

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NONSTANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 16497

VERIFIED STATEMENT OF JOSH ANDERSON

Josh Anderson, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have simply failed or refused to voluntarily commit their interests to the wells.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 320 acre horizontal spacing unit in the Bone Spring formation comprised of the N/2N/2 of Section 24 and the N/2N/2 of Section 23, Township 19 South, Range 28 East, NMPM, and pooling all mineral interests in the Bone Spring formation underlying the unit. The unit will be dedicated to (i) the Parkchester 24/23 B2AD State Com Well No. 1H, and (ii) the Parkchester 24/23 B3AD State Com Well No. 2H. Both wells are horizontal wells with surface locations in the NE/4NE/4 of Section 24, and last take points in the NW/4NW/4 of Section 23. There are no depth severances in the Bone Spring formation.

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

EXHIBIT /

- (e) Attachment C contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.
- (f) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells.
- (g) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (h) Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.
- (i) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (j) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (k) Mewbourne requests that it be designated operator of the wells.
- (l) The attachments to this affidavit were prepared by me, or compiled from Company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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



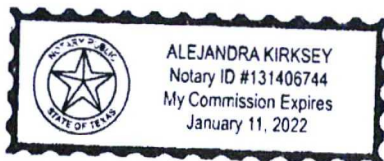
Josh Anderson

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

My Commission Expires: January 11, 2022.

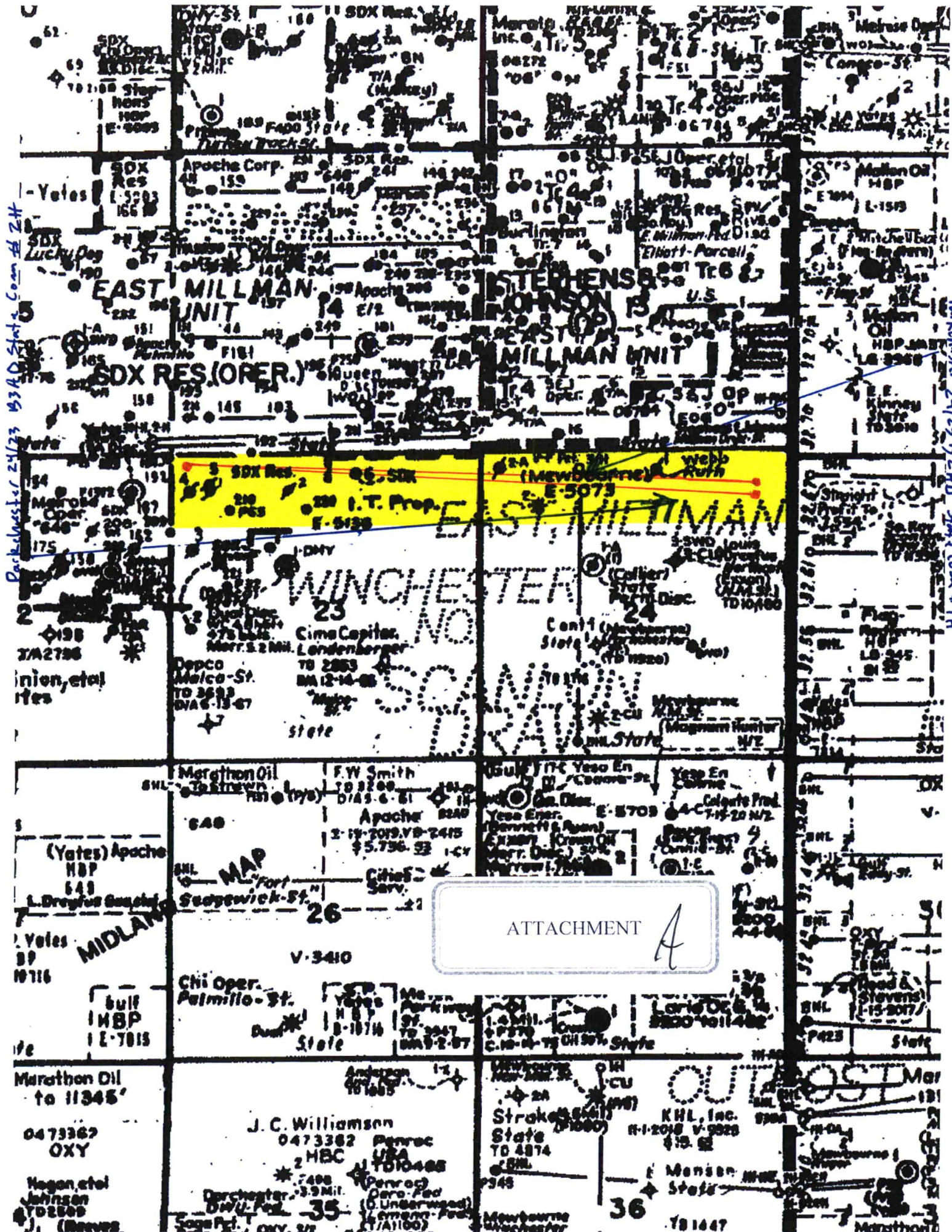


Notary Public



Parkmaster 24/23 1334 State Comm # 24

Parkmaster 24/23 13240 State Comm # 14



ATTACHMENT A

TRACT OWNERSHIP
Parkchester 24/23 B2AD State Com No. 1H
Parkchester 24/23 B3AD State Com No. 2H
N/2 N/2 of Section 24 & N/2 N/2 of Section 23
Township 19 South, Range 28 East
Eddy County, New Mexico

N/2 N/2 of Section 24 & N/2 N/2 of Section 23:
Bone Spring formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company	35.17586%
*Devon Energy Production Company, L.P.	18.57639%
*Fasken Land and Minerals, Ltd.	10.63368%
*ZPZ Delaware I, LLC	9.37500%
*Marathon Oil Permian LLC	6.07639%
*OXY Y-1 Company	4.39815%
*EOG M Resources, Inc.	4.39814%
*EOG A Resources, Inc.	4.39814%
McCombs Energy, Ltd.	4.03282%
*OXY U.S.A. Inc.	2.10938%
RSC Resources, LP	0.52223%
*Nightengale Petroleum Properties, Inc.	<u>0.30382%</u>
	100.00000%

*** Total interest being pooled: 60.20909%**



Summary of Communications
Parkchester 24/23 B2AD State Com No. 1H &
Parkchester 24/23 B3AD State Com No. 2H

Devon Energy Production Company, L.P.

5/11/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs via certified mail dated 5/11/18.

5/16/18 – Received green card signed by Mikala Towler.

5/17/18 - Mailed Parkchester 24/23 JOA with cover letter via certified mail dated 5/17/18.

5/23/18 – Received green card signed by David Carrillo.

5/18/18 – Emailed Cari Allen to follow up with Devon's interest and discuss title issues.

7/9/18 – Received Devon's executed AFE for the Parkchester 24/23 B3AD State Com #2H.

7/10/18 – Received email of Devon's suggested JOA changes.

7/17/18 – Emailed Cari Allen to follow up with contingent acceptance on suggested JOA changes.

8/7/18 – Received Devon's executed AFE for the Parkchester 24/23 B2AD State Com #1H.

10/18/18 – Emailed changes to the JOA to Devon.

5/17/18-10/25/18 – Various email correspondence with Devon.

ZPZ Delaware I, LLC

5/4/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs via certified mail dated 5/4/18.

5/21/18 – Received green card signed by J. Berry.

5/17/18 - Mailed Parkchester 24/23 JOA with cover letter via certified mail dated 5/17/18.

5/29/18 – Received green card signed by Lorena Retana.

8/1/18 – Called to Kendall Bryant to follow up with ZPZ's interest and discuss title issues.

8/1/18 – Emailed Kendal an updated Exhibit "A" for the JOA.

9/18/18 – Received email of ZPZ's suggested JOA changes.

10/18/18 – Emailed changes to the JOA to ZPZ.

8/1/18-10/24/18 – Various email correspondence with ZPZ.

ATTACHMENT C

OXY U.S.A. Inc, & OXY Y-1 Company

5/11/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs via certified mail dated 5/11/18.

5/17/18 – Received green card signed by J. Beard.

5/17/18 - Mailed Parkchester 24/23 JOA with cover letter via certified mail dated 5/17/18.
5/23/18 – Received green card signed by J. Beard.
5/22/18 – Received email from Lauren Guest to follow up with OXY’s interest and discuss title issues.
6/20/18 – Received OXY’s executed AFEs.
7/30/18 – Received email of OXY’s suggested JOA changes.
9/25/18 – Called Lauren to follow up with contingent acceptance on suggested JOA changes.
10/18/18 – Emailed changes to the JOA to OXY.
7/11/18-10/25/18 – Various email correspondence with OXY.

Fasken Land and Minerals, Ltd.

5/11/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs via certified mail dated 5/11/18.
5/16/18 – Received green card signed by Ruth McInvale.
5/17/18 - Mailed Parkchester 24/23 JOA with cover letter via certified mail dated 5/17/18.
5/21/18 – Received green card signed by Cynthia Merrill?
10/8/18 – Called and talked to Linda Hicks, she indicated that they would most likely participate.
10/1/18 – Received Fasken’s executed AFEs.
10/18/18 – Emailed changes to the JOA to Fasken.
10/8/18-10/26/18 – Various email correspondence with Fasken.

EOG M Resources, Inc. & EOG A Resources, Inc.

5/11/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs via certified mail dated 5/11/18.
5/16/18 – Received green card signed by Jimmy Whitehead.
5/17/18 - Mailed Parkchester 24/23 JOA with cover letter via certified mail dated 5/17/18.
5/21/18 – Received green card signed by J. Berry.
5/18/18 – Received email from Clay Haggard to follow up with EOG’s interest and discuss title issues.
8/15/18 – Talked to Chuck Moran about the prospect, and EOG’s plans moving forward with it.
10/18/18 – Emailed changes to the JOA to EOG.
5/18/18-10/16/18 – Various email correspondence with EOG.

Nightengale Petroleum Properties, Inc.

5/11/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs via certified mail dated 5/11/18 to an old address.

5/17/18 - Mailed Parkchester 24/23 JOA with cover letter via certified mail dated 5/17/18 to an old address.

5/19/18 – Received green card signed by an illegible signature.

10/10/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs & JOA via certified mail dated 10/10/18 to updated address.

10/12/18 – Received green card signed by an illegible signature.

10/5/18 – Missed call from Richard Nightengale, Jr., called back and left a message.

10/11/18 – Spoke with Richard on the phone, and he indicated he would either participate or we would work out a deal.

10/16/18 - Mewbourne Oil Company offers Nightengale Petroleum Properties, Inc. a Term Assignment.

10/18/18 – Emailed changes to the JOA to Richard Nightengale, Jr.

10/10/18-10/26/18 – Various email correspondence with Richard Nightengale, Jr.

Marathon Oil Permian LLC

5/11/18 – 9/28/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs via certified mail to what were found to be incorrect parties.

6/11/18 – 9/28/18 – Received various green cards signed by various incorrect parties.

10/19/18 – Mailed Parkchester 24/23 B2AD State Com #1H & B3AD State Com #2H well proposal letters with AFEs & JOA via certified mail dated 10/19/18 to Marathon.

10/19/18 – Emailed the proposals as well as corresponding proposed Joint Operating Agreement to Matt Brown. It was found that a certain Term Assignment was no longer in effect, hence the delay in getting the proposals to the proper Working Interest Party.

10/22/18 – Received green card signed by an illegible signature.

10/30/18 – Talked with coworker, Mitch Robb, who spoke with Marathon, and they indicated that they would not process any proposals unless they were already under a JOA, or until they received a pooling order.

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

Devon Energy Production Company, L.P.
333 W. Sheridan Ave.
Oklahoma City, OK 73102
Attn: Justin Carter

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Justin:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Devon Energy Production Company, L.P. ("Devon") owns 50.82466% interest in the captioned Section 23 (640.00 gross acres). Accordingly, Devon would own 25.41233% working interest in the proposed WIU (50.82466% interest X 640.00 gross acres = 325.27782 net acres / 1280.00 gross acres = 25.41233% interest in the WIU).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

Devon Energy Production Company, L.P.
333 W. Sheridan Ave.
Oklahoma City, OK 73102
Attn: Justin Carter

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Justin:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Devon Energy Production Company, L.P. ("Devon") owns 50.82466% interest in the captioned Section 23 (640.00 gross acres). Accordingly, Devon would own 25.41233% working interest in the proposed WIU (50.82466% interest X 640.00 gross acres = 325.27782 net acres / 1280.00 gross acres = 25.41233% interest in the WIU).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman



Date: May 16, 2018

Simple Certified:

The following is in response to your May 16, 2018 request for delivery information on your Certified Mail™/RRE item number 9414810699945031448931. The delivery record shows that this item was delivered on May 16, 2018 at 7:42 am in OKLAHOMA CITY, OK 73102. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
✓	Mikala Towle
✓	Mikala Towle

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

Justin Carter
Devon Energy Production Company, L.P.
333 W Sheridan Ave
Oklahoma City, OK 73102
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

Devon Energy Production Company, L.P.
333 W. Sheridan Ave.
Oklahoma City, OK 73102
Attn: Cari Allen

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Cari:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 11, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

Date: May 23, 2018

Simple Certified:

The following is in response to your May 23, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945031580438. The delivery record shows that this item was delivered on May 23, 2018 at 7:38 am in OKLAHOMA CITY, OK 73102. The scanned image of the recipient information is provided below.

