

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

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

Case No. 16499

VERIFIED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

Charles Crosby, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
 - (a) Attachment A is a structure map of the Bone Spring formation, on the base of the 2nd Bone Spring Sand. It shows that structure dips gently to the east-southeast. It also shows a line of cross-section.
 - (b) Attachment B is a gross sand isopach of the Lower 2nd Bone Spring Sand, the test zone for the proposed Wishbone 35/34 State Com 1H. Well No. 1H. It shows that the sand across the well unit has a uniform thickness of approximately 120 feet.
 - (c) Attachment C is a west-east cross section. The well logs on the cross-section give a representative sample of the 2nd Bone Spring Sand formation in this area. The target zone for the well is the Lower 2nd Bone Spring Sand, and that zone is continuous across the well unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) Each quarter-quarter section in the unit will contribute more or less equally to production.

EXHIBIT

4

(c) There is no faulting or other geologic impediment on the area which will affect the drilling of the subject well.

5. Attachment D contains information from other wells drilled in this area. The preference is for laydown units, and the completed wells in the area (recent completions) are apparently commercial.

6. Attachment E is the Survey Calculation Report. The producing interval of the proposed well will be orthodox.

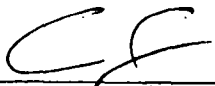


Charles Crosby

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

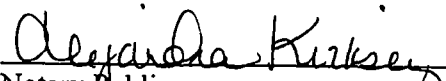
Charles Crosby, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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



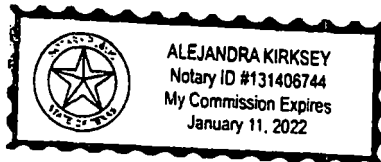
Charles Crosby

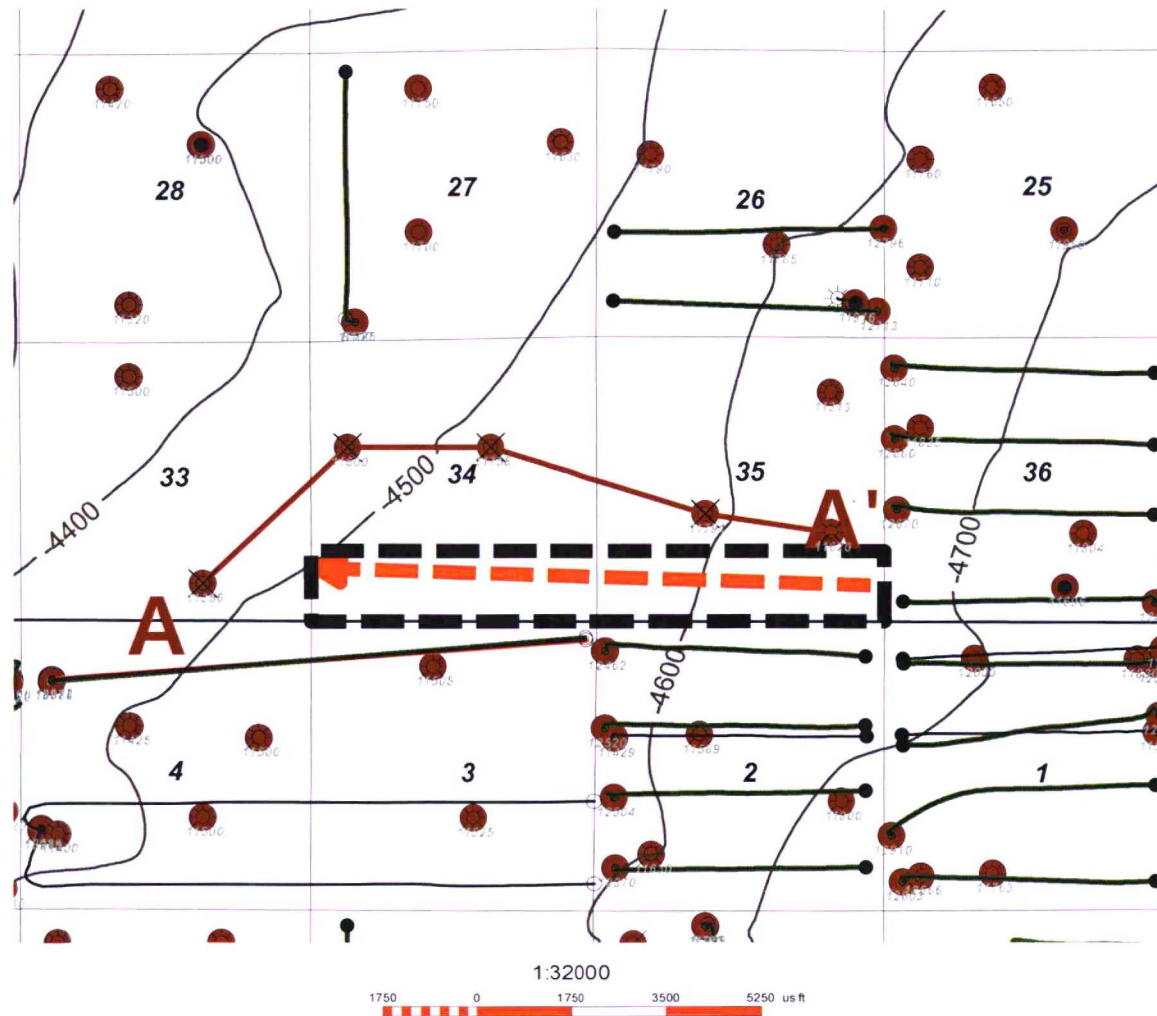
SUBSCRIBED AND SWORN TO before me this 29th day of October, 2018 by Charles Crosby.

My Commission Expires: January 11, 2022



Notary Public






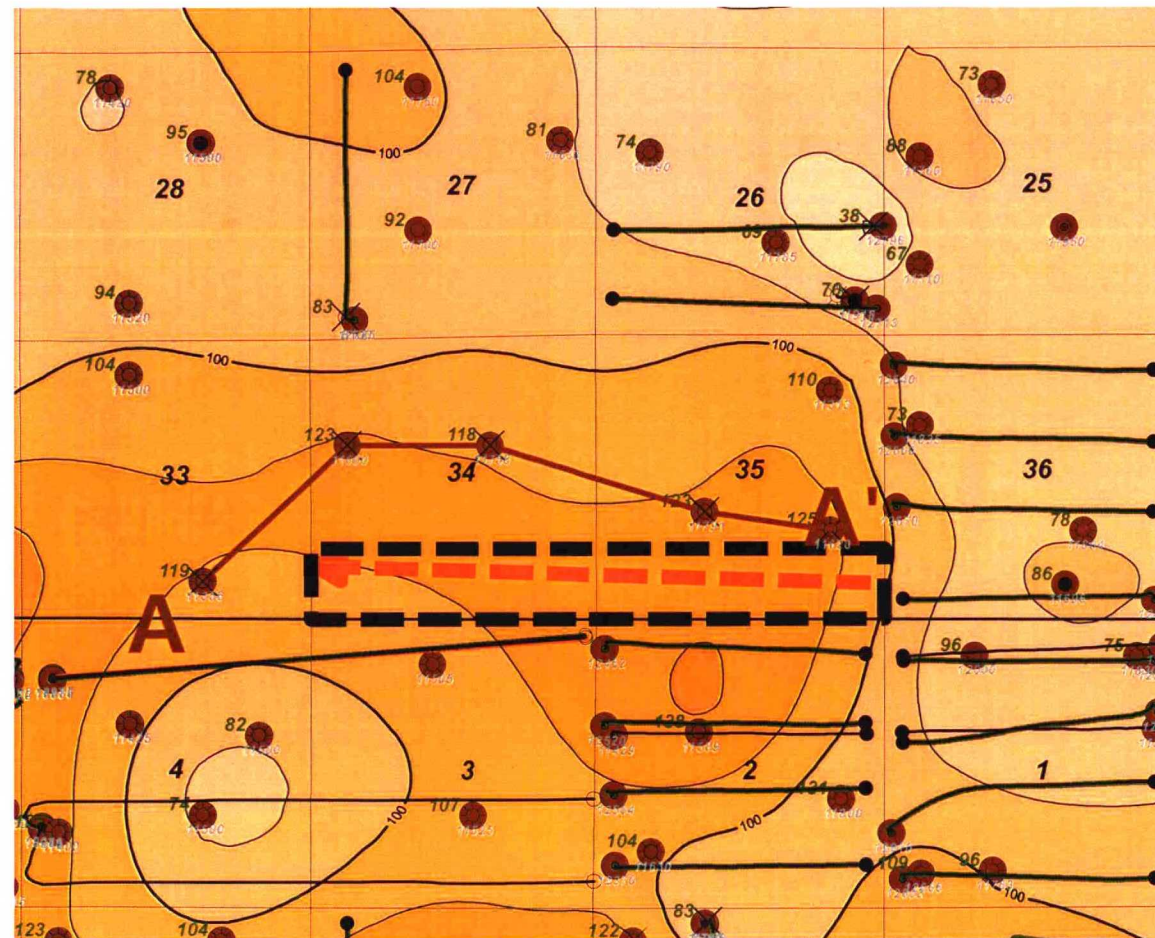
ATTACHMENT

— 2nd Bone Spring Sand

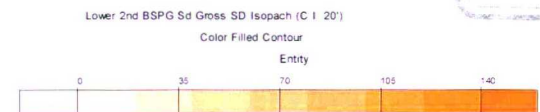


 Mewbourne Oil Company		
Wishbone 35/34 B2PM State Com 1H Horizontal Activity Map Base 2nd BSPG SD Structure (C.I. 100') Wells TD > 7000'		
10/26/2018	Eddy County	New Mexico
		Geol. C. Crosby

