

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 16, 2024**

CASE No. 24402

SIG 6/5 FED COM #713H

EDDY COUNTY, NEW MEXICO



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

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

CASE NO. 24402

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24402	APPLICANT'S RESPONSE
Date	May 16, 2024
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company (OGRID No. 14744)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Sig 6/5
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Burton Flat Upper Wolfcamp [98315]
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horiztonal
Size (Acres)	332.68-acre
Building Blocks:	40 acres
Orientation:	West to East
Description: TRS/County	Lots 1-4 of irregular Sections 5 and 6 (N/2 N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: <i>Received by OCD: 5/14/2024 4:53:30 PM</i>	<u>Sig 6/5 Fed Com 713H well</u> SHL: 1,980' FNL, 80' FWL (Lot 5) of Section 6 BHL: 650' FNL, 100' FEL (Lot 1) of Section 5 Target: Wolfcamp Orientation: West-East Completion: Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-3
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1

<i>Received by OCD: 5/14/2024 4:53:30 PM</i> Gunbarrel/Lateral Trajectory Schematic	N/A	<i>Page 5 of 2</i>
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D, D-3	
HSU Cross Section	Exhibit D-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit C-1	
Tracts	Exhibit C-2	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2	
General Location Map (including basin)	Exhibit D	
Well Bore Location Map	Exhibit D-1	
Structure Contour Map - Subsea Depth	Exhibit D-2	
Cross Section Location Map (including wells)	Exhibit D-2	
Cross Section (including Landing Zone)	Exhibit D-3	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Paula M. Vance	
Signed Name (Attorney or Party Representative):		
Date:		5/14/2024

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

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

CASE NO. 24402

APPLICATION

Mewbourne Oil Company ("Mewbourne" or "Applicant") (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 332.68-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 of irregular Sections 5 and 6 (N/2 N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Sig 6/5 Fed Com #713H** well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of Section 6, with a first take point in Lot 4 (NW/4 NW/4 equivalent) of Section 6, and a last take point in Lot 1 (NE/4 NE/4 equivalent) of Section 5.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

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4. The pooling of uncommitted mineral owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral owners in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 
Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
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ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE _____: **Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 332.68-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 of irregular Sections 5 and 6 (N/2 N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Sig 6/5 Fed Com #713H** well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of Section 6, with a first take point in Lot 4 (NW/4 NW/4 equivalent) of Section 6, and a last take point in Lot 1 (NE/4 NE/4 equivalent) of Section 5. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles northeast of Carlsbad, New Mexico.

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

**APPLICATION OF MEWBOURNE OIL
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CASE NO. 24402

SELF-AFFIRMED STATEMENT OF ARIANA RODRIGUES

1. My name is Ariana Rodrigues. I work for Mewbourne Oil Company (“Mewbourne”) as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Mewbourne in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in this case have indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.

5. Under **Case No. 24402**, Mewbourne seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 332.68-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 of irregular Sections 5 and 6 (N/2 N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Mewbourne seeks to initially dedicate this Wolfcamp spacing unit to the proposed **Sig 6/5 Fed Com #713H** well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of Section 6, with a first take point in Lot 4 (NW/4 NW/4 equivalent) of Section 6, and a last take point in Lot 1 (NE/4 NE/4 equivalent) of Section 5.

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6. **Mewbourne Exhibit C-1** contains a draft Form C-102 for the well. This form demonstrates that the completed interval for the well will comply with statewide setbacks for oil wells. The exhibit shows that the well will be assigned to the Burton Flat Upper Wolfcamp East Oil [98315].

7. **Mewbourne Exhibit C-2** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of federal lands. The parties Mewbourne seeks to pool are in red.

8. **Mewbourne Exhibit C-3** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in this formation.

9. Mewbourne requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

10. **Mewbourne Exhibit C-4** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Mewbourne has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Mewbourne has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

11. Mewbourne has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Mewbourne seeks to pool and instructed that they be notified of this hearing. Mewbourne has conducted a diligent search of all public records in the county where the

property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

12. **Mewbourne Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Ariana Rodriguez

05/14/2024
Date

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

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Mewbourne Oil Company
Hearing Date: May 16, 2024
Case No. 24402
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-53454		² Pool Code 98315		³ Pool Name BURTON FLAT UPPER WOLFCAMP EAST					
⁴ Property Code		⁵ Property Name SIG 6/5 FED COM						⁶ Well Number 713H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3290'	
¹⁰ Surface Location									
UL or lot no. 5	Section 6	Township 20S	Range 29E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet From the 80	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. 1	Section 5	Township 20S	Range 29E	Lot Idn	Feet from the 650	North/South line NORTH	Feet from the 100	East/West line EAST	County EDDY
¹² Dedicated Acres 332.68		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

