## 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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14,399

## **VERIFIED STATEMENT OF COREY MITCHELL**

Corey Mitchell, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company, and have personal knowledge of the matters stated herein.

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

(a) No opposition is expected because the working interest owners being pooled are unlocatable, or have been contacted regarding the proposed well and have simply not decided whether to join in the well or lease or farm out their interests.

(b) A plat outlining the spacing unit being pooled is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the SW¼SW¼ of Section 15, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. The unit will be dedicated to the Limousine "15" M Well No. 1, to be drilled at an orthodox location in the SW¼SW¼ of Section 15. The well will be an oil well.

(c) The parties being pooled, their working interests in the well unit, and their last known addresses, are as follows:

1)	Marilyn Harris Address Unknown	1.851852%
2)	Tommy Harris, Jr. Address Unknown	1.851852%

Oil Conservation Divisio	n
Case No.	
Exhibit No	

3)	John Harris Address Unknown	1.851852%
4)	Ella June Harris Address Unknown	0.462963%
5)	Michelle Harris Address Unknown	0.694444%
6)	Rachael Harris Address Unknown	0.694444%
7)	Byron Mann Address Unknown	1.851852%
8)	Walter Parker III 2710 Rockville Rd. Fairfield, CA 94534	1.851852%

(d) A copy of the proposal letter sent to the uncommitted working interest owners is attached hereto as Exhibit B. In addition, several phone calls have been made to the interest owners.

(e) In an attempt to find the mineral interest owners, Mewbourne Oil Company examined the Eddy County records, telephone directories and records in the counties of the last known residences of the out-of-state owners, and internet directories.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting working interest owner.

(g) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Eddy County.

(h) Overhead charges of \$4000/month for a drilling well, and \$400/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also

requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

(i) Applicant requests that it be designated operator of the well.

## **VERIFICATION**

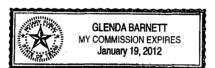
STATE OF NEW MEXICO ) ) ss. COUNTY OF SANTA FE )

Corey Mitchell, 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.

Corey Mitchell

SUBSCRIBED AND SWORN TO before me this <u>23rd</u> day of October, 2009 by Corey Mitchell.

My Commission Expires: 1-19-2012



ender /

Notary Public

Market	New Long Prod.         New Long Prod.           New Long Prod.         1.9.58         New Long Prod.           New Long Prod.         1.9.58         New Long Prod.           New Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mark Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Carl Prod.           Mew Low Carl Prod.         New Low Carl Prod.         New Low Car	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	<sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup> <sup>1</sup>	113     544     114     114       2002     2002     114     114       2002     2002     114     114       2012     2002     114     114       2013     212     114     115       2014     2004     114     115       2014     2004     114     115       2014     2004     2004     115       2014     2004     2004     2004       2014     2004     2004     2004       2014     2004     2004     2004       2014     2004     2004     2004       2014     2004     2004     2004       2014     2004     2004     2004       2014     2004     2004     2004       2014     2004     2004     2004       2014     2004     2004     2004       2015     2004     2004     2004       2015     2004     2005     2004       2015     2004     2004     2004	B. C. C. M. Hours B. C. M. Hours B. C. C. M. Hours B. C. C. M. Hours B. C. M. Mours B. C. M. Mours B. C. M.
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## Summary of Communications Limousine "15" M Well No. 1

### Walter Parker III

- 1) Mailed well proposal letter with AFE via certified mail dated 9-2-2009. Offered to acquire a six (6) month Oil and Gas Lease in the event he elected not to participate.
- 2) Received green card signed.
- 3) Mr. Parker called me and left a message to call him back on 9-10-2009.
- 4) Talked with Mr. Parker on 9-11-2009 and he said he would like to lease his interest to us for me to send him an Oil and Gas Lease for him to review.
- 5) Mailed letter and Oil and Gas Lease on 9-11-2009. Never heard back from Mr. Parker.

#### Marilyn Harris

1) Unable to locate.