ATTACHMENT




1:32000
1750 0 1750 3500 5250 us ft

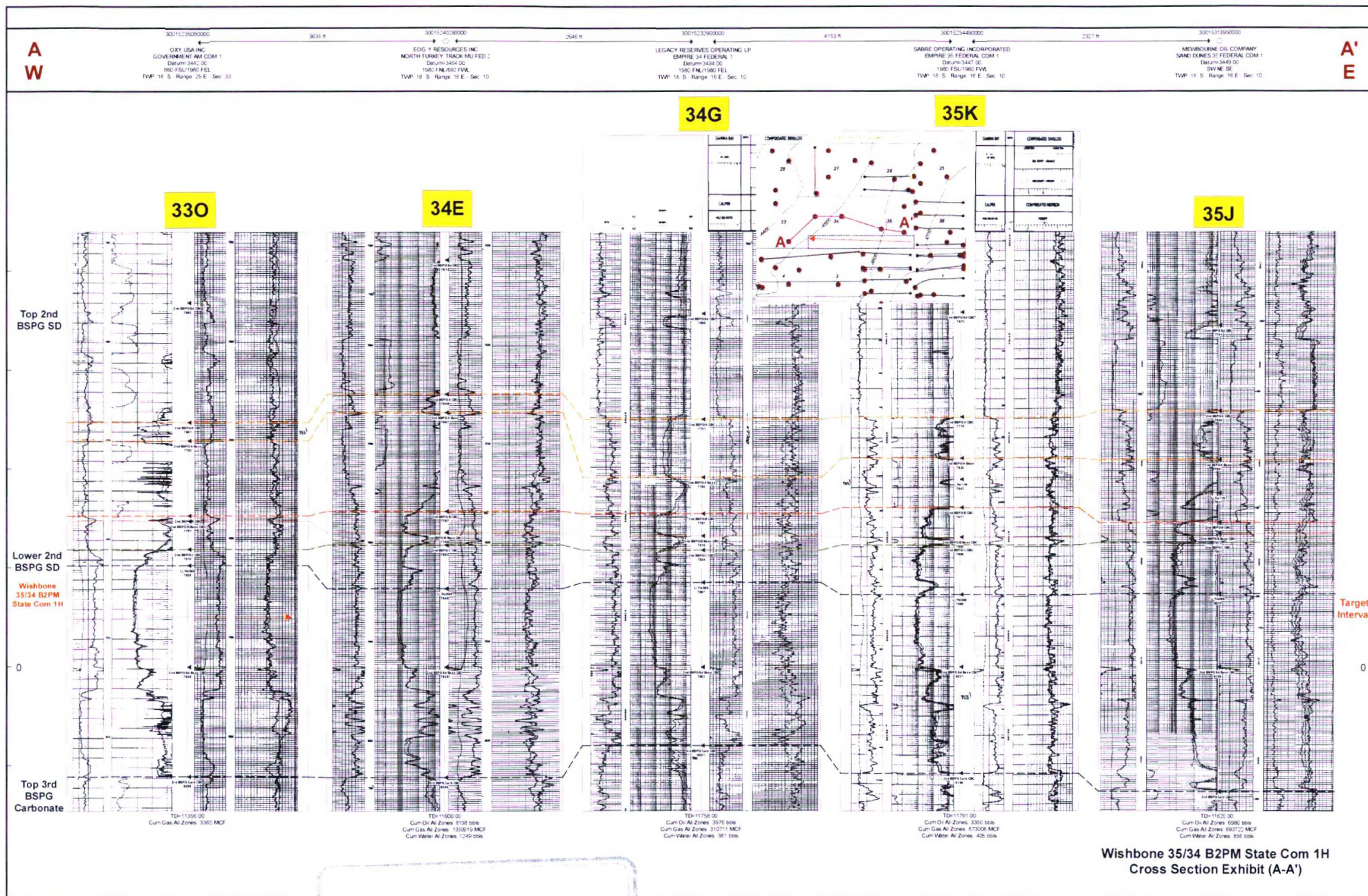


2nd Bone Spring Sand



Lower 2nd BSPG SD
Gross Thickness (ft)

 Mewbourne Oil Company		
Wishbone 35/34 State Com 1H Horizontal Activity Map Lower 2nd BSPG SD Gross Thickness (C.I. 20') Wells TD > 7000'		
10/26/2018	Eddy County	New Mexico
		Geol: C. Crisby

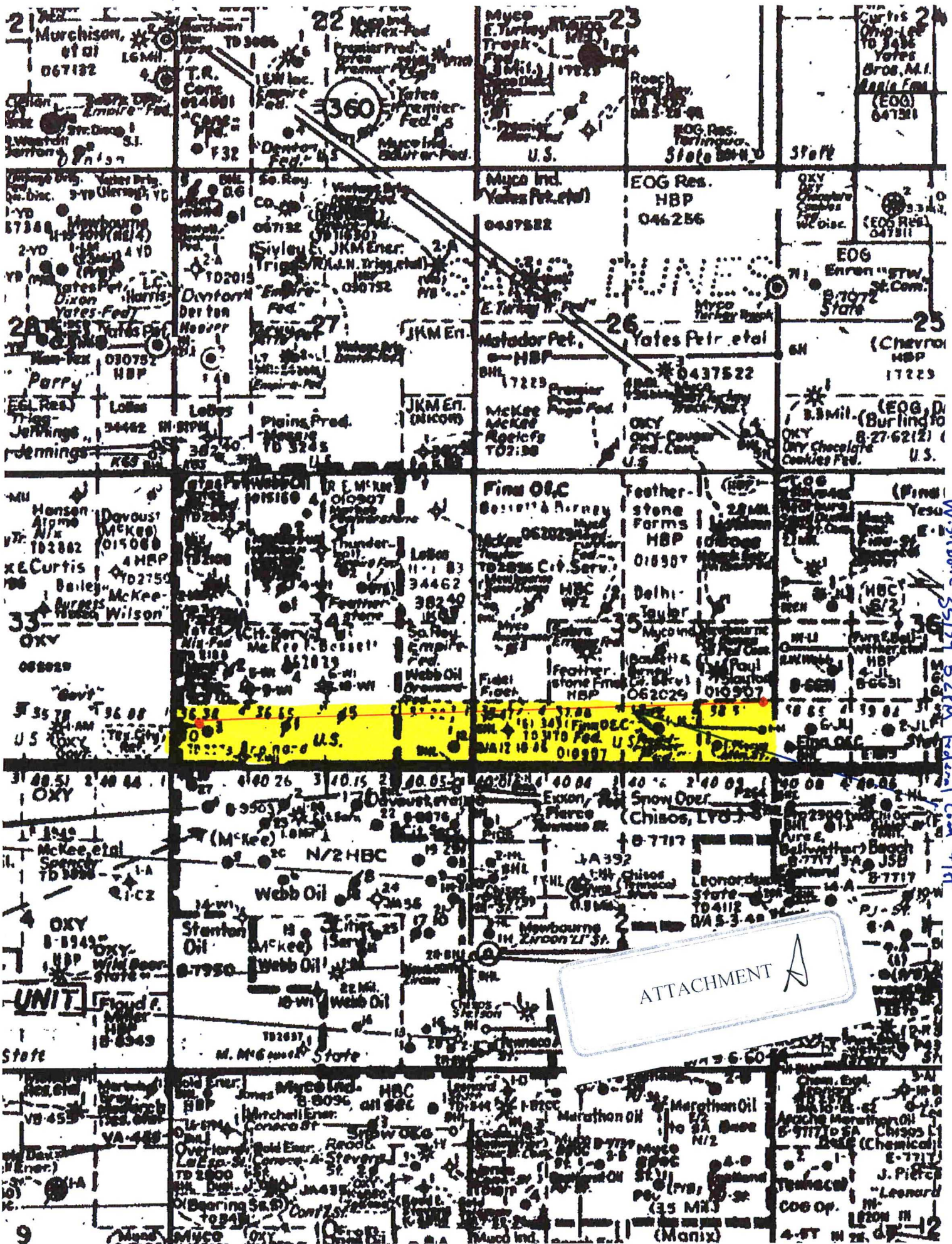


ATTACHMENT

C

Wishbone Area 2nd BSPG Production Table									
Well Name	Operator	API	Location	WFMP Comp Date	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	NS/EW	WFMP Zone
East Turkey Track Federal Com 5H	EOG	3001538415	26P/18S/29E	3/7/2012	71.5	0.2	69.6	EW	Upper 2nd BSPG SD
East Turkey Track Federal Com 6H	EOG	3001538416	26I/18S/29E	4/11/2012	30.7	0.1	65.8	EW	Lower 2nd BSPG SD
Empire A Federal Com 3H	Cimarex	3001538659	27M/18S/29E	11/4/2011	24.1	0.07	39.8	NS	Lower 2nd BSPG SD
Zircon 2 State Com 1H	Mewbourne	3001539117	2M/18S/29E	1/13/2012	136.4	0.3	184.3	EW	Lower 2nd BSPG SD
Zircon 1 State 1H	Mewbourne	3001539198	1M/18S/29E	9/16/2012	184.5	0.3	268.2	EW	Lower 2nd BSPG SD
Zircon 1 State 2H	Mewbourne	3001539833	1A/19S/29E	4/24/2012	175.4	0.5	152.1	EW	Lower 2nd BSPG SD
Zircon 2 LI State 1H	Mewbourne	3001539929	2L/19S/29E	5/29/2012	117.8	0.2	125.8	EW	Lower 2nd BSPG SD
Bradley 36 PM State Com 1H	Mewbourne	3001540069	36P/18S/29E	10/5/2013	131.6	0.4	98.9	EW	Lower 2nd BSPG SD
Zircon 2 EH State 1H	Mewbourne	3001540572	2E/19S/29E	1/12/2013	79.4	0.2	110.4	EW	Lower 2nd BSPG SD
Zircon 2 DA State 1H	Mewbourne	3001541133	2D/19S/29E	5/10/2013	102.2	0.2	104.7	EW	Lower 2nd BSPG SD
Zircon 1 LI State 1H	Mewbourne	3001541307	1L/19S/29E	8/17/2013	116.7	0.3	129.4	EW	Lower 2nd BSPG SD
Zircon 1 HE State 2H	Mewbourne	3001541731	1H/19S/29E	1/28/2014	80.9	0.2	118.6	EW	Lower 2nd BSPG SD
Bradley 36 LI State Com 1H	Mewbourne	3001541777	36L/18S/29E	2/14/2014	115.8	0.3	111.6	EW	Lower 2nd BSPG SD
Bradley 36 B2EH State Com 1H	Mewbourne	3001542403	36E/18S/29E	9/26/2014	113.1	0.4	88.8	EW	Lower 2nd BSPG SD
Bradley 36 B2DA State Com 1H	Mewbourne	3001542696	36D/18S/29E	3/14/2015	72.5	0.2	66.4	EW	Lower 2nd BSPG SD