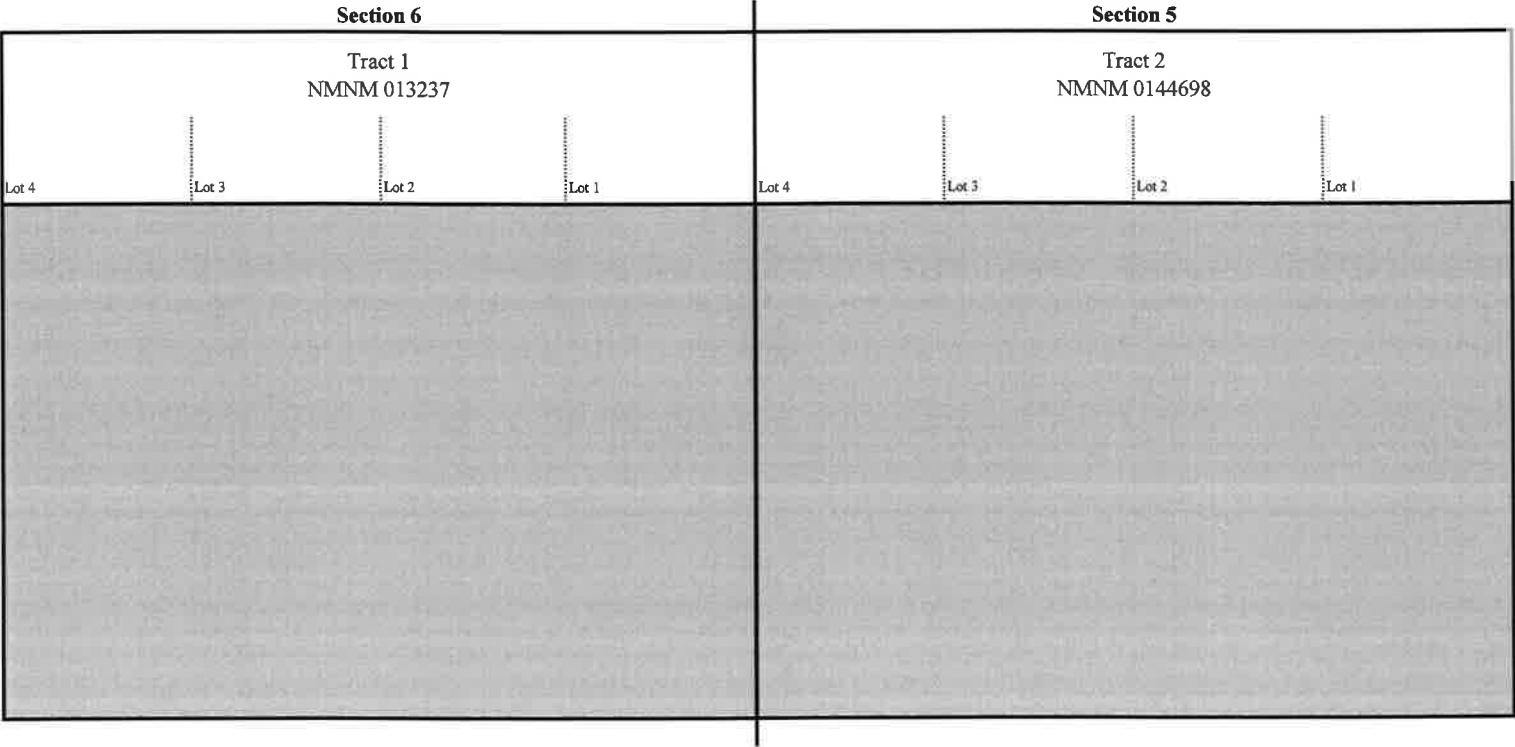
¹⁶ <div>GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 583787.7 - E: 606543.4 LAT: 32.6047059° N LONG: 104.1215823° W BOTTOM HOLE N: 585100.0 - E: 616597.8 LAT: 32.6082539° N LONG: 104.0889219° W CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1916" N 580365.5 - E 606463.1 B: FOUND BRASS CAP "1942" N 583023.8 - E 606467.5 C: FOUND BRASS CAP "1916" N 585767.2 - E 606452.8 D: FOUND BRASS CAP "1916" N 585757.6 - E 611400.7 E: FOUND BRASS CAP "1916" N 585749.7 - E 616696.7 F: FOUND BRASS CAP "1916" N 583011.3 - E 616701.2 G: FOUND BRASS CAP "1916" N 580365.0 - E 616706.0 H: FOUND BRASS CAP "1916" N 580369.0 - E 614058.1 I: FOUND BRASS CAP "1916" N 580372.5 - E 611413.2 J: FOUND BRASS CAP "1916" N 580368.4 - E 608772.1 K: FOUND BRASS CAP "1916" N 583013.9 - E 611406.8</div>						¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature _____ Date _____ Printed Name _____ E-mail Address _____			
<div><div><div><div><div>LOT 4 31.79 Acs.</div><div>LOT 3 42.73 Acs.</div><div>LOT 2 42.87 Acs.</div><div>LOT 1 43.01 Acs.</div><div>LOT 4 43.08 Acs.</div><div>LOT 3 43.07 Acs.</div><div>LOT 2 43.07 Acs.</div><div>LOT 1 43.06 Acs.</div></div><div><div>LOT 5 29.88 Acs.</div><div>LOT 6 29.91 Acs.</div><div>LOT 7 29.95 Acs.</div></div></div><div><div>1980'</div><div>80'</div><div>650'</div><div>100'</div></div><div><div>S 89°53'19" E 4949.11'</div><div>S 89°54'53" E 5297.22'</div><div>S 00°07'35" E 2744.34'</div><div>S 00°06'15" W 2646.94'</div><div>N 00°08'21" W 2642.07'</div><div>N 00°05'35" W 2739.10'</div><div>S 89°55'36" W 2309.57'</div><div>S 89°54'42" W 2641.74'</div><div>N 89°55'29" W 2645.56'</div><div>N 89°54'45" W 2648.46'</div></div></div></div>						¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 09/20/2021 Date of Survey Signature and Seal of Professional Surveyor <div>ROBERT M. HOWETT NEW MEXICO 19680 PROFESSIONAL SURVEYOR</div> 19680 Certificate Number REV: BH MOVE 3/20/24 REV: NAME CHANGE 6/6/23 Job No.: LS21091015R			

