

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 9, 2025**

CASE No. 24845

GOAT ROPE 521H WELL

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 24845

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24845	APPLICANT'S RESPONSE
Date: January 9, 2025	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company [OGRID 14744]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC & Coterra Energy Inc.
Well Family	Goat Rope
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Featherstone; Bone Spring, East Pool [24270]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	315.08-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	Standup
Description: TRS/County	Lots 1-4 (W2W2 equivalent) of irregular Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
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 A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<u>Goat Rope 7/18 State Com 521H (API Pending)</u> SHL: 300' FSL & 1500' FWL (Unit N) of Sec. 6, T20S, R36E BHL: 100' FSL & 330' FWL (Lot 4) of Sec. 18, T20S, R36E Completion Target: Bone Spring formation Well Orientation: North-South Completion Location expected to be: Standard

Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$12,000
Production Supervision/Month \$	\$1,200
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-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 A-2
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A

Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-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):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	10-Dec-24

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

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

CASE NO. 24845

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 Bone Spring formation underlying a standard 315-acre, more or less, horizontal well spacing unit comprised of the Lots 1-4 (W2W2 equivalent) of irregular Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea 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 **Goat Rope 18/7 State Com 521H** well to be horizontally drilled from a surface location in the NW4 of Section 19, with a first take point in Lot 4 (SW4SW4 equivalent) of irregular Section 18 and a last take point in Lot 1 (NW4NW4 equivalent) of irregular Section 7.
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.

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 October 3, 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 wells 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: 

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ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE _____: **Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 315-acre, more or less, horizontal well spacing unit comprised of the Lots 1-4 (W2W2 equivalent) of irregular Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Goat Rope 18/7 State Com 521H** well to be horizontally drilled from a surface location in the NW4 of Section 19, with a first take point in Lot 4 (SW4SW4 equivalent) of irregular Section 18 and a last take point in Lot 1 (NW4NW4 equivalent) of irregular Section 7. 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 the well. The subject area is located approximately 15 miles southwest of Hobbs, New Mexico.

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

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

CASE NO. 24845

SELF AFFIRMED STATEMENT OF HUDSON BRUNSON, LANDMAN

1. My name is Hudson Brunson, and I am employed by Mewbourne Oil Company ("Mewbourne") as a Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by Mewbourne in this matter and the status of the lands in the subject area. The mineral owners to be pooled have not expressed any opposition to this proceeding.

3. Mewbourne seeks an order pooling all uncommitted interests in a standard 315.08-acre horizontal well spacing unit Bone Spring formation underlying the Lots 1-4 (W2W2 equivalent) of irregular Sections 7 and 18. This standard 315.08-acre spacing unit will be initially dedicated to the proposed **Goat Rope 7/18 State Com 521H** well to be horizontally drilled from a surface location in the SW4 of Section 6, with a first take point in Lot 1 (NW4NW4 equivalent) of irregular Section 7 and a last take point in Lot 4 (SW4SW4 equivalent) of irregular Section 18.

4. There are no ownership depth severances within the Bone Spring formation underlying the subject acreage.

5. **Exhibit A-1** contains draft Form C-102 for the proposed initial well. Mewbourne has been informed that this well will be placed in the Featherstone; Bone Spring East Pool (24270).

6. **Exhibit A-2** identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract, and the consolidated working interest ownership in the proposed Bone Spring spacing unit. The working interest owners that Mewbourne seeks to pool are highlighted in red. This acreage is comprised of state and fee lands.

7. **Exhibit A-3** contains a sample of the well proposal letter sent to the working interest owners Mewbourne seeks to pool. The costs reflected in the AFE provided with this letter are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in these formations.

8. Mewbourne requests overhead and administrative rates of \$12,000.00 per month while drilling and \$1,200.00 per month for a producing well. These rates are consistent with the rates set forth in the operating agreement for this acreage and consistent with the rates charged by Mewbourne and other operators for similar wells in this area.

9. **Exhibit A-4** contains a chronology of the contacts with the uncommitted working interest owners. Mewbourne has made a good faith effort to obtain voluntary joinder of these owners in the proposed spacing unit and initial wells.

10. I have provided the law firm of Holland & Hart, LLP, with the names and addresses of the mineral owners that remain to be pooled and instructed that they be notified of this hearing.

11. In compiling the addresses of the parties to be pooled, Mewbourne has conducted a diligent search of all public records in the county where the proposed unit is located, reviewed telephone directories, and conducted computer searches. Mewbourne has located all the parties it seeks to pool.

12. Exhibits A-1 through A-4 were either prepared by me or compiled under my direction from company business records.

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.


