

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 13, 2025**

**CASE No. 25143**

*SAN LORENZO 9/4 STATE COM #556H*

**EDDY COUNTY, NEW MEXICO**



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

**APPLICATION OF MEWBOURNE OIL  
COMPANY FOR APPROVAL OF AN  
OVERLAPPING HORIZONTAL WELL SPACING  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25143**

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# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 25143</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date:</b>	<b>February 13, 2025</b>
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 APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	San Lorenzo
<b>Formation/Pool</b>	
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:	San Lorenzo; Bone Spring [53600]
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.38-acres
Building Blocks:	40 acres
Orientation:	Standup / South to North
Description: TRS/County	Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, and W/2 E/2 of Section 9, Township 25 South, Range 28 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?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	<b>BEFORE THE OIL CONSERVATION DIVISION</b>
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Santa Fe, New Mexico Exhibit No. A Submitted by: Mewbourne Oil Company Hearing Date: February 13, 2025 Case No. 25143

Well #1	San Lorenzo 9-4 State Com #556H (30-015-PENDING) SHL: 330' FSL & 2,130' FWL (Unit N) of Section 9 BHL: 100' FNL & 1,800' FEL (Lot 2) of Section 4 Completion Target: Bone Spring formation Well Orientation: Standup / South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
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-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D

Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	6-Feb-25

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

**APPLICATION OF MEWBOURNE OIL  
COMPANY FOR APPROVAL OF AN  
OVERLAPPING HORIZONTAL WELL SPACING  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25143**

**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 (1) approving a 320.38-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, and W/2 E/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **San Lorenzo 9-4 State Com #556H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 4.
3. This proposed horizontal well spacing unit will overlap the following existing spacing unit in the Bone Spring formation:
  - 160-acre spacing unit comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Kayro 4 State 1H (API: 30-015-41292) well currently operated by RAYBAW Operating, LLC.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143**

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral owners in the subject spacing unit.


5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on February 13, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping spacing unit;
- B. Pooling all uncommitted interests in the horizontal spacing unit;
- C. Designating Applicant as operator of the overlapping horizontal spacing unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- E. 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
- F. 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, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY



CASE \_\_\_\_\_: **Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) approving a 320.38-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, and W/2 E/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **San Lorenzo 9-4 State Com #556H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Kayro 4 State 1H (API: 30-015-41292) well currently operated by RAYBAW Operating, LLC.

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.

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

**APPLICATION OF MEWBOURNE OIL  
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UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25143**

**SELF-AFFIRMED STATEMENT OF CARSON CULLEN**

1. My name is Carson Cullen. 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 petroleum 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. Mewbourne seeks an order (1) approving a 320.38-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, and W/2 E/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to initially dedicate this Bone Spring spacing unit to the proposed **San Lorenzo 9-4 State Com #556H** well, to be horizontally drilled from a surface location in the

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143**

SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 4.

6. This proposed horizontal well spacing unit will overlap the following existing spacing unit in the Bone Spring formation:

- 160-acre spacing unit comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Kayro 4 State 1H (API: 30-015-41292) well currently operated by RAYBAW Operating, LLC.

7. **Mewbourne Exhibit C-1** is a diagram depicting the newly proposed spacing unit in relation to the existing spacing unit. Mewbourne provided notice to RAYBAW Operating, LLC, as well as the State Land Office of New Mexico since state lands are involved. A sample copy of the notice and mailing report is included in Exhibit E.

8. **Mewbourne Exhibit C-2** 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 San Lorenzo; Bone Spring [53600].

9. **Mewbourne Exhibit C-3** 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 state and fee lands. The parties Mewbourne seeks to pool are highlighted in yellow.

10. **Mewbourne Exhibit C-4** 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.

11. Mewbourne requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$10,000 per month while drilling and \$1,000 per month

while producing. These costs are consistent with what other operators are charging in this area for similar wells.

12. **Mewbourne Exhibit C-5** 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.

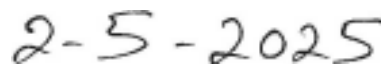
13. Mewbourne has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Mewbourne seeks to pool and instructed that they be notified of this hearing. Mewbourne has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

14. **Mewbourne Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

15. 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.



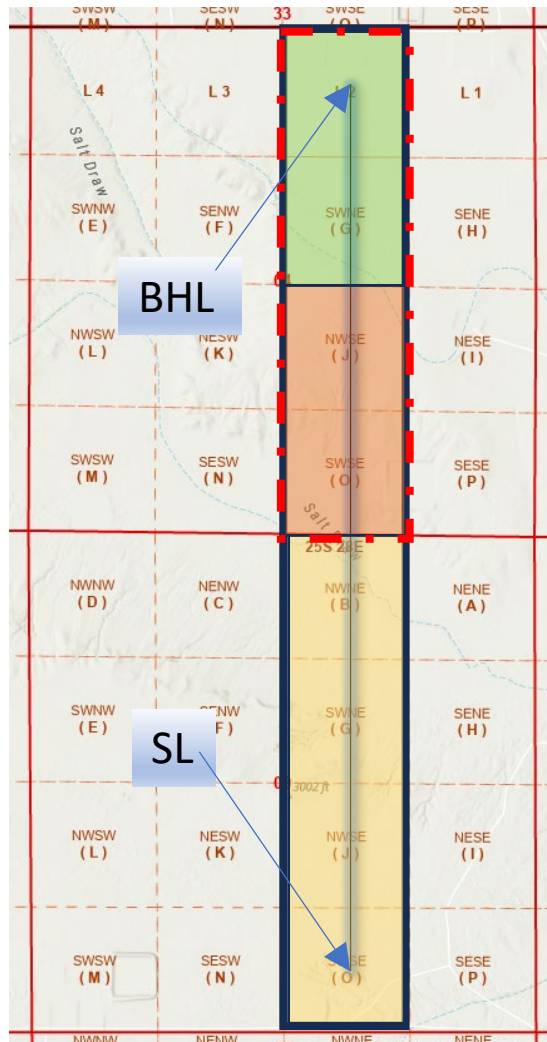
Carson Cullen



Date

## OVERLAP DIAGRAM

San Lorenzo 9-4 State Com #556H  
Sections 9 (W/2E/2) & 9 (W/2E/2), T25S, R28E  
EDDY COUNTY, NM



Orange = SLO V052840006  
Green = SLO VA25330003  
Yellow = Fee

Dark Blue = MOC proposed unit  
Dashed Red = Existing units

## BEFORE THE OIL CONSERVATION DIVISION

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Santa Fe, New Mexico Exhibit No. C-2 Revised July 9, 2024 Submitted by: Mewbourne Oil Company Hearing Date: February 13, 2025 Case No. 25143
		Submittal Type:
		<input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

## WELL LOCATION INFORMATION

API Number	Pool Code <b>53600</b>	Pool Name <b>SAN LORENZO; BONE SPRING</b>
Property Code	Property Name <b>SAN LORENZO 9/4 STATE COM</b>	Well Number <b>556H</b>
OGRID No.	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Ground Level Elevation <b>2981'</b>
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 <b>N</b>	Section <b>9</b>	Township <b>25S</b>	Range <b>28E</b>	Lot	Ft. from N/S <b>330 FSL</b>	Ft. from E/W <b>2130 FWL</b>	Latitude <b>32.1382704°N</b>	Longitude <b>104.0941122°W</b>	County <b>EDDY</b>
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## Bottom Hole Location