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Mewbourne Oil Company
Hearing Date: May 16, 2024
Case No. 24402

Section Plat
Sig 6/5 Fed Com #713H
N2N2 of Section 6 & N2N2 of Section 5

T20S, R29E, Eddy County, New Mexico

T20S, R29E, Eddy County, New Mexico



RECAPITULATION

Tract Number	Number of Acres Committeed	Percentage of Interest in Communitized Area
1	160.40	48.214500%
2	172.28	51.785500%
TOTAL	332.68	100.000000%

TRACT OWNERSHIP
Sig 6/5 Fed Com #713H
N2N2 of Section 6 & N2N2 of Section 5
T20S, R29E, Eddy County, NM

Ownership by Tract

Tract 1: N2N2 of Section 6 - Federal Lease NMNM 013237

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et. al.	66.666667%	160.40	106.933334
Marathon Oil Permian, LLC	33.333333%	160.40	53.466667
Total	100.000000%		160.40000

Tract 2: N2N2 of Section 5 - Federal Lease NMNM 0144698

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et. al.	45.989892%	172.28	79.231386
Magnum Hunter Production, Inc.	54.010108%	172.28	93.048614
Total	100.000000%		172.28000

Spacing Unit Ownership

Owners	Percentage	
Mewbourne Oil Company, et. al.	55.959096%	186.164720
Marathon Oil Permian, LLC*	16.071500%	53.466667
Magnum Hunter Production, Inc.*	27.969404%	93.048614
Total	100.000000%	332.68000

*Parties highlighted in Red are being pooled

Total Interest Being Pooled:

44.040904%

MEWBOURNE OIL COMPANY

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

March 27, 2024

Certified Mail

«Owners»
«Attn»
«Address_Line_1»
«Address_Line_2»
«City», «State» «Zip_Code»

Re: Well Proposals – Section 5 & 6, T20S, R29E, Eddy County, NM
Sig 6/5 Fed Com #713H
Sig 6/5 Fed Com #714H

Ladies and Gentlemen:

After further evaluation, Mewbourne Oil Company (“Mewbourne”), as Operator, hereby retracts that certain well proposal dated January 30, 2024 and replaces it with the following.

