

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 NONSTANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

Case No. 16499

VERIFIED STATEMENT OF JOSH ANDERSON

Josh Anderson, 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 simply failed or refused to voluntarily commit their interests to the wells.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 320 acre horizontal spacing unit in the Bone Spring formation comprised of the S/2S/2 of Section 35 and the S/2S/2 of Section 34, Township 18 South, Range 29 East, NMPM, and pooling all mineral interests in the Bone Spring formation underlying the unit. The unit will be dedicated to the Wishbone 35/34 B2PM Federal Com Well No. 1H. The well is a horizontal well with a surface location in the SE/4SE/4 of Section 35, and last take point in the SW/4SW/4 of Section 34. There are no depth severances in the Bone Spring formation.

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



- (e) Attachment C contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.
- (f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells.
- (g) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (h) Attachment D contains the Authorization for Expenditure for the proposed well. The estimated costs of the well 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.
- (i) 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 Eddy 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.
- (j) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (k) Mewbourne requests that it be designated operator of the wells.
- (l) The attachments to this affidavit were prepared by me, or compiled from Company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

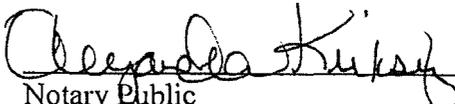
Josh Anderson, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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



Josh Anderson

SUBSCRIBED AND SWORN TO before me this 31st day of October, 2018 by Josh Anderson.

My Commission Expires: January 11, 2022



Notary Public