Hudson Brunson

12/6/24
Date

32365805_v1

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input checked="" type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION									
API Number 30-025-53329		Pool Code 24270		Pool Name FEATHERSTONE; BONE SPRING; EAST					
Property Code 336197		Property Name GOAT ROPE 7/18 STATE COM						Well Number 521H	
OGRID No. 14744		Operator Name MEWBOURNE OIL COMPANY						Ground Level Elevation 3644'	
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal					Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal				

Surface Location									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
N	6	20S	36E		300 FSL	1500 FWL	32.5958519	-103.3973041	LEA

Bottom Hole Location									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	18	20S	36E	4	100 FSL	330 FWL	32.5662359	-103.4011237	LEA

Dedicated Acres 315.08	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	6	20S	36E	7	483 FSL	330 FWL	32.5963564	-103.4011013	LEA

First Take Point (FTP)									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	7	20S	36E	1	100 FNL	330 FWL	32.5947540	-103.4011025	LEA

Last Take Point (LTP)									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	18	20S	36E	4	100 FSL	330 FWL	32.5662359	-103.4011237	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3672'
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OPERATOR CERTIFICATIONS		SURVEYOR CERTIFICATIONS	
<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</p> <p><i>Conner Whitley</i> 12/9/2024</p>		<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>	
Signature Conner Whitley		Signature and Seal of Professional Surveyor	
Printed Name cwhitley@mewbourne.com		Certificate Number	
Email Address		Date of Survey	

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

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-53329		² Pool Code 24270		³ Pool Name FEATHERSTONE; BONE SPRING; EAST					
⁴ Property Code		⁵ Property Name GOAT ROPE 7/18 STATE COM						⁶ Well Number 521H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3644'	
¹⁰ Surface Location									
UL or lot no. N	Section 6	Township 20S	Range 36E	Lot Idn	Feet from the 300	North/South line SOUTH	Feet From the 1500	East/West line WEST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. 4	Section 18	Township 20S	Range 36E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 330	East/West line WEST	County LEA
¹² Dedicated Acres 315.08		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.

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 581770.2 - E: 829608.7

LAT: 32.5958519° N
LONG: 103.3973041° W

BOTTOM HOLE
N: 570985.0 - E: 828526.7

LAT: 32.5662359° N
LONG: 103.4011237° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1937" N: 570882.3 - E: 828197.6	I: FOUND BRASS CAP "1937" N: 581501.1 - E: 833391.7
B: FOUND BRASS CAP "1937" N: 573525.8 - E: 828176.1	J: FOUND BRASS CAP "1937" N: 578856.2 - E: 833407.0
C: FOUND BRASS CAP "1937" N: 576168.1 - E: 828142.4	K: FOUND BRASS CAP "1937" N: 576211.3 - E: 833421.4
D: FOUND BRASS CAP "1937" N: 578813.8 - E: 828132.9	L: FOUND BRASS CAP "1937" N: 573567.5 - E: 833440.9
E: FOUND BRASS CAP "1937" N: 581457.8 - E: 828111.3	M: FOUND BRASS CAP "1937" N: 570923.8 - E: 833460.3
F: FOUND BRASS CAP "1937" N: 586751.1 - E: 828070.9	N: FOUND BRASS CAP "1937" N: 570903.7 - E: 830819.0
G: FOUND BRASS CAP "1937" N: 586772.7 - E: 830684.4	O: FOUND BRASS CAP "1937" N: 576191.8 - E: 830778.0
H: FOUND BRASS CAP "1937" N: 586794.8 - E: 833332.4	P: FOUND BRASS CAP "1937" N: 581479.7 - E: 830741.5

17 OPERATOR CERTIFICATION

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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

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.

