

**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.**

8-

Case No. 16496

VERIFIED STATEMENT OF RAYMOND WINKELJOHN

Raymond Winkeljohn, 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 refused to voluntarily commit their interests to the well.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 241.34-acre horizontal spacing unit in the Bone Spring formation comprised of Lots 1-4 (N/2N/2) of Section 1 and Lots 1-2 (N/2NE/4) of Section 2, Township 18 South, Range 30 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Bone Spring formation underlying the unit. The unit will be dedicated to the Loco Hills 1/2 B2AB Fed Com #1H, a horizontal well with a first take point in Unit A of Section 1 and a final take point in Unit B of Section 2.

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


EXHIBIT 1

- (e) Attachment C contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them.
- (f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (g) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (h) Attachment D is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is 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) Applicant requests that it be designated operator of the well.
- (l) The attachments to this affidavit were prepared by me or under my supervision, 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)

Raymond Winkeljohn, 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.



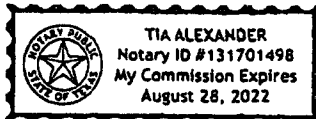
Raymond Winkeljohn

SUBSCRIBED AND SWORN TO before me this 12 day of November, 2019 by
Raymond Winkeljohn.

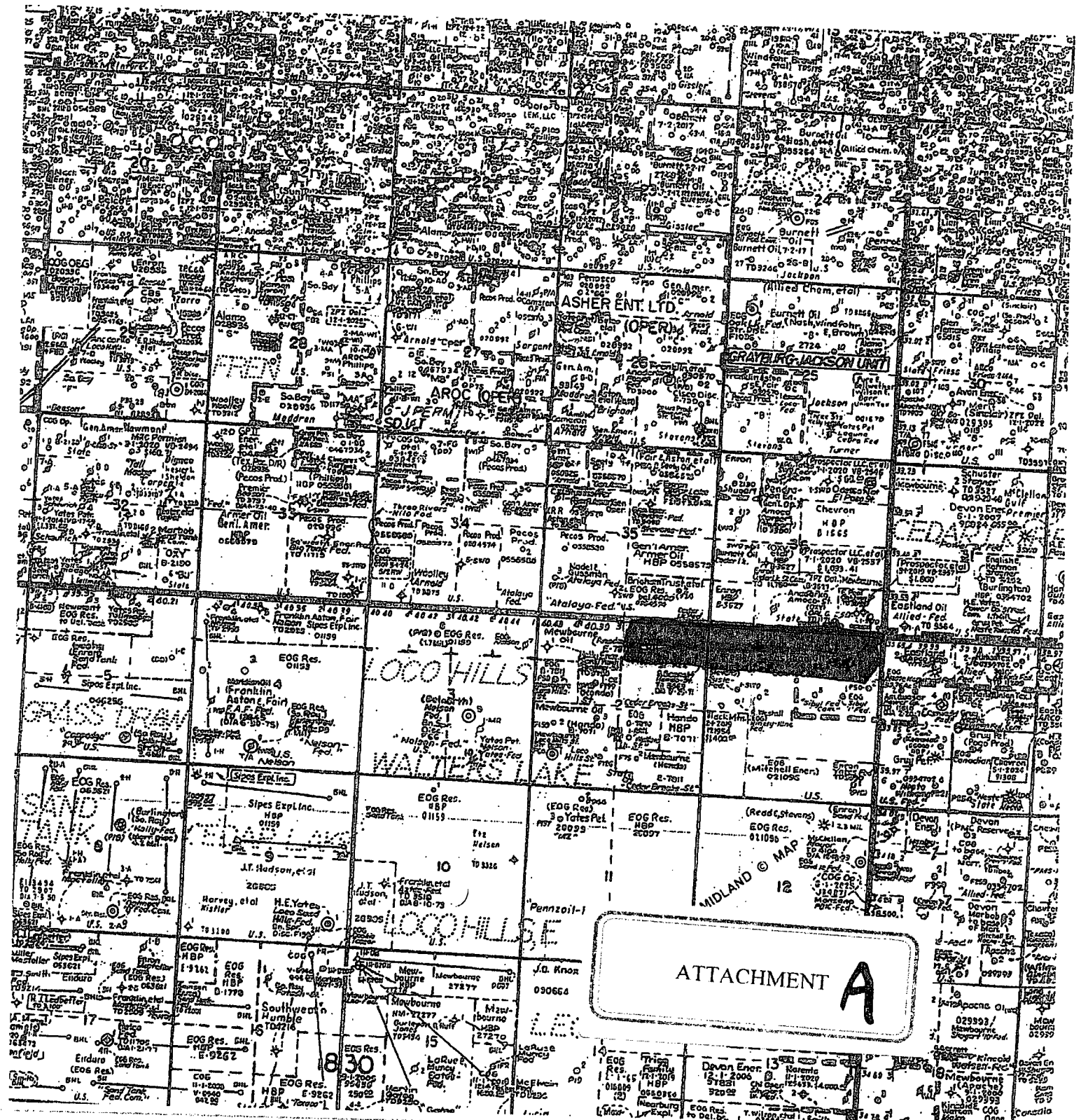
My Commission Expires: 8-28-22



Notary Public



Loco Hills 1/2 B2AB Fed com #1 H
Sections 1(NNW)+ 2(N2NE), T18S, R30 E
Eddy Co. NM



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--|--|
| ¹ API Number | ² Pool Code | ³ Pool Name |
| ⁴ Property Code | ⁵ Property Name LOCO HILLS 1/2 B2AB FEDERAL COM | |
| ⁷ OGRID NO. | ⁸ Operator Name MEWBOURNE OIL COMPANY | ⁶ Well Number 1H |
| | | ⁹ Elevation 3598' |

¹⁰ Surface Location

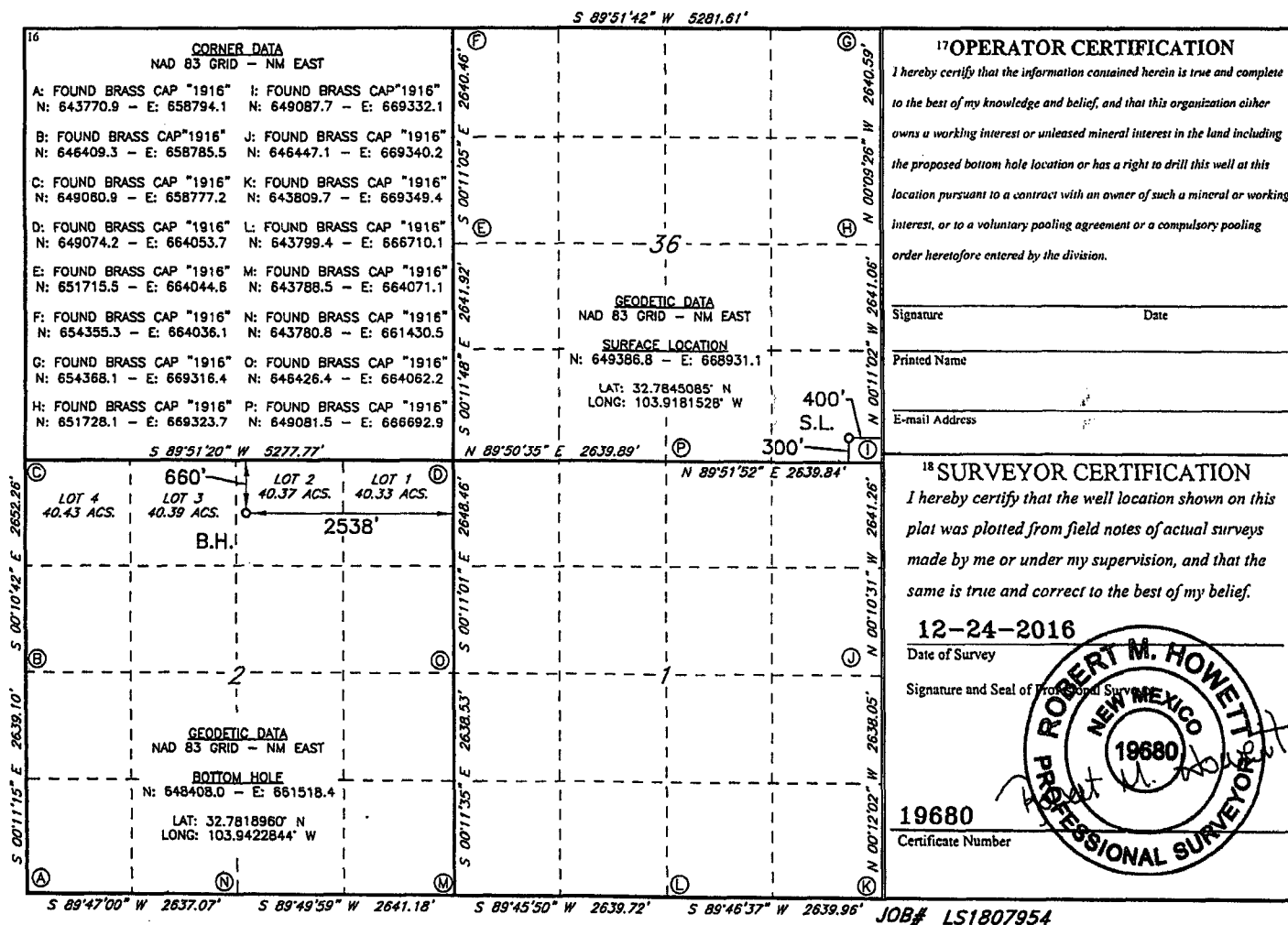
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| P | 36 | 17S | 30E | | 300 | SOUTH | 400 | EAST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| 2 | 2 | 18S | 30E | | 660 | NORTH | 2538 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 241.34 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



