

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

APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 15449

AFFIDAVIT OF WES PERRY

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

WES PERRY, being duly sworn, states:

1. I am the age of majority and am otherwise competent to testify to the matters set forth herein of which I have personal knowledge.

2. I am President of E.G.L. Resources, Inc. in the company's Midland, Texas office. Among other areas, I am familiar with the company's ownership and operations in the vicinity of Section 28, Township 18 South, Range 29 East, NMPM in Eddy County, New Mexico. I am familiar with the lands that are the subject of the Application in this case.

3. The attached is a true and exact copy of the cover page from that fifty-two page January 18, 2016 Drilling Title Opinion for the Pavo Frio "28" Prospect. The original is maintained in the files of E.G.L. Resources, Inc. in the ordinary course of business. Due to the length of the title opinion, the entire document is not attached. The title opinion was provided to us by Mewbourne Oil Company.

NMOCD CASE NOS. 15448 and 15449
Black Mountain/E.G.L.
Exhibit No. 3
March 31, 2016

FURTHER AFFIANT SAYETH NOT.

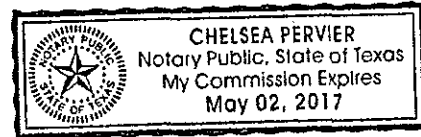
Wes Perry
Wes Perry

Subscribed, sworn to and acknowledged before me on this 30 day of March, 2016, by Wes Perry.

Chelsea Pervier
Notary Public

My commission expires:

May 2017



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

January 18, 2016

THIS INFORMATION OR OPINION IS
FURNISHED AT YOUR REQUEST AS
A MATTER OF ACCOMMODATION AND
YOU AGREE BY YOUR ACCEPTANCE
HEREOF THAT ANY USE OF OR
RELIANCE THEREON SHALL BE
WITHOUT RECOURSE TO MEWBOURNE
OIL COMPANY.

DRILLING TITLE OPINION

Mewbourne Oil Company
Midland Office

Attn: Mr. Paul Haden

Re: The following oil and gas leases insofar as they cover the lands indicated in
Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico:

Federal Lease NMLC 067348 insofar as it covers the following:

Section 28: NE $\frac{1}{4}$ SW $\frac{1}{4}$,

containing 40 acres, more or less.

Federal Lease NMLC 067348-A covering the following:

Section 28: NW $\frac{1}{4}$ SE $\frac{1}{4}$,

containing 40 acres, more or less.

Federal Lease NMNM 030752 insofar as it covers the following:

Section 28: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$,

containing 200 acres, more or less.

Federal Lease NMNM 34462 insofar as it covers the following:

Section 28: SE $\frac{1}{4}$ SE $\frac{1}{4}$,

containing 40 acres, more or less.

Said lands collectively comprising the S $\frac{1}{2}$ of Section 28, containing 320 acres, more
or less.

(Pavo Frio "28" Prospect)

Gentlemen:

At your request, I have examined the following:

PRIOR TITLE OPINION

Copy of Drilling Title Opinion dated January 29, 1979 addressed to Hondo Drilling Company
and Yates Petroleum Corporation prepared by Losee & Carson, P.A. covering the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of
Section 28 limited to those depths below 2,150' subsurface and the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 28 limited
to those depths below 2,139' subsurface, among other lands, based upon examination of abstracts
covering the period from inception of the records to December 18, 1978 at 10:00 a.m. as to the
federal records and December 18, 1978 at 8:00 a.m. as to the records of Eddy County, New
Mexico.

ABSTRACTS

1. Abstract No. 11006 certified by Schutz Abstract Company, Inc. as covering the Plat
Book Records, Historical Index Records, Serial Register and Case File for Federal Leases NMLC