07/17/2024

Date of Survey _____

Signature and Seal of Professional Surveyor _____

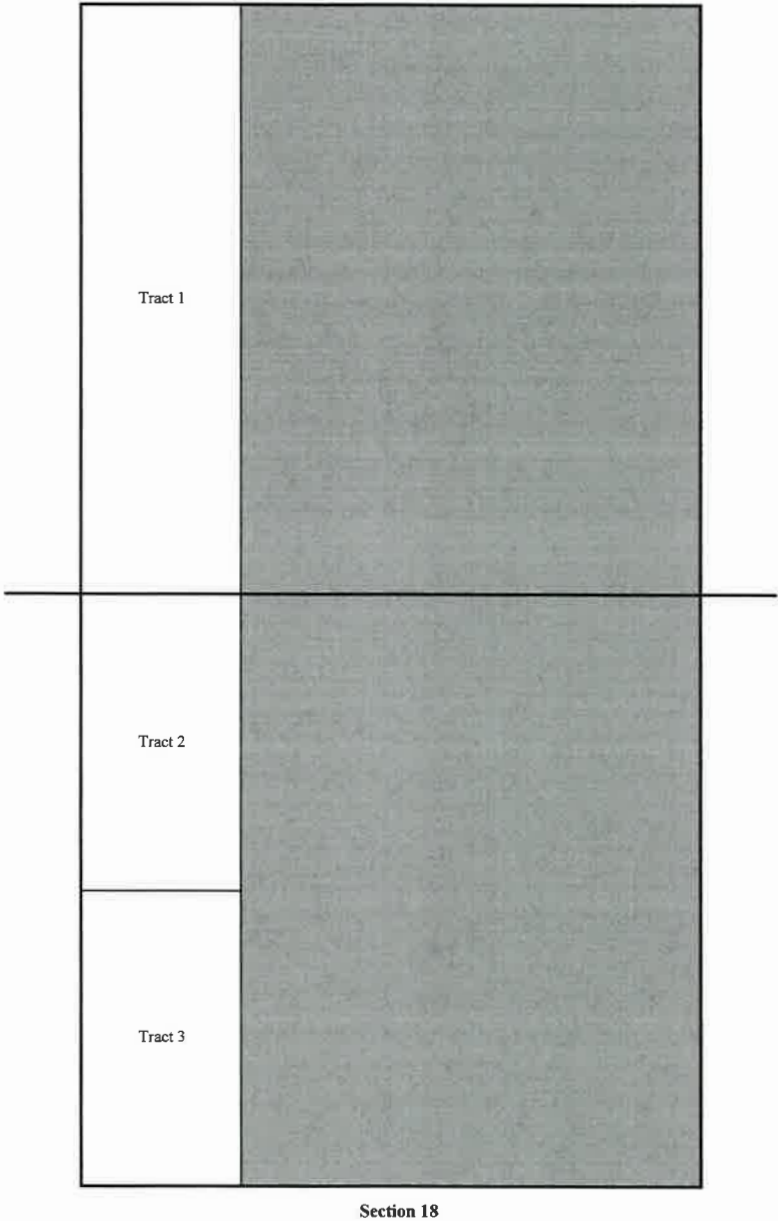
19680

Certificate Number _____

JOB No: 1524070626

JOB No: LS24070626

Section Plat
Goat Rope 7/18 State Com #521H (B2DM)
W/2W/2 of Section 7 and W/2W/2 of Section 18
T20S-R36E, Lea County, NM
Section 7



Tract 1: W/2W/2 of Section 7- Fee
Mewbourne Oil Company, et al.

Tract 2: W/2NW/4 of Section 18 - State Lease VC-1233-0000
Franklin Mountain Energy 3, LLC

Tract 3: W/2SW/4 of Section 18 - State Lease A0-1375-0045
Mewbourne Oil Company, et al.
XTO Energy Inc,
Apache Corporation
Occidental Permian Ltd (Record Title Owner)

RECAPITULATION FOR Goat Rope 7/18 State Com #521H (B2DM)

Tract Number	Number of Acres Committeed	Percentage of Interst in Communitized Area
1	157.54	50.000000%
2	78.75	24.993652%
3	78.79	25.006348%
TOTAL	315.08	100.000000%

TRACT OWNERSHIP

Goat Rope 7/18 State Com #521H (B2DM)
W/2W/2 of Section 7 & W/2W/2 of Section 18

W/2W/2 of Section 7 & W/2W/2 of Section 18

Bone Spring Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	72.122088%
*Franklin Mountain Energy 3, LLC	24.993652%
*XTO Energy Inc.	2.286210%
*Apache Corporation	0.598050%
TOTAL	100.000000%
*Total Interest Being Pooled:	27.877912%

OWNERSHIP BY TRACT

W/2W/2 of Section 7

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%
TOTAL	100.000000%

W/2NW/4 of Section 18

Owner	% of Leasehold Interest
Franklin Mountain Energy 3, LLC	100.000000%
TOTAL	100.000000%

W/2SW/4 of Section 18

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	88.465885%
Apache Corporation	2.391595%
XTO Energy Inc.	9.142520%
TOTAL	100.000000%

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701
TELEPHONE (432) 682-3715

July 19, 2024

Certified Mail

Working Interest Owner

Re: **Goat Rope 18/7 Working Interest Unit**
All of Section 18 and All of Section 7,
T20S, R36E, Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising All of Section 18 and All of Section 7, T20S, R36E, Lea County, New Mexico covering the Bone Spring formation. As part of the initial development, MOC proposes drilling and completing the following wells:

- 1) Goat Rope 18/7 State Com #521H (B2MD) – API #pending
Surface Location: 205' FNL, 1475' FWL, Section 19, T20S, R36E
Bottom Hole Location: 100' FNL, 330' FWL, Section 7, T20S, R36E
Proposed Total Vertical Depth: 9955'
Proposed Total Measured Depth: 20350'
Target: 2nd Bone Spring Sand
- 2) Goat Rope 18/7 State Com #523H (B2NC) – API #pending
Surface Location: 205' FNL, 1505' FWL, Section 19, T20S, R36E
Bottom Hole Location: 100' FNL, 1760' FWL, Section 7, T20S, R36E
Proposed Total Vertical Depth: 9900'
Proposed Total Measured Depth: 20200'
Target: 2nd Bone Spring Sand
- 3) Goat Rope 18/7 State Com #525H (B2OB) – API #pending
Surface Location: 205' FNL, 2180' FEL, Section 19, T20S, R36E
Bottom Hole Location: 100' FNL, 2090' FEL section 7, T20S, R36E
Proposed Total Vertical Depth: 9815'
Proposed Total Measured Depth: 20090'
Target: 2nd Bone Spring Sand
- 4) Goat Rope 18/7 State Com #527H (B2PA) – API #pending
Surface Location: 205' FNL, 2150' FEL, Section 19, T20S, R36E
Bottom Hole Location: 100' FNL, 660' FEL, Section 7, T20S, R36E
Proposed Total Vertical Depth: 9675'
Proposed Total Measured Depth: 20100'
Target: 2nd Bone Spring Sand

The wells are planned to be pad drilled using one (1) rig with the first well tentatively scheduled to spud 1st quarter 2025. In the event you elect to participate in the proposed wells, please execute the enclosed Operating Agreement, Communitization Agreement, and AFEs before returning them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may provide well data when available.

Please contact Tyler Jolly at (432) 682-3715 or via email at tjolly@mewbourne.com if you have any questions or need more information.

Very truly yours,

MEWBOURNE OIL COMPANY

Sloan Turner
Land Department

MEWBOURNE OIL COMPANY
FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701
TELEPHONE (432) 682-3715

October 1, 2024

Certified Mail

Working Interest Owner

Re: **Notice of Change: Surface and Bottom Hole Locations**

Goat Rope 7/18 Working Interest Unit
All of Section 7 and All of Section 18,
T20S, R36E, Lea County, New Mexico
Goat Rope 7/18 State Com #521H f/k/a
Goat Rope 18/7 State Com #521H
Goat Rope 7/18 State Com #523H f/k/a
Goat Rope 18/7 State Com #523H
Goat Rope 7/18 State Com #525H f/k/a
Goat Rope 18/7 State Com #525H
Goat Rope 7/18 State Com #527H f/k/a
Goat Rope 18/7 State Com #527H

Working Interest Owner:

Mewbourne Oil Company ("MOC"), as Operator, recently proposed the referenced wells targeting the Bone Spring formation in Sections 7 and 18, T20S, R36E, Lea County, New Mexico. Due to surface constraints, MOC has changed the surface and bottom hole locations of the proposed wells. Details regarding the changes to the wells are listed below:

- 1) Goat Rope 7/18 State Com #521H (B2DM) – API #30-025-53329
Surface Location: 300' FSL, 1500' FWL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 330' FWL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9857'
Proposed Total Measured Depth: 20562'
Target: 2nd Bone Spring Sand
- 2) Goat Rope 7/18 State Com #523H (B2CN) – API #30-025-53330
Surface Location: 300' FSL, 1520' FWL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 1760' FWL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9757'
Proposed Total Measured Depth: 20421'
Target: 2nd Bone Spring Sand
- 3) Goat Rope 7/18 State Com #525H (B2BO) – API #30-025-53331
Surface Location: 300' FSL, 1990' FEL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 2090' FEL Section 18, T20S, R36E
Proposed Total Vertical Depth: 9655'

Proposed Total Measured Depth: 20309'
Target: 2nd Bone Spring Sand

4) Goat Rope 7/18 State Com #527H (B2AP) – API #30-025-53332
Surface Location: 300' FSL, 1970' FEL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 660' FEL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9562'
Proposed Total Measured Depth: 20159'
Target: 2nd Bone Spring Sand

Please feel free contact me at (432) 682-3715 or via email at hbrunson@mewbourne.com if you have any questions or need more information.