TRACT OWNERSHIP
Loco Hills 1/2 B2AB Fed Com #1H
Section 1: Lots 1-4 (N/2N/2) and Section 2: Lots 1-2 (N/2NE/4)
Township 18 South, Range 30 East
Eddy County, New Mexico

Lots 1-4 (N/2N/2) of Section 1, Lots 1-2 (N/2NE/4) of Section 2
Bone Spring formation:

| | <u>% Leasehold Interest</u> |
|--|-----------------------------|
| Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701 | 48.275726% |
| *EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706 Attn: Clay Haggard | 9.651446% |
| *Read & Stevens, Inc. P.O. Box 1518 Roswell, New Mexico 88202-1518 Attn: Lydia Lara | 16.806829% |
| *ZPZ Delaware I, LLC 303 Veterans Airpark Ln #660 Midland, Texas 79705 Attn: Chris Lanning | 11.146103% |
| *St. Devote LLC 919 Milam Street, Suite 2475 Houston, Texas 77002 Attn: Bradley Taylor | 3.303621% |
| *CBR Oil Properties, LLC P.O. Box 1518 Roswell, New Mexico 88202-1518 Attn: Lydia Lara | 2.662468% |
| *First Century Oil, Inc. P.O. Box 1518 Roswell, New Mexico 88202-1518 Attn: Lydia Lara | 1.331234% |
| *Read & Stevens Employee Benefit Plan P.O. Box 1518 Roswell, New Mexico 88202-1518 Attn: Lydia Lara | 1.331234% |

ATTACHMENT **B**

| | |
|--|---------------------------------|
| *Cannon Exploration Company 3608 South County Road 1184 Midland, TX 79706 Attn: Todd Wilson | 0.998425% |
| *Todd M. Wilson 3608 South County Road 1184 Midland, TX 79706 | 0.998425% |
| *Fuel Products, Inc. P.O. Box 3098 Midland, Texas 79702 | 1.331234 % |
| *Thomas M. Beall P.O. Box 3098 Midland, Texas 79702 Attn: Tom Beall | 0.998425% |
| *Betty Read Young P.O. Box 1518 Roswell, New Mexico 88202-1518 Attn: Lydia Lara | 0.665617% |
| *The heirs and devisees of Marion B. Riley, dec'd. 1105 San Juan Dr. Roswell, NM 88201-8354 | 0.166404% |
| *Patricia (Pruitt) Harvell P.O. Box 3422 Roswell, NM 88202-3422 | 0.166404% |
| *CLM Production Company P.O. Box 881 Roswell, NM 88202 Attn: Land Manager | <u>0.166404%</u> 100.000000% |

*** Total interest being pooled: 51.724274%**

Summary of Communications
Loco Hills 1/2 B2AB Fed Com #1H

EOG Resources, Inc.

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) August 28, 2018: Email chain regarding EOG's interest in the proposed working interest unit/possible trade.
- 3) September 5, 2018: Email chain discussing the proposed working interest unit and well path.
- 4) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 5) Still waiting to receive executed JOA/AFE.

ZPZ Delaware I, LLC

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 3) September 26-27, 2018: Email chain discussing JOA/AFE evaluations.
- 4) October 3-4, 2018: Email chain discussing well timing/buyout options.
- 5) October 9, 2018 Email chain letting me know they are still evaluating the JOA.
- 6) October 23, 2018: Email asking for an update on their evaluations.
- 7) November 6, 2018: Email asking for an update on their evaluations.
- 8) November 7, 2018: Phone conversation. ZPZ is planning on executing the JOA.
- 9) Still waiting to receive executed JOA/AFE.

St. Devote LLC

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) August 29-31, 2018: Email correspondence in which I was notified that Unit had sold its interest to St. Devote and discussions concerning the well proposal.
- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 21, 2018: Email chain regarding the JOA and AFE.
- 5) September 28, 2018: Email chain discussing title in this prospect.
- 6) October 12, 2018: Email correspondence discussing title in this prospect and inquiring if St. Devote sold its interest.

ATTACHMENT

C

- 7) October 15-16: Email correspondence in which St. Devote asks for an extension to make its election. We agreed to grant the extension.
- 8) October 23, 2018: Email correspondence discussing St. Devote's interest.
- 9) October 30, 2018: Received a call from Bob Shelton with Ridge Runner Resources. They are purchasing St. Devote's interest. Bob said that Ridge Runner would elect to participate in the wells and have St. Devote execute the AFE/JOA.
- 10) October 30, 2018: Multiple emails from Bradley Taylor with St. Devote. He was having the JOA and AFEs executed on behalf of Ridge Runner.
- 11) October 31, 2018: Sent replacement page for JOA to Bradley as requested.
- 12) October 31, 2018: Multiple emails sent between Bradley Taylor (St. Devote) and Bob Shelton (Ridge Runner) discussing this prospect
- 13) October 31, 2018: Phone call placed to Bob Shelton to clarify our previous discussions. He said Ridge Runner cannot consent to the wells until they finalize their due diligence.
- 14) October 31, 2018: Email from Bradley Taylor letting me know that St. Devote/Ridge Runner would be filing an appearance in the case.
- 15) November 5, 2018: Phone call from Gary Larson representing St. Devote. He asked for a conflict waiver. Which we granted.
- 16) Still waiting to received JOA/AFEs.

Read & Stevens, Inc.

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 5, 2018: Email chain discussing JOA.
- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 27, 2018: Email chain discussing JOA.
- 5) October 2, 2018: Email chain asking for an update for an update on their review status.
- 6) October 3, 2018: Email chain directing me to Read & Stevens, et al's Land Manager.
- 7) October 11, 2018: Email sent asking Read & Stevens, et al's Land Manager for an update.
- 8) October 22, 2018: Sent email asking for an update on evaluations.
- 9) October 30, 2018: Phone discussion with Mark Compton (Land Manager). He let me know that they are reviewing the JOA and will be getting back with me soon.
- 10) Still waiting to receive executed JOA/AFE.

CBR Oil Properties, LLC

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 5, 2018: Email chain discussing JOA.

- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 27, 2018: Email chain discussing JOA.
- 5) October 2, 2018: Email chain asking for an update for an update on their review status.
- 6) October 3, 2018: Email chain directing me to Read & Stevens, et al's Land Manager.
- 7) October 11, 2018: Email sent asking Read & Stevens, et al's Land Manager for an update.
- 8) October 22, 2018: Sent email asking for an update on evaluations.
- 9) October 30, 2018: Phone discussion with Mark Compton (Land Manager). He let me know that they are reviewing the JOA and will be getting back with me soon.
- 10) Still waiting to receive executed JOA/AFE.
(Same Communications as Read & Stevens)

First Century Oil, Inc.

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 5, 2018: Email chain discussing JOA.
- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 27, 2018: Email chain discussing JOA.
- 5) October 2, 2018: Email chain asking for an update for an update on their review status.
- 6) October 3, 2018: Email chain directing me to Read & Stevens, et al's Land Manager.
- 7) October 11, 2018: Email sent asking Read & Stevens, et al's Land Manager for an update.
- 8) October 22, 2018: Sent email asking for an update on evaluations.
- 9) October 30, 2018: Phone discussion with Mark Compton (Land Manager). He let me know that they are reviewing the JOA and will be getting back with me soon.
- 10) Still waiting to receive executed JOA/AFE.
(Same Communications as Read & Stevens)

Read & Stevens Employee Benefit Plan

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 5, 2018: Email chain discussing JOA.
- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 27, 2018: Email chain discussing JOA.
- 5) October 2, 2018: Email chain asking for an update for an update on their review status.
- 6) October 3, 2018: Email chain directing me to Read & Stevens, et al's Land Manager.
- 7) October 11, 2018: Email sent asking Read & Stevens, et al's Land Manager for an update.

- 8) October 22, 2018: Sent email asking for an update on evaluations.
- 9) October 30, 2018: Phone discussion with Mark Compton (Land Manager). He let me know that they are reviewing the JOA and will be getting back with me soon.
- 10) Still waiting to receive executed JOA/AFE.
(Same Communications as Read & Stevens)

Betty Read Young

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 5, 2018: Email chain discussing JOA.
- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 27, 2018: Email chain discussing JOA.
- 5) October 2, 2018: Email chain asking for an update for an update on their review status.
- 6) October 3, 2018: Email chain directing me to Read & Stevens, et al's Land Manager.
- 7) October 11, 2018: Email sent asking Read & Stevens, et al's Land Manager for an update.
- 8) October 22, 2018: Sent email asking for an update on evaluations.
- 9) October 30, 2018: Phone discussion with Mark Compton (Land Manager). He let me know that they are reviewing the JOA and will be getting back with me soon.
- 10) Still waiting to receive executed JOA/AFE.
(Same Communications as Read & Stevens)

Cannon Exploration Co.

