

**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. 15,340

VERIFIED STATEMENT OF D. PAUL HADEN

D. 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. I have previously testified before the Division, and my qualifications as an expert petroleum landman were accepted of record.
3. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) In this case Mewbourne seeks to pool two Record Title owners for purposes of obtaining approval of a communitization agreement from the Bureau of Land Management. Mewbourne does not seek to pool any cost-bearing interest owners.
 - (b) No opposition is expected because the record title owners being pooled have been contacted several times and have simply failed or refused to execute the communitization agreement.
 - (c) Attachment A is a plat outlining the unit being pooled. Mewbourne seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Lower Bone Spring formation (Querecho Plains-Lower Bone Spring Pool) comprised of the W/2E/2 of Section 28, Township 18 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Lower Bone Spring formation underlying the W/2E/2 of Section 28 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Querecho 28 OB Fed. Com. Well No. 1H, a horizontal well with a surface location 170 feet from the south line and 1420 feet from the east line, and a terminus 333 feet from the north line and

Oil Conservation Division
Case No. _____
Exhibit No. 1

2226 feet from the east line, of Section 28. The producing interval of the well is orthodox.

(d) The parties being pooled are as follows:

Chevron U.S.A. Inc.
Room 43198
1400 Smith Street
Houston, Texas 77002

Chevron U.S.A. Inc. owns the Record Title in Federal Lease NM 4609, which covers the NW/4NE/4 of Section 28.

Chesapeake Exploration LLC
P.O. Box 18496
Oklahoma City, Oklahoma 73154

Chesapeake Exploration LLC owns the Record Title in Federal Lease NM 94970, which covers the SW/4NE/4 and W/2SE/4 of Section 28.

The above addresses are current and correct.

(e) Attachment B contains copies of the letters sent to the Record Title owners requesting them to sign the communitization agreement. I have had subsequent contacts with them, but they have not responded to these requests.

(f) Mewbourne has made a good faith effort to locate and obtain the voluntary joinder of all Record Title owners in the well.

(g) Mewbourne does not seek to pool cost-bearing interests, so an AFE is not attached, and a risk charge and overhead rates are not requested.


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

(i) The operators or working interest owners offsetting the non-standard well unit are listed on Attachment C.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

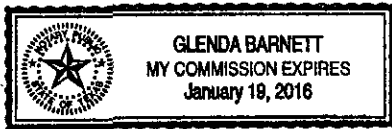
D. Paul Haden, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