Very truly yours,

MEWBOURNE OIL COMPANY

Hudson L. Brunson
Landman

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: <div>GOAT ROPE 7/18 STATE COM #521H (B2DM)</div>		Prospect: <div>GOAT ROPE</div>	
Location: <div>SL: 300 FSL & 1500 FWL (6); BHL: 100 FSL & 330 FWL (18)</div>		County: <div>LEA</div>	ST: <div>NM</div>
Sec. <div>6</div>	Blk: <div></div>	Survey: <div></div>	TWP: <div>20S</div> RNG: <div>36E</div> Prop. TVD: <div>9857</div> TMD: <div>20562</div>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$75,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling 20 days drlg / 3 days comp @ \$28,000/d	0180-0110	\$598,100	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.90/gal	0180-0114	\$141,600	0180-0214	\$203,900
Alternate Fuels	0180-0115		0180-0215	\$72,000
Mud, Chemical & Additives	0180-0120	\$30,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$150,000	0180-0225	\$55,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$313,200
Casing / Tubing / Snubbing Service	0180-0134	\$40,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MMgal & 20.2 MMlbs			0180-0241	\$2,170,000
Stimulation Rentals & Other			0180-0242	\$242,000
Water & Other	0180-0145	\$35,000	0180-0245	\$590,700
Bits	0180-0148	\$96,100	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	\$150,000		
Transportation	0180-0165	\$30,000	0180-0265	\$40,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$131,100	0180-0270	\$61,800
Directional Services Includes vertical control	0180-0175	\$400,000		
Equipment Rental	0180-0180	\$149,500	0180-0280	\$30,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,400	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	\$82,800	0180-0295	\$23,400
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$133,800	0180-0299	\$217,400
TOTAL		\$2,810,400		\$4,566,100

TANGIBLE COSTS 0181				
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 1890' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$96,700		
Casing (8.1" - 10.0") 3565' - 9 5/8" 36# J-55 LT&C @ \$28.85/ft	0181-0795	\$109,800		
Casing (6.1" - 8.0") 10140' - 7" 29# HPP110 BT&C @ \$34.18/ft	0181-0796	\$370,200		
Casing (4.1" - 6.0") 10570' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$19.44/ft			0181-0797	\$219,500
Tubing 9415' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.75/ft			0181-0798	\$138,300
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift			0181-0880	\$40,000
Service Pumps (1/4) TP/CP/Circ pump			0181-0886	\$10,000
Storage Tanks (1/4) (8)OT/(6)WT/(2)GB			0181-0890	\$135,000
Emissions Control Equipment (1/4) (4)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$99,000
Separation / Treating Equipment (1/4) (4)H SEP/(2)V SEP/(4)VHT			0181-0895	\$77,000
Automation Metering Equipment			0181-0898	\$93,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0900	\$87,500
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$95,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$175,000
Wellhead Flowlines - Construction			0181-0907	\$32,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$167,000
Equipment Installation			0181-0910	\$88,000
Oil/Gas Pipeline - Construction			0181-0920	\$135,000
Water Pipeline - Construction			0181-0921	\$85,000
TOTAL		\$626,700		\$1,781,300
SUBTOTAL		\$3,437,100		\$6,347,400
TOTAL WELL COST		\$9,784,500		

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:

H. Buckley

 Date:

09/04/2024

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

Summary of Communications
Goat Rope 7/18 State Com #521H (B2DM)
W/2W/2 of Section 7-T20S-R36E, Lea County, NM &
W/2W/2 of Section 18-T20S-R36E, Lea County, NM

Franklin Mountain Energy 3, LLC:

7/19/2024: Mailed AFEs, Well Proposal Letter and Joint Operating Agreement to above listed party.
7/22/2024: Mailed package is received by above listed party.
9/24/2024: Phone conversation with employee of above listed party.
9/25/2024: Phone conversation with employee of above listed party.
10/2/2024: Mailed Notice of Change Letter for new Surface and Bottom Hole Locations.
12/5/2024: Phone conversation with employee of above listed party.

XTO Energy Inc.:

7/22/2024: Mailed AFEs, Well Proposal Letter and Joint Operating Agreement to above listed party.
7/25/2024: Mailed package is received by above listed party.
7/30/2024: Email conversation with employee of above listed party.
8/2/2024: Email conversation with employee of above listed party.
8/6/2024: Email conversation with employee of above listed party.
9/12/2024: Email conversation with employee of above listed party.
9/20/2024: Phone conversation with employee of above listed party.
10/2/2024: Mailed Notice of Change Letter for new Surface and Bottom Hole Locations.

Apache Corporation:

7/22/2024: Mailed AFEs, Well Proposal Letter and Joint Operating Agreement to above listed party.
7/25/2024: Mailed package is received by above listed party.
8/27/2024: Email conversation with employee of above listed party.
10/2/2024: Mailed Notice of Change Letter for new Surface and Bottom Hole Locations.