### Tommy Harris, Jr.

1) Unable to locate.

### John Harris

1) Unable to locate.

#### Ella June Harris

1) Unable to locate.

### Michelle Harris

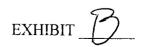
1) Unable to locate.

### Rachael Harris

1) Unable to locate.

#### Byron Mann

1) Unable to locate.



Service Type     Certified Mail Express Mail     Registered Return Receipt for Merchandise     Insured Mail C.O.D.
4. Restricted Delivery? ( <i>Extra Fee</i> )
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**Mewbourne Oil Company** 

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

September 2, 2009

Via Certified Mail-Return Receipt No. 1000

Walter Parker III 2710 Rockville Rd. Fairfield, CA 94534

> Re: Limousine "15" M #1 Well 990' FSL & 330' FWL Section 15, T20S, R25E Eddy County, New Mexico

Dear Mr. Parker:

Mewbourne Oil Company as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to adequately evaluate the Yeso formation, estimated total depth being 3,250 feet beneath the surface. The SW/4SW/4 of the captioned Section 15 will be dedicated to the well.

Regarding the above, enclosed for your further handling are two copies of our AFE dated May 28, 2009 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign one copy of the enclosed AFE and return to me within thirty (30) days. Upon our receipt of same, I will forward you our Operating Agreement covering the SW/4SW/4 of the captioned Section 15.

In the event you elect not to participate in the captioned well as to your respective mineral interest, Mewbourne offers to purchase an Oil and Gas Lease from you covering your 1/54 mineral interest in the SW/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month paid-up Oil and Gas Lease providing a 3/16 royalty interest. This offer is available for your acceptance for a period ending October 1, 2009.

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

Sincerely,

#### MEWBOURNE OIL COMPANY

Covery Mitchell

Corey Mitchell Landman

<u>Phone Conversations</u> <u>9-10-2009 - Walter Parker, III Called about</u> <u>Limousine 15 wells. Need to</u> <u>call back@(707)422-2915(+)</u> <u>or (707)974-2824(c). (m)</u> <u>9-11-2009 - Called Walter Parker, III, no</u> <u>answer, left message. (m)</u> <u>9-11-2009 - Talked With Mr. Parker. Wants</u> <u>to lease his interest in Sec. 15.</u> <u>Asked for me to send him a</u> <u>lease to review. (m)</u> MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (432) 682-3715 FAX (432) 685-4170

September 11, 2009

Walter Parker III 2710 Rockville Rd. Fairfield, CA 94534

Re: MOC's Limousine "15" Prospect SW/4 of Section 15, T20S, R25E Eddy County, New Mexico

Dear Mr. Parker:

Per our conversation, enclosed for your further handling is an Oil and Gas Lease prepared for your review and signature if you wish to lease your interest. Also enclosed is a copy of the Oil and Gas Lease for your keeping. The Oil and Gas Lease covers your 1/54 mineral interest in the SW/4SW/4 and the NE/4SW/4 of the captioned Section 15 on the basis of no bonus for a six (6) month term and providing a 3/16 royalty interest. It is understood you also own an interest in the NW/4SW/4 of the captioned Section 15, but we are not going to lease that acreage since your respective interest is subject to compulsory pooling Order R-13158.

Regarding the above, please sign the enclosed Oil and Gas Lease in the presence of a Notary Public and return same in the enclosed postage paid envelope provided for your convenience.