ATTACHMENT D



Wishbone 35134 822M Federal Con #14

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 WISHBONE 35/34 B2PM FEDERAL COM				6 Well Number 1H	
7 OGRID NO.		8 Operator Name MEWBOURNE OIL COMPANY				9 Elevation 3436'	

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
1	35	18S	29E		1240	SOUTH	275	EAST	EDDY

11 Bottom Hole Location If Different From Surface

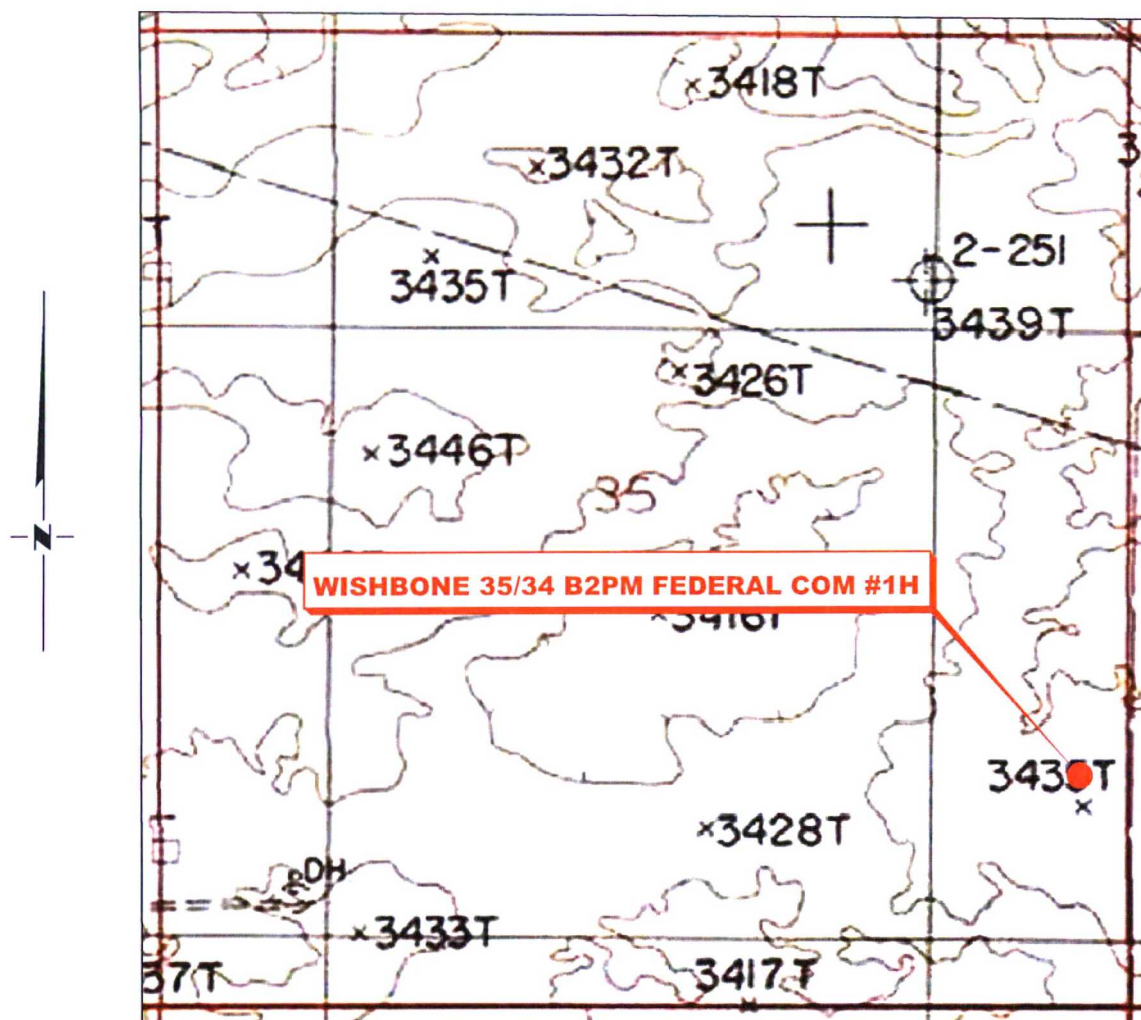
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	34	18S	29E		900	SOUTH	330	WEST	EDDY

12 Dedicated Acres	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.

<p>16</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION</u> N 618623.4 - E 632262.7</p> <p>LAT: 32.7002896° N LONG: 104.0377469° W</p> <p><u>BOTTOM HOLE</u> N 618313.1 - E 622309.6</p> <p>LAT: 32.6995088° N LONG: 104.0701054° W</p>			<p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND FND 1/2" REBAR N 617414.7 - E 621981.9</p> <p>B: FOUND BRASS CAP "1916" N 622568.7 - E 621969.3</p> <p>C: FOUND BRASS CAP "1916" N 622583.4 - E 627257.6</p> <p>D: FOUND BRASS CAP "1916" N 622591.5 - E 629892.3</p>			<p>E: FOUND 1/2" REBAR N 622601.4 - E 632525.6</p> <p>F: FOUND BRASS CAP "1916" N 619959.0 - E 632533.0</p> <p>G: FOUND 1 1/2" IRON PIPE N 617383.1 - E 632541.9</p> <p>H: FOUND 2" GALVANIZED PIPE N 617392.1 - E 627274.1</p> <p>I: FOUND BRASS CAP "1916" N 619943.3 - E 627266.1</p>			<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>		
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>12-21-2017 Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>19680 Certificate Number</p> <p>REV: 3/23/18 ReStkd</p> <p>Job No.: LS1711734R</p>			<p>19</p> <p>ROBERT M. HOWETT PROFESSIONAL SURVEYOR NEW MEXICO 19680</p>			<p>20</p> <p>19680 Certificate Number</p>					

LOCATION VERIFICATION MAP



*SECTION 35 TWP. 18 SOUTH, RGE. 29 EAST,
N. M. P. M., EDDY COUNTY, NEW MEXICO*

OPERATOR: Mewbourne Oil Company
LEASE: Wishbone 35/34 B2PM Federal Com
WELL NO.: 1H
ELEVATION: 3436'

LOCATION: 1240' FSL & 275' FEL
CONTOUR INTERVAL: 10'
USGS TOPO. SOURCE MAP:
Illinois Camp NE, NM (P. E. 1985)

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NO.	REVISION	DATE
JOB NO.: LS1711734R		
DWG. NO.: 1711734LVM		

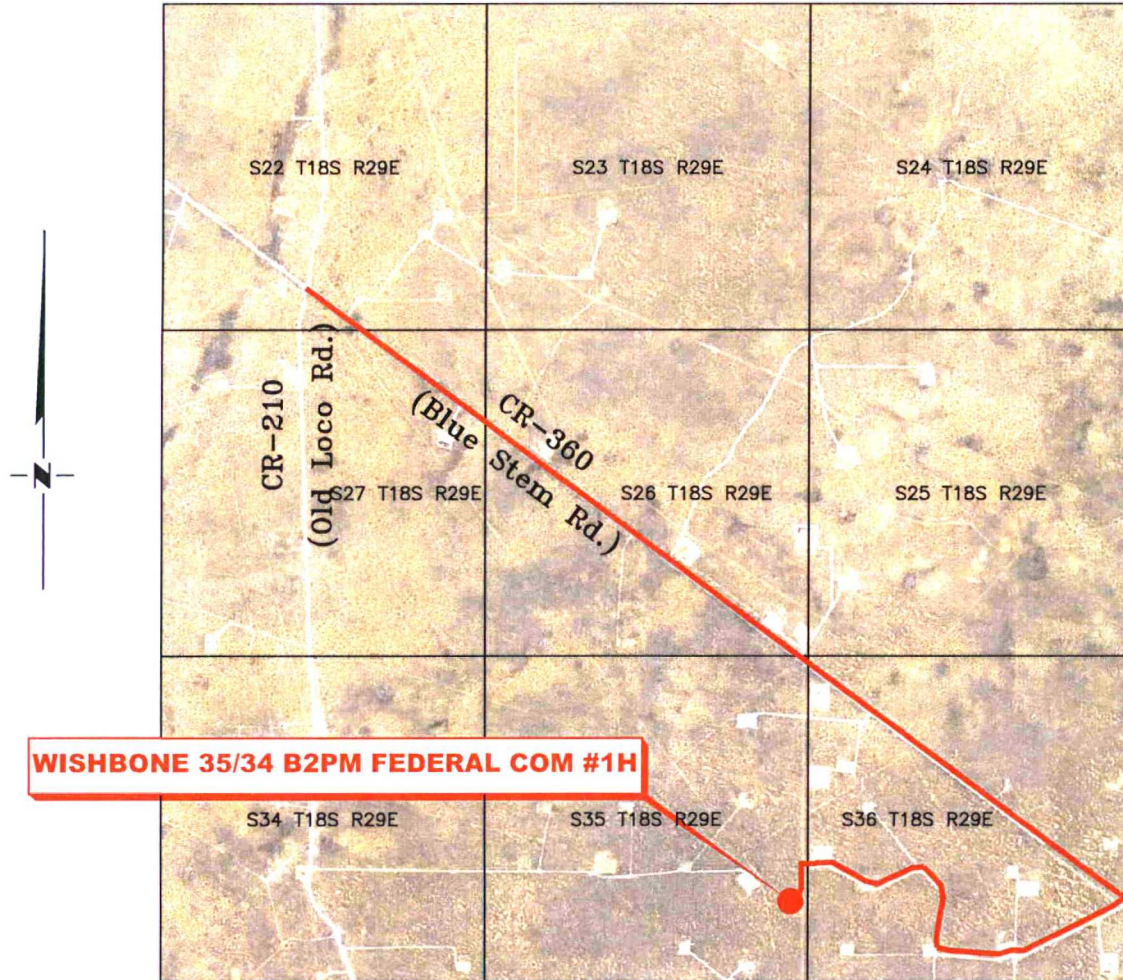


308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 3-19-2018
SURVEYED BY: ML/TF
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1