Occidental Permian Ltd (Record Title Owner Only):

7/22/2024: Mailed Communitization Agreement package to above listed party

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

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NOS. 24845-24848

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 these cases, and I have conducted a geologic study of the lands in the subject area.
4. Mewbourne is initially targeting the Second Bone Spring Sand interval of the Bone Spring formation in these cases.
5. **Mewbourne Exhibit B-1** is a map showing the general location of the proposed spacing units outlined in dashed black boxes within a solid red box.
6. **Mewbourne Exhibit B-2** is a subsea structure map that I prepared for the base of the Second Bone Spring Sand. The contour intervals are 100 feet. The area comprising the proposed spacing units is outlined in dashed black boxes with the approximate location and orientation of the initial wells noted with dashed green arrows. The structure map shows the targeted formation gently dipping to the east. The structure appears consistent across the proposed

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Mewbourne Oil Company
Hearing Date: January 9, 2025
Case No. 24845

spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

7. Mewbourne Exhibit B-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 B-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Exhibit B-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 green arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

9. In my opinion, the standup orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because of the established directional pattern and the known regional stress regime.

10. Based on my geologic study, the Bone Spring 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 proposed spacing units.

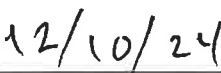
11. In my opinion, the proposed horizontal wells will efficiently develop this acreage, and that approving Mewbourne's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

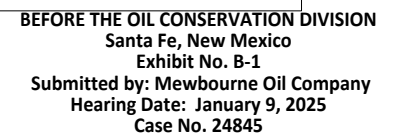
13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