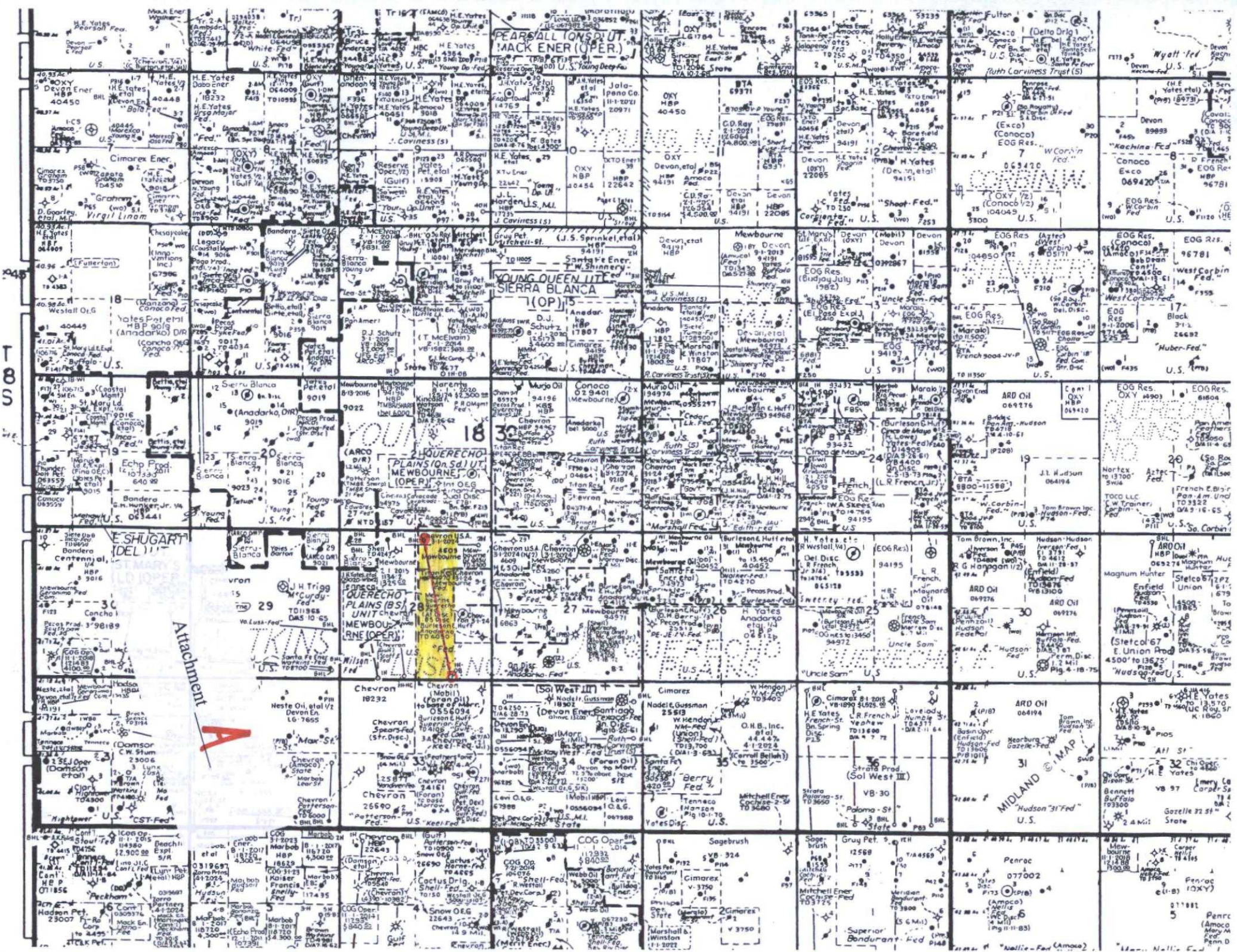

D. Paul Haden

SUBSCRIBED AND SWORN TO before me this 16th day of June, 2015 by D. Paul Haden.

My Commission Expires: 1-19-2016

Glenda Barnett
Notary Public





MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 11, 2015

Chevron U.S.A. Inc.
1400 Smith Street, Rm 42114
Houston, TX 77002
Attn: Kristen Hunter

Re: Querecho 28 OB Federal Com #1H Well
W/2E/2 Section 28, T18S, R32E
Lea County, New Mexico

Dear Kristen:

In reference to the Communitization Agreement which was sent to your office via overnight mail on May 13, 2015, I just wanted to give you a heads up that we have filed a Compulsory Pooling Application regarding Chevron's untimely execution and return of the signature and acknowledgment pages to me of the referenced agreement. The pooling hearing will occur July 9, 2015 in Santa Fe. If possible, please have the referenced signature and acknowledgment pages executed and returned to me prior to the hearing date so I can have this hearing dismissed.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/tgm

Attachment

B

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

June 11, 2015

Chesapeake Exploration LLC
P.O. Box 18496
Oklahoma City, OK 73154-0496
Attn: Mr. Jacob Waterman

Re: Querecho 28 OB Federal Com #1H Well
W/2E/2 Section 28, T18S, R32E
Lea County, New Mexico

Gentleman:

In reference to the Communitization Agreement which was sent to your office via certified mail on May 13, 2015, I just wanted to give you a heads up that we have filed a Compulsory Pooling Application regarding Chesapeake's untimely execution and return of the signature and acknowledgment pages to me of the referenced agreement. The pooling hearing will occur July 9, 2015 in Santa Fe. If possible, please have the referenced signature and acknowledgment pages executed and returned to me prior to the hearing date so I can have this hearing dismissed.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/tgm

Paul Haden

From: Jacob Waterman <jacob.waterman@chk.com>
Sent: Thursday, May 28, 2015 9:23 AM
To: Paul Haden
Cc: Brian Tatro
Subject: NM BLM Lease

Good morning Paul,

Received your message and thought I would email you so you have our contact information. Please send over the documents you mentioned and we will look over and get back to you as soon as we can.