Signature of Recipient :

ure	David Carrillo
id	David Carrillo

Address of Recipient :

ny ss	333 West Sheridan AVE
----------	-----------------------

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: Cari Allen
Devon Energy Production Company, L.P.
333 W SHERIDAN AVE
OKLAHOMA CITY, OK 73102
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

Josh Anderson

From: Josh Anderson
Sent: Friday, May 18, 2018 3:03 PM
To: Allen, Cari
Subject: RE: Parkchester - Section 23/24 19S-28E

Cari,

We do not, but are currently having a title opinion rendered. We used internal records to come up with Devon's interest in the unit, and show that it is all derived from Sec. 23.

We currently show Devon's interest from the following:

W/2 NW/4, NE/4 NW/4 – 25%

SE/4 NW/4, NE/4 – 49.30556%

S/2 – 61.45834%

325.27781 net acres = 50.82466% in Sec. 23 = 25.41233% in the proposed unit.

Let me know if you see something else that we're missing in here, but that is how we calculated Devon's interest in this unit.

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: Allen, Cari [mailto:Cari.Allen@dvn.com]
Sent: Thursday, May 17, 2018 10:33 AM
To: Josh Anderson
Subject: Parkchester - Section 23/24 19S-28E

Josh,

We are in receipt of your proposals for the Parkchester 24/23 B2AD State Com 1H. The interest I calculate for Devon defers from what you have in your letter. Did you get that WI for Devon from a title opinion? If so, can you give me Devon's NRI also?

Thanks,

Cari Allen, CPL
Landman, Delaware Basin
Devon Energy Corporation
333 W. Sheridan Avenue

Oklahoma City, OK 73102
Direct Line: (405) 228-4397
Fax Line: (405) 552-7667

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Josh Anderson

From: Josh Anderson
Sent: Thursday, June 07, 2018 3:41 PM
To: Allen, Cari
Subject: RE: Parkchester Proposals

Sometime around the end of the year, and yes.

- Josh

From: Allen, Cari [mailto:Cari.Allen@dvn.com]
Sent: Thursday, June 07, 2018 2:53 PM
To: Josh Anderson
Subject: Parkchester Proposals

Josh,

When does Mewbourne plan to spud the two Parkchester wells? I assume they plan to drill the third Bone Spring well first.

Thanks,

Cari Allen, CPL
Landman, Delaware Basin
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Direct Line: (405) 228-4397
Fax Line: (405) 552-7667

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Josh Anderson

From: Josh Anderson
Sent: Monday, June 11, 2018 11:05 AM
To: Allen, Cari
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

We are currently preparing this for a title opinion, so I'm not real sure, but we believe it be somewhere in the 80s.

If you need anything else, just let me know.

-Josh

From: Allen, Cari [mailto:Cari.Allen@dvn.com]
Sent: Monday, June 11, 2018 9:30 AM
To: Josh Anderson
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

What do you show Devon's NRI to be in this?

Thanks,

Cari

From: Josh Anderson [mailto:janderson@Mewbourne.com]
Sent: Friday, May 18, 2018 3:03 PM
To: Allen, Cari <Cari.Allen@dvn.com>
Subject: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

We do not, but are currently having a title opinion rendered. We used internal records to come up with Devon's interest in the unit, and show that it is all derived from Sec. 23.

We currently show Devon's interest from the following:

W/2 NW/4, NE/4 NW/4 – 25%
SE/4 NW/4, NE/4 – 49.30556%
S/2 – 61.45834%
325.27781 net acres = 50.82466% in Sec. 23 = 25.41233% in the proposed unit.

Let me know if you see something else that we're missing in here, but that is how we calculated Devon's interest in this unit.

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: Allen, Cari [<mailto:Cari.Allen@dvn.com>]
Sent: Thursday, May 17, 2018 10:33 AM
To: Josh Anderson
Subject: Parkchester - Section 23/24 19S-28E

Josh,

We are in receipt of your proposals for the Parkchester 24/23 B2AD State Com 1H. The interest I calculate for Devon defers from what you have in your letter. Did you get that WI for Devon from a title opinion? If so, can you give me Devon's NRI also?

Thanks,

Cari Allen, CPL
Landman, Delaware Basin
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Direct Line: (405) 228-4397
Fax Line: (405) 552-7667

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Josh Anderson

From: Josh Anderson
Sent: Tuesday, July 17, 2018 8:40 AM
To: Allen, Cari
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

You'll want to talk to our District Geologist, Nate Cless.

ncless@mewbourne.com
(432) 682-3715

From: Allen, Cari [mailto:Cari.Allen@dvn.com]
Sent: Tuesday, July 17, 2018 6:42 AM
To: Josh Anderson
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

Devon still has some questions regarding the 1H. Can you give me contact information for your geologist so that Devon's geologist can call them.

Thanks,

Cari

From: Josh Anderson [mailto:janderson@Mewbourne.com]
Sent: Wednesday, July 11, 2018 4:57 PM
To: Allen, Cari <Cari.Allen@dvn.com>
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

I just received Devon's executed AFE for the 2H well today, and I have a couple questions for you. The cover letter said that there should be a copy of their Certificate of Insurance, and I think it was accidentally omitted, so if you could forward that on, that would be great.

Article VI. A. Initial Well – Please complete this paragraph to make it clear that the Initial Well is the Parkchester 24/23 B3AD State Com 2H to test the 3rd Bone Spring.

We are okay with adding the language to clarify the initial well to be the 2H, but is this because Devon isn't planning on participating in the 1H? Or do you guys not know whether you are or are not yet?

Article VIII. D. Please strike the first paragraph and sub-paragraphs 1. And 2.
Article VIII.F. Please strike the Preferential Right language in its entirety.

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.

Article XV.A. Please change to Option No. 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.

Exhibit "E" Gas Balancing Agreement –

1. Definitions Please check 1.16 and define the Winter Period as November. December and January and February.
4. Please check 4.2 and enter eight (8) in the blank

We are fine with these changes, but on the 4.2 are you wanting us to enter eight (8) in the blank for 4.2 Option 1 or 4.2 Option 2, just to clarify?

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: Allen, Cari [<mailto:Cari.Allen@dvn.com>]

Sent: Tuesday, July 10, 2018 12:42 PM

To: Josh Anderson

Cc: Wayland, Linda

Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

I assume you have received Devon's election to participate in the Parkchester 24/23 B3AD State Com 2H to the 3rd Bone Spring. Once you have received the title opinion would you please forward a copy to me so that I can confirm Devon's interest.

I have reviewed Mewbourne's Operating Agreement and request the following changes:

Article VI. A. Initial Well – Please complete this paragraph to make it clear that the Initial Well is the Parkchester 24/23 B3AD State Com 2H to test the 3rd Bone Spring.

Article VIII. D. Please strike the first paragraph and sub-paragraphs 1. And 2.

Article VIII.F. Please strike the Preferential Right language in its entirety.

Article XV.A. Please change to Option No. 2.

Exhibit "E" Gas Balancing Agreement –

1. Definitions Please check 1.16 and define the Winter Period as November. December and January and February.
4. Please check 4.2 and enter eight (8) in the blank

From: Allen, Cari
Sent: Monday, June 11, 2018 9:30 AM
To: Josh Anderson <janderson@Mewbourne.com>
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

What do you show Devon's NRI to be in this?

Thanks,

Cari

From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Friday, May 18, 2018 3:03 PM
To: Allen, Cari <Cari.Allen@dvn.com>
Subject: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

We do not, but are currently having a title opinion rendered. We used internal records to come up with Devon's interest in the unit, and show that it is all derived from Sec. 23.

We currently show Devon's interest from the following:

W/2 NW/4, NE/4 NW/4 – 25%
SE/4 NW/4, NE/4 – 49.30556%
S/2 – 61.45834%
325.27781 net acres = 50.82466% in Sec. 23 = 25.41233% in the proposed unit.

Let me know if you see something else that we're missing in here, but that is how we calculated Devon's interest in this unit.

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: Allen, Cari [<mailto:Cari.Allen@dvn.com>]
Sent: Thursday, May 17, 2018 10:33 AM
To: Josh Anderson
Subject: Parkchester - Section 23/24 19S-28E

Josh,

We are in receipt of your proposals for the Parkchester 24/23 B2AD State Com 1H. The interest I calculate for Devon defers from what you have in your letter. Did you get that WI for Devon from a title opinion? If so, can you give me Devon's NRI also?

Thanks,

Cari Allen, CPL
Landman, Delaware Basin
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Direct Line: (405) 228-4397
Fax Line: (405) 552-7667

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Josh Anderson

From: Josh Anderson
Sent: Tuesday, August 28, 2018 2:41 PM
To: Allen, Cari
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

We are currently trying to get all the parties to agree with the proposed changes before I send out the revised pages. We are currently working on getting a title opinion rendered.

I'll keep you updated.

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: Allen, Cari [mailto:Cari.Allen@divn.com]
Sent: Monday, August 27, 2018 4:08 PM
To: Josh Anderson
Cc: Wayland, Linda
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

When will you be sending over these revised pages to the JOA. Also, can you please send me a title opinion for the WIU.

Thanks,

Cari Allen

From: Josh Anderson [mailto:janderson@Mewbourne.com]
Sent: Tuesday, July 17, 2018 2:32 PM
To: Allen, Cari <Cari.Allen@divn.com>
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

In the spirit of cooperation to help get this prospect moving, we will make the following changes:

Article VIII. D. Strike the first paragraph and sub-paragraphs 1. And 2.

Article VIII.F. Strike the Preferential Right language in its entirety.

Article XV.A. - We will leave as Option No. 1, but remove the language in Article XVI.A.

Exhibit "E" Gas Balancing Agreement –

1. Check 1.16 and define the Winter Period as November, December and January and February.
4. Check 4.2 and enter eight (8) in the blank

Article VI. A. Initial Well – Will check back with you guys after our Geologist have discussed the prospect.

I will get the changes out once we have figured out the Initial Well issues, until then, if there is anything else I can help you out with, 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: Allen, Cari [<mailto:Cari.Allen@dvn.com>]
Sent: Tuesday, July 17, 2018 7:11 AM
To: Josh Anderson
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Please see my comments in black below.

From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Wednesday, July 11, 2018 4:57 PM
To: Allen, Cari <Cari.Allen@dvn.com>
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

I just received Devon's executed AFE for the 2H well today, and I have a couple questions for you. The cover letter said that there should be a copy of their Certificate of Insurance, and I think it was accidentally omitted, so if you could forward that on, that would be great.

Article VI. A. Initial Well – Please complete this paragraph to make it clear that the Initial Well is the Parkchester 24/23 B3AD State Com 2H to test the 3rd Bone Spring.

We are okay with adding the language to clarify the initial well to be the 2H, but is this because Devon isn't planning on participating in the 1H? Or do you guys not know whether you are or are not yet?

Please see my email asking for contact information for Mewbourne's geologist.

Article VIII. D. Please strike the first paragraph and sub-paragraphs 1. And 2.

Article VIII.F. Please strike the Preferential Right language in its entirety.

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. Devon will not enter into a JOA unless these are stricken.

Article XV.A. Please change to Option No. 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.

Devon is okay with Mewbourne keeping this as Option No. 1, however, you should change Article XVI.A. to clarify that Operator will bear all costs associated with securing a compulsory pooling order. If Non-Operators don't have the option to take a share of interest acquired through compulsory pooling, they shouldn't have to bear their share of those costs.

Exhibit "E" Gas Balancing Agreement –

1. Definitions Please check 1.16 and define the Winter Period as November. December and January and February.
4. Please check 4.2 and enter eight (8) in the blank

We are fine with these changes, but on the 4.2 are you wanting us to enter eight (8) in the blank for 4.2 Option 1 or 4.2 Option 2, just to clarify?

Yes, Eight months in Option 1.

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: Allen, Cari [<mailto:Cari.Allen@dvn.com>]

Sent: Tuesday, July 10, 2018 12:42 PM

To: Josh Anderson

Cc: Wayland, Linda

Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

I assume you have received Devon's election to participate in the Parkchester 24/23 B3AD State Com 2H to the 3rd Bone Spring. Once you have received the title opinion would you please forward a copy to me so that I can confirm Devon's interest.

I have reviewed Mewbourne's Operating Agreement and request the following changes:

Article VI. A. Initial Well – Please complete this paragraph to make it clear that the Initial Well is the Parkchester 24/23 B3AD State Com 2H to test the 3rd Bone Spring.

Article VIII. D. Please strike the first paragraph and sub-paragraphs 1. And 2.

Article VIII.F. Please strike the Preferential Right language in its entirety.

Article XV.A. Please change to Option No. 2.

Exhibit "E" Gas Balancing Agreement –

1. Definitions Please check 1.16 and define the Winter Period as November. December and January and February.
4. Please check 4.2 and enter eight (8) in the blank

From: Allen, Cari
Sent: Monday, June 11, 2018 9:30 AM
To: Josh Anderson <janderson@Mewbourne.com>
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

What do you show Devon's NRI to be in this?

Thanks,

Cari

From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Friday, May 18, 2018 3:03 PM
To: Allen, Cari <Cari.Allen@dvn.com>
Subject: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

We do not, but are currently having a title opinion rendered. We used internal records to come up with Devon's interest in the unit, and show that it is all derived from Sec. 23.