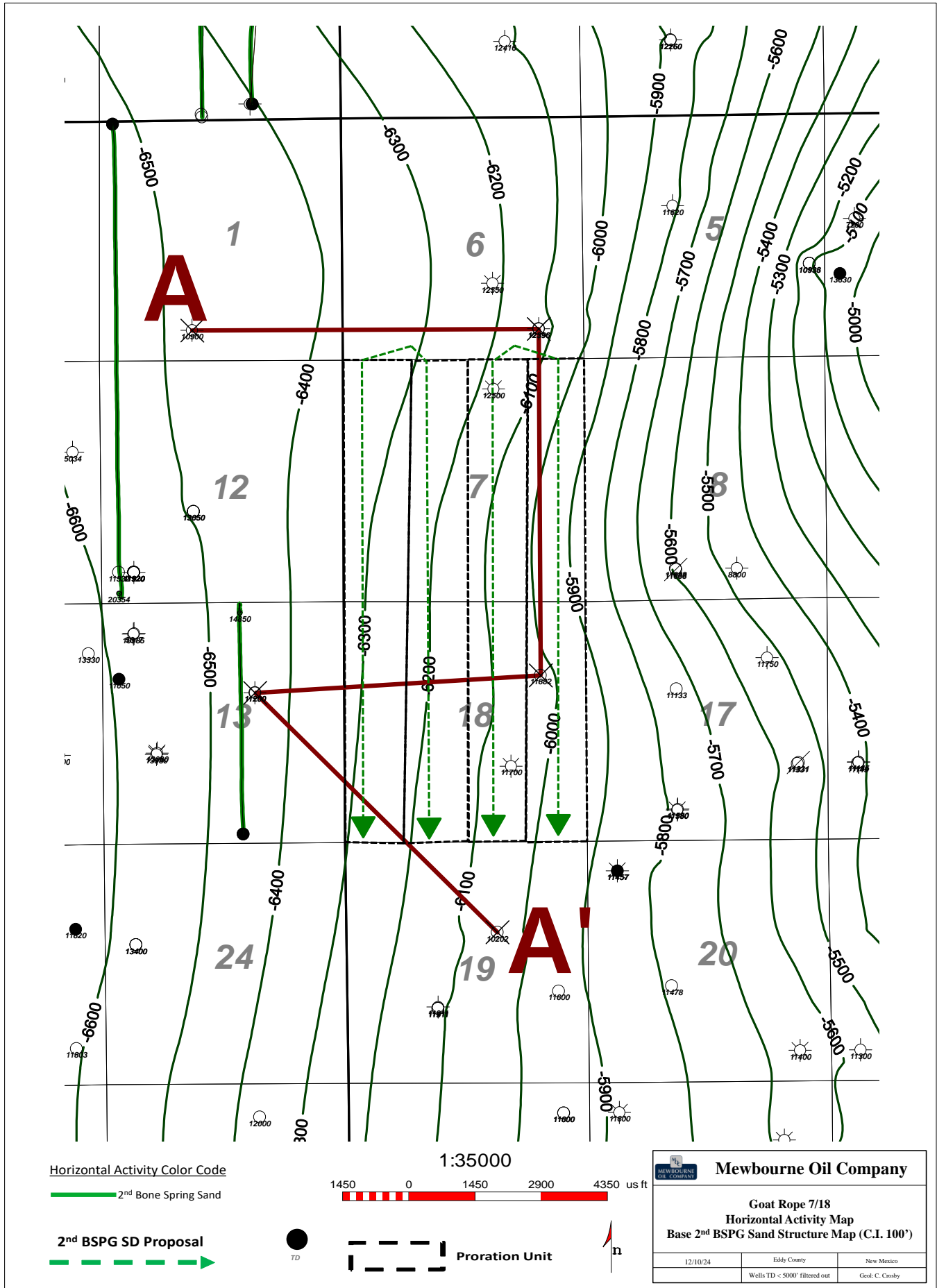


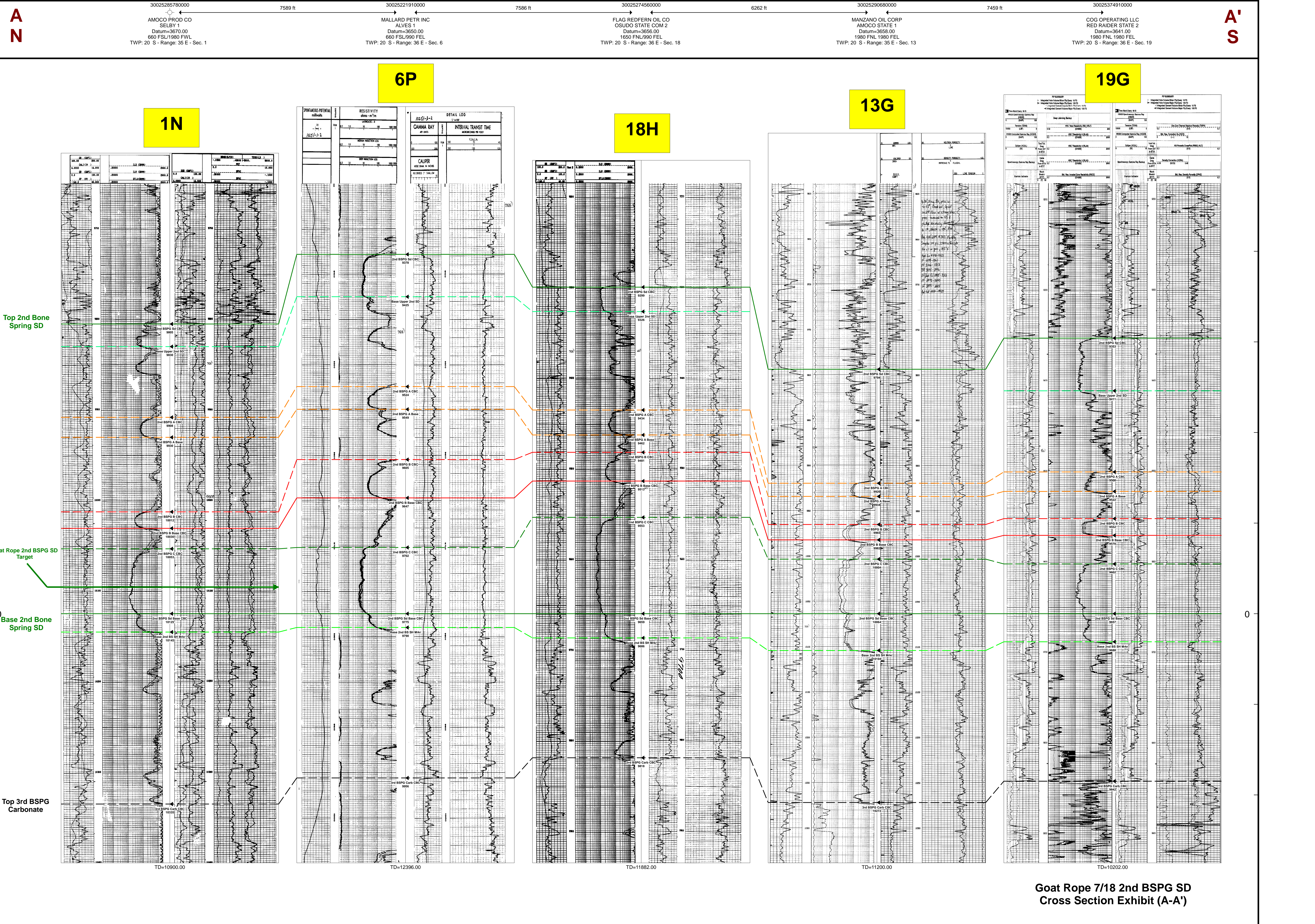
Charles Crosby



Date







Goat Rope 7/18 2nd BSPG SD
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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24845

**SELF-AFFIRMED STATEMENT OF
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of Mewbourne Oil Company (“MOC”), the Applicant herein. I have personal knowledge of this 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 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 December 10, 2024.