UL <b>B</b>	Section <b>4</b>	Township <b>25S</b>	Range <b>28E</b>	Lot <b>2</b>	Ft. from N/S <b>100 FNL</b>	Ft. from E/W <b>1800 FEL</b>	Latitude <b>32.1662303°N</b>	Longitude <b>104.0896309°W</b>	County <b>EDDY</b>
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Dedicated Acres	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 <b>9</b>	Township <b>25S</b>	Range <b>28E</b>	Lot	Ft. from N/S <b>100 FSL</b>	Ft. from E/W <b>1800 FEL</b>	Latitude	Longitude	County
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## First Take Point (FTP)

UL	Section <b>9</b>	Township <b>25S</b>	Range <b>28E</b>	Lot	Ft. from N/S <b>100 FSL</b>	Ft. from E/W <b>1800 FEL</b>	Latitude	Longitude	County
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## Last Take Point (LTP)

UL	Section <b>4</b>	Township <b>25S</b>	Range <b>28E</b>	Lot	Ft. from N/S <b>100 FNL</b>	Ft. from E/W <b>1800 FEL</b>	Latitude	Longitude	County
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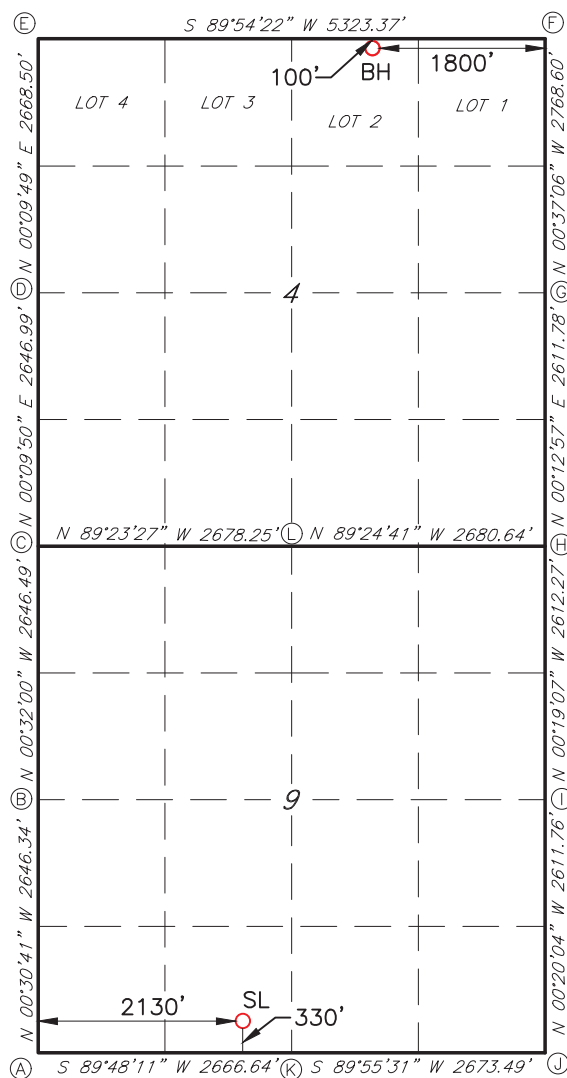
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<b>OPERATOR CERTIFICATIONS</b>  <i>I hereby certify that the information contained herein is true 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.</i>  <i>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.</i>		<b>SURVEYOR CERTIFICATIONS</b>  <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.</i>	
Signature	Date	Signature and Seal of Professional Surveyor 	
Printed Name		Certificate Number <b>19680</b>	Date of Survey <b>10/24/2024</b>
Email Address			

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.

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 a 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.

SAN LORENZO 9/4 STATE COM #556H



GEODETTIC DATA  
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)  
N: 414120.7 - E: 615381.8

LAT: 32.1382704° N  
LONG: 104.0941122° W

BOTTOM HOLE (BH)  
N: 424295.0 - E: 616745.8

LAT: 32.1662303° N  
LONG: 104.0896309° W

### CORNER DATA

CORNER DATA  
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1940"  
N: 413783.4 - E: 613255.2

B: FOUND BRASS CAP "1940"  
N: 416429.1 - E: 613231.6

C: FOUND BRASS CAP "1940"  
N: 419074.9 - E: 613207.0

D: FOUND BRASS CAP "1940"  
N: 421721.3 - E: 613214.5

E: FOUND BRASS CAP "1940"  
N: 424389.2 - E: 613222.2

F: FOUND BRASS CAP "1940"  
N: 424397.9 - E: 618544.3

G: FOUND BRASS CAP "1940"  
N: 421630.1 - E: 618574.2

H: FOUND BRASS CAP "1940"  
N: 419018.9 - E: 618564.4

I: FOUND BRASS CAP "1940"  
N: 416407.2 - E: 618578.9

J: FOUND BRASS CAP "1940"  
N: 413796.1 - E: 618594.1

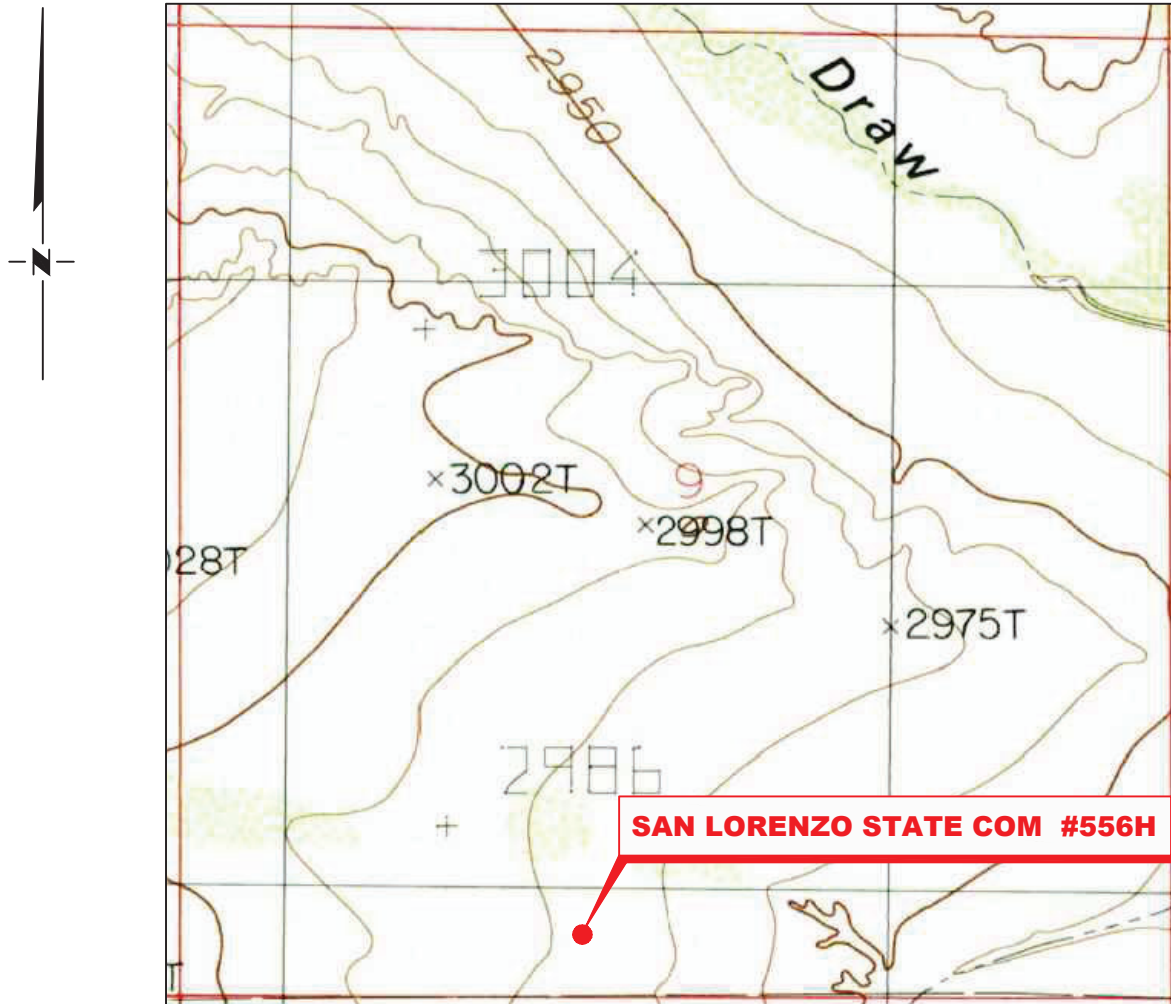
K: FOUND BRASS CAP "1940"  
N: 413792.6 - E: 615921.2