We currently show Devon's interest from the following:

W/2 NW/4, NE/4 NW/4 – 25%

SE/4 NW/4, NE/4 – 49.30556%

S/2 – 61.45834%

325.27781 net acres = 50.82466% in Sec. 23 = 25.41233% in the proposed unit.

Let me know if you see something else that we're missing in here, but that is how we calculated Devon's interest in this unit.

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: Allen, Cari [<mailto:Cari.Allen@dv.com>]
Sent: Thursday, May 17, 2018 10:33 AM
To: Josh Anderson
Subject: Parkchester - Section 23/24 19S-28E

Josh,

We are in receipt of your proposals for the Parkchester 24/23 B2AD State Com 1H. The interest I calculate for Devon defers from what you have in your letter. Did you get that WI for Devon from a title opinion? If so, can you give me Devon's NRI also?

Thanks,

Cari Allen, CPL
Landman, Delaware Basin
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Direct Line: (405) 228-4397
Fax Line: (405) 552-7667

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Josh Anderson

From: Josh Anderson
Sent: Thursday, October 11, 2018 8:55 AM
To: 'Allen, Cari'
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

We do not, we are currently in the process of having one rendered, and I will forward it along whenever we get it.

-Josh

From: Allen, Cari <Cari.Allen@dvn.com>
Sent: Wednesday, October 10, 2018 4:24 PM
To: Josh Anderson <janderson@mewbourne.com>
Cc: Wayland, Linda <Linda.Wayland@dvn.com>
Subject: RE: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Josh,

Have you received the title opinion on this one yet? Since our records don't match Mewbourne's, I will need to confirm with your title opinion.

Cari Allen

From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Friday, May 18, 2018 3:03 PM
To: Allen, Cari <Cari.Allen@dvn.com>
Subject: [EXTERNAL] RE: Parkchester - Section 23/24 19S-28E

Cari,

We do not, but are currently having a title opinion rendered. We used internal records to come up with Devon's interest in the unit, and show that it is all derived from Sec. 23.

We currently show Devon's interest from the following:

W/2 NW/4, NE/4 NW/4 – 25%
SE/4 NW/4, NE/4 – 49.30556%
S/2 – 61.45834%
325.27781 net acres = 50.82466% in Sec. 23 = 25.41233% in the proposed unit.

Let me know if you see something else that we're missing in here, but that is how we calculated Devon's interest in this unit.

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: Allen, Cari [<mailto:Cari.Allen@devn.com>]
Sent: Thursday, May 17, 2018 10:33 AM
To: Josh Anderson
Subject: Parkchester - Section 23/24 19S-28E

Josh,

We are in receipt of your proposals for the Parkchester 24/23 B2AD State Com 1H. The interest I calculate for Devon defers from what you have in your letter. Did you get that WI for Devon from a title opinion? If so, can you give me Devon's NRI also?

Thanks,

Cari Allen, CPL
Landman, Delaware Basin
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Direct Line: (405) 228-4397
Fax Line: (405) 552-7667

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Josh Anderson

From: Josh Anderson
Sent: Thursday, October 25, 2018 2:57 PM
To: 'Allen, Cari'
Subject: RE: Parkchester 24/23 Timing Question

Cari,

Any word on getting the JOA executed?

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: Friday, October 19, 2018 3:32 PM
To: 'Allen, Cari' <Cari.Allen@dvn.com>
Subject: RE: Parkchester 24/23 Timing Question

Cari,

Right now it's looking like sometime in the 2nd quarter of 2019 to spud. Usually don't complete until 2-3 months after rig release.

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: Allen, Cari <Cari.Allen@dvn.com>
Sent: Friday, October 19, 2018 9:48 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Parkchester 24/23 Timing Question

Josh,

Can you please update me on Mewbourne's estimated D&C timing for the two Parkchester wells.

Thanks,

Cari Allen

From: Josh Anderson [<mailto:janderson@Mewbourne.com>]
Sent: Thursday, October 18, 2018 3:53 PM
To: Allen, Cari <Cari.Allen@div.com>
Subject: [EXTERNAL] Parkchester 24/23 JOA Replacement Pages

Cari,

Attached are the JOA replacement pages and corresponding cover letter, for the above captioned prospect.

If you have any questions, don't hesitate to ask.

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

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MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 4, 2018

Via Certified Mail

ZBZ Delaware I, LLC
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705
Attn: Chris Lanning

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently ZBZ Delaware I, LLC ("ZBZ") owns 12.50000% interest in the captioned Section 24 (640.00 gross acres). Accordingly, ZBZ would own 6.25000% working interest in the proposed WIU (12.50000% interest X 640.00 gross acres = 80.00000 net acres / 1280.00 gross acres = 6.25000% interest in the WIU).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 4, 2018

Via Certified Mail

ZBZ Delaware I, LLC
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705
Attn: Chris Lanning

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently ZBZ Delaware I, LLC ("ZBZ") owns 12.50000% interest in the captioned Section 24 (640.00 gross acres). Accordingly, ZBZ would own 6.25000% working interest in the proposed WIU ($12.50000\% \text{ interest} \times 640.00 \text{ gross acres} = 80.00000 \text{ net acres} / 1280.00 \text{ gross acres} = 6.25000\% \text{ interest in the WIU}$).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman



Date: May 21, 2018

Simple Certified:

The following is in response to your May 21, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945031580582. The delivery record shows that this item was delivered on May 21, 2018 at 9:01 am in MIDLAND, TX 79705. The scanned image of the recipient information is provided below.

Signature of Recipient :

A handwritten signature in blue ink that reads "J. Beatty".

Address of Recipient :

A handwritten address in blue ink that reads "303 Veterans".

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: Chris Lanning
ZPZ Delaware I, LLC
303 Veterans Airpark Ln Ste 3000
Midland, TX 79705
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

ZBZ Delaware I, LLC
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705
Attn: Chris Lanning

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Chris:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 4, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



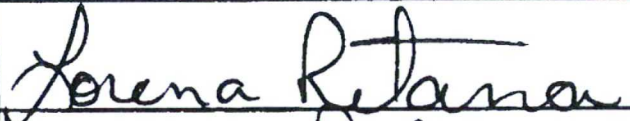

Josh Anderson
Landman

Date: May 29, 2014

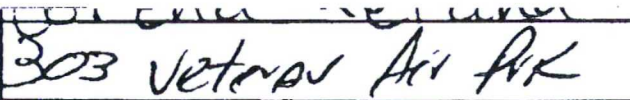
Simple Certified:

The following is in response to your May 29, 2014 request for delivery information on your Certified Mail™/RRE item number 9414810699945005256067. The delivery record shows that this item was delivered on May 29, 2014 at 10:10 am in MIDLAND, TX 79705. The scanned image of the recipient information is provided below.

Signature of Recipient :

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Address of Recipient :

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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

Chris Lanning
ZPZ Delaware I, LLC
303 VETERANS AIRPARK LN STE 3000
MIDLAND, TX 79705
Reference #: Parkchester 24 3H cm
Item ID: Parkchester 24 3H cm

Josh Anderson

From: Josh Anderson
Sent: Wednesday, August 01, 2018 5:04 PM
To: kendal.bryand@apachecorp.com
Subject: Parkchester 24/23, 19S, 28E, Eddy Co., NM
Attachments: Amended Exhibit A JOA dated 10-1-07, revised 12-17-10 .pdf

Kendal,

Attached is the Exhibit A per our conversation.

Please look at it and let me know what you think.

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

Josh Anderson

From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Tuesday, September 25, 2018 4:09 PM
To: Josh Anderson
Cc: Lanning, Christopher
Subject: RE: Parkchester 24/23 JOA

Sounds good. Appreciate the follow up.

NICK LARIS, RPL

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

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Tuesday, September 25, 2018 3:34 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Also, just wanted to give you a heads up, we are going ahead and listing everyone to get the prospect filed for pooling.

Obviously we can dismiss you guys once we get you signed up, but in the interest of time, we are moving forward.

-Josh

From: Josh Anderson
Sent: Tuesday, September 25, 2018 3:29 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: RE: Parkchester 24/23 JOA

Nick,

I'm waiting on OXY, but I hopefully should have the changes sent out 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



From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Monday, September 24, 2018 3:00 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Josh –

Following up on the Parkchester JOA. If you can get it sent over, I'll get it finalized and executed this week.

Thanks,

NICK LARIS, RPL

SR LANDMAN – NON-OPS

Permian Region

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

APACHE CORPORATION

303 Veterans Airpark Ln., Suite 1000

Midland, Texas 79705

U.S.A.

From: Laris, Nick

Sent: Tuesday, September 18, 2018 2:45 PM

To: Josh Anderson <janderson@Mewbourne.com>

Subject: RE: Parkchester 24/23 JOA

Josh –

Works for me. I pulled it from a JOA I'm working with Ray Winklejohn, but if it's easier for you to execute a side agreement, I have no issue.

Could you please send over a copy of the JOA with revisions? Pending legal review, we should be ready to sign.

Thanks,

NICK LARIS, RPL

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

From: Josh Anderson <janderson@Mewbourne.com>

Sent: Tuesday, September 18, 2018 2:40 PM

To: Laris, Nick <Nick.Laris@apachecorp.com>

Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Nick,

We are agreeable to all of those changes, but instead of adding an Exhibit D (Insurance), can we just do a side letter agreement for that? That's what we usually do for that provision with companies.

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: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Tuesday, September 18, 2018 9:36 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Parkchester 24/23 JOA

Hi Josh –

I recently assumed responsibility for Apache's non-ops from Kendal Bryand.

Could you please review Apache's desired changes to the Parkchester JOA below? We are hoping to get the Parkchester matching our recently negotiated JOAs with Mewbourne for the Inland and Osudo.

- VII.C – Revise to “within thirty (30) days”
- VIII.F – Strike Pref Right provision
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Thanks!

NICK LARIS, RPL

SR. LANDMAN

Permian Region

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

APACHE CORPORATION

303 Veterans Airpark Ln., Suite 1000

Midland, Texas 79705

U.S.A.

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Josh Anderson

From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Monday, October 15, 2018 4:35 PM
To: Josh Anderson
Subject: RE: Parkchester 24/23 JOA

No worries. Just wanted to see where it was at since I noticed it hit the dockets.

Thanks for the update.

NICK LARIS, RPL

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

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Monday, October 15, 2018 4:35 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Nick,

I'll be sending out the replacements pages in the next day or two. Sorry for the delay

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: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Monday, October 15, 2018 1:09 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Josh –

Any word on the JOA?

Thanks,

NICK LARIS, RPL

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

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Tuesday, September 25, 2018 3:34 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Also, just wanted to give you a heads up, we are going ahead and listing everyone to get the prospect filed for pooling.

Obviously we can dismiss you guys once we get you signed up, but in the interest of time, we are moving forward.

-Josh

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Sent: Tuesday, September 25, 2018 3:29 PM
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Nick,

I'm waiting on OXY, but I hopefully should have the changes sent out soon.

Thanks,

Josh Anderson
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MEWBOURNE
OIL COMPANY

From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Monday, September 24, 2018 3:00 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Josh –

Following up on the Parkchester JOA. If you can get it sent over, I'll get it finalized and executed this week.

Thanks,

NICK LARIS, RPL
SR LANDMAN – NON-OPS
Permian Region
direct 432-818-1689 | *mobile* 918-407-8040

APACHE CORPORATION
303 Veterans Airpark Ln., Suite 1000
Midland, Texas 79705
U.S.A.

From: Laris, Nick
Sent: Tuesday, September 18, 2018 2:45 PM
To: Josh Anderson <janderson@Mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Josh –

Works for me. I pulled it from a JOA I'm working with Ray Winklejohn, but if it's easier for you to execute a side agreement, I have no issue.

Could you please send over a copy of the JOA with revisions? Pending legal review, we should be ready to sign.

Thanks,

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

From: Josh Anderson <janderson@Mewbourne.com>
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To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Nick,

We are agreeable to all of those changes, but instead of adding an Exhibit D (Insurance), can we just do a side letter agreement for that? That's what we usually do for that provision with companies.

Let me know.

Thanks,

Josh Anderson
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MEWBOURNE
OIL COMPANY

From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Tuesday, September 18, 2018 9:36 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Parkchester 24/23 JOA

Hi Josh –

I recently assumed responsibility for Apache's non-ops from Kendal Bryand.

Could you please review Apache's desired changes to the Parkchester JOA below? We are hoping to get the Parkchester matching our recently negotiated JOAs with Mewbourne for the Inland and Osudo.

- VII.C – Revise to “within thirty (30) days”
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Thanks!

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Josh Anderson

From: Josh Anderson
Sent: Thursday, October 18, 2018 3:47 PM
To: Laris, Nick
Subject: Parkchester 24/23 JOA Replacement Pages
Attachments: Parkchester 24-23 JOA Replacement Pages.pdf; ZPZ Parkchester 24-23 Replacement Page Cover Letter.pdf

Nick,

Attached are the JOA replacement pages and corresponding cover letter, for the above captioned prospect.

If you have any questions, don't hesitate to ask.

Thanks,

Josh Anderson

Petroleum Landman

500 West Texas Ave., Suite 1020

Midland, TX 79701

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MEWBOURNE
OIL COMPANY

Josh Anderson

From: Josh Anderson
Sent: Friday, October 19, 2018 1:48 PM
To: 'Stretcher, Laci'; Laris, Nick
Subject: RE: Parkchester 24/23 JOA

Thanks guys, you've been a big help.

