPER RGTS APPROVED	EFF 06/01/86;		
09/24/1986	963	CASE MICROFILMED	CNUM 103,732		
04/20/1988	932	TRF OPER RGTS FILED	(1)		
05/11/1988	933	TRF OPER RGTS APPROVED	EFF 05/01/88;		
10/26/1988	932	TRF OPER RGTS FILED			
11/22/1988	933	TRF OPER RGTS APPROVED	EFF 11/01/88;		
10/30/1989	932	TRF OPER RGTS FILED	NIX ETAL/LARUE&MUNCY		
11/29/1989	933	TRF OPER RGTS APPROVED	EFF 11/01/89;		
04/29/1991	932	TRF OPER RGTS FILED	R BOLING/C E LARUE		
06/25/1991	933	TRF OPER RGTS APPROVED	EFF 05/01/91;		
07/17/1991	909	BOND ACCEPTED	EFF 07/09/91;NM1903		
06/02/1992	974	AUTOMATED RECORD VERIF	AT/MC		

Attachment B

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION**

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(MASS) Serial Register Page

12/30/1994	817	MERGER RECOGNIZED	PENNZOIL E&P/PENNZOIL
12/30/1994	940	NAME CHANGE RECOGNIZED	PENNZOIL/PENNZOIL E&P
08/29/1996	932	TRF OPER RGTS FILED	R NIX JR/RALPH NIX
08/29/1996	932	TRF OPER RGTS FILED	RALPH NIX TRUST/R NIX
10/23/1996	933	TRF OPER RGTS APPROVED	01EFF 09/01/96;
10/23/1996	933	TRF OPER RGTS APPROVED	02EFF 09/01/96;
10/23/1996	974	AUTOMATED RECORD VERIF	ANN
12/21/1998	084	RENTAL RECEIVED BY ONRR	\$160.00;21/0000000052
12/28/1998	817	MERGER RECOGNIZED	PENNZOIL E&P/PENNZONE
12/13/1999	084	RENTAL RECEIVED BY ONRR	\$160.00;21/58
03/13/2000	932	TRF OPER RGTS FILED	NIX/LARUE
05/18/2000	933	TRF OPER RGTS APPROVED	EFF 04/01/00;
05/18/2000	974	AUTOMATED RECORD VERIF	MV/MV
10/26/2000	084	RENTAL RECEIVED BY ONRR	\$160.00;21/63
04/14/2003	932	TRF OPER RGTS FILED	LARUE/MARBOB ENE
06/05/2003	933	TRF OPER RGTS APPROVED	EFF 05/01/03;
06/05/2003	974	AUTOMATED RECORD VERIF	JLV
02/02/2007	932	TRF OPER RGTS FILED	LARUE C/FULTON LOUI;1
03/19/2007	933	TRF OPER RGTS APPROVED	EFF 03/01/07;
03/19/2007	974	AUTOMATED RECORD VERIF	JLV
04/19/2011	932	TRF OPER RGTS FILED	MARBOB EN/COG OPERA;1
07/06/2011	933	TRF OPER RGTS APPROVED	EFF 05/01/11;
07/06/2011	974	AUTOMATED RECORD VERIF	RAYO/RAYO
07/10/2013	932	TRF OPER RGTS FILED	COG OPERA/LEGACY RE;1
11/29/2013	899	TRF OF ORR FILED	1
11/29/2013	932	TRF OPER RGTS FILED	LARUE OIL/REGENERAT;1
12/01/2013	246	LEASE COMMITTED TO CA	NMNM133161;
12/12/2013	658	MEMO OF 1ST PROD-ACTUAL	/1/NMNM133161;
01/06/2014	933	TRF OPER RGTS APPROVED	EFF 08/01/13;
01/06/2014	974	AUTOMATED RECORD VERIF	LBO
02/27/2014	933	TRF OPER RGTS APPROVED	EFF 12/01/13;
02/27/2014	974	AUTOMATED RECORD VERIF	MJD
08/21/2014	643	PRODUCTION DETERMINATION	/1/

Serial Number: NMLC-- 0 058186

Line Nr	Remarks
0002	BONED OPERATORS/LESSEES/TRANSFEREES:
0003	05/18/2000 - LARUE CE&MUNCY BN JR NM1903/SW
0005	06/05/2003 - LARUE E & MUNCY B N JR - NM1903 SW/NM
0006	07/06/2011 - LARUE & MUNCY NMB000435 SW
0008	07/06/2011 - COG OPERATING LLC NMB000215 NM S/W
0009	02/27/2014 - REGENERATION ENERGY NMB000764 S/W

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

September 17, 2014

Mr. Nelson Muncy
P.O. Box 1037
Artesia, NM 88211


Re: Ursa 27 B2IL Federal Com #1H
N/2S/2 Section 27; and
Ursa 27 B2EH Federal Com #1H
S/2N/2 Section 27
T18S, R30E
Eddy County, New Mexico

Dear Nelson:

Regarding the captioned wells and lands, enclosed are separate Communitization Agreements and extra signature and acknowledgment pages for your information. Your Dad was a Record Title Owner in the E/2NE/4 and NW/4SE/4 of the captioned Section 27 which I had previously advised you. You have advised me that there was no administration proceedings for his Estate. Accordingly, this interest will be force pooled at a later date which you will receive notice for.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

Attachment C

Offset Operators

N/2N/2 and N/2S/2 Section 27

Mewbourne Oil Company

NW/4 and N/2SW/4 Section 26

OXY USA WTP Ltd.

NE/4 and N/2SE/4 Section 28

Mewbourne Oil Company

Chevron U.S.A. Inc.

Attachment 12