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 3) October 16, 2018: Phone conversation in which Todd Wilson let me know that he is still evaluating.
- 4) Still waiting to receive executed JOA/AFE.

Todd and Carolyn Wilson

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 20, 2018: Mailed proposed JOA/additional AFEs.

- 3) October 16, 2018: Phone conversation in which Todd Wilson let me know that he is still evaluating.
- 4) Still waiting to receive executed JOA/AFE.
(Same Communications as Read & Stevens)

Fuel Products, Inc.

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 6-10, 2018: Email chain: Discussing the title to this prospect.
- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 21, 2018: Email sent discussing the prospect.
- 5) October 2-5, 2018: Email/in person conversation regarding this prospect and election status.
- 6) October 18-19, 2019: Email chain regarding election status.
- 7) November 12, 2018: Sent email asking about JOA review/election.
- 8) (Have not received executed JOA/AFE)

Thomas and Carolyn Beall

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 6-10, 2018: Email chain: Discussing the title to this prospect.
- 3) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 4) September 21, 2018: Email sent discussing the prospect.
- 5) October 2-5, 2018: Email/in person conversation regarding this prospect and election status.
- 6) October 18-19, 2019: Email chain regarding election status.
- 7) November 12, 2018: Sent email asking about JOA review/election.
- 8) (Have not received executed JOA/AFE)
(Same Communications as Fuel Product, Inc.)

The heirs and devisees of Marion B. Riley, dec'd.

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 20, 2018: Mailed proposed JOA/additional AFEs.

- 3) September 21, 2018. Email from Tray Riley, son of Marion Riley, letting me know his mother has passed away and that they would be unable to participate at this time.
- 4) October 3, 2018: Email correspondence discussing Marion's interest.
- 5) November 12, 2018: Email sent asking if they would be interested in selling Marion's interest.

Patricia (Pruitt) Harvell

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 3) October 5, 2018: Email chain in which Patricia sent over needed documentation.
- 4) October 22, 2018: Spoke with Patricia. She is more than likely going to participate in the well.
- 5) November 12, 2018: Sent email to Patricia asking about her participation election.
- 6) Still waiting to receive executed JOA/AFE.

CLM Production Company

- 1) August 23, 2018: Mailed well proposal letter with AFE via certified mail dated August 22, 2018. Receipt attached.
- 2) September 20, 2018: Mailed proposed JOA/additional AFEs.
- 3) October 22, 2018: Spoke with John Maxey. He is evaluating and will more than likely participate.
- 4) Still waiting to receive executed JOA/AFE.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Land Manager

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering all of the above captioned section 1 and the E/2 of the above captioned section 2 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation.

Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,917 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,545 feet. The N/2N/2 of section 1 and the N/2NE/4 of section 2 will be dedicated to the proration unit of the well.

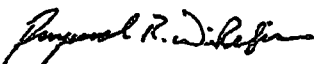
Regarding the above, enclosed for your further handling is our AFE dated August 7, 2018 for the captioned proposed well.

Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will follow the well proposal shortly.

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

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033744650, addressed to Attn:
Land Manager was designated Delivered, Individual Picked Up at
Postal Facility at 7:35 AM on August 27, 2018.

The item number, time, date, city, state, and zip code is a true extract of
information provided by the United States Postal Service to
SimpleCertifiedMail.com.

Attn: Land Manager
EOG Resources, Inc.
5509 CHAMPIONS DR
MIDLAND, TX 79706
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com
clients and represents information provided by the United States Postal
Service.

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Wednesday, August 29, 2018 10:07 AM
To: Clay Haggard
Subject: RE: Well Proposal - Loco Hills Fed Com Well

Hi Clay,

I am reflecting EOG to own around of the proposed 960 acre unit. Is this what your records reflect? Also, I believe that Corey Mitchell and Chuck Moran have been talking about a potential trade that deals with this acreage. I am not sure if this effects your evaluation or not.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Clay Haggard [mailto:Clay_Haggard@eogresources.com]
Sent: Tuesday, August 28, 2018 5:35 PM
To: Ray Winkeljohn
Cc: Clay Haggard
Subject: Well Proposal - Loco Hills Fed Com Well

Ray

Thanks for your recent well proposal. Can you tell me how much interest you are crediting EOG with as to the 960 acre Unit?

Clay Haggard, CPL
Land Advisor, EOG Resources, Inc.
5509 Champions Dr.
Midland, Texas 79706
Office (432) 686-3722



Ray Winkeljohn

From: Ray Winkeljohn
Sent: Wednesday, September 05, 2018 3:38 PM
To: Clay Haggard
Subject: RE: Well Proposal - Loco Hills Fed Com Well

Hi Clay,

Yes, that is correct. The proposed working interest unit is all of Section 1 and the E/2 of Section 2-18S-30E. We will be surfacing in Section 36 but not producing out of it.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Clay Haggard [mailto:Clay_Haggard@eogresources.com]
Sent: Wednesday, September 05, 2018 3:31 PM
To: Ray Winkeljohn
Cc: Clay Haggard
Subject: RE: Well Proposal - Loco Hills Fed Com Well

Ray

The well proposal letter is not clear. I assume the proposed working interest unit is Section 1 and the E/2 of Section 2-18S-30E.

From: Clay Haggard
Sent: Tuesday, August 28, 2018 5:35 PM
To: 'Ray Winkeljohn' <rwinkeljohn@mewbourne.com>
Cc: Clay Haggard <Clay_Haggard@eogresources.com>
Subject: Well Proposal - Loco Hills Fed Com Well

Ray

Thanks for your recent well proposal. Can you tell me how much interest you are crediting EOG with as to the 960 acre Unit?

Clay Haggard, CPL
Land Advisor, EOG Resources, Inc.
5509 Champions Dr.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

ZPZ Delaware I, LLC

303 Veterans Airpark Ln #660

Midland, TX 79705

Attn: Chris Lanning

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
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Section 2, T18S, R30E
Eddy County, New Mexico

Ladies and Gentlemen:

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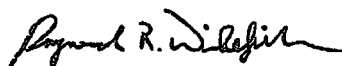
Regarding the above, enclosed for your further handling is our AFE dated August 7, 2018 for the captioned proposed well.

Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will follow the well proposal shortly.

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

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn

Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033748603, addressed to
Attn:Chris Lanning was designated Delivered at 9:22 AM on August 24,
2018 in Midland, TX 79705.

The item number, time, date, city, state, and zip code is a true extract of
information provided by the United States Postal Service to
SimpleCertifiedMail.com.

Attn:Chris Lanning
ZPZ Delaware I, LLC
303 veterans airpark lane #660
Midland, TX 79705
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

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clients and represents information provided by the United States Postal
Service.

direct 432-818-1689 | mobile 918-407-8040

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, September 26, 2018 3:09 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Executed Operating Agreements between Mewbourne and Apache

Nick,

Sounds good.

Let me know if you have any questions for me.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Laris, Nick [<mailto:Nick.Laris@apachecorp.com>]
Sent: Wednesday, September 26, 2018 3:00 PM
To: Ray Winkeljohn
Subject: RE: Executed Operating Agreements between Mewbourne and Apache

My guys are looking at Loco Hills this week. Just sent them the 2 additional wells to be included in their review. Will advise once I know something.

NICK LARIS, RPL
direct 432-818-1689 | mobile 918-407-8040

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, September 26, 2018 10:35 AM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Executed Operating Agreements between Mewbourne and Apache

Nick,

Now that you mentioned that I believe you are correct.

FYI: I sent out a well proposal for our Loco Hills 1/2 B2AB Fed Com #1H back on August 22nd. This well is currently on our schedule for the end of October. On September 20th, 2018 I sent the JOA as well as two more well proposals. Can you expedite execution of this JOA if we keep the terms consistent with Inland and the others we have been working on?

Thanks,

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn
Sent: Thursday, September 27, 2018 4:51 PM
To: 'Laris, Nick'
Subject: RE: Executed Operating Agreements between Mewbourne and Apache

Hi Nick,

We are currently working on our title opinion. However, we do reflect ZPZ Delaware I, LLC owning net acres which would equal VI in the acre working interest unit. The Farmouts were set up

Hopefully, this helps out. Let me know if you have any other questions.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Laris, Nick [<mailto:Nick.Laris@apachecorp.com>]
Sent: Thursday, September 27, 2018 1:23 PM
To: Ray Winkeljohn
Subject: RE: Executed Operating Agreements between Mewbourne and Apache

Ray –

I'm assuming you have title on this area? Can you shoot me a redacted title opinion? Having trouble figuring out our interest relative to the depth severances created by that ARCO -> Mewbourne farmouts.