-Josh

From: Stretcher, Laci <Laci.Stretcher@apachecorp.com>
Sent: Friday, October 19, 2018 1:39 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>; Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Yes, the Term Assignment expired. All undeveloped lands reverted back to Marathon. I've attached the original unrecorded Term Assignment for your records.

Thanks,

LACI STRETCHER, RPL

direct 432-818-1846 | mobile 325-338-7407 |

From: Laris, Nick
Sent: Friday, October 19, 2018 11:51 AM
To: Josh Anderson <janderson@mewbourne.com>
Cc: Stretcher, Laci <Laci.Stretcher@apachecorp.com>
Subject: RE: Parkchester 24/23 JOA

Josh – We have Marathon on the #205H to #208H expense decks. It appears we determined that the Penroc term assignment CDC did expire.

Laci – Please confirm and/or provide more backstory. Based on the documentation I'm seeing, I imagine you know this off the top of your head.

Thanks!

NICK LARIS, RPL

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

From: Josh Anderson <janderson@mewbourne.com>
Sent: Friday, October 19, 2018 11:17 AM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Nick,

As per our phone conversation today, the wells in question are the Palmillo 14/15 State #205-#208H. It looks like they were spud around 3/17/18, which would put it close to the dead line of the continuous development clause of the Term Assignment from Marathon to Keystone, which is not owned by Penroc, that expired 8/1/2017.

If you have a DOTO or a paydeck that shows who you gave the interest to in those wells, it would be a big help in determining the ownership.

Thanks,

Josh Anderson

Petroleum Landman

500 West Texas Ave., Suite 1020

Midland, TX 79701

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Sent: Monday, October 15, 2018 4:35 PM

To: Josh Anderson <janderson@mewbourne.com>

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No worries. Just wanted to see where it was at since I noticed it hit the dockets.

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NICK LARIS, RPL

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

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Nick,

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Permian Region

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Josh Anderson

From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Wednesday, October 24, 2018 11:04 AM
To: Josh Anderson
Subject: RE: Parkchester 24/23 JOA Replacement Pages

Josh –

I think that'll work. Appreciate you working with me.

Were you able to get everything squared away on the Marathon/Penroc issue?

Thanks,

NICK LARIS, RPL

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

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Tuesday, October 23, 2018 5:49 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA Replacement Pages

Look at this one, and let me know what you think.

-Josh

From: Laris, Nick <Nick.Laris@apachecorp.com>
Sent: Tuesday, October 23, 2018 5:28 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA Replacement Pages

It doesn't have to be the exact language used in that Osudo letter that you removed, but I think we'd like something related to pre-payment with to VII.C being 15 days.

15 days is really tough around here to get anything paid. Typical big company problem. Can we do maybe 30?

NICK LARIS, RPL

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

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Tuesday, October 23, 2018 5:09 PM
To: Laris, Nick <Nick.Laris@apachecorp.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA Replacement Pages

Nick,

Does this work?

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: Laris, Nick <Nick.Laris@apachecorp.com>

Sent: Tuesday, October 23, 2018 2:50 PM

To: Josh Anderson <janderson@mewbourne.com>

Subject: RE: Parkchester 24/23 JOA Replacement Pages

Great! I do not have a Word doc of that letter agreement. If you can get it prepped and sent over, we'll get the JOA signed.

Thanks!

NICK LARIS, RPL

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

From: Josh Anderson <janderson@mewbourne.com>

Sent: Tuesday, October 23, 2018 2:43 PM

To: Laris, Nick <Nick.Laris@apachecorp.com>

Subject: [EXTERNAL] RE: Parkchester 24/23 JOA Replacement Pages

Nick,

We are fine with that.

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



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OIL COMPANY

From: Laris, Nick <Nick.Laris@apachecorp.com>

Sent: Tuesday, October 23, 2018 2:22 PM

To: Josh Anderson <janderson@mewbourne.com>

Subject: RE: Parkchester 24/23 JOA Replacement Pages

Josh –

If we execute the JOA as-is, can Apache get a waiver on the cash call and advances (VII.C) provisions? Executed something identical with Mewbourne last week. See attached.

Thanks,

NICK LARIS, RPL

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

From: Josh Anderson <janderson@Mewbourne.com>

Sent: Thursday, October 18, 2018 3:47 PM

To: Laris, Nick <Nick.Laris@apachecorp.com>

Subject: [EXTERNAL] Parkchester 24/23 JOA Replacement Pages

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MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

OXY U.S.A. Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046-0521
Attn: Matthew Cole

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Matt:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently OXY U.S.A. Inc. ("OXY") owns 2.81250% interest in the captioned Section 24 (640.00 gross acres). Accordingly, OXY would own 1.40625% working interest in the proposed WIU (2.81250% interest X 640.00 gross acres = 18.00000 net acres / 1280.00 gross acres = 1.40625% interest in the WIU).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

OXY U.S.A. Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046-0521
Attn: Matthew Cole

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

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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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

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Landman

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MIDLAND, TEXAS 79701-4279

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OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046-0521
Attn: Matthew Cole

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Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently OXY Y-1 Company ("OXY") owns 8.79629% interest in the captioned Section 23 (640.00 gross acres). Accordingly, OXY would own 4.39815% working interest in the proposed WIU ($8.79629\% \text{ interest} \times 640.00 \text{ gross acres} = 56.29628 \text{ net acres} / 1280.00 \text{ gross acres} = 4.39815\% \text{ interest in the WIU}$).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046-0521
Attn: Matthew Cole

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Matt:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently OXY Y-1 Company ("OXY") owns 8.79629% interest in the captioned Section 23 (640.00 gross acres). Accordingly, OXY would own 4.39815% working interest in the proposed WIU ($8.79629\% \text{ interest} \times 640.00 \text{ gross acres} = 56.29628 \text{ net acres} / 1280.00 \text{ gross acres} = 4.39815\% \text{ interest in the WIU}$).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY




Josh Anderson
Landman

Date: May 17, 2018

Simple Certified:

The following is in response to your May 17, 2018 request for delivery information on your Certified Mail™/RRE item number 9414810699945031449358. The delivery record shows that this item was delivered on May 17, 2018 at 10:56 am in HOUSTON, TX 77046. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature	
Printed Name	J M BEARDS

Address of Recipient :

Delivery Address	OXY
------------------	-----

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

OXY Y-1 Company
Attn: Matthew Cole
5 GREENWAY PLZ STE 110
HOUSTON, TX 77046
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

OXY U.S.A. Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046-0521
Attn: Matthew Cole

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Matt:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 11, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

OXY Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046-0521
Attn: Matthew Cole

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Matt:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 11, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY




Josh Anderson
Landman

Date: May 23, 2018

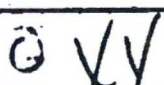
Simple Certified:

The following is in response to your May 23, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945031581831. The delivery record shows that this item was delivered on May 23, 2018 at 5:06 am in HOUSTON, TX 77227. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature of Recipient: 
J B BEARD

Address of Recipient :

Address of Recipient: 
OXY

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

OXY Y-1 Company
Attn: Matthew Cole
5 GREENWAY PLZ STE 110
HOUSTON, TX 77046
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

Josh Anderson

From: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Wednesday, July 11, 2018 3:50 PM
To: Josh Anderson
Subject: RE: Re: Parkchester 24/23 B2DA #1H and B3AD #2H

Thank you for the clarification.

Lauren

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Wednesday, July 11, 2018 11:34 AM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Re: Parkchester 24/23 B2DA #1H and B3AD #2H

Lauren,

Sorry it has taken me a minute to get caught up and get back with you.

As to OXY USA WTP LP's interest: We are also showing OXY as having a 4.5 N/A interest in the SW/4 that I think you might be missing, but we agree with the other numbers you show.

OXY Y-1's interest: We based our numbers off of the JOA dated 4/29/76, in which Yates had a 26.38888% interest in the whole section as to the Bone Spring formation. OXY Y-1 then received 1/3 of that giving them a 8.79629% interest in the section or 56.296277N/A. Which in a 1,280 acre unit would be 4.398147% WI.

Your title opinion is specific as to the Wolfcamp in the SE/4 NW/4 and the Morrow in the N/2. The JOA supersedes it as to the Bone Spring and all other formations in the section from 500' below the top of the San Andres formation down to the base of the Morrow formation except the SE/4 NW/4 as to Wolfcamp formation and the N/2 as to the Morrow formation.

Let me know if you don't have the JOA and I can forward it on to you. If you have questions 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 [mailto:Lauren_Guest@oxy.com]
Sent: Tuesday, July 03, 2018 10:27 PM
To: Josh Anderson
Subject: Re: Re: Parkchester 24/23 B2DA #1H and B3AD #2H

Monday will not be a problem . Enjoy your Forth of July!

Sent from my iPhone

On Jul 3, 2018, at 5:29 PM, Josh Anderson <janderson@Mewbourne.com> wrote:

Lauren,

I'm out of the office until Monday, is it ok if I get back to you on this then?

Sent from my iPhone

On Jul 3, 2018, at 10:54 AM, Guest, Lauren B <Lauren_Guest@oxy.com> wrote:

Hi Josh,

I have a few questions about how Oxy Y-1 and Oxy USA WTP LP's interest was determined for the Exhibit A of the proposed JOA.

Based on the Revised Exhibit A dated 12/17/2010 (attached for reference) to the JOA dated 10/1/2007, OXY USA WTP LP has a 5.625% working interest in the NE and a 2.8125% working interest in the NW as to the Bone Spring formation. Based on these numbers OXY USA WTP LP would have a 1.0547% working interest in the proposed 1,280 acre unit.

In section 23 the last title opinion I have for this area is from 4/8/1977 (attached for reference). The title opinion shows Yates Drill Company with a 2.42056% working interest in section 23. Yates Drilling Company became Oxy Y-1. I do not see any records in Oxy's files that would indicate Oxy Y-1's interest has changed since this title opinion. What interest do you show Oxy Y-1 with in section 23? Based on the interest from the title opinion Oxy Y-1 would have a 1.2103% WI in the proposed 1,280 acre unit.

Is there a title opinion for the Parkchester 24/23 wells you can share or can you explain how Oxy's interest was determined?

Thank you,
Lauren

From: Josh Anderson <janderson@Mewbourne.com>

Sent: Wednesday, May 30, 2018 10:58 AM

To: Guest, Lauren B <Lauren_Guest@oxy.com>

Subject: [EXTERNAL] RE: Parkchester 24/23 B2DA #1H and B3AD #2H

Lauren,

The subject caption above is incorrect, they are both AD wells, and are both in the N/2 N/2.

Go off the locations provided on the AFEs, those are correct, unfortunately the proposal letters had some typos in them.

Sorry for the confusion. If you have any other questions or concerns, 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
<image001.png>

From: Guest, Lauren B [mailto:Lauren_Guest@oxy.com]
Sent: Tuesday, May 29, 2018 2:01 PM
To: Josh Anderson
Subject: RE: Parkchester 24/23 B2DA #1H and B3AD #2H

Josh,

Thank you for the title opinions.

Will both wells be in the N2? Without a plat its hard to tell where the surface and bottom hole locations are that were provided in the letters.

Thank you,
Lauren

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Friday, May 25, 2018 1:58 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 B2DA #1H and B3AD #2H

Lauren,

Please find attached the DOTO for the Parkchester 24 State #2 and #3H wells.

This will be a 320 acre proration unit for both wells. As of now, these are the only wells in this specific unit.

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
<image001.png>

From: Guest, Lauren B [mailto:Lauren_Guest@oxy.com]
Sent: Wednesday, May 23, 2018 4:53 PM
To: Josh Anderson
Subject: RE: Parkchester 24/23 B2DA #1H and B3AD #2H

Hi Josh,

Are there any title opinions that were done for the Parkchester 24 St #2 or #3H? If so will you please send me a copy, Oxy does not have any updated title in this area.

Thank you,
Lauren

From: Guest, Lauren B
Sent: Tuesday, May 22, 2018 4:56 PM
To: janderson@mewbourne.com
Subject: Parkchester 24/23 B2DA #1H and B3AD #2H

Hi Josh,

I have received the subject well proposal and have a few questions. Where are the proration units for the proposed Parkchester 24/23 B2AD State com #1H and Parkchester 24/23 B3AD State Com #2H? How many wells does Mewbourne have planned for the WIU?

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

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<01246359.pdf>

Josh Anderson

From: Josh Anderson
Sent: Wednesday, June 20, 2018 3:01 PM
To: Shonna_Johnstone@oxy.com
Subject: RE: Parkchester 24-23 B2AD State Com 1H & 2H - Eddy County, NM

Received. Thanks Shonna!

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: Shonna_Johnstone@oxy.com [mailto:Shonna_Johnstone@oxy.com]
Sent: Wednesday, June 20, 2018 2:59 PM
To: Josh Anderson
Cc: Krystal_Mayo@oxy.com; Eli_Raptis@oxy.com; Ashley_Knowles@oxy.com; Jose_DelRio@oxy.com; Stacie_Walker@oxy.com; Jennifer_Terramiggi@oxy.com; Nicholas_Wen@oxy.com; Clifford_Sheets@oxy.com; Jonathan_Gonzales@oxy.com; _35b0ae@oxy.com; Ginger_Garcia@oxy.com; Lauren_Guest@oxy.com
Subject: Parkchester 24-23 B2AD State Com 1H & 2H - Eddy County, NM

Mr. Anderson,

Attached please find Oxy's response to the subject AFE(s). Signed hard copies will be mailed via USPS.