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

Sincerely,

### **MEWBOURNE OIL COMPANY**

Corry Mitchell

Corey Mitchell Landman

#### MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Prospect:	Long Draw/Qu	uick Draw Yeso	2		Well Name & No:	Limousine 15 M #	1	
Field:					Location:	990' FSL	& 330' FWL	
Section:	15 Block:	Survey:			Township	20\$	Range:	25E
County:	_Eddy		ST:	NM	Proposed Depth:		3250'	

	DESCRIPTION	Cost To Casing Point	Completion Cost
		AFE NO.	AFE NO.
	INTANGIBLE COST 180		
	ermits and Surveys	\$2,000	\$1,000
	ocation, Roads and Site Preparation (includes 80' of conductor & cement)	\$95,000	\$1,500
	ootage or Turnkey Drilling		
	ay Work 5 Days @ \$9,000/Day + GRT + 1 day Comp.	\$47,700	\$9,000
	6 Days @ 500 gal/day @ \$1.60/gal	\$4,800	<u> </u>
	ompletion / Workover Rig	£12.000	\$9,000
	lud and Chemicalsementing	\$13,000 \$7,500	\$15,000
	ogging, Wireline and Coring Services	\$7,500	\$17,50
	asing, Tubing & Snubbing Services	\$3,500	\$17,500
	Lasing, rubing a chabbing cervices	\$3,500	94,000
	esting		
	reating 2 stage frac - Total 300000 gals & 150000# 20/40 brown sand		\$150,000
	/ater & Other	\$8,000	
	its ·	\$6,000	
	ispection & Repair Services		
	lisc. Air and Pumping Services		
	ig Mobilization & Transportation	\$17,500	
	/elding and Construction	\$3,000	
	ngineering & Contract Supervision	\$5,000	
330 E	quipment Rental	\$8,000	\$3,000
334 V	/ell / Lease Legal	\$3,000	\$1,000
335 V	/ell / Lease Insurance	\$1,200	
350 ln	tangible Supplies	\$500	\$500
	amages	\$8,000	
360 Pi	ipeline and Electrical ROW and Easements		\$5,00
	ipeline Interconnect		
	ompany Supervision	\$7,000	\$6,000
	verhead Fixed Rate	\$2,500	\$2,500
	/ell Abandonment	\$12,000	(\$12,000
399 C	ontingencies 5% / 5%	\$12,800	\$10,700
l	Total Intangibles	\$268,000	\$223,700
	TANGIBLE COST 181		
797 C	onductor Casing 80' 20" (included in location)		
797 S	urface Casing 800' 8 5/8" 24# J-55 @ \$20.25/ft	\$16,400	
	termediate Casing		
	termediate Casing		
	roduction Casing 3,250' 4 1/2" 10.5# J55 LTC @ \$8.50/ft		\$27,800
	ubing 3200' 2 3/8" 4.7# J-55 EUE 8rd @ \$3.89/ft		\$12,500
	rilling Head 8 5/8" x 4 1/2" Larkin	\$1,300	
	ubing Head & Upper Section 4-1/2" x 2 3/8" Larkin		\$1,300
	ucker Rods acker Pump & Subsurface Equipment		\$14,600
	rtificial Lift Systems	"	\$9,800
	umping Unit	-	\$32,000
	urface Pumps & Prime Movers	-	\$32,00
	anks - Steel	-	\$22,00
	anks - Other EXHIBIT		\$7,50
	eparation Equipment		÷.,00
	as Treating Equipment	-	
898 M	etering Equipment		\$7,50
900 Li	ne Pipe - Gas Gathering and Transportation		
901 Lii	ne Pipe - Production 2000' - 3" SDR 7 poly		\$4,00
	iscellaneous Fittings, Valves & Accessories		\$1,80
	ectrical Installations		\$20,00
	roduction Equipment Installation		\$21,000
920 Pi	peline Construction	ļ	
repared by:	L. Jackson Date Prepared: 5/28/2009 Total Tangibles	\$17,700	\$184,80
ompany Appro	val: m. white Date Approved: 5/28/2009 SUBTOTAL	\$285,700	\$408,50
oint Owner Inte			
	erest: Joint Owner Amount: TOTAL WELL COST	\$694	200

Joint Owner:

\_Joint Owner Approval:

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up and redrilling, as estimated in Line Item 335. Non-operator may elect <u>not</u> to be covered by this Operator's Extra Expense Insurance only by signing below. The undersigned elects <u>not</u> to be covered by Operator's Extra Expense Insurance for their well.

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