Thanks,

NICK LARIS, RPL

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 3, 2018 2:53 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Executed Operating Agreements between Mewbourne and Apache

Nick,

Gotcha. Thanks for keeping me up to date on this. I think that we would be more interested in a term assignment than a farmout. If you want to check with your team to see if they are open to a term assignment I can get with management to come up with an offer for you.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Laris, Nick [<mailto:Nick.Laris@apachecorp.com>]
Sent: Wednesday, October 03, 2018 1:17 PM
To: Ray Winkeljohn
Subject: RE: Executed Operating Agreements between Mewbourne and Apache

Ray –

Running thru the JOA this afternoon. My guys are planning on bringing it in for approval next week along with the B2JI and B2JH.

Since I do not know their technical evaluation, it would be hard for me to say if we'd be open to a term assignment or farmout. What terms would Mewbourne be willing to offer?

Thanks,

NICK LARIS, RPL
direct 432-818-1689 | mobile 918-407-8040

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 3, 2018 10:59 AM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Executed Operating Agreements between Mewbourne and Apache

Hey Nick,

The Loco Hills 1/2 B2AB has moved up on our schedule for an early November spud. Therefore, we are trying to wrap everything up on this one soon. Have you had a chance to go through the JOA yet?

Also I was wondering if Apache would consider term assigning its interest to Mewbourne in this prospect?

Ray Winkeljohn

From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Wednesday, November 07, 2018 8:33 AM
To: Ray Winkeljohn
Subject: RE: Executed Operating Agreements between Mewbourne and Apache

Still in a holding pattern. We have management approval to participate; waiting on Houston to give us financial approval.

Where are you guys at on the pooling? Still looking to spud this month?

NICK LARIS, RPL

direct 432-818-1689 | mobile 918-407-8040

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Tuesday, November 6, 2018 4:24 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Executed Operating Agreements between Mewbourne and Apache

Nick,

Any word on the Loco Hills JOA? I know we would still be interested in exploring Term Assignment opportunities here.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn
Sent: Tuesday, October 09, 2018 4:50 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: RE: Executed Operating Agreements between Mewbourne and Apache

Nick,

Sounds good. Thanks for updating me on this.

Have a great evening,

Ray Winkeljohn
Landman

MEWBOURNE OIL COMPANY

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

August 22, 2018

Via: Certified Mail

Unit Petroleum Company
8200 South Unit Drive
Tulsa, OK 74132
Attn: Land Manager

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering all of the above captioned section 1 and the E/2 of the above captioned section 2 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation.

Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,917 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,545 feet. The N/2N/2 of section 1 and the N/2NE/4 of section 2 will be dedicated to the proration unit of the well.

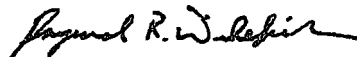
Regarding the above, enclosed for your further handling is our AFE dated August 7, 2018 for the captioned proposed well.

Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will follow the well proposal shortly.

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

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033748498, addressed to Attn:
Land Manager was designated Delivered, Left with Individual at 11:03
AM on August 28, 2018.

The item number, time, date, city, state, and zip code is a true extract of
information provided by the United States Postal Service to
SimpleCertifiedMail.com.

| |
|--|
| Attn: Land Manager Unit Petroleum Company 8200 S UNIT DR TULSA, OK 74132 Reference #: Loco Hills 1 2 B2AB 1H WP RW Item ID: Loco Hills 1 2 B2AB 1H WP |
|--|

The above information is for the sole use of SimpleCertifiedMail.com
clients and represents information provided by the United States Postal
Service.

Bradley Taylor
bradley@percussionpetroleum.com
(816) 294-7671

Attachments

From: Josh Grisham
Sent: Wednesday, August 29, 2018 4:13 PM
To: John Campbell <John@percussionpetroleum.com>
Cc: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: FW: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

See attached.

Josh Grisham, CPL

From: Jon Strickler <jon.strickler@unitcorp.com>
Sent: Wednesday, August 29, 2018 3:47 PM
To: Josh Grisham <josh@percussionpetroleum.com>
Subject: FW: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Josh,

Please see the below email. I've attached the proposal we received.

Thanks,

Jon

From: Jon Strickler
Sent: Wednesday, August 29, 2018 3:46 PM
To: 'rwinkeljohn@mewbourne.com'
Subject: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray,

I received your well proposal for the Loco Hills ½ B2AB Fed Com #1H well. Unit Petroleum Company sold its interest in the associated lands to St. Devote LLC (a subsidiary of Percussion Petroleum), effective October 1st, 2017. Attached for reference is a copy of the recorded Assignment, Bill of Sale and Conveyance.

Kind Regards,

Jon Strickler
Sr. Staff Landman

We were unaware that Unit had sold its interest. Thank you for providing a recorded copy.

Regarding the issues that you have pointed out.

1. We are surfacing in Section 36 hence why the AFE reflects Section 36 not Section 1.
2. Unit apparently shrunk the AFE and did not scan the entire AFE to you. This is why a portion of it is missing.
3. I currently reflect you owning _____ acres which would equal _____ WI in the Unit. Is this what you reflect?
4. Same comment as #2 above.

We will prepare a new AFE and send it to you for your execution.

If you have any other questions please let me know.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor [<mailto:bradley@percussionpetroleum.com>]
Sent: Wednesday, August 29, 2018 4:53 PM
To: Ray Winkeljohn
Subject: FW: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray:

We received the attached well proposal for the Loco Hills ½ B2AB Fed Com #1H well from Jon Strickler at Unit Petroleum. As you know, Unit Petroleum Company sold its interest in the associated lands to St. Devote LLC (a subsidiary of Percussion Petroleum), effective October 1st, 2017.

When you prepare the well proposal for our review would you address the following issues we noticed in the well proposal addressed to Unit:

1. The subject "RE:" line references Section 36, instead of Section 1;
2. The cost section of the AFE is cut off;
3. Our interest in the proposed WIU is not noted; and
4. There's no signature line for an election to be made.

Thanks for your attention to this request. Let me know if you need anything from me or have any questions.

Regards,

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Friday, August 31, 2018 1:53 PM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

We are working on a JOA and will be sending it out soon. As far as title goes, it will be a little bit until we receive our drilling title opinion covering this prospect. I will update you when we receive it.

Thanks and have a good holiday,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor [<mailto:bradley@percussionpetroleum.com>]
Sent: Thursday, August 30, 2018 9:54 AM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray:

Thanks for the quick reply. We don't have much on this interest, but JIBs from 2017 show a in the LOCO HILLS STATE #4.

These are the leases that I'm aware of that we have an interest in and cover the proposed well:

<image001.png>

Can you provide the JOA covering the proposed new well, and any additional title information that explains our interest?

Thanks for all the help.

Bradley

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, August 29, 2018 5:11 PM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor [<mailto:bradley@percussionpetroleum.com>]
Sent: Friday, September 21, 2018 10:40 AM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray:

We'll get it back to you ASAP.

Any update on the forthcoming title opinion and JOA? Thanks, Ray.

Bradley

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Friday, September 21, 2018 10:32 AM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

Please find the attached updated AFE above. The original hard copy is in the mail. Please execute it and return it to my attention.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor [<mailto:bradley@percussionpetroleum.com>]
Sent: Monday, September 10, 2018 12:45 PM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Thanks, Ray.

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor [<mailto:bradley@percussionpetroleum.com>]
Sent: Friday, October 12, 2018 8:58 AM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Good morning, Ray.

Any update re the title opinion? Thanks.

Bradley

From: Bradley Taylor
Sent: Friday, September 28, 2018 9:33 AM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray:

We received your AFE and the proposed JOA, and we are in the process of reviewing. We will circle back on the JOA terms, but at a glance, I can see that the pref. right will be an issue for us.

On a related note, Mewbourne is crediting St. Devote with net acres while our records indicate that we own only net acres. Ideally, we'd have clarity on this issue before executing an AFE. When do you expect to receive the drilling opinion? Do you have any prior opinions or related title documents that speak to our interest? Thanks, Ray.

Bradley

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Friday, September 21, 2018 10:42 AM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

The JOA is going out in the mail today. You should have it next week. We are still working on the title opinion. I will update you on that as soon as I hear more.

Have a great weekend,

Hi Bradley,

Sorry for the delay on this. We will grant an extension until October 31st. FYI, we do have a compulsory pooling hearing set for November 1st but we will be happy to try and work something out with St. Devote/your buyer.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor [<mailto:bradley@percussionpetroleum.com>]
Sent: Monday, October 15, 2018 1:36 PM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray:

As you're aware, St. Devote is in the process of finalizing a sale which includes our Loco Hills interest. Our company, as well as our prospective buyer, are currently reviewing Mewbourne's proposals for the proposed JOA and new wells.

Because timing between our sale and your proposals is dicey, we respectfully request an extension to the end of October in order to properly make elections pursuant to your proposals. If this is acceptable, please respond with the new due date for our elections. Thanks, Ray.

Respectfully,

Bradley Taylor

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Friday, October 12, 2018 9:00 AM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Hi Bradley,

We are still waiting to receive the drilling opinion. Did St. Devote sell this interest via EnergyNet? We noticed that the property was listed. If so, could you please put me in touch with the purchaser?