Please confirm receipt by a reply email.

Thank you!

Shonna Johnstone

Technical Assistant I

Office 713-497-2390

Oxy Permian Resources – Outside Operated

5 Greenway Plaza, Houston, TX 77046

Josh Anderson

From: Josh Anderson
Sent: Wednesday, October 17, 2018 8:40 AM
To: 'Guest, Lauren B'
Subject: RE: Parkchester 24/23 JOA

Sounds good Lauren.

I'll get those replacement pages out today so we can expedite this process.

The title opinion is still be rendered, but should be done any day now.

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: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Wednesday, October 17, 2018 8:16 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Hi Josh,

Oxy is agreeable to keeping the GBA provision for this operating agreement.

As a recap below are the changes we have agreed to:

1. VI. A. Add Unit letters for the SHL and BHL locations for the initial well
2. VI.B.9, VI.D, VI.F add that the support of at least 2 non-operator of not less than 60%
3. VIII.D. strike lines 7-13
4. VIII. F. strike the preferential right
5. XV. A. Select option No. 2—one this one I cannot remember for certain if we agreed to changing it on the phone
6. XVI. E. Letter Agreement removing Oxy from this provision
7. XVI. Add in "Notwithstanding anything contained herein to the contrary, in the event any party hereto contributes to this agreement an interest in an oil and gas lease or leases with a new revenue interest greater than 80% on a 100% basis (the "lease(s)"), then that party shall be deemed to have reserved from the lease(s) a proportionately reduced overriding royalty interest equal to the positive difference between twenty percent (20%) of all of the oil, gas and other liquid and gaseous hydrocarbons produced and saved and the total of all royalties, overriding royalties, production payment and similar burdens of record as of the date of this agreement and attributable to the lease(s). Such overriding royalty interest shall only be due and payable when and if the lease(s) or any portion thereof is included in a spacing unit or project area for a well drilled pursuant

to this agreement. The overriding royalty interest so reserved shall be free and clear of all cost of exploring, drilling and producing such oil, gas and other liquid or gaseous hydrocarbons but shall be subject to a proportionate part of applicable taxes. Such overriding royalty interest shall be proportionately reduced in the proportion that the contributed interest in the lease(s) bears to the full interest in a spacing unit or project area for a well drilled hereunder."

8. Add Oxy's self-insurance language to Letter Agreement. "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."

Please provide a copy of the JOA when the changes discussed have been made.

Is there a title opinion for this well you can share?

Thank you,
Lauren

From: Guest, Lauren B
Sent: Friday, October 05, 2018 2:02 PM
To: 'Josh Anderson' <janderson@Mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Hi Josh,

I am sorry I do not have an answer back yet from my manager on the GBA. I believe they are scheduling time to talk to our gas marketing group about the provision.

We will agree to the contract area for this JOA.

I will update you when I hear more!

Lauren

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Friday, October 05, 2018 9:46 AM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Lauren,

I want to send out changes on this ASAP, did you talk to your manager and get everything we talked about on 9/25/18 straightened out?

Let me know.

Thanks,

Josh Anderson
Petroleum Landman
500 West Texas Ave., Suite 1020
Midland, TX 79701



From: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Wednesday, August 29, 2018 10:57 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Hi Josh,

On point #2 below would Mewbourne be agreeable to requiring that Mewbourne receive the support of at least 2 or more non-operators of not less than 60%?

On point #5 Oxy would prefer to have the option of picking up additional interest.

On the Exhibit A Oxy would like the JOA to only cover the N2 because we do not want to tie up all of our land in a JOA when we are not sure if the wells in the N2 will meet expectations. If we commit all our acreage to the JOA and the wells do not perform as hoped we only have an option of going non-consent in wells in the south vs having an option to farm out our acreage if its not committed to a JOA. Additionally, a force pooling order would be limited to the N2 and should Oxy fall under the order then Oxy would still have additional options for its acreage in the south.

I have one new request, on the GBA 14. – Other provisions – Section 3.1 It is preferred that the original 3.1 be kept and the proposed 3.1 be deleted. This would burden non-ops by making then construct an entire new metering facility when the gas will probably be going to the same pipeline.

Let me know what you think!

Thanks,
Lauren

From: Josh Anderson <janderson@mewbourne.com>
Sent: Wednesday, August 08, 2018 2:35 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Lauren,

In response to OXY's suggested changes for the captioned prospect above, please refer to our responses in red below:

JOA:

1. VI. A. Can the SHL and BHL for the first well to be drilled be added
Can we just use Unit Letters for the locations? We often will adjust locations by a couple feet from time to time, and if we use exact locations, I'll have to send out new Article VI. A.s everytime. Yes- unit letters are fine.
2. VI.A.9 change 60% to 70%. Additionally, change the percentage throughout the agreement.
We'd like to leave this at 60%, because Devon has approximately 26% in the unit, so in effect, we would have to have everyone but them agree to get to 70%
3. VIII.D. Oxy prefers to have lines 7-13 struck
4. VIII. F. Oxy prefers to have the preferential right struck

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, BUT In the spirit of cooperation, we will strike these. Great, thank you.

5. XV. A. Select option No. 2
Would OXY be agreeable to leaving this as Option No. 1 but we will change Article XVI.A. to clarify that Operator will bear all costs associated with securing a compulsory pooling order.
6. XVI. E. strike or allow for a side letter agreement between Oxy and Mewbourne as has been done in the past
We are fine with a Letter Agreement. Sounds good.
7. XVI. Add in "Notwithstanding anything contained herein to the contrary, in the event any party hereto contributes to this agreement an interest in an oil and gas lease or leases with a new revenue interest greater than 80% on a 100% basis (the "lease(s)"), then that party shall be deemed to have reserved from the lease(s) a proportionately reduced overriding royalty interest equal to the positive difference between twenty percent (20%) of all of the oil, gas and other liquid and gaseous hydrocarbons produced and saved and the total of all royalties, overriding royalties, production payment and similar burdens of record as of the date of this agreement and attributable to the lease(s). Such overriding royalty interest shall only be due and payable when and if the lease(s) or any portion thereof is included in a spacing unit or project area for a well drilled pursuant to this agreement. The overriding royalty interest so reserved shall be free and clear of all cost of exploring, drilling and producing such oil, gas and other liquid or gaseous hydrocarbons but shall be subject to a proportionate part of applicable taxes. Such overriding royalty interest shall be proportionately reduced in the proportion that the contributed interest in the lease(s) bears to the full interest in a spacing unit or project area for a well drilled hereunder."
I need to check with the other parties, but we are fine with adding this language. Great, thank you.
8. 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."
Can we just add this to the Letter Agreement as well? That will be fine.

Exhibit A

We are not interest in committing all of sections 24 and 23 to the JOA. We are only interest in signing a JOA covering the N2 of sections 23 and 24.

We are pretty set on making this a two section JOA, we haven't received any push back from the other WI owners on this. We plan on drilling/operating wells in both the North and the South halves, and going forward it helps all parties involved spread out their risk. There are also multiple contracts in place already and we are trying to clean them up. Also, OXY owns interests in both the north and the south halves of both sections, so I guess I don't understand why you would just want to limit it to the N/2 only.

GBA: COPUS

Under the Offsite technical Labor we prefer Alternative 3, allowing price charging under specific conditions and periods.
We are fine with this. Great, thank you.

Let me know what you think, and if you have any questions or concerns, fill 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



From: Guest, Lauren B [mailto:Lauren_Guest@oxy.com]
Sent: Monday, July 30, 2018 9:57 AM
To: Josh Anderson
Subject: Parkchester 24/23 JOA

Good Morning Josh,

After reviewing the JOA for the Parkchester wells I would like to propose the following changes:

JOA:

1. VI. A. Can the SHL and BHL for the first well to be drilled be added
2. VI.A.9 change 60% to 70%. Additionally, change the percentage throughout the agreement.
3. VII.D. Oxy prefers to have lines 7-13 struck
4. VII. F. Oxy prefers to have the preferential right struck
5. XV. A. Select option No. 2
6. XVI. E. strike or allow for a side letter agreement between Oxy and Mewbourne as has been done in the past
7. XVI. Add in "Notwithstanding anything contained herein to the contrary, in the event any party hereto contributes to this agreement an interest in an oil and gas lease or leases with a new revenue interest greater than 80% on a 100% basis (the "lease(s)"), then that party shall be deemed to have reserved from the lease(s) a proportionately reduced overriding royalty interest equal to the positive difference between twenty percent (20%) of all of the oil, gas and other liquid and gaseous hydrocarbons produced and saved and the total of all royalties, overriding royalties, production payment and similar burdens of record as of the date of this agreement and attributable to the lease(s). Such overriding royalty interest shall only be due and payable when and if the lease(s) or any portion thereof is included in a spacing unit or project area for a well drilled pursuant to this agreement. The overriding royalty interest so reserved shall be free and clear of all cost of exploring, drilling and producing such oil, gas and other liquid or gaseous hydrocarbons but shall be subject to a proportionate part of applicable taxes. Such overriding royalty interest shall be proportionately reduced in the proportion that the contributed interest in the lease(s) bears to the full interest in a spacing unit or project area for a well drilled hereunder."
8. 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."

Exhibit A

We are not interest in committing all of sections 24 and 23 to the JOA. We are only interest in signing a JOA covering the N2 of sections 23 and 24.

GBA:

Under the Offsite technical Labor we prefer Alternative 3, allowing price charging under specific conditions and periods.

Let me know if you have any questions.

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

Josh Anderson

From: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Thursday, October 18, 2018 11:06 AM
To: Josh Anderson
Subject: Re: RE: Parkchester 24/23 JOA

Josh,

Yes. That will work!

Thanks,
Lauren

Sent from my iPhone

On Oct 18, 2018, at 10:55 AM, Josh Anderson <janderson@Mewbourne.com> wrote:

Lauren,

Actually I remember talking about 5. XV. A. on the phone and I think we said that we'll just put it in the letter agreement, that way we just offer the pooled interest to OXY. Are you fine with that? I'm about to send out the changes.

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
<image001.png>

From: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Wednesday, October 17, 2018 8:16 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Hi Josh,

Oxy is agreeable to keeping the GBA provision for this operating agreement.

As a recap below are the changes we have agreed to:

1. VI. A. Add Unit letters for the SHL and BHL locations for the initial well
2. VI.B.9, VI.D, VI.F add that the support of at least 2 non-operator of not less than 60%
3. VIII.D. strike lines 7-13
4. VIII. F. strike the preferential right

5. XV. A. Select option No. 2—one this one I cannot remember for certain if we agreed to changing it on the phone
6. XVI. E. Letter Agreement removing Oxy from this provision
7. XVI. Add in “Notwithstanding anything contained herein to the contrary, in the event any party hereto contributes to this agreement an interest in an oil and gas lease or leases with a new revenue interest greater than 80% on a 100% basis (the “lease(s)”), then that party shall be deemed to have reserved from the lease(s) a proportionately reduced overriding royalty interest equal to the positive difference between twenty percent (20%) of all of the oil, gas and other liquid and gaseous hydrocarbons produced and saved and the total of all royalties, overriding royalties, production payment and similar burdens of record as of the date of this agreement and attributable to the lease(s). Such overriding royalty interest shall only be due and payable when and if the lease(s) or any portion thereof is included in a spacing unit or project area for a well drilled pursuant to this agreement. The overriding royalty interest so reserved shall be free and clear of all cost of exploring, drilling and producing such oil, gas and other liquid or gaseous hydrocarbons but shall be subject to a proportionate part of applicable taxes. Such overriding royalty interest shall be proportionately reduced in the proportion that the contributed interest in the lease(s) bears to the full interest in a spacing unit or project area for a well drilled hereunder.”
8. Add Oxy’s self-insurance language to Letter Agreement. “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.”

Please provide a copy of the JOA when the changes discussed have been made.

Is there a title opinion for this well you can share?

Thank you,
Lauren

From: Guest, Lauren B
Sent: Friday, October 05, 2018 2:02 PM
To: 'Josh Anderson' <janderson@Mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Hi Josh,

I am sorry I do not have an answer back yet from my manager on the GBA. I believe they are scheduling time to talk to our gas marketing group about the provision.

We will agree to the contract area for this JOA.

I will update you when I hear more!

Lauren

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Friday, October 05, 2018 9:46 AM

To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Lauren,

I want to send out changes on this ASAP, did you talk to your manager and get everything we talked about on 9/25/18 straightened out?

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
<image001.png>

From: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Wednesday, August 29, 2018 10:57 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA

Hi Josh,

On point #2 below would Mewbourne be agreeable to requiring that Mewbourne receive the support of at least 2 or more non-operators of not less than 60%?

On point #5 Oxy would prefer to have the option of picking up additional interest.

On the Exhibit A Oxy would like the JOA to only cover the N2 because we do not want to tie up all of our land in a JOA when we are not sure if the wells in the N2 will meet expectations. If we commit all our acreage to the JOA and the wells do not perform as hoped we only have an option of going non-consent in wells in the south vs having an option to farm out our acreage if its not committed to a JOA. Additionally, a force pooling order would be limited to the N2 and should Oxy fall under the order then Oxy would still have additional options for its acreage in the south.

I have one new request, on the GBA 14. – Other provisions – Section 3.1 It is preferred that the original 3.1 be kept and the proposed 3.1 be deleted. This would burden non-ops by making them construct an entire new metering facility when the gas will probably be going to the same pipeline.