L: FOUND BRASS CAP "1940"  
N: 419046.4 - E: 615884.5



# LOCATION VERIFICATION MAP

NOT TO SCALE



*SECTION 9, TWP. 25 SOUTH, RGE. 28 EAST,  
N. M. P. M., EDDY CO., NEW MEXICO*

OPERATOR: Mewbourne Oil Company  
 LEASE: San Lorenzo 9/4 State Com  
 WELL NO.: 556H  
 ELEVATION: 2981'

LOCATION: 330' FSL & 2130' FWL  
 CONTOUR INTERVAL: 10'  
 USGS TOPO. SOURCE MAP:  
Malaga, NM (1985)

NO.	REVISION	DATE
JOB NO.: LS24100875		
DWG. NO.: LS24100875-2		



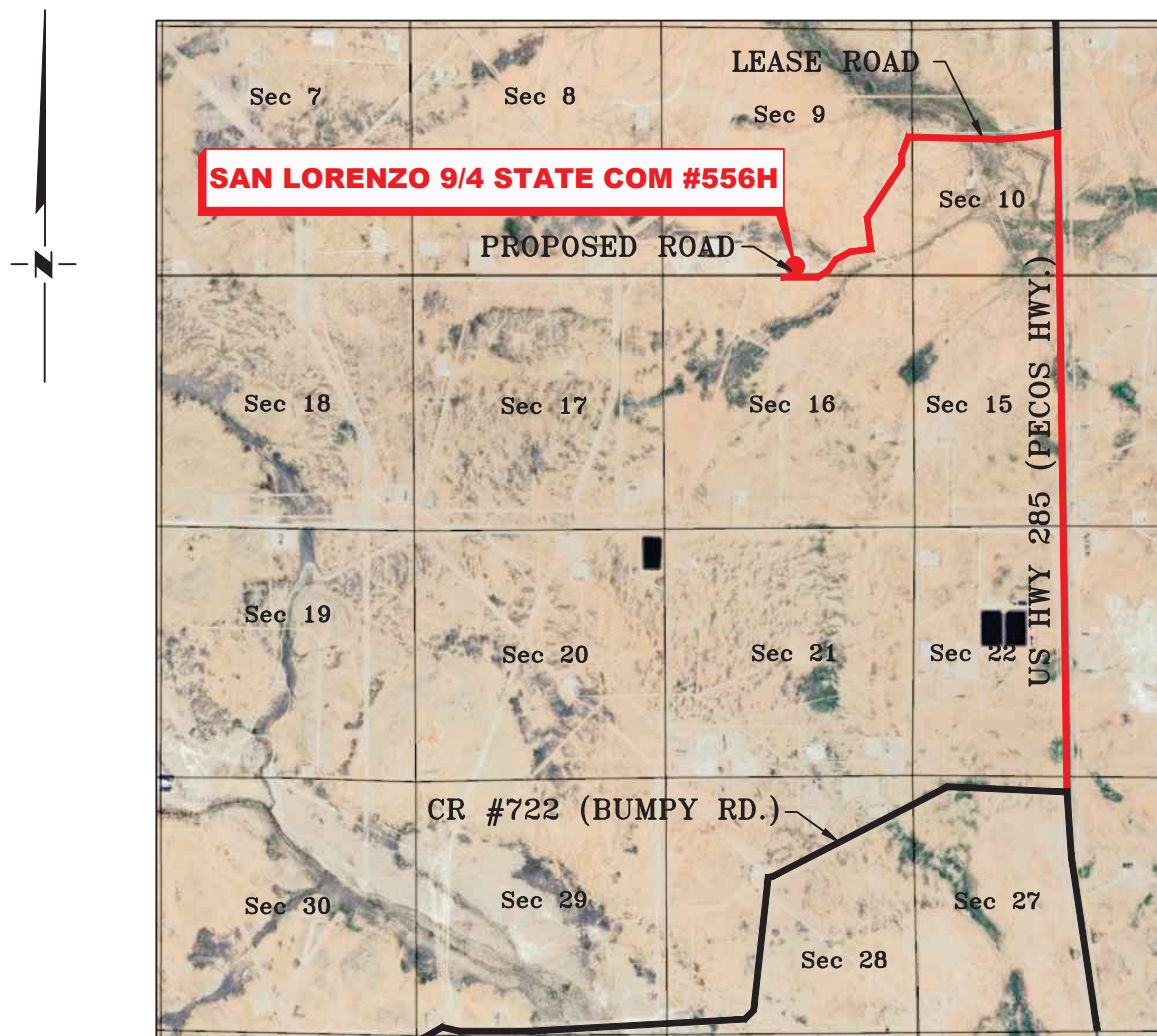
701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: N. T. S.
DATE: 10/24/2024
SURVEYED BY: ML/JH
DRAWN BY: CG
APPROVED BY: RMH
SHEET: 1 OF 1

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## VICINITY MAP



*SECTION 9, TWP. 25 SOUTH, RGE. 28 EAST,  
N. M. P. M., EDDY COUNTY, NEW MEXICO*

OPERATOR: Mewbourne Oil Company

LOCATION: 330' FSL & 2130' FWL

LEASE: San Lorenzo 9/4 State Com

ELEVATION: 2981'

WELL NO.: 556H

# RRC

ENERGY SERVICES, LLC.

701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: N. T. S.

DATE: 10/24/2024

SURVEYED BY: ML/JH

DRAWN BY: CG

APPROVED BY: RMH

SHEET: 1 OF 1

NO.	REVISION	DATE

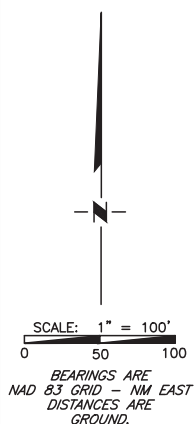
JOB NO.: LS24100875

DWG. NO.: LS24100875-3

A survey map of a 400' x 460' rectangular area. The map shows a proposed road and easement. The proposed road is a 20' wide strip running horizontally across the center. The easement is a 20' wide strip running vertically down the center. The proposed road and easement intersect at a point marked with a red dot. The map includes several callouts and dimensions:
 

- Top-left corner: 2981.7' (elevation), 400' (width), 460' (length).
- Top-right corner: 2975.7' (elevation), 460' (length).
- Bottom-left corner: 2983.0' (elevation), 400' (width).
- Bottom-right corner: 2977.1' (elevation), 460' (length).
- Center intersection: 20' (width of road), 20' (width of easement).
- Callouts for "SAN LORENZO 9/4 STATE COM #551H", "SAN LORENZO 9/4 STATE COM #553H", and "SAN LORENZO 9/4 STATE COM #558H" point to specific locations within the easement.
- A red box contains the following information: "SAN LORENZO 9/4 STATE COM #556H", "ELEV.: 2981'", "LAT: 32.1382704° N (NAD83)", and "LONG: 104.0941122° W (NAD83)".
- A red dashed line at the top left is labeled "PROPOSED UTILITIES (SEE EASEMENT)".
- A red line at the bottom is labeled "PROPOSED ROAD (SEE EASEMENT)".
- A dashed line at the bottom is labeled "LEASE ROAD".