VICINITY MAP

NOT TO SCALE



*SECTION 35, TWP. 18 SOUTH, RGE. 29 EAST,
N. M. P. M., EDDY COUNTY, NEW MEXICO*

OPERATOR: Mewbourne Oil Company

LOCATION: 1240' FSL & 275' FEL

LEASE: Wishbone 35/34 B2PM Federal Com

ELEVATION: 3436'

WELL NO.: 1H

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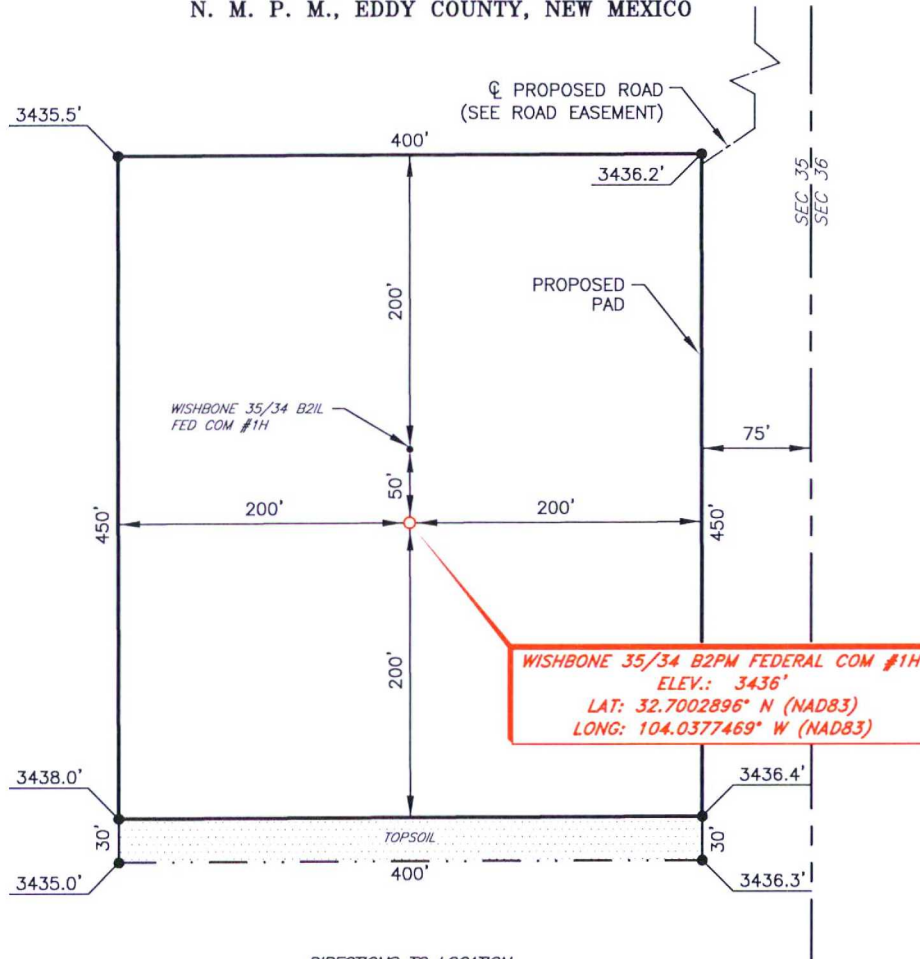
NO.	REVISION	DATE
JOB NO.: LS1711734R		
DWG. NO.: 1711734VM		

RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: N / A
DATE: 3-19-2018
SURVEYED BY: ML/TF
DRAWN BY: LPS
APPROVED BY: RMH
SHEET: 1 OF 1

MEWBOURNE OIL COMPANY
WISHBONE 35/34 B2PM FEDERAL COM #1H
(1240' FSL & 275' FEL)
SECTION 35, T18S, R29E
N. M. P. M., EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of CR-210 (Old Loco Rd.) and CR-360 (Blue Stern Rd.);
 Go South on CR-360 approx. 3.1 miles to a lease road on the right;
 Turn right and go West approx. 0.6 miles to lease road on the right;
 Turn right and go North approx. 0.3 miles to lease road on the left;
 Turn left and go West approx. 0.3 miles to a proposed road on Southwest side of
 an existing Pad;
 Continue West on proposed road and go approx. 163 feet to a proposed road on the left;
 Turn left and go South approx. 390 feet to a proposed on the right;
 Turn right and go Southwest approx. 250 feet to location on the left.

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY, BOUNDARY DATA IS SHOWN FROM A PREVIOUS SURVEY REFERENCED HEREON.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
 Robert M. Howett NM PS 19680



SCALE: 1" = 100'
 0 50' 100'
 BEARINGS ARE GRID NAD 83
 NM EAST
 DISTANCES ARE HORIZ. GROUND.

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NO.	REVISION	DATE
JOB NO.:	LS1711734R	
DWG. NO.:	1711734PAD	

RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE:	1" = 100'
DATE:	3-19-18
SURVEYED BY:	ML/TF
DRAWN BY:	LPS
APPROVED BY:	RMH
SHEET:	1 OF 1

TRACT OWNERHSIP
Wishbone 35/34 B2PM Federal Com No. 1H
S/2 S/2 of Section 35 & S/2 S/2 of Section 34
Township 18 South, Range 29 East
Eddy County, New Mexico

S/2 S/2 of Section 35 & S/2 S/2 of Section 34:
Bone Spring formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company	36.488513%
* Devon Energy Production Co.	16.644931%
* RKI Exploration & Production, LLC	12.835158%
* OXY U.S.A., Inc.	6.129378%
* Paul Slayton and wife, Patricia Slayton	4.462131%
Snow Operating Company, Inc.	3.995197%
Tara-Jon Corporation	3.119855%
The Mark Wilson Family Partnership	3.012782%
* Durango Production Corp.	2.708795%
Rio Pecos Corporation	2.663899%
* PEO Delaware, LLC	2.294864%
Joel R. Miller, LP	1.781920%
* Cannon Exploration Co.	1.318269%
* The Roger & Holly Elliott Family Partnership	1.318269%
* Silverton Petroleum, Inc	0.902833%
* Jamesco, Inc.	0.323206%
	<hr/>
	100.000000%

*** Total interest being pooled: 48.937833%**

ATTACHMENT

B

Summary of Communications
Wishbone 35/34 B2PM Federal Com No. 1H

OXY U.S.A., Inc.

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

12/18/17 – Received green card signed by James Beard.

12/21/17 – Received email from Lauren Guest to follow up with OXY's interest and discuss title issues.

6/20/18 – Received OXY's executed AFE.

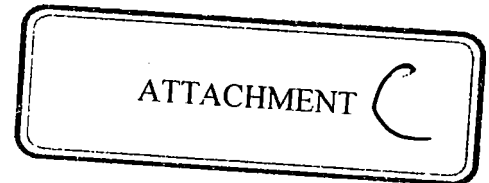
3/21/18 – Received email of OXY's suggested JOA changes.

7/11/18 – Emailed Lauren to follow up on prospect.

7/17/18 – Responded to OXY's proposed JOA changes.

10/25/18 – Called Lauren to follow up with contingent acceptance on suggested JOA changes.

12/21/17-10/25/18 – Various email correspondence with OXY.



RKI Exploration & Production, LLC

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

12/14/17 – Received green card signed by Mechele Kookan.

10/17/18 – Talked to Aaron Young to follow up on the prospect and discuss moving forward.

10/25/18 – Called Aaron Young, no answer, left a message.

Devon Energy Production Co.

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

12/14/17 – Received green card signed by D. Luper.

8/13/18 – Received email with Devon's executed AFE for the Wishbone 35/34 B2PM Federal Com #1H and discussed moving forward.

PEO Delaware, LLC

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17 to original parties that PEO has since acquired their interests.

12/14/17 – Received various green card signed by various parties whose interest has since been acquired by PEO.

9/26/18 – Received call from Pat Snyder that PEO had acquired several parties interest in this prospect.

10/11/18 – Received Assignment from PEO, they acquired all the working interests from Redfern Enterprises, Inc., Floyd Energy Ltd., & Dillard, Fisher, & Dillard Partnership in the proposed unit.

9/26/18 – 10/11/18 – Various email correspondence with PEO.

Durango Production Corporation

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

12/14/17 – Received green card signed by an illegible signature.

2/5/18 – Received Durango Production Corp. executed Wishbone 35/34 B2PM Federal Com #1H AFE.

10/24/18 – Called to follow up on prospect, received no answer, left voicemail.

Cannon Exploration Co.