Now, pursuant to that certain Operating Agreement dated May 15, 2022, Mewbourne hereby proposes drilling the following horizontal wells:

- 1) API #30-015-53454 - **Sig 6/5 Fed Com #713H** (previously W0DA)
Surface Location: 1980’ FNL & 80’ FWL (Section 6)
Bottom Hole Location: 650’ FNL & 100’ FEL (Section 5)
Proposed Total Vertical Depth: 9217’
Proposed Total Measured Depth: 19100’
Target: Wolfcamp
- 2) API #30-015-53454 - **Sig 6/5 Fed Com #714H** (previously W0EH)
Surface Location: 2000’ FNL & 80’ FWL (Section 6)
Bottom Hole Location: 1750’ FNL & 100’ FEL (Section 5)
Proposed Total Vertical Depth: 9220’
Proposed Total Measured Depth: 19050’
Target: Wolfcamp

The wells are planned to be pad drilled using one rig with the first well tentatively planned to spud in May 2024. **In the event you elect to participate in the proposed wells, please execute the enclosed AFEs before returning them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may supply well data when available.**

Also enclosed regarding the Sig 6/5 Fed Com #714H, please find the Federal Communitization Agreement for your review and execution. I have provided extra signature and acknowledgement pages for your execution. The stapled agreement is your copy to keep. **Please have two (2) sets of signature and acknowledgment pages executed before mailing it back to my attention to the address on the letterhead above.**

Please contact me at (432)-682-3715 or arodrigues@mewbourne.com if you have any questions or need additional information.

Very truly yours,

MEWBOURNE OIL COMPANY



Ariana Rodriguez
Landman

Enclosures

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: SIG 6/5 FED COM #713H (W0DA)		Prospect: Sig 6/5	
Location: SL: 1980 FNL & 80 FWL (6); BHL: 650 FNL & 100 FEL (5)		County: Eddy	ST: NM
Sec. 6	Blk:	Survey:	TWP: 20S
		RNG: 29E	Prop. TVD: 9217
		TMD: 19100	

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$25,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$150,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$100,000
Daywork / Turnkey / Footage Drilling 20 days drlg / 3 days comp @ \$28000/d		0180-0110	\$598,100	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$141,600	0180-0214	\$202,000
Alternate Fuels		0180-0115		0180-0215	\$72,000
Mud, Chemical & Additives		0180-0120	\$55,000	0180-0220	
Mud - Specialized		0180-0121	\$180,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$205,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$30,900	0180-0230	\$305,000
Casing / Tubing / Snubbing Services		0180-0134	\$45,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation 51 Sig 20.2 MM gal / 20.2 MM lb				0180-0241	\$2,279,000
Stimulation Rentals & Other				0180-0242	\$232,000
Water & Other 100% PW f/ San Mateo/MOC/Waterbridge @ \$0		0180-0145	\$35,000	0180-0245	\$200,000
Bits		0180-0148	\$85,400	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$154,000		
Transportation		0180-0165	\$30,000	0180-0265	\$65,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$142,500	0180-0270	\$70,000
Directional Services Includes Vertical Control		0180-0175	\$450,000		
Equipment Rental		0180-0180	\$152,500	0180-0280	\$25,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,900	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$90,000	0180-0295	\$39,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$144,400	0180-0299	\$205,500
TOTAL			\$3,032,300		\$4,315,300

TANGIBLE COSTS 0181					
Casing (19.1" – 30") 400' - 20" 94# J-55 BTC @ \$106.37/ft	0181-0793	\$45,400			
Casing (10.1" – 19.0") 1200' - 13 3/8" 54 5# J-55 ST&C @ \$47.92/ft	0181-0794	\$61,400			
Casing (8.1" – 10.0") 3000' - 9 5/8" 40# HCL80 LT&C @ \$39.18/ft	0181-0795	\$125,500			
Casing (6.1" – 8.0") 9400' - 7" 29# HPP110 BT&C @ \$35.79/ft	0181-0796	\$359,300			
Casing (4.1" – 6.0") 10450' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.13/ft				0181-0797	\$224,700
Tubing 8700' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.75/ft				0181-0798	\$127,800
Drilling Head	0181-0860	\$50,000			
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$70,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/10) TP/CP/CIRC PUMP				0181-0886	\$4,000
Storage Tanks (1/10) (8)OT/(5)WT/(1)GB				0181-0890	\$47,000
Emissions Control Equipment (1/10) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR				0181-0892	\$48,000
Separation / Treating Equipment (1/10) (2)BULK H SEP/(3)TEST H SEP/(1)V SEP/(3)VHT/(1)H				0181-0895	\$45,000
Automation Metering Equipment				0181-0898	\$58,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$20,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$6,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$76,000
Wellhead Flowlines - Construction				0181-0907	\$106,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$163,000
Equipment Installation				0181-0910	\$55,000
Oil/Gas Pipeline - Construction				0181-0920	\$28,000
Water Pipeline - Construction				0181-0921	\$4,000
TOTAL		\$641,600			\$1,137,500
SUBTOTAL		\$3,673,900			\$5,452,800
TOTAL WELL COST		\$9,126,700			

Insurance procured for the Joint Account by Operator

☐ **Opt-in.** I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.