Let me know what you think!

Thanks,
Lauren

From: Josh Anderson <janderson@mewbourne.com>
Sent: Wednesday, August 08, 2018 2:35 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] RE: Parkchester 24/23 JOA

Lauren,

In response to OXY's suggested changes for the captioned prospect above, please refer to our responses in red below:

JOA:

1. VI. A. Can the SHL and BHL for the first well to be drilled be added
Can we just use Unit Letters for the locations? We often will adjust locations by a couple feet from time to time, and if we use exact locations, I'll have to send out new Article VI. A.s everytime. Yes- unit letters are fine.
2. VI.A.9 change 60% to 70%. Additionally, change the percentage throughout the agreement.
We'd like to leave this at 60%, because Devon has approximately 26% in the unit, so in effect, we would have to have everyone but them agree to get to 70%
3. VIII.D. Oxy prefers to have lines 7-13 struck
4. VIII. F. Oxy prefers to have the preferential right struck
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, BUT In the spirit of cooperation, we will strike these. Great, thank you.
5. XV. A. Select option No. 2
Would OXY be agreeable to leaving this as Option No. 1 but we will change Article XVI.A. to clarify that Operator will bear all costs associated with securing a compulsory pooling order.
6. XVI. E. strike or allow for a side letter agreement between Oxy and Mewbourne as has been done in the past
We are fine with a Letter Agreement. Sounds good.
7. XVI. Add in "Notwithstanding anything contained herein to the contrary, in the event any party hereto contributes to this agreement an interest in an oil and gas lease or leases with a new revenue interest greater than 80% on a 100% basis (the "lease(s)"), then that party shall be deemed to have reserved from the lease(s) a proportionately reduced overriding royalty interest equal to the positive difference between twenty percent (20%) of all of the oil, gas and other liquid and gaseous hydrocarbons produced and saved and the total of all royalties, overriding royalties, production payment and similar burdens of record as of the date of this agreement and attributable to the lease(s). Such overriding royalty interest shall only be due and payable when and if the lease(s) or any portion thereof is included in a spacing unit or project area for a well drilled pursuant to this agreement. The overriding royalty interest so reserved shall be free and clear of all cost of exploring, drilling and producing such oil, gas and other liquid or gaseous hydrocarbons but shall be subject to a proportionate part of applicable taxes. Such overriding royalty interest shall be proportionately reduced in the proportion that the contributed interest in the lease(s) bears to the full interest in a spacing unit or project area for a well drilled hereunder."
I need to check with the other parties, but we are fine with adding this language. Great, thank you.
8. 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."
Can we just add this to the Letter Agreement as well? That will be fine.

Exhibit A

We are not interest in committing all of sections 24 and 23 to the JOA. We are only interest in signing a JOA covering the N2 of sections 23 and 24.

We are pretty set on making this a two section JOA, we haven't received any push back from the other WI owners on this. We plan on drilling/operating wells in both the North and the South halves, and going forward it helps all parties involved spread out their risk. There are also multiple contracts in place already and we are trying to clean them up. Also, OXY owns interests in both the north and the south halves of both sections, so I guess I don't understand why you would just want to limit it to the N/2 only.

GBA: COPUS

Under the Offsite technical Labor we prefer Alternative 3, allowing price charging under specific conditions and periods.

We are fine with this. Great, thank you.

Let me know what you think, and if you have any questions or concerns, fill 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

<image001.png>

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

Sent: Monday, July 30, 2018 9:57 AM

To: Josh Anderson

Subject: Parkchester 24/23 JOA

Good Morning Josh,

After reviewing the JOA for the Parkchester wells I would like to propose the following changes:

JOA:

1. VI. A. Can the SHL and BHL for the first well to be drilled be added
2. VI.A.9 change 60% to 70%. Additionally, change the percentage throughout the agreement.
3. VII.D. Oxy prefers to have lines 7-13 struck
4. VII. F. Oxy prefers to have the preferential right struck
5. XV. A. Select option No. 2
6. XVI. E. strike or allow for a side letter agreement between Oxy and Mewbourne as has been done in the past
7. XVI. Add in "Notwithstanding anything contained herein to the contrary, in the event any party hereto contributes to this agreement an interest in an oil and gas lease or leases with a new revenue interest greater than 80% on a 100% basis (the "lease(s)"), then that party shall be deemed to have reserved from the lease(s) a proportionately reduced overriding royalty interest equal to the positive difference between twenty percent (20%) of all of the oil, gas and other liquid and gaseous hydrocarbons produced and saved and the total of all royalties, overriding royalties, production payment and similar burdens of record as of the date of this agreement and attributable to the lease(s). Such overriding royalty interest shall only be due and payable when and if the lease(s) or any portion thereof is included in a spacing unit or project area for a well drilled pursuant to this agreement. The overriding royalty interest so reserved shall be free and clear of all cost of exploring, drilling and producing such oil, gas and other

liquid or gaseous hydrocarbons but shall be subject to a proportionate part of applicable taxes. Such overriding royalty interest shall be proportionately reduced in the proportion that the contributed interest in the lease(s) bears to the full interest in a spacing unit or project area for a well drilled hereunder.”

8. 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.”

Exhibit A

We are not interest in committing all of sections 24 and 23 to the JOA. We are only interest in signing a JOA covering the N2 of sections 23 and 24.

GBA:

Under the Offsite technical Labor we prefer Alternative 3, allowing price charging under specific conditions and periods.

Let me know if you have any questions.

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

Josh Anderson

From: Josh Anderson
Sent: Thursday, October 25, 2018 2:55 PM
To: 'Guest, Lauren B'
Subject: RE: Parkchester 24/23 JOA Replacement Pages

That will be fine.

-Josh

From: Guest, Lauren B <Lauren_Guest@oxy.com>
Sent: Tuesday, October 23, 2018 8:26 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 JOA Replacement Pages

Hi Josh,

I spoke to soon on the GBA. I found out yesterday that John had reached out to Corey on finding some middle ground on the GBA provision for this JOA as well as other JOA's Oxy is working on with Mewbourne. I apologize for the miscommunication.

While we wait for Corey and John to get the GBA resolved do you want to send over the letter agreement for the Parkchester OA?

Thank you,
Lauren

From: Josh Anderson <janderson@mewbourne.com>
Sent: Thursday, October 18, 2018 3:44 PM
To: Guest, Lauren B <Lauren_Guest@oxy.com>
Subject: [EXTERNAL] Parkchester 24/23 JOA Replacement Pages

Lauren,

Attached are the JOA replacement pages and corresponding cover letter, for the above captioned prospect.

If you have any questions, don't hesitate to ask.

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

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

Fasken Land and Minerals, Ltd.
6101 Holiday Hill Road
Midland, Texas 79707
Attn: Ms. Linda Hicks

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Ms. Hicks:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Fasken Land Minerals, Ltd ("Fasken") owns 10.63368% interest in the captioned Section 23 (640.00 gross acres). Accordingly, Fasken would own 5.31684% working interest in the proposed WIU ($10.63368\% \text{ interest} \times 640.00 \text{ gross acres} = 68.05557 \text{ net acres} / 1280.00 \text{ gross acres} = 5.31684\% \text{ interest in the WIU}$).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

Fasken Land and Minerals, Ltd.
6101 Holiday Hill Road
Midland, Texas 79707
Attn: Ms. Linda Hicks

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Ms. Hicks:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Fasken Land Minerals, Ltd ("Fasken") owns 10.63368% interest in the captioned Section 23 (640.00 gross acres). Accordingly, Fasken would own 5.31684% working interest in the proposed WIU ($10.63368\% \text{ interest} \times 640.00 \text{ gross acres} = 68.05557 \text{ net acres} / 1280.00 \text{ gross acres} = 5.31684\% \text{ interest in the WIU}$).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

Date: May 16, 2018

Simple Certified:

The following is in response to your May 16, 2018 request for delivery information on your Certified Mail™/RRE item number 9414810699945031449259. The delivery record shows that this item was delivered on May 16, 2018 at 1:37 pm in MIDLAND, TX 79707. The scanned image of the recipient information is provided below.

Signature of Recipient :

Ruth McInerney

Address of Recipient :

6101 Holiday Hill

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: Linda Hicks
Fasken Land and Minerals, Ltd.
6101 HOLIDAY HILL RD
MIDLAND, TX 79707
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

Fasken Land and Minerals, Ltd.
6101 Holiday Hill Road
Midland, Texas 79707
Attn: Ms. Linda Hicks

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Ms. Hicks:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 11, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

Date: May 21, 2018

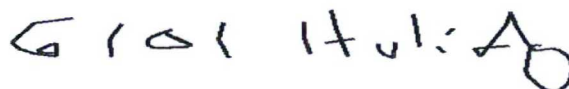
Simple Certified:

The following is in response to your May 21, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945031581787. The delivery record shows that this item was delivered on May 21, 2018 at 3:32 pm in MIDLAND, TX 79707. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



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

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

Sincerely,

United States Postal Service

Attn: Linda Hicks
Fasken Land and Minerals, Ltd.
6101 HOLIDAY HILL RD
MIDLAND, TX 79707
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

Josh Anderson

From: Josh Anderson
Sent: Monday, October 08, 2018 4:58 PM
To: 'Linda Hicks'
Subject: RE: Parkchester wells

Sounds good, thanks Linda!

From: Linda Hicks <lindah@forl.com>
Sent: Monday, October 08, 2018 4:56 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Parkchester wells

Josh,

Just checked with Engineer and we have approved the wells. Will get the paperwork over to you asap.

Linda

Josh Anderson

From: Josh Anderson
Sent: Wednesday, October 10, 2018 3:03 PM
To: 'Linda Hicks'
Subject: RE: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H

Linda,

I looked back into it, and the original JOA for Sec. 23 gave Depco, Inc. a 35/144 (24.30556%) contractual interest over the section. Half of that (12.15278%) (the N/2) gets assigned to IT, and eventually Fasken gets 87.5% of that which would be the 21.267356% (68.06 NA) across the N/2 that we are showing Fasken as owning.

Let me know if that helps with anything.

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: Linda Hicks <lindah@forl.com>
Sent: Wednesday, October 10, 2018 11:40 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: RE: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H

Josh,

All I have in our file is a take-off dated January 24, 2008 that shows IT properties, our Assignor, as having 61.48. Fasken received 87.5% of that acreage, or 53.80 acres. Mewbourne shows Fasken as having 68.06 acres.

Hopefully the title opinion will clear that up.

Linda

From: Josh Anderson <janderson@mewbourne.com>
Sent: Wednesday, October 10, 2018 10:59 AM
To: Linda Hicks <lindah@forl.com>
Subject: RE: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H

We do. We are currently working on having a title opinion being rendered, but I can forward that as soon as we get it.

Sounds good Linda!

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: Linda Hicks <lindah@forl.com>

Sent: Wednesday, October 10, 2018 10:37 AM

To: Josh Anderson <janderson@mewbourne.com>

Subject: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H

Josh,

Do you plan to drill both of these wells together?

Can you please send me the title opinion for Section 23 so I can verify Fasken's gross/net interest in these wells?

We are getting the AFE's signed today and will get those over to you asap.

THANKS!!

Linda



FASKEN
OIL AND RANCH

Linda H. Hicks

Fasken Oil and Ranch, Ltd.

6101 Holiday Hill Road

Midland, Texas 79707-1631

432-687-1777

432-818-0967 Direct Line

432-687-0669 Fax

Josh Anderson

From: Linda Hicks <lindah@forl.com>
Sent: Thursday, October 11, 2018 10:46 AM
To: Josh Anderson
Subject: RE: Parkchester

Josh,

I am still confused. I really don't know what to think.

Please call me when you can and explain what you think the interest is.

Thanks.

Linda

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Wednesday, October 10, 2018 5:40 PM
To: Linda Hicks <lindah@forl.com>
Subject: RE: Parkchester

The contract attached to the front of the Operating agreement should have it covered.

Attached it for your convenience.

Let me know what you think.
-Josh

From: Linda Hicks <lindah@forl.com>
Sent: Wednesday, October 10, 2018 5:09 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Parkchester

Josh,

The assignment from Dekalb (Depco) to Sherman and IT is limited to its interest in the N/2 Section 23 and says it is subject to farmin and Operating Agreement dated June 4, 1975 covering N/2 Sec. 23 an W/2 Sec. 11. Doesn't mention the April 29, 1976 JOA that covers all Sec. 23.

Same with the assignment from Sherman to IT.

Can you give me the name of who you are working with at Devon. I'd like to talk to them and see if perhaps they can shed some light on this.

Thanks,

Linda



Linda H. Hicks
Fasken Oil and Ranch, Ltd.
6101 Holiday Hill Road
Midland, Texas 79707-1631
432-687-1777
432-818-0967 Direct Line
432-687-0669 Fax

Josh Anderson

From: Josh Anderson
Sent: Friday, October 12, 2018 9:05 AM
To: 'Linda Hicks'
Subject: RE: Parkchester AFE's
Attachments: Depco Title Chain Sec. 23-19S-28E.PDF; Sec. 23-19S-28E - Operating Agreement.pdf

Linda,

This is the chain of title I forwarded to Richard Nightengale, for how you both received your interest in Sec. 23.

Take a look at them and let me know what you think, and if there is something I'm missing, let me know.

Hope this helps.

