

TRACT OWNERHSIP Iceman 26 W2AP Fed Com No. 1H E/2 of Section 26, Township 23 South, Range 27 East Eddy County, New Mexico

E/2 of Section 26: Wolfcamp formation:

Mewbourne Oil Company 500 West Texas, Ste. 1020

Midland, Texas 79701

*The Allar Company

P.O. Box 1567

Graham, Texas 76450 Attn: Mr. Jack Graham

COG Operating LLC

600 W. Illinois Avenue One Concho Center Midland, Texas 79701

Attn: Mrs. Rita Buress

Nadel and Gussman Permian, L.L.C.

4000 N. Big Spring, Suite 310

Midland, Texas 79705

Attn: Mr. Caleb Hopson

Crown Oil Partners V, LP

4000 N. Big Spring, Suite 310

Midland, Texas 79705

Attn: Mr. Caleb Hopson

Crump Energy Partners II, LLC

4000 N. Big Spring, Suite 310

Midland, Texas 79705

Attn: Mr. Caleb Hopson

Concho Oil & Gas LLC

600 W. Illinois Avenue

One Concho Center

Midland, Texas 79701

Attn: Mrs. Rita Buress

* Total interest being pooled: 12.5000000%

% Leasehold Interest

50.0000000%

12.5000000%

11.2931250%

8.9643750%

8.3240625%

8.3240625%

0.5943750% **100.0000000%**

Summary of Communications Iceman 26 W2AP Federal Com No. 1H

The Allar Company

- 1) Mailed well proposal letter with AFE via certified mail dated 11-6-2014.
- 2) Received green card signed by Sheila Burt.
- 3) Mailed well proposal letter with AFE via certified mail dated 2-29-2016.
- 4) Received green card signed by Melanie Barrett.
- 5) Sent Jack Graham with The Allar Company an email dated 7-18-2016 following up on our well proposal.
- 6) Called Jack Graham on 8-9-2016. Left message.
- 7) Jack Graham called back on 8-16-2016. Doesn't want to participate or work a deal.
- 8) Sent Jack Graham an email dated 8-16-2016 offering to take a farm-in of his interest if he did not wish to participate. He emailed back requesting a copy of the JOA and/or farmout. Emailed him back a copy of the JOA.
- 9) I have not heard back from Jack Graham since.



Cy

Date: November 11, 2014

Simple Certified:

The following is in response to your November 11, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945006888649. The delivery record shows that this item was delivered on November 10, 2014 at 10:38 am in GRAHAM, TX 76450. The scanned image of the recipient information is provided below.

Signature of Recipient:

Address of Recipient:

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

> John C. Graham The Allar Company/EG3, Inc. PO Box 1567 Graham, TX 76450

November 6, 2014

The Allar Company Attn: John Graham P.O. Box 1567 Graham, Texas 76450

Re:

Mewbourne Oil Company Well Proposal Iceman 26 W2AP Fed Com 1H East-Half of Section 26, T23S, R27E Eddy County, New Mexico

Dear Mr. Garham,

Mewbourne Oil Company hereby proposes to drill the Iceman 26 W2AP Fed Com 1H in the referenced half section. The well will have a surface hole location 205' FNL and 330' FEL and a bottom hole location approximately 330' FSL and 330' FEL. Mewbourne is proposing this well to a depth sufficient to adequately test the Wolfcamp Formation expected to require drilling to a true vertical depth of approximately 9906' and an approximate measured depth of 14,550'. The estimated cost of a dry hole is \$3,243,900 and the estimated cost of a producing well is \$8,148,100. These costs are more fully set forth on the AFE enclosed.

Also enclosed is an Operating Agreement dated October 28, 2014. If the Operating Agreement meets with your approval please sign the signature page in the presence of a notary and return the signed and notarized pages to my attention. Please also provide a signed AFE and well requirement sheet if you wish to participate in the well. If you do not wish to participate in the proposed well, we are willing to discuss the terms of a farmout or term assignment of your interest. Contact me with any questions or concerns. I may be reached at 432-682-3715 or cshook@mewbourne.com.