*From the intersection of CR #722 (Bumpy Rd.) & U.S. Hwy 285 (Pecos Hwy).;*  
*Go North on U.S. Hwy 285 approx. 2.7 miles to a lease road on the left;*  
*Turn left and go West approx. 0.6 miles road curves left;*  
*Continue Southwest for approx. 0.5 miles to a lease road on the right;*  
*Turn right and go West approx. 0.5 miles to a proposed road on the right;*  
*Turn right and go North approx. 256 feet to location.*



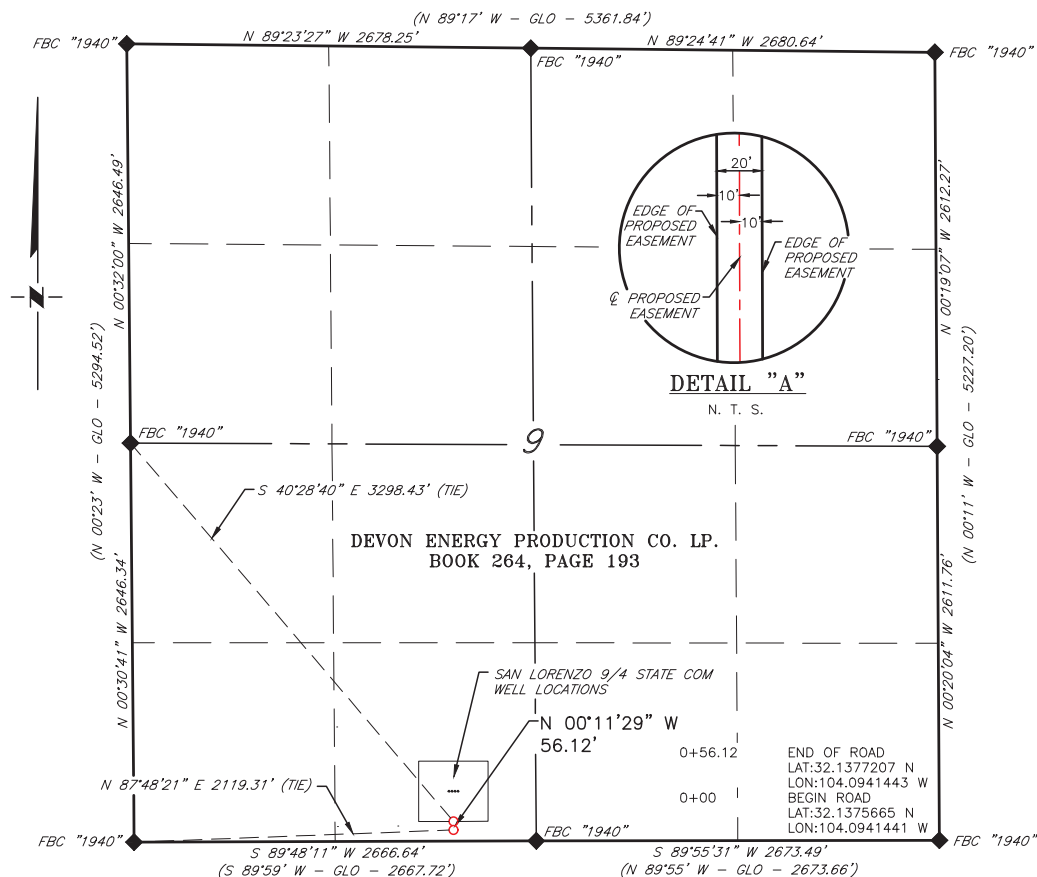
I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett NM PS 19680



			<div><div>RRC</div><div><div></div></div><div>ENERGY SERVICES, LLC.</div><div>701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200</div></div>	SCALE: 1" = 100'
				DATE: 10/24/2024
				SURVEYED BY: ML/JH
				DRAWN BY: CG
NO.	REVISION	DATE		APPROVED BY: RMH
JOB NO.: LS24100875				SHEET: 1 OF 1
DWG. NO.: LS24100875-4				

**MEWBOURNE OIL COMPANY  
ACCESS ROAD FOR THE SAN LORENZO 9/4 STATE COM  
WELL LOCATIONS  
SECTION 9, T25S, R28E  
N. M. P. M., EDDY COUNTY, NEW MEXICO**



**DESCRIPTION**

A strip of land 20 feet wide, being 56.12 feet or 3.401 rods in length, lying in Section 9, Township 25 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, being 10 feet left and 10 feet right of the following described survey of a centerline across the lands of Devon Energy production Co. Lp. according to a deed filed for record in Book 264, Page 193, of the Deed records of Eddy County, New Mexico:

BEGINNING at Engr. Sta. 0+00, a point in the Southwest quarter of Section 9, which bears, N 87°48'21" E, 2,119.31 feet, from a brass cap, stamped "1940", found for the Southwest quarter corner of Section 9;

Thence N 00°11'29" W, 56.12 feet, to Engr. Sta. 0+56.12, the End of Survey, a point in the Southwest quarter of Section 9, which bears, S 40°28'40" E, 3,298.43 feet, from a brass cap, stamped "1940", found for the West corner of Section 9.

Said strip of land contains 0.026 acres, more or less, and is allocated by forties as follows:

SE 1/4 SW 1/4      56.12 Feet      3.401 Rods      0.026 Acres

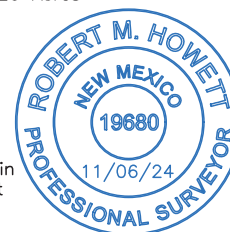
SCALE: 1" = 1000'  
0      500'      1000'

BEARINGS ARE GRID NAD 83  
NM EAST  
DISTANCES ARE HORIZ. GROUND.