Thanks,

Ray:

I'm writing to hopefully clarify the plan to make the subject elections. I'm aware that you're in touch with Bob Shelton at Ridge Runner, and he informed you all of their intention to elect to participate in some of your proposed wells.

Percussion intends to make the election, as we're still in the due diligence phase of our sale. We will then convey the election to them through effective date and final execution of an ABOS. You should expect our executed elections shortly. Let me know if you have any questions or issues. Thanks, Ray.

Bradley

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Tuesday, October 23, 2018 12:58 PM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

Our current title reflects St. Devote/ its successor owning _____ of the proposed working interest unit (E2 Sec. 2, All Sec. 1). I am not sure of your current NRI. Obviously, this is subject to change when we receive our drilling opinion.

When is the closing date of the sale?

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor [<mailto:bradley@percussionpetroleum.com>]
Sent: Tuesday, October 23, 2018 11:56 AM
To: Ray Winkeljohn
Subject: Re: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray:

What WI / NRI are you showing for St. Devote in the proposed Loco Hills wells? Thanks!

Bradley

On Oct 16, 2018, at 4:23 PM, Ray Winkeljohn <rwinkeljohn@mewbourne.com> wrote:

From: Ray Winkeljohn
Sent: Tuesday, October 30, 2018 5:36 PM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: Re: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

Not a problem. I can send replacement pages in the morning.

Have a great evening,

Ray

Sent from my iPhone

On Oct 30, 2018, at 5:33 PM, Bradley Taylor <bradley@percussionpetroleum.com> wrote:

Ray:

Heads up that we will be striking the pref right prior to signing the JOA. Please let me know if you anticipate any issue with this. Otherwise, we will have the AFEs and JOA signed and sent out tomorrow. Thanks, Ray.

Bradley

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Tuesday, October 30, 2018 1:48 PM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

Works for me. I will be looking for the executed JOA pages and AFEs. As soon as I receive them I can dismiss you from the pooling case.

Thanks for your help,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor <bradley@percussionpetroleum.com>
Sent: Tuesday, October 30, 2018 11:24 AM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Tuesday, October 30, 2018 1:58 PM
To: 'Bob Shelton'
Subject: RE: Loca Hills wells
Attachments: Loco Hills Pref Right Pages.pdf

Bob,

We will agree to strike the pref right. You can find replacement pages above.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bob Shelton <bshelton@3ROperating.com>
Sent: Tuesday, October 30, 2018 1:36 PM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Subject: Loca Hills wells

You may have heard from Bradley Taylor with Percussion concerning the well election due today. Rather than RRR making an election, Percussion has decided to make the election and then convey to RRR. That's fine with us, so long as the election is timely made.

On another set of wells RRR is in with Mewbourne, Paul let RRR join in the wells under the JOA form you submitted, however for RRR's JOA, we struck the perf right clause.

Since we are a joint venture company and intend to sale at some point, striking the Pref right is critical for us. Please confirm that this clause will be removed from the JOA RRR's WI will be subject to

Thanks.

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Wednesday, October 31, 2018 10:47 AM
To: 'Bradley Taylor'
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Sounds good Bradley.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor <bradley@percussionpetroleum.com>
Sent: Wednesday, October 31, 2018 10:44 AM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Thanks, Ray. I'll circle back when it's executed and on it's way.

Bradley

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 31, 2018 10:35 AM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H - Sold to Percussion Petroleum

Bradley,

Please find replacement pages attached above.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bob Shelton <bshelton@3ROperating.com>
Sent: Wednesday, October 31, 2018 11:32 AM
To: Bradley Taylor <bradley@percussionpetroleum.com>; Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Cc: Brian Cassens <bcassens@3ROperating.com>; Tim Patuwo <tpatuwo@3ROperating.com>; Scott Germann <sgermann@3ROperating.com>
Subject: FW: Attached Image

I have been a little confused on the AFE's and elections, so here are some points I would like confirmation on.

The only working interest unit Percussion has acreage in, is the one that covers all of Section 1 and the E/2 of Section 2-18/30.

There are 3 wells proposed by Mewbourne, the AB – GH – and the JI?

An election was due yesterday on the AB and Percussion has elected to participate.

The other 2 wells having just been proposed yesterday, have time running on the election period.

Attached is a map of the wellbore laterals (SHL to BHL), off the AFE's. The AB location looks odd, and that is the one that the election was made on yesterday.

Ray, please confirm or correct. Thanks

From: 3RO Scanner
Sent: Wednesday, October 31, 2018 11:10 AM
To: Bob Shelton <bshelton@3ROperating.com>
Subject: Attached Image

No. The well is going to surface in section 36 drill south to section 1 and then west to the bottom hole location of 660' FNL & 2540' FEL of Section 2-18S-30E.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bob Shelton <bshelton@3ROperating.com>
Sent: Wednesday, October 31, 2018 11:58 AM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Cc: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Attached Image

What is the timing for drilling the AB well?

Is the AB well location really like I have it plotted on the map?

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 31, 2018 11:48 AM
To: Bob Shelton <bshelton@3ROperating.com>; Bradley Taylor <bradley@percussionpetroleum.com>
Cc: Brian Cassens <bcassens@3ROperating.com>; Tim Patuwo <tpatuwo@3ROperating.com>; Scott Germann <sgermann@3ROperating.com>
Subject: RE: Attached Image

Bob,

The GH and JI were proposed by Letter dated September 20th addressed to St. Devote. They are not new proposals. The B2AB will be the initial well pursuant to the JOA.

The AB is surfacing in Section 36-17S-30E but will produce out of the N/2N/2 of Section 1 and the N/2NE/4 of Section 2 both in 18S-30E. I am still waiting to receive the executed AFE and JOA from Percussion. They are supposed to be sending that to me today.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 31, 2018 1:37 PM
To: Bob Shelton <bshelton@3ROperating.com>
Cc: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Attached Image

Bob,

I am going to need the AFEs and JOA signature pages to accept your election and dismiss you from the pooling case. Once I receive these from you, and we receive our opinion, we would be happy to share information pertaining to Percussion/RRR interest.

Also, if there is an issue concerning title we can reconfigure the working interest so that everyone is in agreement. So this shouldn't be an issue.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bob Shelton <bshelton@3ROperating.com>
Sent: Wednesday, October 31, 2018 1:20 PM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Cc: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Attached Image

Subject to confirmation of title, as to the oil and gas leases included in the WIU covering all of Section 1 and E/2 of 2, RRR will elect to participate in all 3 wells, for the Percussion

Again subject to title, RRR will enter into an agreement with Percussion agreeing to close on this acreage and be responsible for the well cost.

Ray, with this understanding could you e-mail me your T/O.

Thanks

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 31, 2018 12:47 PM
To: Bob Shelton <bshelton@3ROperating.com>
Cc: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Attached Image

Bob,

We are planning for a late November spud.

From: Bradley Taylor <bradley@percussionpetroleum.com>
Sent: Wednesday, October 31, 2018 3:56 PM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Subject: RE: Attached Image

Ray:

RRR has determined that they cannot take the risk of committing to the proposed wells without first confirming title.

They have arranged for counsel to be present at the hearing for the sole purpose of preserving their future interest, which they are currently in the process of acquiring. Because RRR currently lacks standing to enter an appearance, they requested that their attorney enter an appearance on behalf of Percussion/St. Devote, and we agreed to this request.

Bob may have brought you up to speed on all of this, but I wanted to give you a heads up so you're not caught off guard. Thanks, Ray.

Bradley

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 31, 2018 2:47 PM
To: Bradley Taylor <bradley@percussionpetroleum.com>; Bob Shelton <bshelton@3ROperating.com>
Subject: RE: Attached Image

Bradley,

The case is currently set for hearing tomorrow.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor <bradley@percussionpetroleum.com>
Sent: Wednesday, October 31, 2018 1:44 PM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>; Bob Shelton <bshelton@3ROperating.com>
Subject: RE: Attached Image

Ray:

What date is the compulsory pooling case to begin? Thanks.

Bradley

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Thursday, November 01, 2018 9:27 AM
To: 'Bradley Taylor'
Subject: RE: Attached Image

Bradley,

We did continue the case until November 15th.

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Bradley Taylor <bradley@percussionpetroleum.com>
Sent: Wednesday, October 31, 2018 4:26 PM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Subject: RE: Attached Image

I'm being told that the pooling case been continued to November 15, can you confirm?

If so, any chance the drilling opinion will be delivered by then?

If so, can we get an extension to the election period?

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Wednesday, October 31, 2018 4:14 PM
To: Bradley Taylor <bradley@percussionpetroleum.com>
Subject: RE: Attached Image

Bradley,

I was not aware of this. Thank you for letting me know.

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

Read & Stevens, Inc.

P.O. Box 1518

Roswell, NM 88202-1518

Attn: Land Manager

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering all of the above captioned section 1 and the E/2 of the above captioned section 2 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation.

Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,917 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,545 feet. The N/2N/2 of section 1 and the N/2NE/4 of section 2 will be dedicated to the proration unit of the well.