Sincerely,

Original Signed & Muiled 11/6/14

Cy Shook Landman

Mewbourne Oil Company

SCA1111-15



Date: March 4, 2016

Simple Certified:

The following is in response to your March 4, 2016 request for delivery information on your Certified Mail™/RRE item number 9402810699945013751337. The delivery record shows that this item was delivered on March 3, 2016 at 10:14 am in GRAHAM, TX 76450. The scanned image of the recipient information is provided below.

Signature of Recipient:

Molanie Barrelt
Molanie Banelt

Address of Recipient:

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

> Jack Graham The Allar Company PO BOX 1567 GRAHAM, TX 76450 Reference #: Iceman 26 W2AP 1H cm Item ID: Iceman 26 W2AP 1H cm

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020 Midland, Texas 79701 Phone (432) 682-3715 Fax (432) 685-4170

February 29, 2016

Via Certified Mail

The Allar Company P.O. Box 1567 Graham, Texas 76450 Attn: Mr. Jack Graham -called ; left msg. 8.9.16

Re:

Iceman "26" W2AP Fed Com No. 1H 205' FNL & 330' FEL (SL) 330' FSL & 330' FEL (BHL) Section 26, T23S, R27E Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 320.00 acre Working Interest Unit ("WIU") covering the E/2 of the captioned Section 26 for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. Apparently The Allar Company ("Allar") owns 25% interest in the SE/4 (160.00 gross acres) of the captioned Section 26. Accordingly, Allar would own 12.5% working interest in the proposed WIU (25% X 160.00 net acres / 320.00 gross acres = 12.5% interest in the WIU).

In reference to the above, Mewbourne as Operator hereby proposes to drill the captioned well at the referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to a true vertical depth ("TVD") of approximately 9,906' feet subsurface to evaluate the Wolfcamp formation for production. The proposed well will have a horizontal measured depth ("MD") of approximately 14,500' feet. The E/2 of the captioned Section 26 will be dedicated to the well as the proration unit.

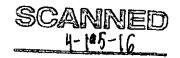
Regarding the above, enclosed for your further handling is our AFE dated February 10, 2016 for the captioned proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated March 1, 2016 and an extra set of signature pages. In the event Allar elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell
Corey Mitchell
Landman



Corey Mitchell

From:

Corey Mitchell

Sent:

Monday, July 18, 2016 3:37 PM

To:

Jack Graham

Subject:

Iceman 26 Prospect

Attachments:

Iceman 26 revised JOA pages.pdf

Jack,

Hope all is well. I just wanted to check in on the Iceman 26 Prospect, specifically the Iceman 26 W2AP Fed Com #1H. I proposed this well in late February / early March but have not heard anything back from you yet. Do you plan on participating?

Also, I have attached revised pages to the JOA, whereby we have changed the royalty burden from 12.5% to 25% and created an ORI reservation if you are contributing an NRI better than 75%.

Let me know if you have any questions or need additional information. Thanks. Have a great day.

Corey Mitchell Land Department Mewbourne Oil Company 500 West Texas, Suite 1020 Midland, TX 79701 Bus. (432) 682-3715 Fax (432) 685-4170

Corey Mitchell

From:

Corey Mitchell

Sent:

Tuesday, August 16, 2016 5:00 PM

To:

'Jack Graham'

Subject:

RE: Iceman 26 Prospect

Attachments:

20160816165443417.pdf

Jack,

Please see attached JOA agreed to by Nadel, Crown and Crump. I am waiting on the farmout form from COG and hope to have any day now.

Corey Mitchell Land Department Mewbourne Oil Company 500 West Texas, Suite 1020 Midland, TX 79701 Bus. (432) 682-3715 Fax (432) 685-4170

From: Jack Graham [mailto:Jack@allarcompany.com]

Sent: Tuesday, August 16, 2016 4:28 PM

To: Corey Mitchell

Subject: RE: Iceman 26 Prospect

Corey -

Since you have indicated that you made deals with multiple parties already in the SE/4 of the section (you mentioned both Concho and Nadel), is there any way we can see either the farmouts or the JOAs that were agreed to by the parties. This would help facilitate a response from us on this issue.