LEGEND  
( ) RECORD DATA - GLO  
FOUND MONUMENT  
AS NOTED  
PROPOSED ACCESS ROAD

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this plat from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

*Robert M. Howett*  
Robert M. Howett      NM PS 19680



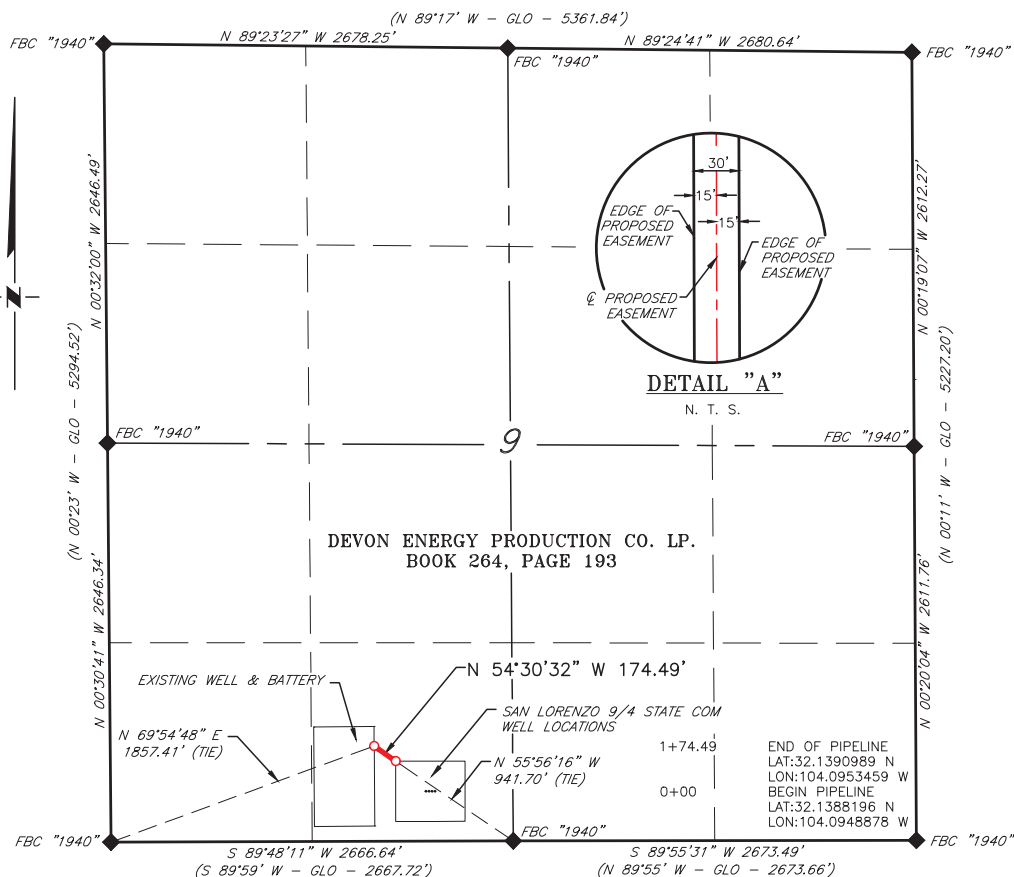
NO.	REVISION	DATE
JOB NO.:	LS24100873	
DWG. NO.:	24100873-1	



701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'  
DATE: 10/24/2024  
SURVEYED BY: ML/JH  
DRAWN BY: CG  
APPROVED BY: RMH  
SHEET: 1 OF 1

**MEWBOURNE OIL COMPANY  
UTILITES FOR THE SAN LORENZO 9/4 STATE COM  
WELL LOCATIONS  
SECTION 9, T25S, R28E  
N. M. P. M., EDDY COUNTY, NEW MEXICO**



NO.	REVISION	DATE
JOB NO.:	LS24100873	
DWG. NO.:	24100873-1	

### Section Plat

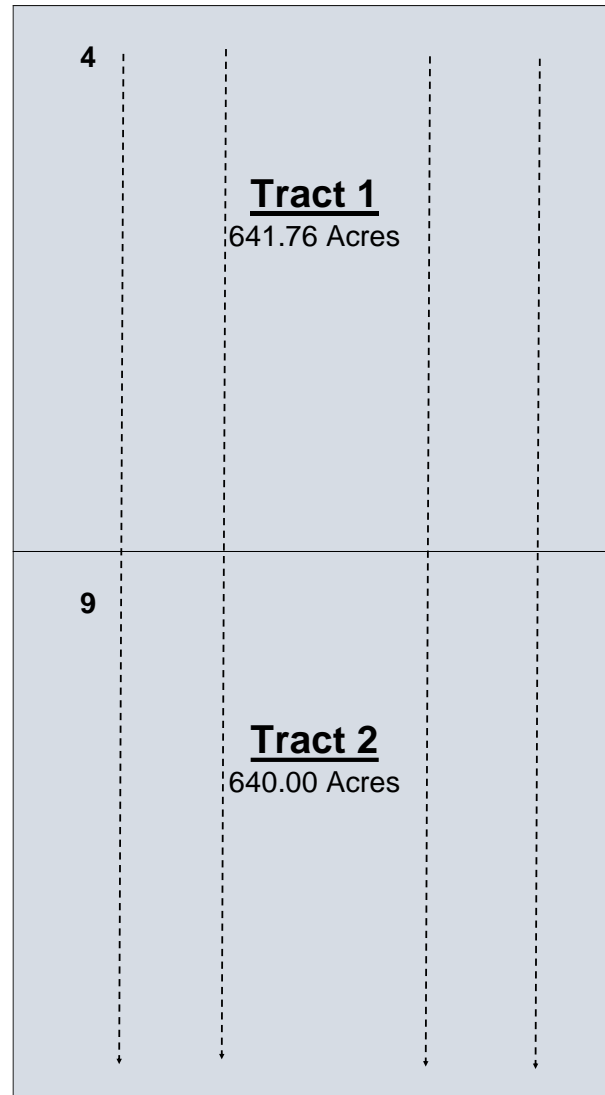
San Lorenzo 9-4 State Com #551H

San Lorenzo 9-4 State Com #553H

San Lorenzo 9-4 State Com #556H

San Lorenzo 9-4 State Com #558H

Plat covering Section 4 and Section 9, T-25-S, R-28-E, Eddy County, New Mexico.



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-3  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143

**Tract 1: Section 4**

Marathon Oil Permian, LLC

**Tract 2: Section 9**

Mewbourne Oil Company

Northern Oil and Gas, LLC

**RECAPITULATION FOR**

San Lorenzo 9-4 State Com #551H

San Lorenzo 9-4 State Com #553H

San Lorenzo 9-4 State Com #556H

San Lorenzo 9-4 State Com #558H

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	641.76	50.068656%
2	640.00	49.931344%
Total	1281.76	100.000000%

**TRACT OWNERSHIP**

San Lorenzo 9-4 State Com #551H

San Lorenzo 9-4 State Com #553H

San Lorenzo 9-4 State Com #556H

San Lorenzo 9-4 State Com #558H

**Total:**

Mewbourne Oil Company	39.945076%
Northern Oil and Gas, Inc.	9.986269%
Marathon Oil Permian, LLC	50.068655%
	<b>100.000000%</b>

**\*\*\* 50.068655% Total Interest Being Pooled.****Tract 1: Section 4**

Mewbourne Oil Company – 79.890151%

Northern Oil and Gas, Inc. – 19.97238%

**Tract 2: Section 9**

Marathon Oil Permian, LLC – 100%



## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

October 30, 2024

Via Certified Mail

Marathon Oil Permian, LLC  
990 Town & Country Blvd.  
Houston, Texas 77024

Re: San Lorenzo 9-4 State Com #551H  
San Lorenzo 9-4 State Com #553H  
San Lorenzo 9-4 State Com #556H  
San Lorenzo 9-4 State Com #558H  
Sections 4 & 9, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1281.76-acre Unit covering all of the above captioned acreage in Section 4 & 9 for oil and gas production. Our title shows that Marathon Oil Company, ("Marathon") owns all of Section 4 (641.76 acres). Accordingly, Marathon would own an 50.068656% interest in the proposed Unit.