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

12/13/17 – Received green card signed by Todd M. Wilson.

10/12/18 – Called to follow up on prospect, received no answer, left voicemail.

10/19/18 – Talked to Todd Wilson's secretary, she said he out of town hunting for 10 days, if she talks to him, she'll give him the message.

10/23/18 – Talked to Todd, said he'll either participate or do a deal.

Jamesco, Inc.

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

12/14/17 – Received green card signed by Rhodes.

10/24/18 – Called to follow up on prospect, received no answer, left message.

10/29/18 – Missed James Littlejohn's call, returned phone call to no answer, left message.

Paul Slayton and wife, Patricia Slayton

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

12/14/17 – Received green card signed by Kelly Robertson.

10/12/18 – Called to follow up on prospect, received no answer, left voicemail.

10/15/18 – Missed call from Paul's secretary Paula, she said the executed documents are in the mail.

10/19/18 – Talked to his secretary Paula, she indicated that they should have everything signed next week.

The Roger & Holly Elliott Family Partnership

1/17/18 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

1/24/18 – Received green card signed by an Holly Elloitt.

10/24/18 – Spoke with Holly Elloitt, she indicated she did not want to participate.

Silverton Petroleum, Inc.

12/7/17 – Mailed Wishbone 35/34 B2PM Federal Com #1H well proposal letters, AFE, & JOA via certified mail dated 12/7/17.

1/6/18 – Received green card signed by an illegible signature.

10/24/18 – Called to follow up on prospect, received no answer, left a message for Stewart Heighten to call me

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

OXY USA, Inc.
P.O. Box 4294
Houston, TX 77210
Attn: John Schneider

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, OXY USA Inc. ("OXY") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event OXY elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman

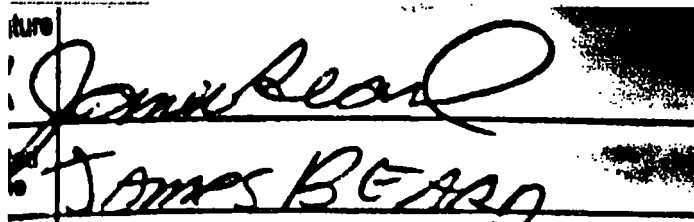


Date: December 18, 2017

Simple Certified:

The following is in response to your December 18, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027507500. The delivery record shows that this item was delivered on December 18, 2017 at 4:54 am in HOUSTON, TX 77210. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a signature. The signature is written in cursive and appears to read "James Bead". Below the signature, the name "JAMES BEAD" is printed in a bold, sans-serif font.

Address of Recipient :

A scanned image of a recipient's address. The address is written in a cursive script and appears to read "Oxy USA Inc". Below the address, the name "OXY USA INC" is printed in a bold, sans-serif font.

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

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

Sincerely,
United States Postal Service

Attn: John Schneider
OXY USA Inc.
PO BOX 4294
HOUSTON, TX 77210
Reference #: Wishbone 35/34 B2PM #1H TD
Item ID: Wishbone 35 34 B2PM No1H

Josh Anderson

From: Josh Anderson
Sent: Thursday, October 25, 2018 3:26 PM
To: 'Guest, Lauren B'
Subject: RE: Wishbone 35/34 B2PM
Attachments: Wishbone JOA - Exhibit A.PDF

Lauren,

Just circling back around to see where we are on this. I've attached the most recent Exhibit "A".

Let me know.

Thanks,

Josh Anderson

Petroleum Landman
500 West Texas Ave., Suite 1020
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Wednesday, July 25, 2018 9:15 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Wishbone 35/34 B2PM

That is understandable!

From: Josh Anderson <janderson@mewbourne.com>
Sent: Wednesday, July 25, 2018 8:48 AM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Wishbone 35/34 B2PM

Oh sorry, that's right, we only proposed one well so far. I was thinking of another prospect, sorry hadn't had my coffee yet.

From: Guest, Lauren B [mailto:Lauren_Guest@oxy.com]
Sent: Wednesday, July 25, 2018 8:17 AM
To: Josh Anderson
Subject: RE: Wishbone 35/34 B2PM

Josh,

We only received the AFE for the Wishbone 35-34 B2PM Fed Com #1H (attached).

Thanks,
Lauren

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Wednesday, July 25, 2018 8:04 AM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Wishbone 35/34 B2PM

Lauren,

Sorry, I've been out of the office, we actually proposed two wells, let me know if you didn't receive one of our well proposals.

As far as creating a two section unit, we plan on in the future coming in and developing the rest of the unit with more wells.

We are working on title as we speak, and I will get an Exhibit A out to all Working Interest parties as soon as it becomes available.

If you need anything else, let me know.

Thanks,

Josh Anderson
Petroleum Landman
[500 West Texas Ave., Suite 1020](#)
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



From: Guest, Lauren B [mailto:Lauren_Guest@oxy.com]
Sent: Wednesday, July 25, 2018 7:45 AM
To: Josh Anderson
Subject: RE: Wishbone 35/34 B2PM

Good Morning Josh,

I am just checking back on my email below.

Thank you,
Lauren Guest

From: Guest, Lauren B
Sent: Wednesday, July 18, 2018 4:48 PM
To: 'Josh Anderson' <janderson@Mewbourne.com>
Subject: RE: Wishbone 35/34 B2PM

Hi Josh,

Thank you getting back to me on this. I will need to go back and review the provisions in the JOA. Is there a reason why Mewbourne is creating a 1,258.97 acre working interest unit for this one well?

Has a title opinion or the Exhibit A been prepared for the JOA? I am working on confirming Oxy's working interest in the proposed well.

Thank you for your help,
Lauren

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Tuesday, July 17, 2018 3:43 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Wishbone 35/34 B2PM

Lauren,

Sorry it has taken us so long to get back to you on this, but in response to OXY's suggested changes for the captioned prospect above, please refer to our responses in red below:

- Page 2- strike lines 48-50

Ok, but this doesn't really come into play, since it is a 1,280 acre unit.

- Page 10- Make SEL \$50,000

We would like to keep this as \$75,000. \$75,000 is still minimal in the grand scheme of things, and other operators, such as Concho, have switched to this, as it is the going rate in the area.

- Page 11- paragraph G- change 10 days to 30

We need to keep this as 10 days. If need be, I can connect you with our Gas Balancing Department and someone can give you more explanation.

- Page 15- Strike lines 7-13
- Page 15-Strike the pref right

We would prefer to keep the two articles above the same, just mainly due to all the Private Equities that are currently around, and how fast title is switching hands. It helps us keep all the interests straight and keeps title more clear.

- Page 17- Article XV- paragraph A- select option 2

We would also prefer to keep this as Option No. 1, just mainly because we are doing much of the leg work to pool any non-participating parties.

- Page 18- Article XVI-paragraph D- change to 60 days

We would like to keep this as 30 days, because we need to know corrections ASAP for multiple purposes. Changing it to 60 would simply take too long to get replies.

- Add Oxy's self-insurance language to Ex. D. "Notwithstanding the foregoing, OXY USA INC shall have the right to self insure any of the foregoing insurance requirements and Operator shall not bill any portion of the premiums attributable to such policies against OXY USA INC, except with respect to workers' compensation as provided in Article V.D.9 of this Agreement. The foregoing is personal in nature to OXY USA INC and in the event OXY USA INC assigns its interest in this Agreement, the assignee pursuant to such assignment shall be responsible for its proportionate share of the premiums attributable to such policies."

In the past we usually just do a side Letter Agreement for this with OXY.

GBA:

- Page 6. In lines 1-3 strike " party taking Gas in kind is prohibited from taking Gas in kind through Operator's meter facilities with a pipeline company and Operator will not be obligated to construct or incur any cost other than a simple tap and value at Operator's gas sales meter site to deliver Gas to the Party taking Gas in kind."

This too is an area that our Gas Balancing Department says we simply can't change because that it is impossible due to the number of CDPs (Common Delivery Points) in the area. If a WI party decides they want to take-in-kind, we need to keep everything as separate as we possibly can. Once again, I can refer you to our Gas Balancing Department, and they can explain things more in depth if need be.

Let me know what you think, and if you have any questions or concerns, feel free to give me a call and we can talk about it, or I can connect you to someone who can explain it better than me.

Thanks,

Josh Anderson

Petroleum Landman

500 West Texas Ave., Suite 1020

Midland, TX 79701

Phone: (432) 682-3715 | Fax: (432) 685-4170

Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Josh Anderson

Sent: Wednesday, July 11, 2018 11:39 AM

To: 'Guest, Lauren B'

Subject: RE: Wishbone 35/34 B2PM

Alright, I will look over these and get back to you ASAP.

Sorry for the delay!

From: Guest, Lauren B [mailto:Lauren_Guest@oxy.com]

Sent: Wednesday, July 11, 2018 11:38 AM

To: Josh Anderson

Subject: RE: Wishbone 35/34 B2PM

Hi Josh,

Thank you for reaching out.

No, I never received an update as to the requested changes to the JOA. That was my last email with Trace.

Thanks,
Lauren

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Wednesday, July 11, 2018 11:35 AM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Wishbone 35/34 B2PM

Lauren,

Trace is no longer with the company, and I will be taking over this prospect.

Did he ever get back with you as to your requested changes on this?

Thanks,

Josh Anderson

Petroleum Landman
[500 West Texas Ave., Suite 1020](#)
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Cy Shook
Sent: Monday, July 09, 2018 9:24 AM
To: Josh Anderson
Subject: FW: Wishbone 35/34 B2PM

Are you the Wishbone?

Cy Shook

Landman

Mewbourne Oil Company
500 West Texas Ave., Suite 1020
Midland, TX 79701-4279

Main: 432-682-3715
Fax: 432-685-4170

From: Guest, Lauren B [mailto:Lauren_Guest@oxy.com]
Sent: Monday, July 09, 2018 8:45 AM
To: Trace Dilliner
Subject: RE: Wishbone 35/34 B2PM

Hi Trace,

I hope you enjoyed your weekend.