Thank you,

Jacob Waterman
Land Technician
Chesapeake Energy Corporation
Office: 405-935-2971
Fax: 405-849-2971
Email: jacob.waterman@chk.com



This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is confidential or privileged and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

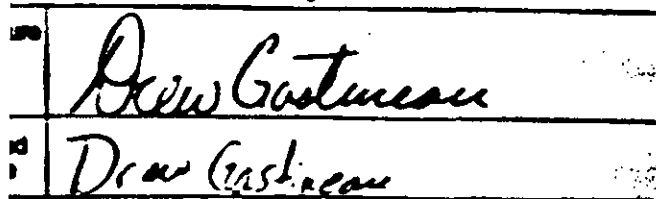


Date: May 19, 2015

Simple Certified:

The following is in response to your May 19, 2015 request for delivery information on your Certified Mail™/RRE item number 9414810699945009310437. The delivery record shows that this item was delivered on May 18, 2015 at 6:47 am in OKLAHOMA CITY, OK 73154. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a signature, "Drew Gastineau", written in black ink on a white background. The signature is written over a horizontal line.

Address of Recipient :

A scanned image of the number "5488004" written in black ink on a white background. The number is written over a horizontal line.

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

Permian Land Manager
Chesapeake Exploration LLC
PO Box 18496
Oklahoma City, OK 73154
Reference #: Querecho 28 OB 1H
Item ID: Querecho 28 OB 1H

Mewbourne Oil Company
Paul Haden
500 West Texas Ave
Ste 1020
MIDLAND TX 79701-4279
Querecho 28 OB 1H

US POSTAGE AND FEES PAID
FIRST CLASS
May 13 2015
Mailed from ZIP 79701
5 oz First Class Mail
Flat Rate
CID: 56133



071S00534813

USPS CERTIFIED MAIL

9414 8106 9994 5009 3104 37

Chesapeake Exploration LLC
Permian Land Manager
PO Box 18496
OKLAHOMA CITY OK 73154-0496



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 13, 2015

Via Certified Mail

Chesapeake Exploration LLC
P.O. Box 18496
Oklahoma City, OK 73154-0496
Attn: Permian Land Manager

Re: Querecho 28 OB Federal Com #1H Well
W/2E/2 Section 28, T18S, R32E
Lea County, New Mexico

Gentlemen:

Regarding the captioned well and land, enclosed for your further handling are the following:

- 1) File copy of Communitization Agreement dated September 15, 2014 which communitizes the leases for production emanating from the Bone Spring formation in the captioned well as to the captioned land.
- 2) Signature and acknowledgment pages prepared in triplicate as prepared for Chesapeake's execution.
- 3) Copy of the BLM Serial Page which sets forth Chevron U.S.A. Inc. as Lessee for Federal Lease Serial No. NMNM 4609 and Serial Page which sets forth Chesapeake Exploration LLC as the Lessee for Federal Lease Serial No. NMNM 094970.

In reference to the above, please have the enclosed signature and acknowledgment pages which are prepared in triplicate executed by Chesapeake and return same to me for further handling.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

May 13, 2015

Via Overnight Mail (713) 372-7552

Chevron U.S.A. Inc.
1400 Smith St., Rm. 43198
Houston, TX 77002-7327
Attn: Kelly Bass

Re: Querecho 28 OB Federal Com #1H Well
W/2E/2 Section 28, T18S, R32E
Lea County, New Mexico

Dear Kelly:

Regarding the captioned well and land, enclosed for your further handling are the following:

- 1) File copy of Communitization Agreement dated September 15, 2014 which communitizes the leases for production emanating from the Bone Spring formation in the captioned well as to the captioned land.
- 2) Signature and acknowledgment pages prepared in triplicate as prepared for Chevron's execution.
- 3) Copy of the BLM Serial Page which sets forth Chevron U.S.A. Inc. as Lessee for Federal Lease Serial No. NMNM 4609 and Serial Page which sets forth Chesapeake Exploration LLC as the Lessee for Federal Lease Serial No. NMNM 094970.

In reference to the above, please have the enclosed signature and acknowledgment pages which are prepared in triplicate executed by Chevron and return same to me for further handling. Thanks Kelly.

Sincerely yours,

MEWBOURNE OIL COMPANY



D. Paul Haden
Senior Landman

DPH/gb

Offset Operators

Section 21

Mewbourne Oil Company

E/2E/2 and E/2W/2 Section 28

Mewbourne Oil Company

Section 33

Chevron U.S.A. Inc.

Attachment

C