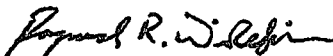
Regarding the above, enclosed for your further handling is our AFE dated August 7, 2018 for the captioned proposed well.

Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will follow the well proposal shortly.

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

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033747002, addressed to Read & Stevens, Inc. was designated Delivered at 10:15 AM on August 27, 2018 in ROSWELL, NM 88201.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Read & Stevens, Inc.
PO Box 1518
Roswell, NM 88202
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

MEWBOURNE OIL COMPANY

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

August 22, 2018

Via: Certified Mail

Charles B. Read
P.O. Box 1518
Roswell, NM 88202-1518

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

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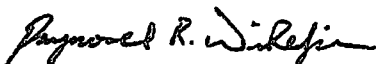
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Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033745497, addressed to Charles B. Read was designated Delivered at 10:10 AM on August 28, 2018 in ROSWELL, NM 88201.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Charles B. Read
PO BOX 1518
Roswell, NM 88202
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

MEWBOURNE OIL COMPANY

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

August 22, 2018

Via: Certified Mail

First Century Oil, Inc.
P.O. Box 1518
Roswell, NM 88202-1518
Attn: Land Manager

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering all of the above captioned section 1 and the E/2 of the above captioned section 2 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation.

Mewbourne as Operator hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,917 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 15,545 feet. The N/2N/2 of section 1 and the N/2NE/4 of section 2 will be dedicated to the proration unit of the well.

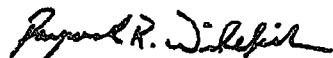
Regarding the above, enclosed for your further handling is our AFE dated August 7, 2018 for the captioned proposed well.

Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will follow the well proposal shortly.

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

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033746234, addressed to Attn:
Land Manager was designated Delivered at 10:10 AM on August 28,
2018 in ROSWELL, NM 88201.

The item number, time, date, city, state, and zip code is a true extract of
information provided by the United States Postal Service to
SimpleCertifiedMail.com.

Attn: Land Manager
First Century Oil
PO BOX 1518
Roswell, NM 88202
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com
clients and represents information provided by the United States Postal
Service.

MEWBOURNE OIL COMPANY

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

August 22, 2018

Via: Certified Mail

Read & Stevens Employee Benefit Plan
P.O. Box 1518
Roswell, NM 88202-1518
Attn: Land Manager

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

Ladies and Gentlemen:

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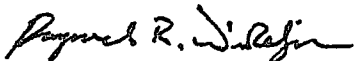
Regarding the above, enclosed for your further handling is our AFE dated August 7, 2018 for the captioned proposed well.

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

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033747644, addressed to Read & Stevens Employee Benefit Plan was designated Delivered at 10:15 AM on August 27, 2018 in ROSWELL, NM 88201.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Read & Stevens Employee Benefit Plan
PO Box 1518
Roswell, NM 88202
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

Betty Read Young

P.O. Box 1518

Roswell, NM 88202-1518

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

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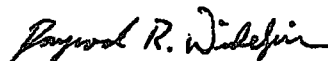
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Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will follow the well proposal shortly.

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

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033744902, addressed to Betty Read Young was designated Delivered at 10:10 AM on August 28, 2018 in ROSWELL, NM 88201.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Betty Read Young
PO BOX 1518
Roswell, NM 88202
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Lydia Lara [<mailto:ldominguez@read-stevens.com>]
Sent: Wednesday, September 05, 2018 3:57 PM
To: Ray Winkeljohn
Subject: Loco Hills 1/2 B2AB Fed Com #1H

We have receive AFE's on the well above for

Read & Stevens, Inc.
R&S Employee Benefit Plan
Charles B. Read
First Century Oil, Inc.
Betty Read Young

We have not received the JOA. Can you get that forwarded to me?

Thanks ☺

Lydia L. Lara | Administrative Assistant
Read & Stevens, Inc. | P.O. Box 1518 | Roswell, NM 88202-1518
P: 575-624-3761 ~ Fax: 575-622-8643
ldominguez@read-stevens.com

<image001.jpg>

Live the Life you Love, Love the Life you Live.....



Lydia L. Lara | Administrative Assistant
Read L. Stevens, Inc. | P.O. Box 1518 | Roswell, NM 88202-1518
P: 575-624-3761 - Fax: 575-622-8643
ldominguez@read-stevens.com

Live the Life you Love, Love the Life you Live.....

From: Lydia Lara
Sent: Wednesday, September 19, 2018 12:27 PM
To: 'Ray Winkeljohn'
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Sounds good. Thanks ☺

From: Ray Winkeljohn [<mailto:rwinkeljohn@mewbourne.com>]
Sent: Wednesday, September 19, 2018 12:09 PM
To: Lydia Lara
Subject: Re: Loco Hills 1/2 B2AB Fed Com #1H

Hi Lydia,

We are finalizing it now and it should go out this week. If you don't get it next week check back with me.

Thanks and have a great day,

Ray

Sent from my iPhone

On Sep 19, 2018, at 1:07 PM, Lydia Lara <ldominguez@read-stevens.com> wrote:

Good afternoon,

Checking on JOA for the above well.

From: Ray Winkeljohn [<mailto:rwinkeljohn@mewbourne.com>]
Sent: Wednesday, September 05, 2018 3:19 PM
To: Lydia Lara
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Hi Lydia,

We are working on the JOA and as soon as its finished I will forward it to your attention.

Thanks,

Ray Winkeljohn

Thank you.



Lydia L. Lara | Administrative Assistant
Read L. Stevens, Inc. | P.O. Box 1518 | Roswell, NM 88202-1518
P: 575-624-3761 ~ Fax: 575-622-8643
ldominguez@read-stevens.com

Live the Life you Love, Love the Life you Live.....

From: Ray Winkeljohn [mailto:rwinkeljohn@mewbourne.com]
Sent: Thursday, September 27, 2018 12:39 PM
To: Lydia Lara
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Hi Lydia,

Yes, this JOA will be used for all of the Loco Hills 1-2 wells. I would be happy to make the change. Could you supply me with the conveyance from the estate to CBR? I did not see it filed of record against this property.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Lydia Lara [mailto:ldominguez@read-stevens.com]
Sent: Thursday, September 27, 2018 12:32 PM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Good morning,

I received the JOA's & AFE's for the Loco Hills 2/1 B2GH Fed Com #1H and the Loco Hills 2/1 B2JI Fed Com #1H. Will this JOA be used on the other the Loco Hills 1/2 B2AB Fed Com #1H as well? We would need signature pages on these as well. I see that Charles B. Read (deceased) should be listed on JOA as CBR Oil Properties, LLC. Can you get the correction made on the JOA?

Thank you.

Cc: Mark W Compton; mwc2191960@gmail.com
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Ray,

Our Land Manager Mark Compton has been given the Proposals/JOA to view. He is out of town until next week, and will not be able to go over them until then. I am copying him in this email so he will be able to respond to your request once he has returned to the office.

Regards,

Norma Daniels,
Division Order Analyst
READ & STEVENS, INC.
P.O. Box 1518/Roswell, NM 88202-1518
Direct: 575-624-3759/Fax: 575-625-0279
ndaniels@read-stevens.com

From: Ray Winkeljohn [mailto:rwinkeljohn@mewbourne.com]
Sent: Tuesday, October 02, 2018 2:08 PM
To: Lydia Lara
Cc: Norma Daniels
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Hi Lydia,

Thank you for sending over this Conveyance. I will get this updated. We are planning on spudding this well early November so we are trying to wrap things up as soon as possible. Have you had a chance to evaluate the proposal yet?

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Lydia Lara [mailto:ldominguez@read-stevens.com]
Sent: Friday, September 28, 2018 1:32 PM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Attached is the Conveyance from Charles B. Read to CBR Oil Properties, LLC.

Also, can you let me know when these wells will be spud.

When replaying, please include Norma Daniels on the email. ndaniels@read-stevens.com

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Monday, October 22, 2018 9:52 AM
To: Mark W Compton
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Mark,

Just circling back on this proposal. Have you had a chance to look through the proposed JOA yet?

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn
Sent: Thursday, October 11, 2018 7:35 AM
To: Mark W Compton
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Hi Mark,

I hope you are doing well. Tom Beall speaks very highly of you. I wanted to see if you have an update on our Loco Hills 1/2 well proposals. We are planning for a November spud date for the Loco Hills 1/2 B2AB so management has requested that we go ahead and get on the pooling docket so that we can keep everything on schedule. Have you had a chance to review the proposed Operating Agreement yet?

Let me know if your need anything from me.

Thanks for your help,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Norma Daniels [<mailto:NDaniels@read-stevens.com>]
Sent: Wednesday, October 03, 2018 2:27 PM
To: Ray Winkeljohn; Lydia Lara

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

Cannon Exploration Company
3608 South County Road 1184
Midland, TX 79706

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

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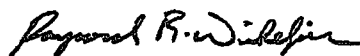
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Should you have any questions regarding the above, please email me at rwinkeljohn@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033745466, addressed to Cannon Exploration Company was designated Delivered, Left with Individual at 3:34 PM on August 24, 2018.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Cannon Exploration Company
3608 S COUNTY ROAD 1184
MIDLAND, TX 79706
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

Todd Wilson
3608 South County Road 1184
Midland, TX 79706

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

Ladies and Gentlemen:

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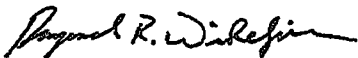
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Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033748443, addressed to Todd Wilson was designated Delivered, Left with Individual at 3:34 PM on August 24, 2018.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Todd Wilson
3608 S COUNTY ROAD 1184
MIDLAND, TX 79706
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

Fuel Products, Inc.