Mewbourne Oil Company hereby proposes drilling the following wells:

**San Lorenzo 9-4 State Com #551H**

Surface Location: 205' FSL & 2430' FWL, Sec. 9  
Bottom Hole Location: 100' FNL & 550' FWL, Sec. 4  
Proposed Total Vertical Depth: 8560'  
Proposed Total Measured Depth: 19050'  
Target: Harkey Sand

**San Lorenzo 9-4 State Com #553H**

Surface Location: 205' FSL & 2450' FWL, Sec. 9  
Bottom Hole Location: 100' FNL & 1800' FWL, Sec. 4  
Proposed Total Vertical Depth: 8580'  
Proposed Total Measured Depth: 19070'  
Target: Harkey Sand

**San Lorenzo 9-4 State Com #556H**

Surface Location: 205' FSL & 2470' FWL, Sec. 9  
Bottom Hole Location: 100' FNL & 1800' FEL, Sec. 4  
Proposed Total Vertical Depth: 8600'  
Proposed Total Measured Depth: 19090'  
Target: Harkey Sand

**San Lorenzo 9-4 State Com #558H**

Surface Location: 205' FSL & 2490' FWL, Sec. 9  
Bottom Hole Location: 100' FNL & 500' FEL, Sec. 4  
Proposed Total Vertical Depth: 8620'  
Proposed Total Measured Depth: 19110'  
Target: Harkey Sand

Regarding the above enclosed for your further handling are our AFE's dated October 28, 2024 for the above referenced proposed well. In the event Marathon elects to participate in the proposed WIU and wells, please execute the enclosed AFE and return to me within thirty (30) days. Our Operating Agreement to follow.

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

Very truly yours,

MEWBOURNE OIL COMPANY



Carson Cullen  
Landman

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-4  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143

MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE

Well Name: <div>SAN LORENZO 9/4 STATE COM #551H</div>		Prospect: <div>SAN LORENZO</div>	
Location: <div>SL: 205 FSL &amp; 2430 FWL (9); BHL: 100 FNL &amp; 550 FWL (4)</div>		County: <div>EDDY</div>	ST: <div>NM</div>
Sec. <div>9</div>	Blk: <div></div>	Survey: <div></div>	TWP: <div>25S</div>
RNG: <div>28E</div>		Prop. TVD: <div>8560</div>	TMD: <div>19050</div>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling14 days drlg / 3 days comp @ \$28,000/d	0180-0110	\$418,700	0180-0210	\$89,700
Fuel1700 gal/day @ \$3.90/gal	0180-0114	\$99,100	0180-0214	\$152,400
Alternate Fuels	0180-0115		0180-0215	\$112,000
Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$220,000
Stimulation Toe Preparation			0180-0223	\$24,000
Cementing	0180-0125	\$165,000	0180-0225	\$65,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$363,200
Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$18,000
Mud Logging	0180-0137	\$15,000		
Stimulation61 Stg 25.3 MMgal & 25.3 MMIbs			0180-0241	\$2,699,000
Stimulation Rentals & Other			0180-0242	\$273,000
Water & Other	0180-0145	\$35,000	0180-0245	\$160,800
Bits	0180-0148	\$64,100	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	\$75,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$96,900	0180-0270	\$71,300
Directional ServicesIncludes vertical control	0180-0175	\$400,000		
Equipment Rental	0180-0180	\$108,400	0180-0280	\$120,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$5,700	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	\$61,200	0180-0295	\$27,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies5% (TCP) 5% (CC)	0180-0199	\$119,100	0180-0299	\$234,400
TOTAL	\$2,501,200		\$4,921,800	

TANGIBLE COSTS 0181				
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")400' - 13 3/8" 54.5# J-55 ST&C @ \$42.93/ft	0181-0794	\$18,300		
Casing (8.1" - 10.0")2435' - 9 5/8" 40# HCL80 LT&C @ \$35.10/ft	0181-0795	\$91,300		
Casing (6.1" - 8.0")8320' - 7" 29# HPP110 BT&C @ \$30.89/ft	0181-0796	\$274,500		
Casing (4.1" - 6.0")10880' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft			0181-0797	\$209,000
Tubing7985' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft			0181-0798	\$89,500
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	\$35,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	
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	\$56,000
Water Pipeline - Construction			0181-0921	
TOTAL	\$434,100		\$1,410,500	
SUBTOTAL	\$2,935,300		\$6,332,300	
TOTAL WELL COST		\$9,267,600		

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: <div>H. Buckley</div>	Date: <div>10/28/2024</div>
Company Approval: <div></div>	Date: <div></div>

Joint Owner Interest: <div>50.06865600%</div> Amount: <div>\$4,640,162.76</div>	Signature: <div></div>
Joint Owner Name: <div>Marathon Oil Permian, LLC</div>	



MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE

Well Name: <div>SAN LORENZO 9/4 STATE COM #553H</div>		Prospect: <div>SAN LORENZO</div>	
Location: <div>SL: 205 FSL &amp; 2450 FWL (9); BHL: 100 FNL &amp; 1800 FWL (4)</div>		County: <div>EDDY</div>	ST: <div>NM</div>
Sec. <div>9</div>	Blk: <div></div>	Survey: <div></div>	TWP: <div>25S</div>
RNG: <div>28E</div>		Prop. TVD: <div>8580</div>	TMD: <div>19070</div>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling14 days drlg / 3 days comp @ \$28,000/d	0180-0110	\$418,700	0180-0210	\$89,700
Fuel1700 gal/day @ \$3.90/gal	0180-0114	\$99,100	0180-0214	\$152,400
Alternate Fuels	0180-0115		0180-0215	\$112,000
Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$220,000
Stimulation Toe Preparation			0180-0223	\$24,000
Cementing	0180-0125	\$165,000	0180-0225	\$65,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$363,200
Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$18,000
Mud Logging	0180-0137	\$15,000		
Stimulation61 Stg 25.3 MMgal & 25.3 MMIbs			0180-0241	\$2,699,000
Stimulation Rentals & Other			0180-0242	\$273,000
Water & Other	0180-0145	\$35,000	0180-0245	\$160,800
Bits	0180-0148	\$64,100	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	\$75,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
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Well / Lease Insurance	0180-0185	\$5,700	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	\$61,200	0180-0295	\$27,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies5% (TCP) 5% (CC)	0180-0199	\$119,100	0180-0299	\$234,400
TOTAL	\$2,501,200		\$4,921,800	

TANGIBLE COSTS 0181				
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Casing (10.1" - 19.0")400' - 13 3/8" 54.5# J-55 ST&C @ \$42.93/ft	0181-0794	\$18,300		
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Casing (4.1" - 6.0")10880' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft			0181-0797	\$209,000
Tubing8005' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft			0181-0798	\$89,800
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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	\$35,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	
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	\$56,000
Water Pipeline - Construction			0181-0921	
TOTAL	\$434,700		\$1,410,800	
SUBTOTAL	\$2,935,900		\$6,332,600	
TOTAL WELL COST	\$9,268,500			

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: <div>H. Buckley</div>	Date: <div>10/28/2024</div>
Company Approval: <div></div>	Date: <div></div>

Joint Owner Interest: <div>50.06865600%</div> Amount: <div>\$4,640,613.38</div>	Signature: <div></div>
Joint Owner Name: <div>Marathon Oil Permian, LLC</div>	

MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE

Well Name: <div>SAN LORENZO 9/4 STATE COM #556H</div>		Prospect: <div>SAN LORENZO</div>	
Location: <div>SL: 205 FSL &amp; 2470 FWL (9); BHL: 100 FNL &amp; 1800 FEL (4)</div>		County: <div>EDDY</div>	ST: <div>NM</div>
Sec. <div>9</div>	Blk: <div></div>	Survey: <div></div>	TWP: <div>25S</div>
RNG: <div>28E</div>		Prop. TVD: <div>8600</div>	TMD: <div>19090</div>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
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Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$220,000
Stimulation Toe Preparation			0180-0223	\$24,000
Cementing	0180-0125	\$165,000	0180-0225	\$65,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$363,200
Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$18,000
Mud Logging	0180-0137	\$15,000		
Stimulation61 Stg 25.3 MMgal & 25.3 MMIbs			0180-0241	\$2,699,000
Stimulation Rentals & Other			0180-0242	\$273,000
Water & Other	0180-0145	\$35,000	0180-0245	\$160,800
Bits	0180-0148	\$64,100	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	\$75,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$96,900	0180-0270	\$71,300
Directional ServicesIncludes vertical control	0180-0175	\$400,000		
Equipment Rental	0180-0180	\$108,400	0180-0280	\$120,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$5,700	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	\$61,200	0180-0295	\$27,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies5% (TCP) 5% (CC)	0180-0199	\$119,100	0180-0299	\$234,400
TOTAL	\$2,501,200		\$4,921,800	

TANGIBLE COSTS 0181				
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")400' - 13 3/8" 54.5# J-55 ST&C @ \$42.93/ft	0181-0794	\$18,300		
Casing (8.1" - 10.0")2435' - 9 5/8" 40# HCL80 LT&C @ \$35.10/ft	0181-0795	\$91,300		
Casing (6.1" - 8.0")8360' - 7" 29# HPP110 BT&C @ \$30.89/ft	0181-0796	\$275,800		
Casing (4.1" - 6.0")10880' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft			0181-0797	\$209,000
Tubing8025' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft			0181-0798	\$90,000
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	\$35,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	
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	\$56,000
Water Pipeline - Construction			0181-0921	
TOTAL	\$435,400		\$1,411,000	
SUBTOTAL	\$2,936,600		\$6,332,800	
TOTAL WELL COST	\$9,269,400			

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: <div>H. Buckley</div>	Date: <div>10/28/2024</div>
Company Approval: <div></div>	Date: <div></div>

Joint Owner Interest: <div>50.06865600%</div> Amount: <div>\$4,641,064.00</div>	Signature: <div></div>
Joint Owner Name: <div>Marathon Oil Permian, LLC</div>	

MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE

Well Name: <div>SAN LORENZO 9/4 STATE COM #558H</div>		Prospect: <div>SAN LORENZO</div>	
Location: <div>SL: 205 FSL &amp; 2490 FWL (9); BHL: 100 FNL &amp; 500 FEL (4)</div>		County: <div>EDDY</div>	ST: <div>NM</div>
Sec. <div>9</div>	Blk: <div></div>	Survey: <div></div>	TWP: <div>25S</div> RNG: <div>28E</div> Prop. TVD: <div>8620</div> TMD: <div>19110</div>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling      14 days drlg / 3 days comp @ \$28,000/d	0180-0110	\$418,700	0180-0210	\$89,700
Fuel      1700 gal/day @ \$3.90/gal	0180-0114	\$99,100	0180-0214	\$152,400
Alternate Fuels	0180-0115		0180-0215	\$112,000
Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$220,000
Stimulation Toe Preparation			0180-0223	\$24,000
Cementing	0180-0125	\$165,000	0180-0225	\$65,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$363,200
Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$18,000
Mud Logging	0180-0137	\$15,000		
Stimulation      61 Stg 25.3 MMgal & 25.3 MMIbs			0180-0241	\$2,699,000
Stimulation Rentals & Other			0180-0242	\$273,000
Water & Other	0180-0145	\$35,000	0180-0245	\$160,800
Bits	0180-0148	\$64,100	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	\$75,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$96,900	0180-0270	\$71,300
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TOTAL		\$2,501,200		\$4,921,800

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Casing (4.1" - 6.0")      10880' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft			0181-0797	\$209,000
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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
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Water Pipeline-Pipe/Valves & Misc			0181-0901	
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Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$167,000
Equipment Installation			0181-0910	\$88,000
Oil/Gas Pipeline - Construction			0181-0920	\$56,000
Water Pipeline - Construction			0181-0921	
TOTAL		\$436,100		\$1,411,200
SUBTOTAL		\$2,937,300		\$6,333,000
TOTAL WELL COST		\$9,270,300		

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: <div>H. Buckley</div>	Date: <div>10/28/2024</div>
Company Approval: _____	Date: _____

Joint Owner Interest: <div>50.06865600%</div> Amount: <div>\$4,641,514.62</div>	Signature: _____
Joint Owner Name: <div>Marathon Oil Permian, LLC</div>	

**Summary of Communications**

**San Lorenzo 9-4 State Com #551H**

**San Lorenzo 9-4 State Com #553H**

**San Lorenzo 9-4 State Com #556H**

**San Lorenzo 9-4 State Com #558H**

**1. Marathon Oil Permian, LLC**

October 30, 2024 – Well proposal and AFE delivered via certified mail.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-5  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143**



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

**APPLICATION OF MEWBOURNE OIL  
COMPANY FOR APPROVAL OF AN  
OVERLAPPING HORIZONTAL WELL SPACING  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25143**

**SELF-AFFIRMED STATEMENT OF GEOLOGIST**

1. My name is Cole Hatchel. 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 Harkey Sand of the Bone Spring 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 Harkey Sand. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in red with the approximate location and orientation of the initial well noted with a black line. The structure map shows the targeted formation gently dipping to the east. 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.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143

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 well is marked on the cross-section with blue directional arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

9. In my opinion, standup 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 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 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.