Jack

From: Corey Mitchell [mailto:cmitchell@Mewbourne.com]

Sent: Tuesday, August 16, 2016 4:07 PM
To: Jack Graham < <u>Jack@allarcompany.com</u>>

Subject: Iceman 26 Prospect

Jack,

Thanks for visiting with me this afternoon. Pursuant to our conversation and in lieu of participating, Mewbourne Oil Company ("MOC") hereby offers to acquire a Farmout from The Allar Company ("Allar") covering its interest in the SE/4 of Section 26, T23S, R27E, Eddy County, New Mexico based on the following terms:

- Mutually acceptable form with a one (1) year term.
- Allar will reserve an ORI equal to the difference between 25% and existing burdens in the earning well, whereby MOC is delivered a 75% NRI.
- Allar will have the option to convert its reserved ORI to a 25% working interest (proportionately reduced) on the earning well.
- MOC would earn 75% of Allar's interest outside the wellbore of the earning well.

- Allar would be heads up on subsequent wells with its retained 25% interest.
- Limited in depths from the surface to the base of the Wolfcamp formation.

As mentioned, MOC has a lease expiration in the NE/4 of Section 26 and will be spudding the Iceman 26 W2AP Fed Com No. 1H in September. Because we are drilling horizontal wells, the SE/4 will be included in our proration unit. We would prefer for Allar to participate or work a deal out with us. Otherwise we will have to move forward with force pooling in order to protect our ability to develop our leasehold interest before it expires. We would prefer not to go down this route.

Please review and let me know if the above is acceptable. Thanks.

Corey Mitchell Land Department Mewbourne Oil Company 500 West Texas, Suite 1020 Midland, TX 79701 Bus. (432) 682-3715 Fax (432) 685-4170