P.O. Box 3098

Midland, Texas 79702

Attn: Tom Beall

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

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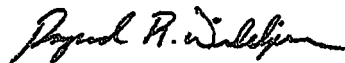
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Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033746371, addressed to
Attn:Tom Beall was designated Delivered at 12:38 PM on August 28,
2018 in Midland, TX 79702.

The item number, time, date, city, state, and zip code is a true extract of
information provided by the United States Postal Service to
SimpleCertifiedMail.com.

Attn:Tom Beall
Fuel Products, Inc.
PO BOX 3098
Midland, TX 79702
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com
clients and represents information provided by the United States Postal
Service.

MEWBOURNE OIL COMPANY

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

August 22, 2018

Via: Certified Mail

Thomas M. Beall
P.O. Box 3098
Midland, Texas 79702

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
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Section 36, T17S, R30E
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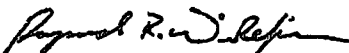
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Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033748344, addressed to Thomas M. Beall was designated Delivered at 12:38 PM on August 28, 2018 in Midland, TX 79702.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Thomas M. Beall
PO BOX 3098
Midland, TX 79702
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

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<https://www.dropbox.com/sh/bzmvm1fft7r8pus/AACiemQobRJVfZn7nFqQWEEta?dl=0>

Contact me should you have any questions or require additional information.

Sincerely,

Bob L. Brown
Independent Petroleum Landman
Premier Land Resources, LLC
20 Loma Verde Lane
Roswell, NM 88203
(575) 626-9112

On Sep 7, 2018, at 8:45 AM, THOMAS BEALL <fpi@t3wireless.com> wrote:

As we discussed

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Date: Thursday, September 6, 2018 at 1:17 PM
To: THOMAS BEALL <fpi@t3wireless.com>
Subject: Loco Hills 1/2 B2AB Fed Com #1H

Hi Tom,

I just wanted to check back in with you and see if you have had any luck finding any old title opinions/material? I know it would save everyone a good deal of money since these leases are so old.

Thanks for your help,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

when we receive the updated opinion. Would you please send me the recorded assignments after you acquire Sammy's interest and any conveyance you may make to Fuel Products?

Let me know if you have any questions.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn
Sent: Wednesday, October 03, 2018 7:27 AM
To: T. M. Beall
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Tom,

No problem. I know everyone is really busy right now. Give me a call at your convenience.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: T. M. Beall [<mailto:fpi@t3wireless.com>]
Sent: Tuesday, October 02, 2018 6:12 PM
To: Ray Winkeljohn
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Ray,

I am sorry I just got slammed with commitments. I will find time to give you a call tomorrow.

Tom

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Tuesday, October 2, 2018 4:37 PM
To: T. M. Beall <fpi@t3wireless.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

From: T. M. Beall [<mailto:fpi@t3wireless.com>]
Sent: Friday, October 19, 2018 9:50 AM
To: Ray Winkeljohn
Cc: Sammy Morrison
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Ray,

I am sorry, I simply got busy. Yes I am going to participate with my interest and have verbally made a deal to purchase Sammy Morrison's interest as well. I will get an assignment and check to him ASAP. Do you need to update the AFE and Proposal to reflect this?

I may need a bit of assistance in the styling of the assignment and the referenced lease/s. I will give you a call later today.

Thank you,

Tom Beall

From: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Sent: Thursday, October 18, 2018 2:47 PM
To: T. M. Beall <fpi@t3wireless.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Hi Tom,

I wanted to check back in with you and see what you have decided as far as your election goes on the Loco Hills B2AB well ?

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn
Sent: Friday, October 05, 2018 3:34 PM
To: 'T. M. Beall'
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Hi Tom,

Thanks for meeting with me today and sharing these title opinions. They will really help our title review.

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Monday, November 12, 2018 12:50 PM
To: T. M. Beall
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Tom,

I received the Assignment from Sammy to you. Thanks for bringing that by.

Also, I spoke with Mark Compton and he let me know that you both would be working together on this one. How is your review going? We would like to tie this one up as soon as possible.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn
Sent: Friday, October 19, 2018 2:56 PM
To: T. M. Beall <fpi@t3wireless.com>
Cc: Sammy Morrison <sibsammorrison@msn.com>
Subject: RE: Loco Hills 1/2 B2AB Fed Com #1H

Tom,

Sorry for the slow reply. I have been swamped today. No we should be good on the AFE and proposal. I will just need a copy of the Assignment from Sammy to you.

Feel free to give me a call today or Monday and I can help with the assignment.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

Marion Riley
1105 San Juan Dr.
Roswell, NM 88201-8354

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

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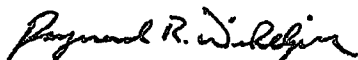
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Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033746500, addressed to Marion Riley was designated Delivered at 11:40 AM on August 27, 2018 in ROSWELL, NM 88201.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Marion Riley
1105 SAN JUAN DR
ROSWELL, NM 88201
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

Phone: (432)-682-3715

Email: rwinkeljohn@mewbourne.com

-----Original Message-----

From: Full Name [mailto:

Sent: Friday, September 21, 2018 3:20 PM

To: Ray Winkeljohn

Subject: loco hills 1/2 B2AB Fed Com #1hH

HELLO THERE, MY NAME IS TRAY RILEY. I JUST WANTED TO INFORM YOU THAT MY MOTHER (MARION RILEY) HAS PASSED AWAY. I

HAVE RECEIVED THE INFORMATION ABOUT THE NEW WELL, BUT UNFORTUNATELY WE ARE UNABLE TO PARTICIPATE IN THIS NEW WELL AT THIS TME. I HOPE THIS DOESN'T CAUSE YOU ANY INCONVENIENCE. I JUST WANTED TO MAN SURE YOU KNEW ABOUT WHAT IS GOING ON HERE. MAYBE IN THE FUTURE WE MIGHT BE ABLE TO DO SOMETHING, BUT AT THIS POINT WE ARE JUST UNABLE I . I WISH YOU WELL ON THE NEW ENDEAVOR.

SINCERELY , TRAY RILEY .

I AM HER THIRD SON AND PERSONAL REPRESENTATIVE OF HER ESTATE. THANK YOU FOR YOUR TIME, HAVE A GREAT DAY. GOD BLESS YOU!

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Monday, November 12, 2018 10:40 AM
To: Full Name
Subject: RE: loco hills 1/2 B2AB Fed Com #1hH

Hi Tray,

We would be interested in acquiring this acreage from your mothers estate. Would you entertain offers for it?

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

-----Original Message-----

From: Full Name
Sent: Wednesday, October 03, 2018 1:40 PM
To: Ray Winkeljohn <rwinkeljohn@mewbourne.com>
Subject: RE: loco hills 1/2 B2AB Fed Com #1hH

Hello, the interest is still owned by the estate, we are almost finished getting things changed over, I would think a couple more months an will be done with everything. Thanks Tray

-----Original Message-----

From: "Ray Winkeljohn" [rwinkeljohn@mewbourne.com]
Date: 10/03/2018 12:08 PM
To: "Full Name" <
Subject: RE: loco hills 1/2 B2AB Fed Com #1hH

Hi Tray,

Thanks for reaching out to me. I am sorry to hear that your mother has passed away. Is the interest still owned by the estate or has it been conveyed out to all of the heirs now.

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

Patricia Pruitt
3105 N. Washington Ave.
Roswell, NM 88201-5264

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
Section 2, T18S, R30E
Eddy County, New Mexico

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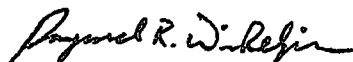
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Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033746609, addressed to Patricia Pruitt was designated Delivered, Left with Individual at 2:23 PM on August 27, 2018.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Patricia Pruitt
3105 N WASHINGTON AVE
ROSWELL, NM 88201
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

Ray Winkeljohn

From: Ray Winkeljohn
Sent: Monday, November 12, 2018 10:46 AM
To: Pat Pruitt
Subject: RE: Patricia Pruitt name change

Hi Patricia,

I wanted to check back and see if you will be participating in the Loco Hills 1/2 B2AB Fed Com #1H well?

Thanks,

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Ray Winkeljohn
Sent: Friday, October 05, 2018 3:22 PM
To: Pat Pruitt <delaniecameron@yahoo.com>
Subject: RE: Patricia Pruitt name change

Got it!