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: Linda Hicks <lindah@forl.com>
Sent: Thursday, October 11, 2018 1:52 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Parkchester AFE's

Josh,

Please find attached my letter to you regarding these AFE's. Original to follow by mail. I think I agree with the 5.316840% interest but not totally sure. I look forward to getting the title opinion.

Thanks for your help. I know I'm driving you crazy!!

Linda

Josh Anderson

From: Linda Hicks <lindah@forl.com>
Sent: Friday, October 26, 2018 8:39 AM
To: Josh Anderson
Subject: RE: Parkchester 24/23 JOA Replacement Pages

I'll try to get that signed today, Monday at the latest.

Linda

From: Josh Anderson <janderson@Mewbourne.com>
Sent: Thursday, October 25, 2018 3:07 PM
To: Linda Hicks <lindah@forl.com>
Subject: RE: Parkchester 24/23 JOA Replacement Pages

Linda,

Just touching base to see where you guys are on getting the JOA executed.

Please let me know if you have any questions.

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: Thursday, October 18, 2018 3:54 PM
To: 'Linda Hicks' <lindah@forl.com>
Subject: Parkchester 24/23 JOA Replacement Pages

Linda,

Attached are the JOA replacement pages and corresponding cover letter, for the above captioned prospect.

If you have any questions, don't hesitate to ask.

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

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

EOG M Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Chuck Moran

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Chuck:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently EOG M Resources, Inc. ("EOG") owns 8.79629% interest in the captioned Section 23 (640.00 gross acres). Accordingly, EOG would own 4.39815% working interest in the proposed WIU ($8.79629\% \text{ interest} \times 640.00 \text{ gross acres} = 56.29628 \text{ net acres} / 1280.00 \text{ gross acres} = 4.39815\% \text{ interest in the WIU}$).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

EOG M Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Chuck Moran

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Chuck:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently EOG M Resources, Inc. ("EOG") owns 8.79629% interest in the captioned Section 23 (640.00 gross acres). Accordingly, EOG would own 4.39815% working interest in the proposed WIU ($8.79629\% \text{ interest} \times 640.00 \text{ gross acres} = 56.29628 \text{ net acres} / 1280.00 \text{ gross acres} = 4.39815\% \text{ interest in the WIU}$).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

EOG A Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Chuck Moran

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Chuck:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently EOG M Resources, Inc. ("EOG") owns 8.79629% interest in the captioned Section 23 (640.00 gross acres). Accordingly, EOG would own 4.39815% working interest in the proposed WIU ($8.79629\% \text{ interest} \times 640.00 \text{ gross acres} = 56.29628 \text{ net acres} / 1280.00 \text{ gross acres} = 4.39815\% \text{ interest in the WIU}$).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 11, 2018

Via Certified Mail

EOG A Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Chuck Moran

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Chuck:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently EOG M Resources, Inc. ("EOG") owns 8.79629% interest in the captioned Section 23 (640.00 gross acres). Accordingly, EOG would own 4.39815% working interest in the proposed WIU (8.79629% interest X 640.00 gross acres = 56.29628 net acres / 1280.00 gross acres = 4.39815% interest in the WIU).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman




Date: May 16, 2018

Simple Certified:

The following is in response to your May 16, 2018 request for delivery information on your Certified Mail™/RRE item number 9414810699945031449433. The delivery record shows that this item was delivered on May 16, 2018 at 7:33 am in MIDLAND, TX 79702. The scanned image of the recipient information is provided below.

Signature of Recipient :

no 
Timmy Whitehead

Address of Recipient :

ry 2267

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: Chuck Moran
EOG Y Resources Inc
5509 CHAMPIONS DR
MIDLAND, TX 79706
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

EOG M Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Chuck Moran

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Chuck:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 11, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

EOG A Resources, Inc.
5509 Champions Drive
Midland, Texas 79706
Attn: Chuck Moran

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Chuck:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 11, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman



Date: May 21, 2018

Simple Certified:

The following is in response to your May 21, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945031581954. The delivery record shows that this item was delivered on May 21, 2018 at 7:30 am in MIDLAND, TX 79701. The scanned image of the recipient information is provided below.

Signature of Recipient :

Signature of Recipient :
J. Berry

Address of Recipient :

Address of Recipient :
2267

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: Mr. Chuck Moran
EOG Y Resources Inc
5509 CHAMPIONS DR
MIDLAND, TX 79706
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

Josh Anderson

From: Josh Anderson
Sent: Tuesday, October 16, 2018 5:30 PM
To: 'Clay_Haggard@eogresources.com'
Subject: RE: Parkchester well proposal

Clay,

Just circling back around on this, did we get everything figured out? Trying to move forward on this, let me know if you have any questions.

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: Friday, May 18, 2018 2:56 PM
To: Clay Haggard <Clay_Haggard@eogresources.com>
Subject: RE: Parkchester well proposal

Clay,

We're showing EOG derived their interest in Sec. 23 from ABO Petroleum Corp (EOG A) & Myco Industries (EOG M).

Attached is the operating agreement covering said lands, and the assignment of it from Yates Petroleum Corp., to ABO, Yates Drilling, and Myco.

Let me know if you see something else that we're missing in here, but that is how we calculated EOG's in this unit.

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: Clay Haggard [mailto:Clay_Haggard@eogresources.com]
Sent: Friday, May 18, 2018 11:47 AM
To: Josh Anderson
Cc: Clay Haggard
Subject: Parkchester well proposal

Josh

I am in receipt of Mewbourne's Parkchester well proposals in Sections 23 and 24 of 19S-28E.

I was wondering if you had any title work done on these sections, because our records show EOG Y with a 50% interest in Section 23.

I do not show EOG A or EOG M with any interest at all.

Any help you can give me is most appreciated.

Let me know something as soon as you can, so we can move forward with this.

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



Josh Anderson

From: Josh Anderson
Sent: Thursday, October 18, 2018 3:49 PM
To: Clay_Haggard@eogresources.com; charles_moran@eogresources.com
Subject: Parkchester 24/23 JOA Replacement Pages
Attachments: Parkchester 24-23 JOA Replacement Pages.pdf; EOG Parkchester 24-23 Replacement Page Cover Letter.pdf

Chuck & Clay,

Attached are the JOA replacement pages and corresponding cover letter, for the above captioned prospect.

If you have any questions, don't hesitate to ask.

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

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

May 17, 2018

Via Certified Mail

Nightengale Petroleum Properties, Inc.
3033 Fredna Place
Midland, Texas 79707

Re: Working Interest Unit
Mewbourne's Parkchester 24/23 Prospect
Section 24/23, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Enclosed for your further handling regarding the captioned prospect and lands is our Operating Agreement dated May 15, 2018, along with an extra set of signature pages. The Operating Agreement is to coincide with the well proposal/AFE I sent by letter dated May 11, 2018.

Regarding the above, please have the AFE, Operating Agreement and extra set of signature pages executed and return only the extra set of signature pages and AFE to me whereby you will retain the Operating Agreement for your file.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

Date: May 19, 2018

Simple Certified:

The following is in response to your May 19, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945031582487. The delivery record shows that this item was delivered on May 19, 2018 at 11:12 am in MIDLAND, TX 79707. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :

3033 FREDNA

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

Nightengale Petroleum Properties, Inc.
3033 FREDNA PL
MIDLAND, TX 79707
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

October 10, 2018

Via Certified Mail

Nightengale Petroleum Properties, Inc.
2624 Guilford Ln
Oklahoma City, OK 73120

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Nightengale Petroleum Properties, Inc. ("Nightengale") owns 0.30382% interest in the captioned Section 23 (640.00 gross acres). Accordingly, Nightengale would own 0.15191% working interest in the proposed WIU ($0.30382\% \text{ interest} \times 640.00 \text{ gross acres} = 1.94444 \text{ net acres} / 1280.00 \text{ gross acres} = 0.15191\% \text{ interest in the WIU}$).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

October 10, 2018

Via Certified Mail

Nightengale Petroleum Properties, Inc.
2624 Guilford Ln
Oklahoma City, OK 73120

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Nightengale Petroleum Properties, Inc. ("Nightengale") owns 0.30382% interest in the captioned Section 23 (640.00 gross acres). Accordingly, Nightengale would own 0.15191% working interest in the proposed WIU ($0.30382\% \text{ interest} \times 640.00 \text{ gross acres} = 1.94444 \text{ net acres} / 1280.00 \text{ gross acres} = 0.15191\% \text{ interest in the WIU}$).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. Our Joint Operating Agreement to follow.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman



October 12, 2018

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5035 3892 97.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: October 12, 2018, 2:13 pm
Location: OKLAHOMA CITY, OK 73120
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Nightengale Petroleum Properties

Shipment Details

Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

2624 Guilford LN
OKC 73120

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Nightengale Petroleum Properties
2624 GUILFORD LN
OKLAHOMA CITY, OK 73120
Reference #: Parkchester 24 23 B2AD 1H JA
Item ID: Parkchester 24 23 B2AD 1H

Josh Anderson

From: Josh Anderson
Sent: Tuesday, October 16, 2018 4:47 PM
To: 'Richard Nightengale'
Subject: RE: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H, Sec. 24 & 23-19S-28E, Eddy Co.,NM

Richard,

Mewbourne Oil Company would be willing to offer \$1,500/acre, delivering a 78% NRI, for a 3 Term Assignment of all of Nightengale Petroleum Properties, Inc's Bone Spring rights.

Let me know what you think.

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: Richard Nightengale <rdnightengale@gmail.com>
Sent: Tuesday, October 16, 2018 4:14 PM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Re: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H, Sec. 24 & 23-19S-28E, Eddy Co.,NM

Josh,

I reviewed my files and the interest you show for me is correct. As discussed, I would consider a Term Assignment of my Bone Spring rights. Would Mewbourne be interested?

Thanks.

Richard Nightengale

2624 Guilford Lane
Oklahoma City, OK 73120
405-607-0425
rdnightengale@gmail.com

On Oct 11, 2018, at 3:53 PM, Josh Anderson <janderson@Mewbourne.com> wrote:

Richard,

Attached are the corresponding Operating Agreement and subsequent title chain for the above captioned prospect, that we discussed on the phone today.

Take a look at them, and let me know what you think.

If you have any questions, 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
<image001.png>

From: Richard Nightengale <rdnightengale@gmail.com>

Sent: Wednesday, October 10, 2018 2:03 PM

To: Josh Anderson <janderson@mewbourne.com>

Subject: Re: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H, Sec. 24 & 23-19S-28E, Eddy Co.,NM

Josh,

I received your voicemail and email. I will take a look at this and get back with you tomorrow.

Thank you.

Richard Nightengale

2624 Guilford Lane
Oklahoma City, OK 73120
405-607-0425
rdnightengale@gmail.com

On Oct 10, 2018, at 11:30 AM, Josh Anderson <janderson@mewbourne.com> wrote:

Mr. Nightengale,

Attached are the above captioned Well Proposals as discussed on 10/5/18.

Hard copies of them as well as the proposed JOA are in the mail. We are moving ahead on this prospect rapidly, and have filed for compulsory pooling recently.

Sorry for the confusion, if you have any 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
<image001.png>

<Nightengale Petroleum Properties, Inc. Parkchester 24-23 Well Proposals.pdf>

<Depco Title Chain Sec. 23-19S-28E.PDF><Sec. 23-19S-28E - Operating Agreement.pdf>

Josh Anderson

From: Josh Anderson
Sent: Friday, October 26, 2018 10:59 AM
To: 'Richard Nightengale'
Subject: RE: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H, Sec. 24 & 23-19S-28E, Eddy Co.,NM

The pooling is November 1. If you would also execute the JOA, that would be very helpful to us if you are going to unload your interest.

-Josh

From: Richard Nightengale <rdnightengale@gmail.com>
Sent: Friday, October 26, 2018 10:06 AM
To: Josh Anderson <janderson@mewbourne.com>
Subject: Re: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H, Sec. 24 & 23-19S-28E, Eddy Co.,NM

Josh,

I am going to approve and return the AFEs but I will probably try to unload all of my interest in the lease.

When is the pooling hearing?

Thanks.
Richard

On Oct 25, 2018, at 3:05 PM, Josh Anderson <janderson@mewbourne.com> wrote:

Richard,

Just circling back around to see where we're at on this offer.

If you have any questions, 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
<image001.png>

From: Josh Anderson
Sent: Tuesday, October 16, 2018 4:47 PM
To: 'Richard Nightengale' <rdnightengale@gmail.com>

Subject: RE: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H,
Sec. 24 & 23-19S-28E, Eddy Co.,NM

Richard,

Mewbourne Oil Company would be willing to offer \$1,500/acre, delivering a 78% NRI, for a 3 Term Assignment of all of Nightengale Petroleum Properties, Inc's Bone Spring rights.

Let me know what you think.

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
<image001.png>

From: Richard Nightengale <rdnightengale@gmail.com>

Sent: Tuesday, October 16, 2018 4:14 PM

To: Josh Anderson <janderson@mewbourne.com>

Subject: Re: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H,
Sec. 24 & 23-19S-28E, Eddy Co.,NM

Josh,

I reviewed my files and the interest you show for me is correct. As discussed, I would consider a Term Assignment of my Bone Spring rights. Would Mewbourne be interested?

Thanks.

Richard Nightengale

2624 Guilford Lane
Oklahoma City, OK 73120
405-607-0425
rdnightengale@gmail.com

On Oct 11, 2018, at 3:53 PM, Josh Anderson <janderson@Mewbourne.com> wrote:

Richard,

Attached are the corresponding Operating Agreement and subsequent title chain for the above captioned prospect, that we discussed on the phone today.