☐ **Opt-out.** I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.

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

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Ryan McDaniel

Date: 3/13/2024

Company Approval: 

Date: 3/13/2024

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

File: SIG 6-5 FED COM #713H (W0DA) AFE

Revised: 8/11/2020

Summary of Communications
Sig 6/5 Fed Com #713H
N2N2 of Section 6 & N2N2 of Section 5
T20S, R29E, Eddy County, New Mexico

Magnum Hunter Production, Inc.:

- 3/14/2024:** Correspondence with above listed party regarding Working Interest Unit.
- 3/25/2024:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
- 3/27/2024:** Mailed & Emailed Working Interest Unit and Well Proposal to the above listed party.
- 4/25/2024:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Marathon Oil Permian, LLC:

- 1/30/2024:** Correspondence with above listed party regarding Working Interest Unit.
- 3/27/2024:** Mailed & Emailed Working Interest Unit and Well Proposal to the above listed party.
- 5/14/2024:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

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

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

CASE NO. 24402

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

1. My name is Charles Crosby. I work for Mewbourne Oil Company ("Mewbourne") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Mewbourne in this case, and I have conducted a geologic study of the lands in the subject area.
4. Mewbourne is targeting the Wolfcamp Y Sand Interval of the Wolfcamp formation in this case.
5. **Mewbourne Exhibit D-1** is a general locator map.
6. **Mewbourne Exhibit D-2** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in dashed black boxes with the approximate location and orientation of the initial wells noted with a dashed purple arrows. The structure map shows the targeted formation gently dipping to the East/Southeast. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

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V

7. Mewbourne Exhibit D-2 also shows a line of cross-section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross-section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

8. **Mewbourne Exhibit D-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross-section with a red arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

9. In my opinion, laydown orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is more near perpendicular to the maximum horizontal stress of the area.

10. Based on my geologic study, the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Mewbourne's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Mewbourne Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

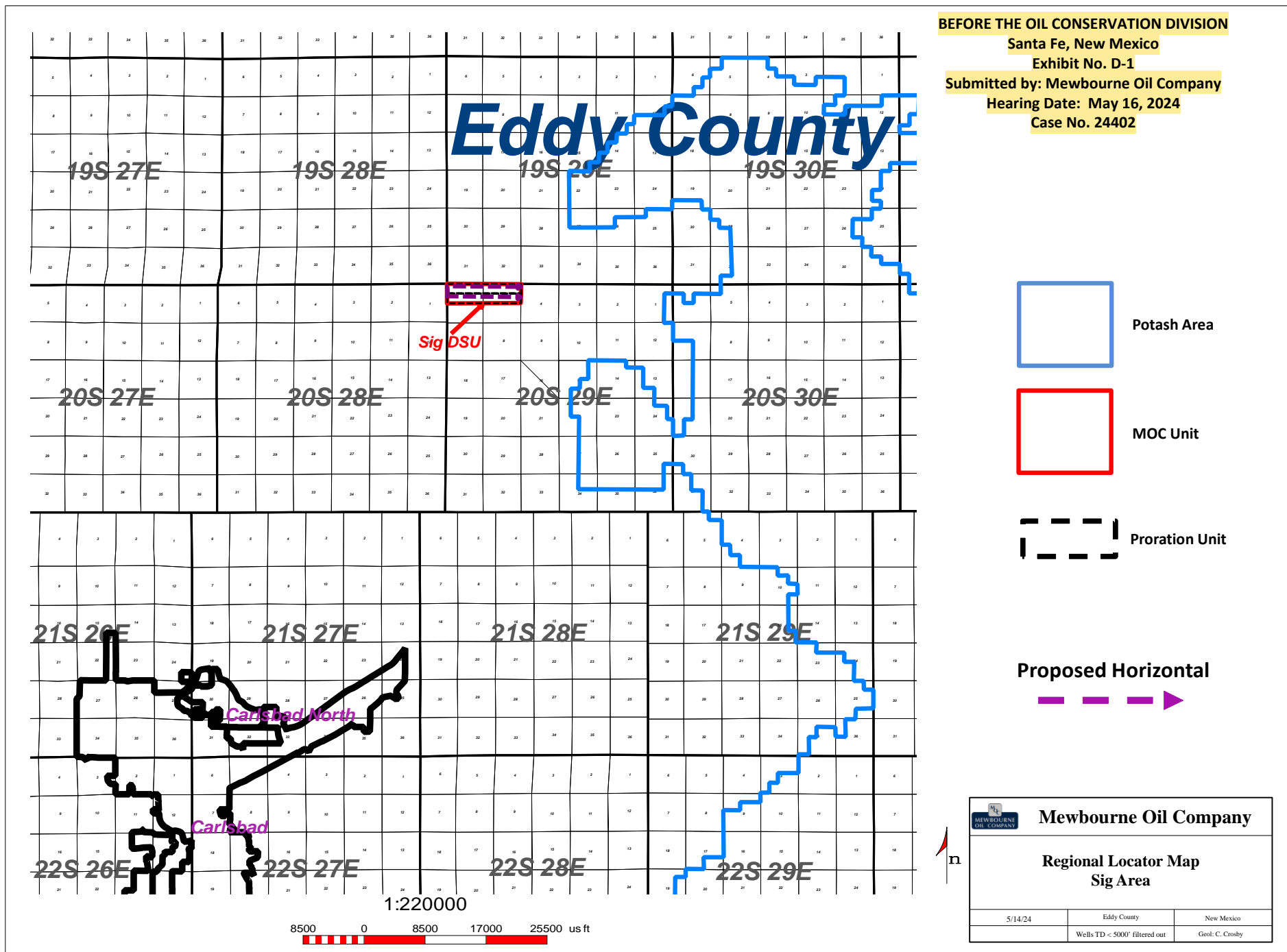
13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