Will you please give me an update as to the status of this well proposal and JOA?

Thank you,
Lauren Guest

From: Trace Dilliner <tdilliner@mewbourne.com>
Sent: Wednesday, March 21, 2018 2:03 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Wishbone 35/34 B2PM

Lauren,

Thank you for getting these over to me. I will take the changes to my manager. Also, I have sent the abstract and all relevant information for the Title Opinion to our attorney so hopefully we get that back soon and can issue an Exhibit "A".

Trace Dilliner
Petroleum Landman
Mewbourne Oil Company
500 West Texas Ave, Ste. 1020
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 802-4942
Email: TDilliner@Mewbourne.com

From: Lauren_Guest@oxy.com [mailto:Lauren_Guest@oxy.com]
Sent: Wednesday, March 21, 2018 9:38 AM
To: Trace Dilliner
Subject: RE: Wishbone 35/34 B2PM

Hi Trace,

Oxy would like to propose the following changes to the Wishbone JOA. Upon receiving the Exhibit A I may have a few more changes to propose.

- Page 2- strike lines 48-50
- Page 10- Make SEL \$50,000
- Page 11- paragraph G- change 10 days to 30
- Page 15- Strike lines 7-13
- Page 15-Strike the pref right
- Page 17- Article XV- paragraph A- select option 2
- Page 18- Article XVI-paragraph D- change to 60 days
- Add Oxy's self-insurance language to Ex. D. "Notwithstanding the foregoing, OXY USA INC shall have the right to self insure any of the foregoing insurance requirements and Operator shall not bill any portion of the premiums attributable to such policies against OXY USA INC, except with respect to workers' compensation as provided in Article V.D.9 of this Agreement. The foregoing is personal in nature to OXY USA INC and in the event OXY USA INC assigns its interest in this Agreement, the assignee pursuant to such assignment shall be responsible for its proportionate share of the premiums attributable to such policies."

GBA:

- Page 6. In lines 1-3 strike “ party taking Gas in kind is prohibited from taking Gas in kind through Operator’s meter facilities with a pipeline company and Operator will not be obligated to construct or incur any cost other than a simple tap and value at Operator’s gas sales meter site to deliver Gas to the Party taking Gas in kind.”

Let me know if you have any questions.

Thank you,
Lauren

From: Guest, Lauren B
Sent: Wednesday, February 14, 2018 4:07 PM
To: 'Trace Dilliner' <tdilliner@mewbourne.com>
Subject: RE: Wishbone 35/34 B2PM

Thank you for the update. Based on what our system shows the interest was about 5% off. I am pulling files for a better review, its possible our system isn't correct.

I will get proposed JOA revisions to you in the next couple weeks.

Thanks,
Lauren

From: Trace Dilliner [<mailto:tdilliner@mewbourne.com>]
Sent: Wednesday, February 14, 2018 2:40 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Wishbone 35/34 B2PM

Lauren,

We have not received it. Currently waiting on the federal abstract to come in and then it should be off to the attorney. In the interim, since OXY plans to participate, if there are any JOA revisions that you'd like to request we can go ahead and work on those. Our main interest in proposing prior to receiving title was to begin talks regarding the JOA so could have the unit ready to go shortly after confirming all of the partners' interests. Is our projected total credited to OXY close to what you guys show in your system?

Thank you,

Trace Dilliner
Petroleum Landman
Mewbourne Oil Company
500 West Texas Ave, Ste. 1020
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 802-4942
Email: TDilliner@Mewbourne.com

From: Lauren_Guest@oxy.com [mailto:Lauren_Guest@oxy.com]
Sent: Wednesday, February 14, 2018 1:51 PM
To: Trace Dilliner
Subject: RE: Wishbone 35/34 B2PM

Hi Trace,

Just check back to see if you have received any title. Oxy is interest in participating in the well, but I need to confirm our interest in the proposed well.

Thank you,
Lauren

From: Trace Dilliner [<mailto:tdilliner@mewbourne.com>]
Sent: Thursday, December 21, 2017 2:57 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] Re: Wishbone 35/34 B2PM

We do not have updated title yet. I can provide it as soon as it is available, though.

Sent from my iPhone

On Dec 21, 2017, at 2:26 PM, "Lauren_Guest@oxy.com" <Lauren_Guest@oxy.com> wrote:

Thank you for the information.

Do you have title opinion you can share for this well?

-Lauren

From: Trace Dilliner [<mailto:tdilliner@mewbourne.com>]
Sent: Thursday, December 21, 2017 1:04 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Wishbone 35/34 B2PM

Lauren,

Yes I apologize for the mistake there – A bit of miscommunication between me and our tech. We are targeting the Bone Spring in the proposed well. As of now we have 2 wells planned in 2018, starting in Q3. However there is a very high likelihood we will be drilling more on a longer timeline.

Please let me know if you have any further questions.

Thanks,

Trace Dilliner
Petroleum Landman
Mewbourne Oil Company
500 West Texas Ave, Ste. 1020
Midland, TX 79701 US

Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 802-4942
Email: TDilliner@Mewbourne.com

From: Lauren_Guest@oxy.com [mailto:Lauren_Guest@oxy.com]
Sent: Thursday, December 21, 2017 11:30 AM
To: Trace Dilliner
Subject: Wishbone 35/34 B2PM

Hi Trace,

I am looking over the proposal for the Wishbone 35-34 B2PM well and noticed the AFE list the Bone Spring as the prospect. I wanted to confirm that the proposed well be targeting the Wolfcamp formation.

Will you also let me know how many wells Mewbourne has planned for this unit?

Thank you,

Lauren Guest
Land Negotiator Staff
Occidental Oil & Gas Corp.
5 Greenway Plaza, Suite 110 | Houston, TX 77046
Office: (713) 985-6987
E-Mail: Lauren_Guest@oxy.com

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

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

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, RKI Exploration & Production, LLC ("RKI") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event RKI elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: December 14, 2017

Simple Certified:

The following is in response to your December 14, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027507616. The delivery record shows that this item was delivered on December 14, 2017 at 7:32 am in TULSA, OK 74101. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section
M/Koul
Michele Koulken

Address of Recipient :

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

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

Sincerely,
United States Postal Service

RKI Exploration and Production, L.L.C.
3500 ONE WILLIAMS CTR STE 3500
TULSA, OK 74172
Reference #: Wishbone 35/34 B2PM #1H TD
Item ID: Wishbone 35 34 B2PM No 1H

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Devon Energy Production Company
333 W. Sheridan Ave.
Oklahoma City, OK 73702

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Devon Energy Production Co. ("Devon") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event Devon elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: December 14, 2017

Simple Certified:

The following is in response to your December 14, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027506640. The delivery record shows that this item was delivered on December 14, 2017 at 7:39 am in OKLAHOMA CITY, OK 73102. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section
ture
ed
e
Jupen
Devon Energy

Address of Recipient :

333 W Sheridan

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

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

Sincerely,
United States Postal Service

Devon Energy Production Company, L.P.
333 W SHERIDAN AVE
OKLAHOMA CITY, OK 73102
Reference #: Wishbone 35/34 B2PM #1H TD
Item ID: Wishbone 35 34 B2PM No 1H

Josh Anderson

From: Wayland, Linda <Linda.Wayland@dv.com>
Sent: Monday, August 13, 2018 11:15 AM
To: Josh Anderson
Subject: RE: [EXTERNAL] RE: Wishbone 35-34 B2PM Fed Com 1H.Executed Election.pdf

Great...Josh. Thank you for letting me know Trace was no longer there. Keep me informed about the title opinion if you would please. Thanks.

Linda Wayland

Land Analysis Professional
Devon Energy Production Company, L.P.
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5015
Room: DEC 28.518
Linda.Wayland@dv.com
405-552-3337 (Direct)

From: Josh Anderson [mailto:janderson@Mewbourne.com]
Sent: Monday, August 13, 2018 11:12 AM
To: Wayland, Linda <Linda.Wayland@dv.com>
Cc: Allen, Cari <Cari.Allen@dv.com>
Subject: [EXTERNAL] RE: Wishbone 35-34 B2PM Fed Com 1H.Executed Election.pdf

Linda,

Received. Trace is no longer with Mewbourne Oil Company, and I will be handling this prospect from now on.

We do not have a title opinion as of now, but will be having one rendered soon. If you have any further questions, feel free to contact me.

Thanks,

Josh Anderson
Petroleum Landman
500 West Texas Ave., Suite 1020
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Cy Shook
Sent: Monday, August 13, 2018 9:57 AM
To: Josh Anderson
Subject: FW: Wishbone 35-34 B2PM Fed Com 1H.Executed Election.pdf

Cy Shook

Landman

Mewbourne Oil Company
500 West Texas Ave., Suite 1020
Midland, TX 79701-4279

Main: 432-682-3715

Fax: 432-685-4170

From: Wayland, Linda [<mailto:Linda.Wayland@dvn.com>]
Sent: Monday, August 13, 2018 9:56 AM
To: Trace Dilliner
Cc: Allen, Cari
Subject: Wishbone 35-34 B2PM Fed Com 1H.Executed Election.pdf

Trace,

Please find attached Devon's election to participate in the drill and complete of the Wishbone 35/34 B2PM Fed Com 1H well. I have attached the executed letter, AFE an Devon's Well Data Requirements on this well.

Please confirm receipt of this email. I have sent the original documents via USPS Certified Mail: 9414 8149 0152 7181 5460 04

Thank you.