MEWBOURNE OIL COMPANY

| Well Name: Iceman 26 W2AP Fed Com #1H | spect: | | graph women \$1755 | Sales Sales and Sales Sa |
|--|------------------------|--|---|--|
| Location: SL: 205' FNL & 330' FEL; BHL: 330' FSL & 330' FEL | ounty: Ec | ldy | *********** | ST: NM |
| Sec. 26 Bik: Survey: TWP: 23S | RNG: | 27E Prop. TV | | TMD: 14500' |
| INTANGIBLE COSTS 0180 | CODE | TCP | CODE | cc |
| Regulatory Permits & Surveys | 0180-010 | | | |
| _ocation / Road / Site / Preparation | 0180-010 | | 0180-0205 | \$35,00 \$20,00 |
| Daywork / Turnkey / Footage Drilling 23 days drig & 3 days comp @ \$16500 + GRT | 0180-0110 | | | \$51,90 |
| Tuel 1500 gal/day @ \$1.50/gal | 0180-0114 | | | \$01,50 |
| vfud, Chemical & Additives | 0180-0120 | | 0180-0220 | |
| Horizontal Drillout Services Coil Tbg | | | 0180-0222 | \$80,00 |
| Cementing | 0180-012 | | 0180-0225 | \$25,00 |
| ogging & Wireline Services Gyro/Cased Hole Log & Completion Wireline | 0180-0130 | | 0180-0230 | \$131,00 |
| Casing / Tubing / Snubbing Service Mud Logging | 0180-0134 0180-0137 | ` | 0180-0234 | \$25,00 |
| Stimulation 20 Stg 7MM gal/7MM lb | 0100-0137 | \$10,000 | 0180-0241 | \$940,00 |
| Stimulation Rentals & Other | | 1 | 0180-0242 | \$100,00 |
| Nater & Other | 0180-0145 | \$40,000 | 0180-0245 | \$425,00 |
| Bits | 0180-0148 | \$72,000 | 0180-0248 | \$4,00 |
| nspection & Repair Services | 0180-0150 | \$35,000 | 0180-0250 | \$5,00 |
| Misc. Air & Pumping Services Toe Prep | 0180-0154 | | 0180-0254 | \$10,00 |
| Festing & Flowback Services | 0180-0158 | \$15,000 | | \$30,00 |
| Completion / Workover Rig 5 Days @ \$3500/d Toe Prep/Run Gas Lift | 0180-0164 | \$160,000 | 0180-0260 | \$18,70 |
| Rig Mobilization Transportation | 0180-0164 | | 0180-0265 | \$12,000 |
| Velding Services | 0180-0168 | | 0180-0268 | \$5,000 |
| Contract Services & Supervision | 0180-0170 | | 0180-0270 | ± 41001 |
| Directional Services Inc Vertical Control | 0180-0175 | \$170,000 | | |
| Equipment Rental | 0180-0180 | | 0180-0280 | \$30,000 |
| Vell / Lease Legal | 0180-0184 | | 0180-0284 | |
| Vell / Lease Insurance | 0180-0185 | | 0180-0285 | #1.00 |
| ntangible Supplies Damages | 0180-0186 | | 0180-0288 0180-0290 | \$1,00 |
| ROW & Easements | 0180-0190 | | 0180-0290 | \$15,00 |
| Pipeline Interconnect | 0100-0192 | \$10,000 | 0180-0293 | Ψ1 <u>3,00</u> |
| Company Supervision | 0180-0195 | \$172,500 | 0180-0295 | \$60,00 |
| Overhead Fixed Rate | 0180-0196 | | 0180-0296 | \$20,000 |
| Well Abandonment | 0180-0198 | | 0180-0298 | |
| Contingencies 10% (TCP) 5% (CC) | 0180-0199 | \$197,200 | 0180-0299 | \$102,200 |
| TOTAL | | \$2,168,800 | | \$2,145,800 |
| TANGIBLE COSTS 0181 | I | | | |
| Casing (19.1" - 30") | 0181-0793 | | | |
| Casing (10.1" - 19.0") 450' - 13 3/8" 54.5# J55 STC @ \$27.95/ft + GRT | 0181-0794 | | L | |
| Casing (8.1" - 10.0") 2150' - 9 5/8" 36# J55 LTC @ \$18.39/ft + GRT | 0181-0795 | | | |
| Casing (6.1" - 8.0") 10250' - 7" 26# HCP110 LTC/BTC @ \$26.50/ft + GRT Casing (4.1" - 6.0") 5100' - 4 1/2" 13.5# P110 LTC @ \$15.05/ft + GRT | 0181-0796 | \$290,100 | 0181-0797 | \$82,000 |
| Tubing (2" - 4") 9325' - 2 7/8" 6.5# L80 EUE @ \$3.57/ft + GRT | | | 0181-0798 | \$35,600 |
| Drilling Head | 0181-0860 | \$12,000 | 0,0,00 | 40,000 |
| ubing Head & Upper Section | | | 0181-0870 | \$15,000 |
| forizontal Completion Tools Resource Completion Liner Hanger | | | 0181-0871 | \$25,000 |
| Sucker Rods | | | 0181-0875 | |
| Subsurface Equipment | | | 0181-0880 | A4 = |
| Artificial Lift Systems Gas Lift Valves | <u> </u> | | 0181-0884 | \$13,000 |
| Pumping Unit Surface Pumps & Prime Movers SWD Transfer Pump & VRU | - | | 0181-0885 | \$34,000 |
| Surface Pumps & Prime Movers SWD Transfer Pump & VRU Sanks - Oil 4 - 500 bbl steel | | | 0181-0890 | \$36,000 |
| anks - Water 4 - 500 bbl steel coated | | | 0181-0891 | \$44,000 |
| Separation / Treating Equipment 30"x10'x1000' 3ph & 24"x10'x1000# 2ph | | | 0181-0895 | \$21,000 |
| Heater Treaters, Line Heaters 6'x20'x75# HT | | | 0181-0897 | \$14,000 |
| | | | 0181-0898 | \$14,000 |
| | I | _ | 0181-0900 | \$27,200 |
| ine Pipe & Valves - Gathering 4" steel | | | 0181-0906 | \$45,000 |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories | | - | | \$5,000 \$50,000 |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories cathodic Protection | | | 0181-0908 | ₩ ₩₩₩₩₩₩ |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories cathodic Protection lectrical Installation | | | 0181-0909 | |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories cathodic Protection lectrical Installation equipment Installation | | | | \$35,000 |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation lipeline Construction 1 mile 4" steel gas line | | 22 E7 Q001 | 0181-0909 0181-0910 | \$35,000 \$100,000 |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation ipeline Construction 1 mile 4" steel gas line TOTAL | | \$357,900 | 0181-0909 0181-0910 | \$35,000 \$100,000 \$595,800 |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation ipeline Construction 1 mile 4" steel gas line | | \$357,900 \$2,526,700 | 0181-0909 0181-0910 | \$35,000 \$100,000 \$595,800 |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation ipeline Construction 1 mile 4" steel gas line TOTAL | | \$2,526,700 | 0181-0909 0181-0910 | \$35,000 \$100,000 |
| ine Pipe & Valves - Gathering 4" steel ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation ipeline Construction 1 mile 4" steel gas line TOTAL SUBTOTAL TOTAL WELL COST | | \$2,526,700 | 0181-0909 0181-0910 0181-0920 | \$35,000 \$100,000 \$595,800 |
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| intension of the state of the s | | \$2,526,700 | 0181-0909 0181-0910 0181-0920 | \$35,000 \$100,000 \$595,800 |
| ine Pipe & Valves - Gathering 4" steel ititings / Valves & Accessories cathodic Protection | | \$2,526,700 | 0181-0909 0181-0910 0181-0920 | \$35,000 \$100,000 \$595,800 |
| ittings / Valves & Accessories athodic Protection [electrical Installation quipment Installation [upeline Construction 1 mile 4" steel gas line TOTAL SUBTOTAL TOTAL WELL COST repared by: Andrew Taylor Date: 2/9/2016 [co. Approval: | | \$2,526,700 | 0181-0909 0181-0910 0181-0920 | \$35,000 \$100,000 \$595,800 |
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| Interpretation of the state of | | \$2,526,700 \$5,2 as estimated in Li | 0181-0909 0181-0910 0181-0920 68,300 | \$35,000 \$100,000 \$595,800 \$2,741,600 |
| ine Pipe & Valves - Gathering 4" steel ititings / Valves & Accessories athodic Protection lectrical Installation quipment Installation ipeline Construction 1 mile 4" steel gas line TOTAL SUBTOTAL TOTAL WELL COST repared by: Andrew Taylor Date: 2/9/2016 o. Approval: Date: 2/10/2016 | | \$2,526,700 \$5,2 as estimated in Li | 0181-0909 0181-0910 0181-0920 68,300 | \$35,000 \$100,000 \$595,800 \$2,741,600 |



