

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

APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 14435

AFFIDAVIT OF D. PAUL HADEN

STATE OF TEXAS                     )  
  ) ss.  
COUNTY OF MIDLAND            )

I, D. Paul Haden, being first duly sworn on oath, states as follows:

1. My name is D. Paul Haden. I reside in Midland, Texas. I am the Landman employed by Mewbourne Oil Company ("Mewbourne") who is familiar with the status of the lands in the NW/4 SW/4 of Section 24, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. I am a Landman with over 29 years experience in the Permian Basin. I received my Bachelor of Science degree from Southwest Texas State University in 1978.

2. Mewbourne seeks an order pooling all mineral interests from the surface to the top of the Bone Spring formation in all formations and pools in the NW/4 SW/4 of Section 24, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

3. Mewbourne owns working interest in the NW/4 SW/4 of said Section 24 and proposes to dedicate the above-referenced spacing and proration unit to its Wyatt Draw "24" L Well No. 1 to be drilled as a wildcat oil well at a standard location 2310 feet from the South Line and 330 feet from the West Line (Unit L) of said Section 24 to a depth sufficient to evaluate the Yeso formation and all other formations and pools to the top of the Bone Spring Lime. The top of the Bone Spring Lime is identified at a depth of 4,170 feet beneath the surface in the Density Neutron Electric Log run in the Nearburg Exploration Company Fairchild "24" Well No. 1 located 2100 feet from the North Line and 900 feet from the West Line of Section 24, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. **Attachment A** is a plat of the subject lands showing the proposed spacing unit and the well location.

4. The proposed spacing unit consists of seventeen (17) fee Oil and Gas Leases. **Attachment B** lists the nature and percentage of the ownership interests in the subject unit.

5. This application has been instituted solely to pool the interests of working interest owners who do not oppose the application.

6. Mewbourne has made a good faith effort to locate and gain the voluntary participation of all working interest owners in the proposed spacing unit.

A. 1) The well was proposed to Nearburg Exploration Company, LLC on January 7, 2010 via certified mail with AFE enclosed. See Summary of Communications regarding Mewbourne's efforts to contact and obtain voluntary participation or obtaining a term assignment in lieu of working interest owner's participation in the proposed well.

2) The well was proposed to El Paso Gas Marketing Company on January 25, 2010 via certified mail with AFE enclosed. See Summary of Communications regarding Mewbourne's efforts to contact and obtain voluntary participation or obtaining a term assignment in lieu of working interest owner's participation in the proposed well.

B. Notice of this application has been provided to all interest owners subject to pooling unless there whereabouts cannot be determined and notice in these cases has been provided by publication in accordance with Division Rules.

C. None of these owners has voluntarily committed their interests to the proposed well.

D. A copy of the well proposal letter and relevant correspondence is included as Attachment C.

7. Mewbourne requests that these interest owners be pooled and Mewbourne be designated operator of the wells and the spacing unit.

8. Mewbourne proposes overhead charges (combined fixed rates) of \$ 4,000 per month while drilling and \$ 400 per month while producing which are the rates in Mewbourne's January 15, 2010 Joint Operating Agreement that has been signed by all other joint interest owners in the spacing unit.

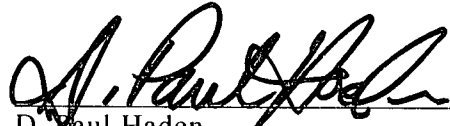
9. Attachment D is a copy of the authorization for expenditure (AFE) for the well which estimates costs to casing point to be \$ 342,100 and a completed cost of \$ 755,900.

10. Mewbourne plans to drill the Wyatt Draw "24" L No. 1 Well by March 15, 2010.

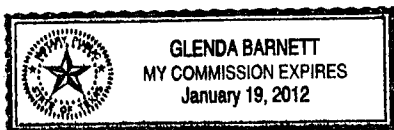
11. Attachment E consists of copies of the letters sent to those interest owners Mewbourne seeks to pool and an affidavit of publication given pursuant to Division rules.

12. Approval of this application will avoid the drilling of unnecessary wells, will prevent waste, will protect correlative rights, and allow Mewbourne and the other interest owners in the NW/4 SW/4 of Section 24 an opportunity to obtain their just and fair share of the oil and gas under the subject lands.

FURTHER AFFIANT SAYETH NOT.

  
D. Paul Haden

SUBSCRIBED AND SWORN before me on this 25<sup>th</sup> day of February, 2010.



  
Notary Public, State of Texas

My Commission Expires:

1-19-2012

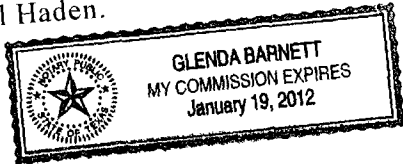
ACKNOWLEDGEMENT

STATE OF TEXAS

)  
) ss.  
)

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on February 25, 2010  
by D. Paul Haden.



Glenda Barnett  
Notary Public, State of Texas

My Commission Expires:  
1-19-2012