Linda Wayland

Land Analysis Professional
Devon Energy Production Company, L.P.
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5015
Room: DEC 28.518
Linda.Wayland@dvn.com
405-552-3337 (Direct)

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MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Redfern Enterprises, Inc.
P.O. Box 2127
Midland, TX 79702

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Redfern Enterprises, Inc. ("Redfern") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event Redfern elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Floyd Energy Ltd.
P.O. Box 52107
Midland, TX 79710

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Floyd Energy, Ltd. ("Floyd") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event Floyd elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Dillard, Fisher, & Dillard Partnership
415 W. Wall Street, Suite 1510
Midland, TX 79706

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Dillard, Fisher, & Dillard Partnership ("The Partnership") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event The Partnership elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: December 14, 2017

Simple Certified:

The following is in response to your December 14, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027507715. The delivery record shows that this item was delivered on December 14, 2017 at 11:05 am in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :

Ana L Prieto
Ana L Prieto

Address of Recipient :

2127

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

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

Sincerely,
United States Postal Service

Redfern Enterprises, Inc.
PO BOX 2127
Midland, TX 79702
Reference #: Wishbone 35/34 B2PM #1H TD
Item ID: Wishbone 35 34 B2PM No1H

Date: December 14, 2017

Simple Certified:

The following is in response to your December 14, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027508101. The delivery record shows that this item was delivered on December 14, 2017 at 11:21 am in MIDLAND, TX 79705. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



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Sincerely,
United States Postal Service

Floyd Energy Ltd.
PO BOX 52107
Midland, TX 79710
Reference #: Wishbone 35/34 B2PM #1H TD
Item ID: Wishbone 35 34 B2PM No1H



Date: December 22, 2017

Simple Certified:

The following is in response to your December 22, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027509542. The delivery record shows that this item was delivered on December 22, 2017 at 1:41 pm in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to be "A. H. R.", written over a white background.

Address of Recipient :

A handwritten address in black ink, appearing to be "5007th", written over a white background.

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

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

Sincerely,
United States Postal Service

Dillard, Fisher & Dillard Partnership
415 W WALL ST STE 1510
MIDLAND, TX 79701
Reference #: Wishbone 35 34 B2PM Fed Com 1H
Item ID: Wishbone 35 34 B2PM Fed Com 1H

Josh Anderson

From: Marsha Glass <mglass@providence-energy.com>
Sent: Thursday, October 11, 2018 1:35 PM
To: Josh Anderson
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy County, New Mexico

Thank you



Marsha A. Glass

Land Administrator
Providence Energy Ltd.
16400 Dallas Parkway, Suite 400
Dallas, Texas 75248
email: mglass@providence-energy.com
phone: 214.522.9131
direct: 972-392-6116
fax: 972.934.2310

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From: Josh Anderson [mailto:janderson@Mewbourne.com]
Sent: Thursday, October 11, 2018 11:27 AM
To: Marsha Glass <mglass@providence-energy.com>
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy County, New Mexico

Marsha,

Attached are the updated JOA signature pages & AFE for PEO Delaware, LLC's updated interest for the above captioned prospect.

Please let me know if you need anything else, or have any questions. Looking forward to wrapping this up soon.

Thanks,

Josh Anderson

Petroleum Landman

500 West Texas Ave., Suite 1020

Midland, TX 79701

Phone: (432) 682-3715 | Fax: (432) 685-4170

Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Marsha Glass <mglass@providence-energy.com>

Sent: Thursday, October 11, 2018 9:31 AM

To: Josh Anderson <janderson@mewbourne.com>

Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy County, New Mexico

Hi Josh,

Everything will need to be in name of PEO Delaware, LLC.

Patricia Snyder will be signing the JOA as Land Manager.

AFE's will be signed by David Bissmeyer, COO.

If you need anything else, please let me know.

Thanks,



PROVIDENCE
ENERGY

Marsha A. Glass

Land Administrator

Providence Energy Ltd.

16400 Dallas Parkway, Suite 400

Dallas, Texas 75248

email: mglass@providence-energy.com

phone: 214.522.9131

direct: 972-392-6116

fax: 972.934.2310

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From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Thursday, October 11, 2018 8:36 AM
To: Marsha Glass <mglass@providence-energy.com>
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy County, New Mexico

Marsha,

Who will be signing for Providence, and under what capacity, so I can send you some updated JOA signature pages, as well as some updated AFEs?

Thanks,

Josh Anderson
Petroleum Landman
[500 West Texas Ave., Suite 1020](#)
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Marsha Glass <mglass@providence-energy.com>
Sent: Wednesday, September 26, 2018 4:54 PM
To: Josh Anderson <janderson@mewbourne.com>
Cc: Pat Snyder <psnyder@providence-energy.com>
Subject: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy County, New Mexico

Josh,

Please find attached the recorded Assignment of Oil and Gas Leases from Tejas Exploration, LLC to PEO Delaware, LLC and the Correction to Term Assignment of Oil and Gas Leases from Red Fern Enterprises, Inc. to Tejas Exploration, LLC.

If you should have any questions or need additional information, please let me know.

Thank you,



Marsha A. Glass

Land Administrator
Providence Energy Ltd.

16400 Dallas Parkway, Suite 400

Dallas, Texas 75248

email: mglass@providence-energy.com

phone: 214.522.9131

direct: 972-392-6116

fax: 972.934.2310

CONFIDENTIALITY NOTE: THE INFORMATION CONTAINED HEREIN IS PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS E-MAIL IS STRICTLY PROHIBITED. IF YOU RECEIVE THIS E-MAIL BY ERROR, KINDLY NOTIFY US BY TELEPHONE IMMEDIATELY AT 214.522.9131 AND DELETE THE E-MAIL FROM YOUR COMPUTER FILES. THANK YOU FOR YOUR COOPERATION.

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Josh Anderson

From: Josh Anderson
Sent: Monday, October 29, 2018 6:50 PM
To: 'Pat Snyder'
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas
Attachments: Wishbone 35-34 JOA.PDF; Wishbone JOA - Exhibit A.PDF

Pat,

Sorry for the delay, please see attached. Yes we will fix that when we send out changes soon.

If you have any other questions or concerns, please let me know.

Thanks,

Josh Anderson

Petroleum Landman
500 West Texas Ave., Suite 1020
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Pat Snyder <psnyder@providence-energy.com>
Sent: Thursday, October 25, 2018 5:06 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

Josh,
I don't have the COPAS or other exhibits. Can you send?
Also, in Article VI. A it has the initial well will be drilled on or before December 1, 2018 and that it will be a Wolfcamp well. Do you want to change the date and Wolfcamp to Bone Spring?

Thanks Josh.

Pat Snyder

Land Manager
Providence Energy Corp.
Providence Energy Operators, LLC
16400 Dallas Parkway, Suite 400
Dallas, Texas 75248
email: psnyder@providence-energy.com
phone: 214.522.9131
direct line: 972.392.6121
fax: 972.934.2310



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From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Thursday, October 25, 2018 3:24 PM
To: Pat Snyder <psnyder@providence-energy.com>
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

Pat,

Please see attached.

Thanks,

Josh Anderson
Petroleum Landman
[500 West Texas Ave., Suite 1020](#)
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



From: Pat Snyder <psnyder@providence-energy.com>
Sent: Thursday, October 25, 2018 3:09 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

Josh,

The AFE's are being circulated – will have both to you next week. Are you updating the Exhibit A to the JOA?

Thanks Josh.

Pat Snyder
Land Manager
Providence Energy Corp.

Providence Energy Operators, LLC
16400 Dallas Parkway, Suite 400
Dallas, Texas 75248
email: psnyder@providence-energy.com
phone: 214.522.9131
direct line: 972.392.6121
fax: 972.934.2310



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From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Thursday, October 25, 2018 2:59 PM
To: Pat Snyder <psnyder@providence-energy.com>
Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

Pat,

Just touching base to see how close you guys are to executing the JOA. I believe I sent the updated signature pages to Marsha Glass.

Let me know.

Thanks,

Josh Anderson
Petroleum Landman
[500 West Texas Ave., Suite 1020](#)
Midland, TX 79701
Phone: (432) 682-3715 | Fax: (432) 685-4170
Cell: (405) 406-8982



From: Josh Anderson
Sent: Friday, October 19, 2018 3:31 PM

To: 'Pat Snyder' <psnyder@providence-energy.com>

Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

1,258.97 acres

-Josh

From: Pat Snyder <psnyder@providence-energy.com>

Sent: Friday, October 19, 2018 9:43 AM

To: Josh Anderson <janderson@mewbourne.com>

Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

Josh,

Do you have the total unit size?

Thanks.

Pat Snyder

Land Manager

Providence Energy Corp.

Providence Energy Operators, LLC

16400 Dallas Parkway, Suite 400

Dallas, Texas 75248

email: psnyder@providence-energy.com

phone: 214.522.9131

direct line: 972.392.6121

fax: 972.934.2310



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From: Josh Anderson [<mailto:janderson@Mewbourne.com>]

Sent: Thursday, October 18, 2018 3:13 PM

To: Pat Snyder <psnyder@providence-energy.com>

Subject: RE: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

Pat,

Sorry I haven't called back yet, attached is the plat for the above captioned prospect. We're looking at a spud date sometime in the 2nd Quarter of 2019.

If you need anything else, just let me know.

Thanks,

Josh Anderson

Petroleum Landman

500 West Texas Ave., Suite 1020

Midland, TX 79701

Phone: (432) 682-3715 | Fax: (432) 685-4170

Cell: (405) 406-8982



MEWBOURNE
OIL COMPANY

From: Pat Snyder <psnyder@providence-energy.com>

Sent: Thursday, October 18, 2018 2:30 PM

To: Josh Anderson <janderson@mewbourne.com>

Subject: Wishbone 34/35 Prospect, Sections 34 and 35, T18S, R29E, Eddy Co., Texas

Josh,

I left you a VM and I know you are busy. But could you send a plat of your Wishbone well and also, what is your anticipated timing to spud this well? I remember you said you have a November 1st hearing.