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

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 15,542

AFFIDAVIT OF NOTICE

| COUNTY OF SANTA FE |) |
|---------------------|-------|
| |) ss. |
| STATE OF NEW MEXICO |) |

James Bruce, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Mewbourne Oil Company.
- 3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
- 4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.

5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

James Bruce

day of September, 2016 by

SUBSCRIBED AND SWORN TO before me this

James Bruce.

OFFICIAL SEAL
KERRIE C. ALLEN
Notary Public
State of New Mexico

My Commission Expires:

My Commission Expires.

My Commission Expires.

Notary Public

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

iamesbruc@aol.com

August 25, 2016

<u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED</u>

The Allar Company P.O. Box 1567 Graham, Texas 76450

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling and an unorthodox well location, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding a Wolfcamp well in the E/2 of Section 26, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, September 15, 2016, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, September 8, 2016. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and his or her attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing

Verzitruly yours

James Bruce

Attorney for Mewbourne Oil Company

ATTACHMENT A

| 4570 | (Domestic Mail | DM/ Only; No | \IL Ins | TIS RE | a (* - 1 | | ′ . | ded) | |
|-----------|--|------------------|------------|--------------------------|----------|--------|-----------------|----------------|--|
| 9535 | No. of the second | = C | | A | te at | U | | n _® | |
| 51.0 0000 | Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) | | | | | P | osimerk Here | | |
| | Total Postage & Fees | \$ | | | | | | | |
| 7014 | Sent To Street, Apt. No.; or PO Box No. City, State, ZiP+4 | P.O. B Grahar | ox 15 | ompany 67 xas 764: | | | | | |
| | PS Form 3800, August 20 | 06 | | | See | Revers | e far Inst | ructions | |