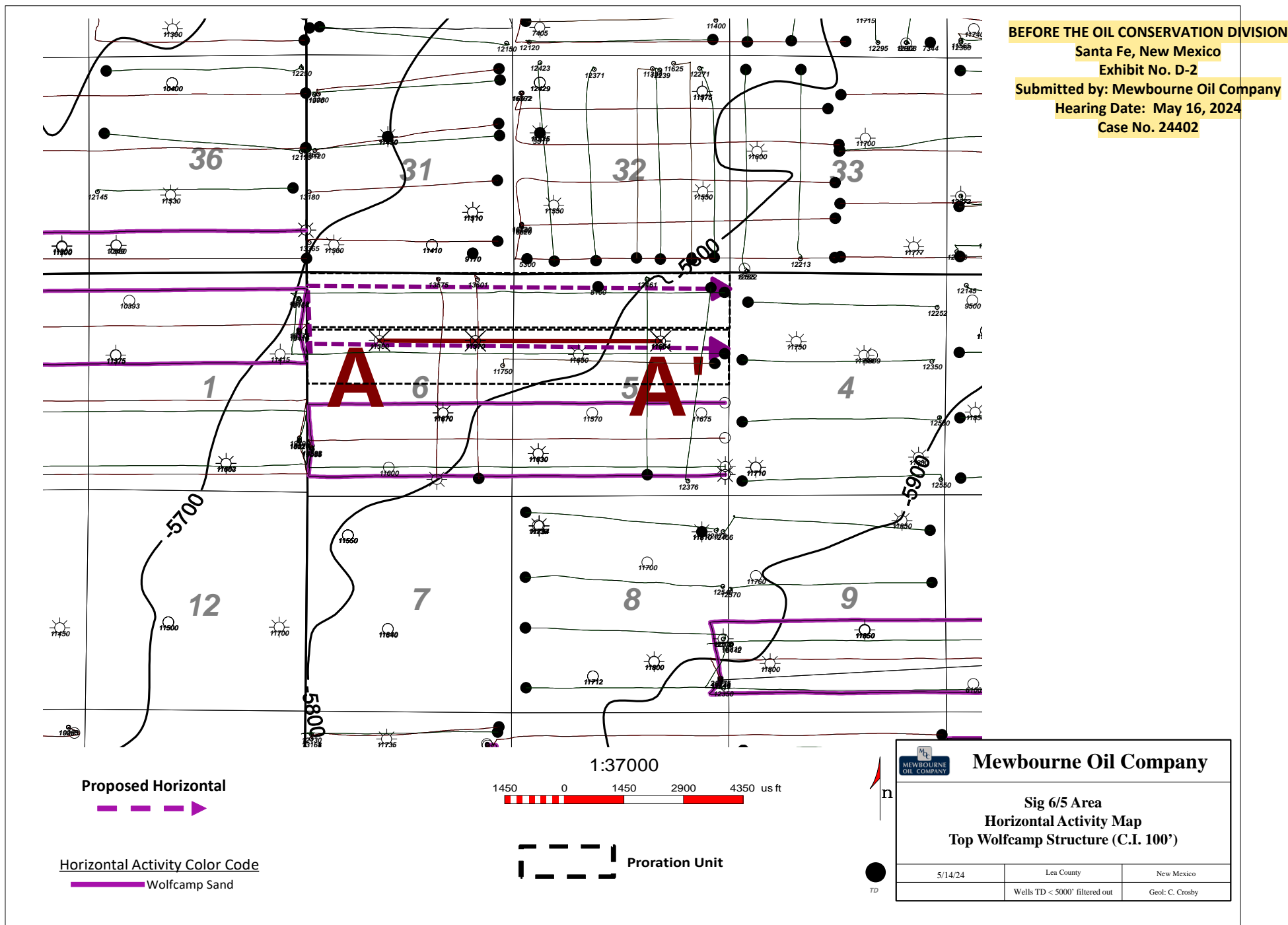
A handwritten signature in black ink, appearing to be 'CB', written over a horizontal line.