Ray Winkeljohn
Landman

Mewbourne Oil Company
500 West Texas Ave, Suite 1020
Midland, TX 79701
Phone: (432)-682-3715
Email: rwinkeljohn@mewbourne.com

From: Pat Pruitt [<mailto:delaniecameron@yahoo.com>]
Sent: Friday, October 05, 2018 8:47 AM
To: Ray Winkeljohn
Subject: Patricia Pruitt name change

Good morning Ray,
I have attached the documents that you requested so that you can get my name corrected on your records.
Please acknowledge receipt of this email so that I can be assured that you actually received it.
Thank you in advance for taking care of this matter for me.
I was not able to get in touch with John Maxey but I left a voice mail on his cell phone. I will try again today to reach him.
Blessings, Pat (Pruitt) Harvell

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

August 22, 2018

Via: Certified Mail

CLM Production Company

P.O. Box 881

Roswell, NM 88202

Attn: Land Manager

Re: Loco Hills 1/2 B2AB Fed Com #1H
330' FSL & 400' FEL (SL) (Section 36)
660' FNL & 2540' FEL (BHL) (Section 2)
Section 36, T17S, R30E
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Eddy County, New Mexico

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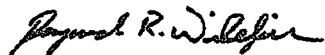
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Sincerely,

MEWBOURNE OIL COMPANY



Ray Winkeljohn
Landman



Proof of Delivery (Electronic)

Date: 11/12/2018

Client Name: Mewbourne Oil Company

Certified item number 9407110699945033745565, addressed to Attn:
Land Manager was designated Delivered at 9:19 AM on September 06,
2018 in ROSWELL, NM 88201.

The item number, time, date, city, state, and zip code is a true extract of
information provided by the United States Postal Service to
SimpleCertifiedMail.com.

Attn: Land Manager
CLM Production Company
PO BOX 881
Roswell, NM 88202
Reference #: Loco Hills 1 2 B2AB 1H WP RW
Item ID: Loco Hills 1 2 B2AB 1H WP

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MEWBORNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

| | | | |
|--|--------------|------------------------------|--|
| Well Name: Loco Hills 1/2 B2AB Fed Com #1H | | Prospect: Bone Spring | |
| Location: SL: 300' FSL & 400' FEL (36-17S-30E); BHL: 660' FNL & 2540' FEL (2) | | County: Eddy | ST: NM |
| Sec: 1 | Blk: | Survey: | TWP: 18S RNG: 30E Prop. TVD: 7917 TMD: 15545 |

| INTANGIBLE COSTS 0180 | | CODE | TCP | CODE | CC |
|--|--|-----------|--------------------|-----------|--------------------|
| Regulatory Permits & Surveys | | 0180-0100 | \$20,000 | 0180-0200 | |
| Location / Road / Site / Preparation | | 0180-0105 | \$75,000 | 0180-0205 | \$25,000 |
| Location / Restoration | | 0180-0106 | \$200,000 | 0180-0206 | \$30,000 |
| Daywork / Turnkey / Footage Drilling 24 days drtg / 4 days comp @ \$21,000/d | | 0180-0110 | \$539,000 | 0180-0210 | \$89,700 |
| Fuel 1500 gal/day @ 2.70/gal | | 0180-0114 | \$123,700 | 0180-0214 | \$295,000 |
| Mud, Chemical & Additives | | 0180-0120 | \$225,000 | 0180-0220 | |
| Horizontal Drilling Services Coil Tbg Drilling | | | | 0180-0222 | \$200,000 |
| Cementing | | 0180-0125 | \$150,000 | 0180-0225 | \$30,000 |
| Logging & Wireline Services | | 0180-0130 | \$2,000 | 0180-0230 | \$300,000 |
| Casing / Tubing / Snubbing Service | | 0180-0134 | \$20,000 | 0180-0234 | \$80,000 |
| Mud Logging | | 0180-0137 | \$20,000 | | |
| Stimulation 38 Stg 14.8 MM gal / 14.8 MM lb | | | | 0180-0241 | \$2,290,000 |
| Stimulation Rentals & Other | | | | 0180-0242 | \$150,000 |
| Water & Other | | 0180-0145 | \$50,000 | 0180-0245 | \$500,000 |
| Bits | | 0180-0148 | \$81,000 | 0180-0248 | \$8,000 |
| Inspection & Repair Services | | 0180-0150 | \$40,000 | 0180-0250 | \$5,000 |
| Misc. Air & Pumping Services | | 0180-0154 | | 0180-0254 | \$10,000 |
| Testing & Flowback Services | | 0180-0158 | \$15,000 | 0180-0258 | \$30,000 |
| Completion / Workover Rig | | | | 0180-0260 | \$10,500 |
| Rig Mobilization | | 0180-0184 | \$150,000 | | |
| Transportation | | 0180-0185 | \$20,000 | 0180-0265 | \$20,000 |
| Welding Services | | 0180-0188 | \$5,000 | 0180-0268 | \$15,000 |
| Contract Services & Supervision | | 0180-0170 | \$40,500 | 0180-0270 | \$27,000 |
| Directional Services Includes Vertical Control | | 0180-0175 | \$199,500 | | |
| Equipment Rental | | 0180-0180 | \$215,300 | 0180-0280 | \$30,000 |
| Well / Lease Legal | | 0180-0184 | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | | 0180-0185 | \$4,900 | 0180-0285 | |
| Intangible Supplies | | 0180-0188 | \$8,000 | 0180-0288 | \$10,000 |
| Damages | | 0180-0190 | \$5,000 | 0180-0290 | |
| ROW & Easements | | 0180-0192 | | 0180-0292 | \$1,000 |
| Pipeline Interconnect | | | | 0180-0293 | |
| Company Supervision | | 0180-0195 | \$129,600 | 0180-0295 | \$88,400 |
| Overhead Fixed Rate | | 0180-0196 | \$10,000 | 0180-0296 | \$20,000 |
| Well Abandonment | | 0180-0198 | | 0180-0298 | |
| Contingencies 10% (TCP) 10% (CC) | | 0180-0199 | \$235,400 | 0180-0299 | \$426,300 |
| TOTAL | | | \$2,588,900 | | \$4,688,900 |

| TANGIBLE COSTS 0181 | | CODE | TCP | CODE | CC |
|--|--|-----------|--------------------|-----------|--------------------|
| Casing (19.1" - 30") | | 0181-0793 | | | |
| Casing (10.1" - 19.0") 410' - 13 3/8" 54.5# J-55 ST&C @ \$35.90/ft | | 0181-0794 | \$15,800 | | |
| Casing (8.1" - 10.0") 3750' - 9 5/8" 40# N-80 LT&C @ \$27.61/ft | | 0181-0795 | \$110,600 | | |
| Casing (6.1" - 8.0") 8250' - 7" 26# P-110 LT&C @ \$24.15/ft | | 0181-0796 | \$212,800 | | |
| Casing (4.1" - 6.0") 8090' - 4 1/2" 13.5# P-110 BPN @ \$13.66/ft | | | | 0181-0797 | \$118,100 |
| Tubing (2" - 4") 7450' - 2 7/8" 6.5# L-80 EUE 8rd @ \$5.39/ft | | | | 0181-0798 | \$42,900 |
| Drilling Head | | 0181-0860 | \$40,000 | | |
| Tubing Head & Upper Section | | | | 0181-0870 | \$30,000 |
| Horizontal Completion Tools Completion Liner Hanger | | | | 0181-0871 | \$70,000 |
| Sucker Rods | | | | 0181-0875 | |
| Subsurface Equipment | | | | 0181-0880 | |
| Artificial Lift Systems Gas Lift Valves | | | | 0181-0884 | \$15,000 |
| Pumping Unit | | | | 0181-0885 | |
| Surface Pumps & Prime Movers 1/2 VRU/SWD Pump/Circ Pump | | | | 0181-0886 | \$35,000 |
| Tanks - Oil 3 - 750 bbl | | | | 0181-0890 | \$55,000 |
| Tanks - Water 3 - 750 bbl | | | | 0181-0891 | \$60,000 |
| Separation / Treating Equipment 30"x10"x1k# 3 ph/36"x15"x1k# Hor 3ph/Gun bbl | | | | 0181-0895 | \$45,000 |
| Heater Treaters, Line Heaters 8"x20"x75# HT | | | | 0181-0897 | \$23,000 |
| Metering Equipment | | | | 0181-0898 | \$14,000 |
| Line Pipe & Valves - Gathering | | | | 0181-0900 | \$85,000 |
| Fittings / Valves & Accessories | | | | 0181-0906 | \$60,000 |
| Cathodic Protection | | | | 0181-0908 | \$8,000 |
| Electrical Installation | | | | 0181-0909 | \$50,000 |
| Equipment Installation | | | | 0181-0910 | \$40,000 |
| Pipeline Construction | | | | 0181-0920 | \$45,000 |
| TOTAL | | | \$379,200 | | \$776,000 |
| SUBTOTAL | | | \$2,968,100 | | \$5,464,900 |
| TOTAL WELL COST | | | \$8,433,000 | | |

Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

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|-----------------------------|-----------------------|
| Prepared by: <u>T. Cude</u> | Date: <u>8/7/2018</u> |
| Company Approval: _____ | Date: _____ |

| | |
|---|------------------|
| Joint Owner Interest: _____ Amount: _____ | Signature: _____ |
| Joint Owner Name: _____ | |

ATTACHMENT D