Thanks Josh.

Pat Snyder

Land Manager

Providence Energy Corp.

Providence Energy Operators, LLC

16400 Dallas Parkway, Suite 400

Dallas, Texas 75248

email: psnyder@providence-energy.com

phone: 214.522.9131

direct line: 972.392.6121

fax: 972.934.2310



PROVIDENCE
ENERGY

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MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Durango Production Corp.
2663 Plaza Parkway
Wichita Falls, TX 76308

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Durango Production Corp. ("Durango") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event Durango elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: December 14, 2017

Simple Certified:

The following is in response to your December 14, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027507883. The delivery record shows that this item was delivered on December 14, 2017 at 10:17 am in WICHITA FALLS, TX 76308. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature X	<i>J. Beards</i>
Printed Name	<i>S. Beards</i>

Address of Recipient :

Delivery Address	<i>2663 Plaza Pkwy</i>
------------------	------------------------

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

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

Sincerely,
United States Postal Service

Durango Production Corp
2663 PLAZA PKWY
WICHITA FALLS, TX 76308
Reference #: Wishbone 35 34 B2PM Fed Com 1H
Item ID: Wishbone 35 34 B2PM Fed Com 1H

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Cannon Exploration Company
3608 SCR 1184
Midland, TX 79706
Attn: Todd Wilson

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Cannon Exploration Company ("Cannon") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event Cannon elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: December 13, 2017

Simple Certified:

The following is in response to your December 13, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027509023. The delivery record shows that this item was delivered on December 13, 2017 at 1:35 pm in MIDLAND, TX 79706. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink that reads "Todd M. Wilson".

Address of Recipient :

A handwritten address in black ink that reads "3608 E County Road 1184".

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

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

Sincerely,
United States Postal Service

Cannon Exploration Co
3608 S COUNTY ROAD 1184
MIDLAND, TX 79706
Reference #: Wishbone 35 34 B2PM Fed Com 1H
Item ID: Wishbone 35 34 B2PM Fed Com 1H

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Jamesco, Inc.
6300 Midway Road
Fort Worth, TX 76117
Attn: Gene Snow

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Jamesco, Inc. ("Jamesco") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event Jamesco elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: December 14, 2017

Simple Certified:

The following is in response to your December 14, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027509351. The delivery record shows that this item was delivered on December 14, 2017 at 11:27 am in HALTOM CITY, TX 76117. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to read "R. W. Snow".

Address of Recipient :

A handwritten address in black ink, appearing to read "6300 Midway Rd".

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

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

Sincerely,

United States Postal Service

Attn: Gene Snow
Jamesco, Inc.
6300 MIDWAY RD
FORT WORTH, TX 76117
Reference #: Wishbone 35/34 B2PM #1H TD
Item ID: Wishbone 35 34 B2PM No1H

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Paul Slayton & Patricia Slayton
P.O. Box 2035
Roswell, NM 88202

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Dear Mr. & Mrs. Slayton:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Paul Slayton and wife, Patricia Slayton own an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event you elect to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: December 14, 2017

Simple Certified:

The following is in response to your December 14, 2017 request for delivery information on your Certified Mail™/RRE item number 9402810699945027507913. The delivery record shows that this item was delivered on December 14, 2017 at 12:29 pm in ROSWELL, NM 88201. The scanned image of the recipient information is provided below.

Signature of Recipient :

Kelly R. Robertson
Kelly R. Robertson

Address of Recipient :

2035

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

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

Sincerely,

United States Postal Service

Paul and Patricia Slayton
PO Box 2035
Roswell, NM 88202
Reference #: Wishbone 35 34 B2PM Fed Com 1H
Item ID: Wishbone 35 34 B2PM Fed Com 1H

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

January 17, 2018

Via Certified Mail

The Roger & Holly Elliott Family Partnership
3910 Tanforan Ave.
Midland, TX 79707

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, The Roger & Holly Elliott Family Partnership ("The Partnership") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event The Partnership elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: January 24, 2018

Simple Certified:

The following is in response to your January 24, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945028307390. The delivery record shows that this item was delivered on January 24, 2018 at 10:49 am in MIDLAND, TX 79705. The scanned image of the recipient information is provided below.

Signature of Recipient :

Holly Elliott

Address of Recipient :

*3910 Tanforan
Midland TX*

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

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

Sincerely,
United States Postal Service

The Roger T and Holly L Elliott Family LP
3910 Tanforan Ave
Midland, TX 79707
Reference #: Wishbone 35/34 B2PM Fed Com #1H
Item ID: Wishbone 35 34 B2PM Fed Com No1H

MEWBOURNE OIL COMPANY

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

December 7, 2017

Via Certified Mail

Silverton Petroleum, Inc.
P.O. Box 26
Graham, TX 76450
Attn: Stuart Heighten

Re: Wishbone 35/34 B2PM Fed Com #1H
670' FSL & 255' FEL (SL) (Section 35)
660' FSL & 330' FWL (BHL) (Section 34)
Section 34, T18S, R29E; Section 35, T18S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1,258.97 acre Working Interest Unit ("WIU") covering the referenced Sections 34 & 35, T25S, R28E for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. According to our records, Silverton Petroleum, Inc. ("Silverton") owns an interest in the proposed WIU.

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced 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 8,079 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,094 feet. All of Section 34 and all of Section 35 will be dedicated to the well as the proration unit.

Enclosed for your further handling is our AFE dated October 20, 2017 for the above referenced proposed well. Also enclosed is a copy of our proposed Operating Agreement dated December 1, 2017 and an extra set of signature pages. In the event Silverton elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Trace Dilliner
Landman



Date: January 6, 2018

Simple Certified:

The following is in response to your January 6, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945027509160. The delivery record shows that this item was delivered on January 6, 2018 at 11:55 am in GRAHAM, TX 76450. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in black ink, appearing to read "Stuart Heighen".

Address of Recipient :

A handwritten address in black ink, appearing to be "26".

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

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

Sincerely,
United States Postal Service

Stuart Heighen
Silverton Petroleum, Inc.
PO BOX 26
GRAHAM, TX 76450
Reference #: Wishbone 35 34 B2PM Fed Com 1H
Item ID: Wishbone 35 34 B2PM Fed Com 1H

MEWBORNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: Wishbone 35/34 B2PM Fed Com #1H		Prospect: Bone Spring	
Location: SL: 670' FSL & 255' FEL (35); BHL: 660' FSL & 330' FWL (34)		County: Eddy	ST: NM
Sec: 35/34	Blk: 	Survey: 	TWP: 18S RNG: 29E Prop. TVD: 8079 TMD: 18094

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$15,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$85,000	0180-0205	\$25,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling	23 days drtg / 4 days comp @ \$19000/d	0180-0110	\$467,000	0180-0210	\$81,200
Fuel	1500 gal/day @ 1.92/gal	0180-0114	\$85,600		
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services	Coil Tbg Drillout			0180-0222	\$200,000
Cementing		0180-0125	\$70,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$1,500	0180-0230	\$325,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$60,000
Mud Logging		0180-0137	\$20,000		
Stimulation	50 Stg 19.5 MM gal / 19.5 MM lb			0180-0241	\$3,600,000
Stimulation Rentals & Other				0180-0242	\$350,000
Water & Other		0180-0145	\$40,000	0180-0245	\$630,000
Bits		0180-0148	\$63,000	0180-0248	\$4,000
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		0180-0164	\$160,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$40,500	0180-0270	\$48,000
Directional Services	Includes Vertical Control	0180-0175	\$171,000		
Equipment Rental		0180-0180	\$182,100	0180-0280	\$40,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,500	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190		0180-0290	
ROW & Easements		0180-0192		0180-0292	\$1,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$129,600	0180-0295	\$105,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	10% (TCP) 10% (CC)	0180-0199	\$205,900	0180-0299	\$564,100
TOTAL			\$2,264,700		\$6,205,400

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	300' - 13 3/8" 54.5# J-55 ST&C @ \$35.71/ft	0181-0794	\$11,500		
Casing (8.1" - 10.0")	1150' - 9 5/8" 36# J-55 LT&C @ \$24.85/ft	0181-0795	\$30,600		
Casing (6.1" - 8.0")	8360' - 7" 26# P-110 LT&C @ \$19.69/ft	0181-0796	\$175,900		
Casing (4.1" - 6.0")	10500' - 4 1/2" 13.5# P-110 BPN @ \$14.19/ft			0181-0797	\$159,200
Tubing (2" - 4")	7600' - 2 7/8" 6.5# L-80 EUE 8rd @ \$4.90/ft			0181-0798	\$39,800
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	VRU/SWD Transfer Pump/Circ Pump			0181-0886	\$60,000
Tanks - Oil	3 - 750 bbl steel			0181-0890	\$48,000
Tanks - Water	3 - 750 bbl steel coated			0181-0891	\$50,000
Separation / Treating Equipment	30"x10"x1k# 3 ph/36"x15"x1k# Hor 3ph/Gun bbl			0181-0895	\$60,000
Heater Treaters, Line Heaters	6"x20"x75# HT			0181-0897	\$16,000
Metering Equipment				0181-0898	\$14,000
Line Pipe & Valves - Gathering	1 Mile 4" Gas & 6" Poly Water			0181-0900	\$90,000
Fittings / Valves & Accessories				0181-0906	\$60,000
Cathodic Protection				0181-0908	\$5,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$40,000
Pipeline Construction	1 Mile Buried 4" Steel & 1 Mile 6" Poly			0181-0920	\$40,000
TOTAL			\$258,000		\$847,000
SUBTOTAL			\$2,522,700		\$7,052,400
TOTAL WELL COST			\$9,575,100		

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.

Prepared by: Bo Talley	Date: 10/20/2017
Company Approval: <i>m. whitte</i>	Date: 10/24/2017
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	