Charles Crosby

A handwritten date '5/14/24' in black ink, written over a horizontal line.

Date





A
W

30015342080000
MEWBOURNE OIL CO
RUGER 6 FEDERAL 2
Datum=3305.00
1650 FNL 1750 FEL
TWP: 20 S - Range: 29 E - Sec. 6

2334 ft

30015339050000
MEWBOURNE OIL CO
RUGER 6 FEDERAL 1
Datum=3302.00
1650 FNL 860 FEL
TWP: 20 S - Range: 29 E - Sec. 5

4506 ft

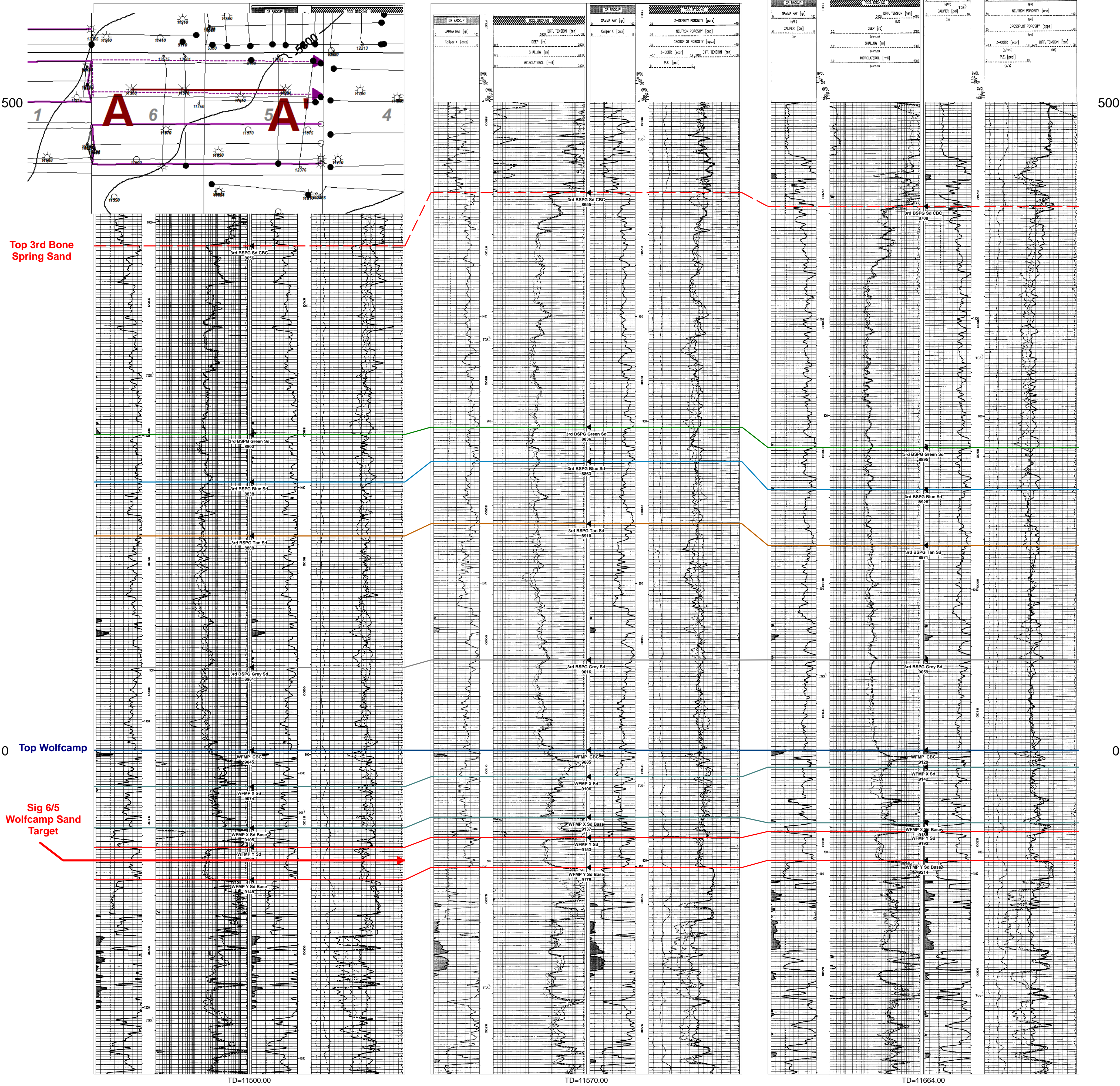
30015331510000
MEWBOURNE OIL CO
COLT 5 FEDERAL COM 1
Datum=3309.00
1650 FNL 1650 FEL
TWP: 20 S - Range: 29 E - Sec. 5