5. I caused a notice to be published to all parties subject to these proceedings. 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 statement 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.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Mewbourne Oil Company
Hearing Date: January 9, 2025
Case No. 24845**



Michael H. Feldewert

December 10, 2024
Date



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

September 13, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Mewbourne Company for Compulsory Pooling, Lea County,
New Mexico: Goat Rope 18/7 State Com 521H**

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 October 3, 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 Tyler Jolly at (432) 682-3715, or at tjolly@mewbourne.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR MEWBOURNE OIL COMPANY

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Contact
p: 505.988.4421 | f: 505.983.6043
www.hollandhart.com

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

MOC - Goat Rope 521H, 523H, 525H, 527H wells - Case nos. 24845-24848

Postal Delivery Report

9414811898765484771006	Chevron U.S.A. Inc., Attn Scott Sabrsula	1400 Smith St	Houston	TX	77002-7327	Your item was picked up at a postal facility at 11:57 am on September 23, 2024 in HOUSTON, TX 77002.
9414811898765484771044	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 3:45 pm on September 16, 2024 in DENVER, CO 80206.
9414811898765484771082	Maverick Permian LLC, Attn Emma Whelton	1000 Main St Ste 2900	Houston	TX	77002-6342	Your item was delivered to the front desk, reception area, or mail room at 3:02 pm on September 26, 2024 in HOUSTON, TX 77002.
9414811898765484771457	Pride Energy Company, Attn Matt Pride	PO Box 701950	Tulsa	OK	74170-1950	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765484771426	Coterra Energy Inc.	6001 Deauville Ste 300N	Midland	TX	79706-2671	Your item was delivered to an individual at the address at 2:44 pm on September 17, 2024 in MIDLAND, TX 79706.
9414811898765484771495	Pioneer Exploration LLC	1900 Saint James Pl Ste 800	Houston	TX	77056-4133	Your item was delivered to the front desk, reception area, or mail room at 6:38 pm on September 24, 2024 in HOUSTON, TX 77056.

MOC - Goat Rope 521H, 523H, 525H, 527H wells - Case nos. 24845-24848
Postal Delivery Report

9414811898765484771488	XTO Energy Inc., Attn Daniel Castillo	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your item was delivered to an individual at the address at 8:58 am on September 18, 2024 in SPRING, TX 77379.
9414811898765484771471	Apache Corporation, Attn Blake Johnson	2000 Post Oak Blvd Ste 100	Houston	TX	77056-4400	Your item was delivered to an individual at the address at 1:45 pm on September 25, 2024 in HOUSTON, TX 77042.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 17, 2024
and ending with the issue dated
September 17, 2024.



Publisher

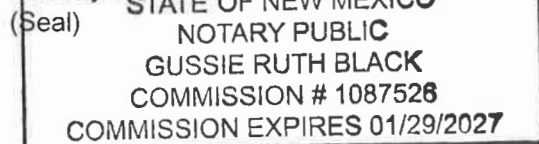
Sworn and subscribed to before me this
17th day of September 2024.



Business Manager

My commission expires

January 29, 2027



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
September 17, 2024

Case No. 24845: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Chevron U.S.A. Inc.; Franklin Mountain Energy 3, LLC; Maverick Permian LLC; Pride Energy Company; Coterra Energy Inc.; Pioneer Exploration LLC; XTO Energy Inc.; Apache Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on October 3, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 315-acre, more or less, horizontal well spacing unit comprised of the Lots 1-4 (W2W2 equivalent) of irregular Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Goat Rope 18/7 State Com 521H well to be horizontally drilled from a surface location in the NW4 of Section 19, with a first take point in Lot 4 (SW4SW4 equivalent) of irregular Section 18 and a last take point in Lot 1 (NW4NW4 equivalent) of irregular Section 7. 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 the well. The subject area is located approximately 15 miles southwest of Hobbs, New Mexico.
#00294118

67100754

00294118

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Mewbourne Oil Company
Hearing Date: January 9, 2025
Case No. 24845