Take a look at them, and let me know what you think.

If you have any questions, 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

<image001.png>

From: Richard Nightengale <rdnightengale@gmail.com>**Sent:** Wednesday, October 10, 2018 2:03 PM**To:** Josh Anderson <janderson@mewbourne.com>**Subject:** Re: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H, Sec. 24 & 23-19S-28E, Eddy Co., NM

Josh,

I received your voicemail and email. I will take a look at this and get back with you tomorrow.

Thank you.

Richard Nightengale

2624 Guilford Lane

Oklahoma City, OK 73120

405-607-0425

rdnightengale@gmail.com

On Oct 10, 2018, at 11:30 AM, Josh Anderson
<janderson@mewbourne.com> wrote:

Mr. Nightengale,

Attached are the above captioned Well Proposals as discussed on 10/5/18.

Hard copies of them as well as the proposed JOA are in the mail. We are moving ahead on this prospect rapidly, and have filed for compulsory pooling recently.

Sorry for the confusion, if you have any 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

<image001.png>

<Nightengale Petroleum Properties, Inc. Parkchester 24-23 Well
Proposals.pdf>

<Depco Title Chain Sec. 23-19S-28E.PDF><Sec. 23-19S-28E - Operating Agreement.pdf>

Josh Anderson

From: Josh Anderson
Sent: Thursday, October 18, 2018 3:46 PM
To: 'Richard Nightengale'
Subject: Parkchester 24/23 JOA Replacement Pages
Attachments: Parkchester 24-23 JOA Replacement Pages.pdf; Nightengale Parkchester 24-23 Replacement Page Cover Letter.pdf

Richard,

Attached are the JOA replacement pages and corresponding cover letter, for the above captioned prospect.

If you have any questions, don't hesitate to ask.

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



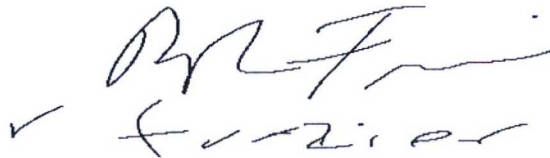
MEWBOURNE
OIL COMPANY

Date: June 11, 2018

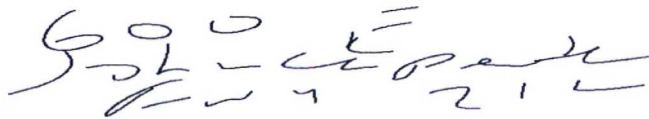
Simple Certified:

The following is in response to your June 11, 2018 request for delivery information on your Certified Mail™/RRE item number 9402810699945031582289. The delivery record shows that this item was delivered on June 11, 2018 at 12:36 pm in IRVING, TX 75038. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



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

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

Sincerely,

United States Postal Service

Linda Smith
Keystone Petroleum NM, LLC
222 Las Colinas Blvd W
STE 1570 E
Irving, TX 75039
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H



July 30, 2018

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8106 9994 5031 4494 57.

Item Details

Status:	Delivered, To Original Sender
Status Date / Time:	July 23, 2018, 3:56 pm
Location:	MIDLAND, TX 79701
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic

Recipient Signature

Signature of Recipient:

Address of Recipient:

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Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Linda Smith
Keystone Petroleum NM, LLC
222 Las Colinas Blvd W
STE 1570 E
Irving, TX 75039
Reference #: Parkchester 24/23 B2AD #1H JA
Item ID: Parkchester 24 23 B2AD 1H



September 28, 2018

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5034 9365 15.

Item Details

Status: Delivered
Status Date / Time: September 28, 2018, 1:32 pm
Location: HOBBS, NM 88240
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Penroc Oil Corporation

Shipment Details

Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient:

W.B. Allen

Address of Recipient:

PO Box 2761

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Penroc Oil Corporation
PO BOX 2769
Hobbs, NM 88241
Reference #: Parkchester 24 23 B2AD 1H JA
Item ID: Parkchester 24 23 B2AD 1H

MEWBOURNE OIL COMPANY
500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

October 19, 2018

Via Certified Mail

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056
Attn: Matt Brown

Re: Parkchester "24/23" B2AD State Com No. 1H
750' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Matt:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Marathon Oil Permian LLC ("MRO") owns 4.55729% interest in the captioned Section 23 (640.00 gross acres). Accordingly, MRO would own 2.27865% working interest in the proposed WIU ($4.55729\% \text{ interest} \times 640.00 \text{ gross acres} = 29.16667 \text{ net acres} / 1280.00 \text{ gross acres} = 2.27865\% \text{ interest in the WIU}$).

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 7,325 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,800 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated May 15, 2018 and an extra set of signature pages. In the event your firm 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 janderson@mewbourne.com or call me at (432) 682-3715.

Sincerely,
MEWBOURNE OIL COMPANY



Josh Anderson
Landman

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

FACSIMILE (432) 685-4170

October 19, 2018

Via Certified Mail

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056
Attn: Matt Brown

Re: Parkchester "24/23" B3AD State Com No. 2H
780' FNL & 400' FEL (SL) (Sec. 24)
400' FSL & 330' FEL (BHL) (Sec. 23)
Section 24/23, T19S, R28E
Eddy County, New Mexico

Matt:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the all of the captioned Section 24 and all of the captioned Section 23 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Apparently Marathon Oil Permian LLC ("MRO") owns 4.55729% interest in the captioned Section 23 (640.00 gross acres). Accordingly, MRO would own 2.27865% working interest in the proposed WIU ($4.55729\% \text{ interest} \times 640.00 \text{ gross acres} = 29.16667 \text{ net acres} / 1280.00 \text{ gross acres} = 2.27865\% \text{ interest in the WIU}$).

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 8,600 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,075 feet. All of the captioned Section 24 and all of the captioned Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated April 23, 2018 for the captioned proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated May 15, 2018 and an extra set of signature pages. In the event your firm 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 janderson@mewbourne.com or call me at (432) 682-3715.

Sincerely,
MEWBOURNE OIL COMPANY



Josh Anderson
Landman



October 22, 2018

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9402 8106 9994 5035 7013 34.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: October 22, 2018, 3:03 pm
Location: HOUSTON, TX 77056
Postal Product: Priority Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Up to \$50 insurance included
Recipient Name: Attn Matt Brown

Shipment Details

Weight: 2lb, 0.0oz

Recipient Signature

Signature of Recipient:

Matt
Brown

Address of Recipient:

5555 San Felipe
Houston, TX 77056

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Attn: Matt Brown
Marathon Oil Company
5555 SAN FELIPE ST
HOUSTON, TX 77056
Reference #: Parkchester 24 23 B2AD 1H JA
Item ID: Parkchester 24 23 B2AD 1H

Josh Anderson

From: Josh Anderson
Sent: Friday, October 19, 2018 3:11 PM
To: 'mbrown3@marathonoil.com'
Cc: 'jgorman1@marathonoil.com'
Subject: Parkchester 24/23 B2AD State Com No. 1H and Parkchester 24/23 B3AD State Com No. 2H, Sec. 24 & 23-19S-28E, Eddy Co., NM
Attachments: MRO Parkchester 24-23 B2AD State Com #1H & B3AD State Com #2H Well Proposals.pdf; MRO Parkchester 24-23 B2AD State Com #1H AFE.PDF; MRO Parkchester 24-23 B3AD State Com #2H AFE.PDF

Matt,

Attached are the well proposals and corresponding AFEs for the above captioned prospect.

I will put the originals and the proposed JOA in the mail.

Sorry for the delay on this, we thought that the certain Term Assignment dated 8/1/2010 was still in effect, and upon further review we believe that this was deemed to expire.

If you have any 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

AUTHORIZATION FOR EXPENDITURE

Well Name: <u>Parkchester 24/23 B2AD State Com #1H</u>		Prospect: <u>2nd Bone Spring</u>	
Location: <u>SL: 750' FNL & 400' FEL(24); BHL: 400' FNL & 330' FWL(23)</u>		County: <u>Eddy</u>	ST: <u>NM</u>
Sec. <u>24/23</u>	Blk: <u> </u>	Survey: <u> </u>	TWP: <u>19S</u> RNG: <u>28E</u> Prop. TVD: <u>7325</u> TMD: <u>16800</u>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	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	24 days drlg / 4 days comp @ \$21,000/d	0180-0110	\$539,000	0180-0210	\$89,700
Fuel	1500 gal/day @ 2.63/gal	0180-0114	\$120,500	0180-0214	\$380,000
Mud, Chemical & Additives		0180-0120	\$230,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$220,000
Cementing		0180-0125	\$100,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$380,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$80,000
Mud Logging		0180-0137	\$30,000		
Stimulation	48 Stg 18.9 MM gal / 18.9 MM lb			0180-0241	\$2,840,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$50,000	0180-0245	\$600,000
Bits		0180-0148	\$90,000	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		0180-0164	\$120,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$43,500	0180-0270	\$36,000
Directional Services	Includes Vertical Control	0180-0175	\$210,000		
Equipment Rental		0180-0180	\$229,100	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$6,260	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	\$139,200	0180-0295	\$115,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	10% (TCP) 10% (CC)	0180-0199	\$232,800	0180-0299	\$517,600
TOTAL			\$2,560,360		\$5,694,000

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	350' - 13 3/8" 54.5# J-55 ST&C @ \$35.90/ft	0181-0794	\$13,500		
Casing (8.1" - 10.0")	1150' - 9 5/8" 40# N-80 LT&C @ \$27.61/ft	0181-0795	\$34,000		
Casing (6.1" - 8.0")	7600' - 7" 29# P-110 LT&C @ \$27.76/ft	0181-0796	\$225,400		
Casing (4.1" - 6.0")	10500' - 4 1/2" 13.5# P-110 BPN @ \$13.66/ft			0181-0797	\$153,200
Tubing	7200' - 2 7/8" 6.5# L-80 EUE 8rd @ \$4.74/ft			0181-0798	\$36,500
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
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	\$25,000
Fittings / Valves & Accessories	.3 Mile 4" Gas & .5 Miles 4" Water			0181-0906	\$45,000
Cathodic Protection				0181-0908	\$8,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$50,000
Pipeline Construction	.3 Mile 4" Steel & .5 Miles 4" Poly			0181-0920	\$15,000
TOTAL			\$312,900		\$749,700
SUBTOTAL			\$2,873,260		\$6,443,700
TOTAL WELL COST					\$9,316,960

☐ 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: T. Cude Date: 4/20/2018

Company Approval: m. whitton Date: 4/23/2018

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:

Parkchester 24/23 B3AD State Com #2H

Prospect:

3rd Bone Spring

Location:

SL: 780' FNL & 400' FEL(24); BHL: 400' FNL & 330' FWL(23)

County:

Eddy

ST:

NM

Sec.

24/23

Blk: Survey: TWP:

19S

RNG:

28E

Prop. TVD:

8600

TMD:

18075

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	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	26 days drlg / 4 days comp @ \$21,000/d	0180-0110	\$584,000	0180-0210	\$89,700
Fuel	1500 gal/day @ 2.63/gal	0180-0114	\$128,900	0180-0214	\$380,000
Mud, Chemical & Additives		0180-0120	\$230,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$220,000
Cementing		0180-0125	\$100,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,000	0180-0230	\$380,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$80,000
Mud Logging		0180-0137	\$30,000		
Stimulation	48 Stg 18.9 MM gal / 18.9 MM lb			0180-0241	\$2,840,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$50,000	0180-0245	\$600,000
Bits		0180-0148	\$90,000	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		0180-0164	\$120,000		
Transportation		0180-0165	\$20,000	0180-0265	\$20,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$46,500	0180-0270	\$36,000
Directional Services	Includes Vertical Control	0180-0175	\$231,000		
Equipment Rental		0180-0180	\$243,000	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$6,260	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	\$148,800	0180-0295	\$115,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies	10% (TCP) 10% (CC)	0180-0199	\$242,800	0180-0299	\$517,600
TOTAL			\$2,671,260		\$5,694,000

TANGIBLE COSTS 0181					
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	350' - 13 3/8" 54.5# J-55 ST&C @ \$35.90/ft	0181-0794	\$13,500		
Casing (8.1" - 10.0")	1150' - 9 5/8" 40# N-80 LT&C @ \$27.61/ft	0181-0795	\$34,000		
Casing (6.1" - 8.0")	8880' - 7" 29# P-110 LT&C @ \$27.76/ft	0181-0796	\$263,300		
Casing (4.1" - 6.0")	10500' - 4 1/2" 13.5# P-110 BPN @ \$13.66/ft			0181-0797	\$153,200
Tubing	8475' - 2 7/8" 6.5# L-80 EUE 8rd @ \$4.74/ft			0181-0798	\$43,000
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
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	\$25,000
Fittings / Valves & Accessories	.3 Mile 4" Gas & .5 Miles 4" Water			0181-0906	\$45,000
Cathodic Protection				0181-0908	\$8,000
Electrical Installation				0181-0909	\$50,000
Equipment Installation				0181-0910	\$50,000
Pipeline Construction	.3 Mile 4" Steel & .5 Miles 4" Poly			0181-0920	\$15,000
TOTAL			\$350,800		\$756,200
SUBTOTAL			\$3,022,060		\$6,450,200
TOTAL WELL COST			\$9,472,260		

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:

T. Cude

Date:

4/20/2018

Company Approval:

m. whitton

Date:

4/23/2018

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

Case 16497