A'
E

6F

6H

5G



Sig 6/5 Wolfcamp Sand
Cross Section Exhibit (A-A')

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

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

CASE NO. 24402

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Mewbourne Oil Company (“Mewbourne”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of May 10, 2024.

5. I caused a notice to be published to all parties subject to this request for compulsory pooling proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

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=) U
V



Paula M. Vance

5/14/2024

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

April 26, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Mewbourne Company for Compulsory Pooling, Eddy County,
New Mexico: Sig 6/5 Fed Com #713H well**

Ladies & Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on May 16, 2024, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Ariana Rodrigues at (432) 682-3715, or at arodrigues@mewbourne.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paula M. Vance'.

Paula M. Vance
ATTORNEY FOR MEWBOURNE OIL COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MOC - Sig 713H and 714H wells - Case nos. 24402-24403
Postal Delivery Report

9214 8901 9403 8359 2988 08	Magnum Hunter Production Inc ATTN: Tristan Walker 6001 Deauville Blvd Midland TX 79706 TX 79706	In-Transit
9214 8901 9403 8359 2988 15	MARATHON OIL PERMIAN LLC ATTN: SHAWN WILLIS 990 TOWN AND COUNTRY BLVD HOUSTON TX 77024	Delivered Signature Received



PO Box 631667 Cincinnati, OH 45263-1667

AFFIDAVIT OF PUBLICATION

Holland And Hart
Holland And Hart
110 N Guadalupe ST # 1
Santa Fe NM 87501-1849

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:


05/02/2024

and that the fees charged are legal.

Sworn to and subscribed before on 05/02/2024



Legal Clerk

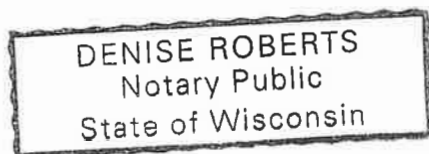


Notary, State of WI, County of Brown

4-6-27

My commission expires

Publication Cost: \$208.40
Order No: 10108028 # of Copies:
Customer No: 1360634 1
PO #:

THIS IS NOT AN INVOICE!*Please do not use this form for payment remittance.*

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, May 16, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than May 7, 2024.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m32aaf777e9d082c47d69dd41d9276ffa>
Webinar number: 2486 275 6900
Join by video system:
Dial 24862756900@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar number.
Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll
Access code: 2486 275 6900
Panelist password: PxJvPfrv278 (79587378 from phones and video systems)

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)
To: All affected interest owners, including: Magnum Hunter Production, Inc., and Marathon Oil Permian, LLC.

Case No. 24402: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 332.68-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 of irregular Sections 5 and 6 (N/2 N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Sig 6/5 Fed Com #713H well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of Section 6, with a first take point in Lot 4 (NW/4 NW/4 equivalent) of Section 6, and a last take point in Lot 1 (NE/4 NE/4 equivalent) of Section 5. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles northeast of Carlsbad, New Mexico. #10108028, Current Argus, May 2, 2024

BEFORE THE OIL CONSERVATION DIVISION**Santa Fe, New Mexico****Exhibit No. F****Submitted by: Mewbourne Oil Company****Hearing Date: May 16, 2024****Case No. 24402**

Page 1 of 1