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| , | | · |
|---|--|---|
| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON | DELIVERY |
| Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: | A. Signature X/Numi Bav B. Received by (Printed Name) Mclanie Barrel D. Is delivery address different fro | Addressee C. Date of Delivery The literal 17 In Yes |
| The Allar Company P.O. Box 1567 Graham, Texas 76450 | If YES, enter delivery address | below: No |
| 9590 9402 1933 6123 6388 65 2. Article Number <i>Transfer from service labell</i> | 3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Collect on Delivery Collect on Delivery | Signature Confirmation |
| 7014 0510 0000 9535 PS Form 3811, July 2015 PSN 7530-02-000-9053 | 0732 stricted Delivery | Restricted Delivery Domestic Return Receipt |

Offset Ownership Iceman 26 W2AP Federal Com No. 1H Section 26, T23S, R27E Eddy County, New Mexico

W/2 of Section 26:

COG Operating LLC - Operator

W/2 of Section 35:

Caza Operating, LLC - Operator

E/2 of Section 35:

Yates Petroleum Corporation - Operator

Section 36:

Yates Petroleum Corporation - Operator

W/2 of Section 25:

Matador Production Company Yates Petroleum Corporation Chevron U.S.A. Inc. Myco Industries Inc.

W/2 of Section 24:

Matador Production Company Yates Petroleum Corporation RKI Exploration & Production, LLC

Section 23:

Matador Production Company Myco Industries Inc. RKI Exploration & Production, LLC

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

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 15,542

AFFIDAVIT OF NOTICE

| COUNTY OF SANTA FE |)) ss |
|---------------------|-----------|
| STATE OF NEW MEXICO | • |

James Bruce, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Mewbourne Oil Company.
- 3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the offset operators or working interest owners entitled to receive notice of the application filed herein.
- 4. Notice of the application was provided to the offset by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
- 5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

James Bruce

day of September, 2016 by

SUBSCRIBED AND SWORN TO before me this

James Bruce.

OFFICIAL SEAL KERRIE C. ALLEN Notary Public

My Commission Expiresty Commission Expires 10-32-1

Notary Public (

0

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

iamesbruc@aol.com

August 25, 2016

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for an unorthodox gas well location, etc., filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding a Wolfcamp well in the E/2 of Section 26, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, September 15, 2016, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an offset operator who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, September 8, 2016. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

ATTACHMENT

EXHIBIT A

COG Operating LLC One Concho Center 600 West Illinois Midland, Texas 79701

Caza Operating, LLC Suite 1550 200 North Loraine Midland, Texas 79701

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Matador Production Company Suite 1500 5400 LBJ Freeway Dallas, Texas 75240

Chevron U.S.A. Inc. 6301 Deauville Boulevard Midland, Texas 79706

Myco Industries, Inc. P.O. Box 840 Artesia, New Mexico 88211

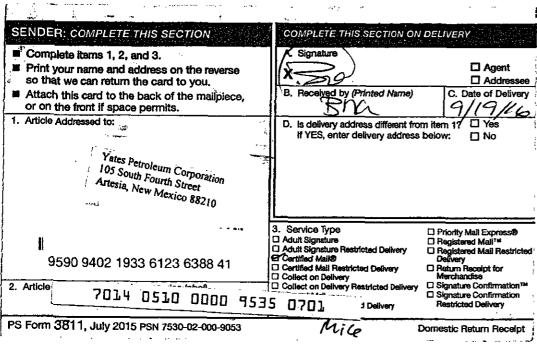
RKI Exploration & Production, LLC 3500 One Williams Tower Tulsa, OK 74172

| SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. COG Operating LLC One Concho Center 600 West Illinois Midland, Texas 79701 | A: Signature A: Signature Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below: | J.S. Postal S CERTIFIED (Domestic Mail On For delivery Informati For delivery Informati Certified Fee Certified Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ |
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