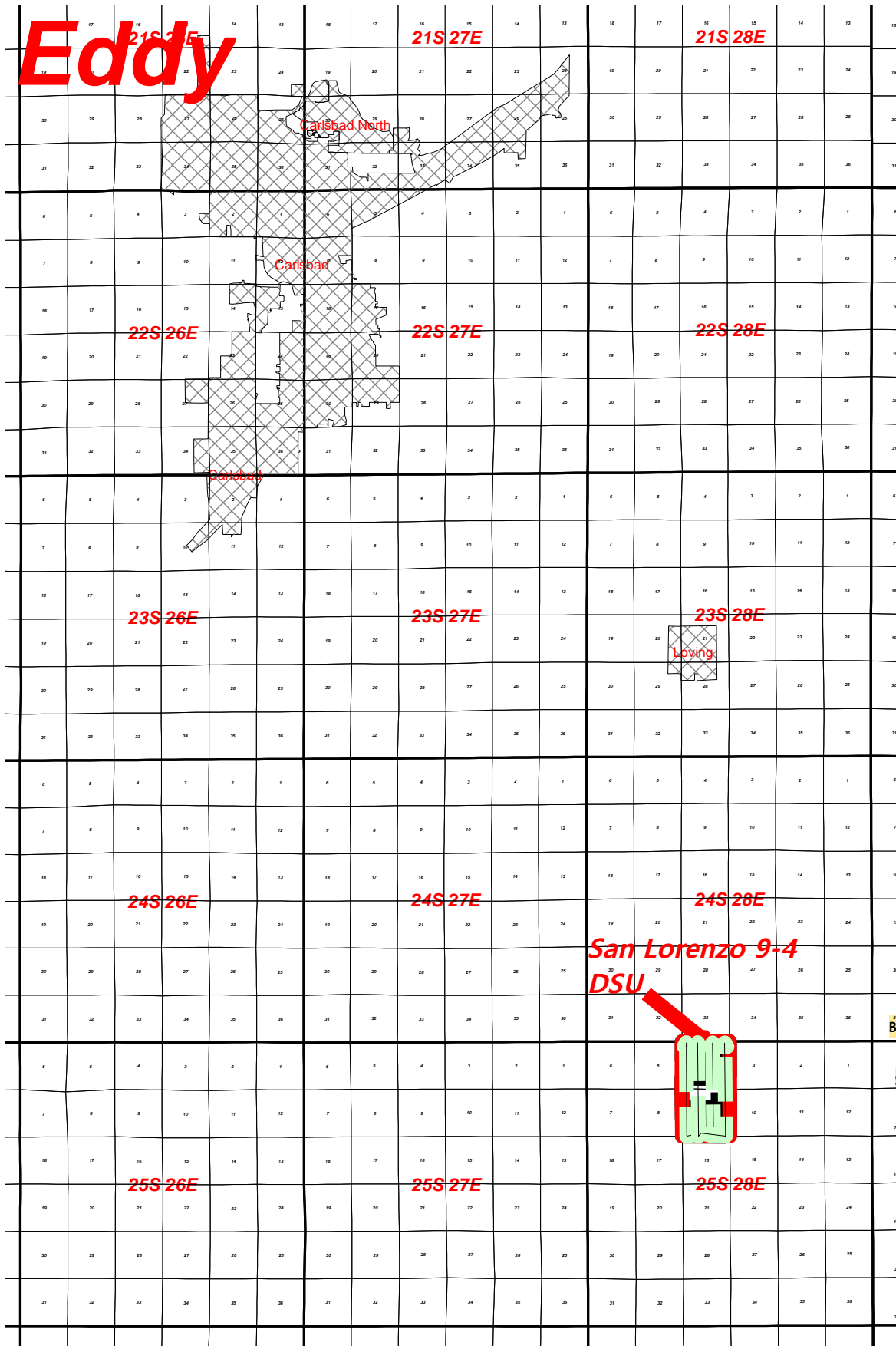
13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

  
\_\_\_\_\_

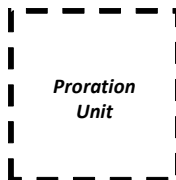
Geologist

  
\_\_\_\_\_

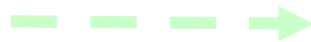
Date



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-1  
 Submitted by: Mewbourne Oil Company  
 Hearing Date: February 13, 2025  
 Case No. 25143



**MOC Proposed Horizontal Well**

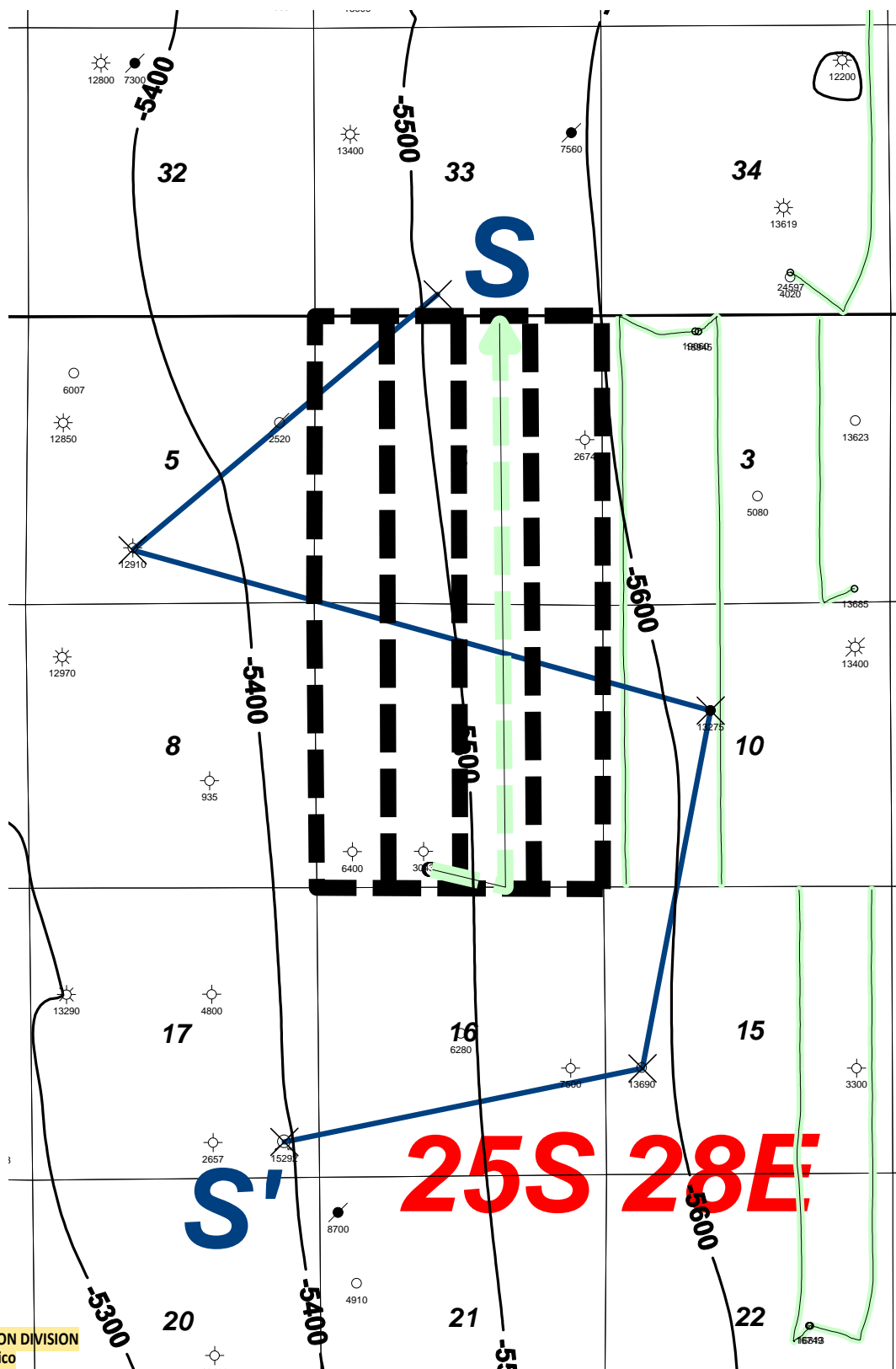


1 inch = 16500 feet

0 16500 33000 ft

<b>Mewbourne Oil Company</b>		
<b>Regional Locator Map</b> <b>San Lorenzo 9/4</b>		
February 2025	Eddy County	Geo: C. Hatchel



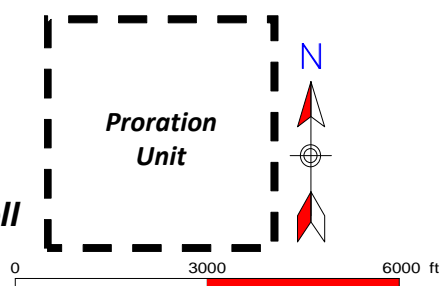
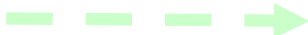


BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-2  
 Submitted by: Mewbourne Oil Company  
 Hearing Date: February 13, 2025  
 Case No. 25143

### Horizontal Activity Color Code

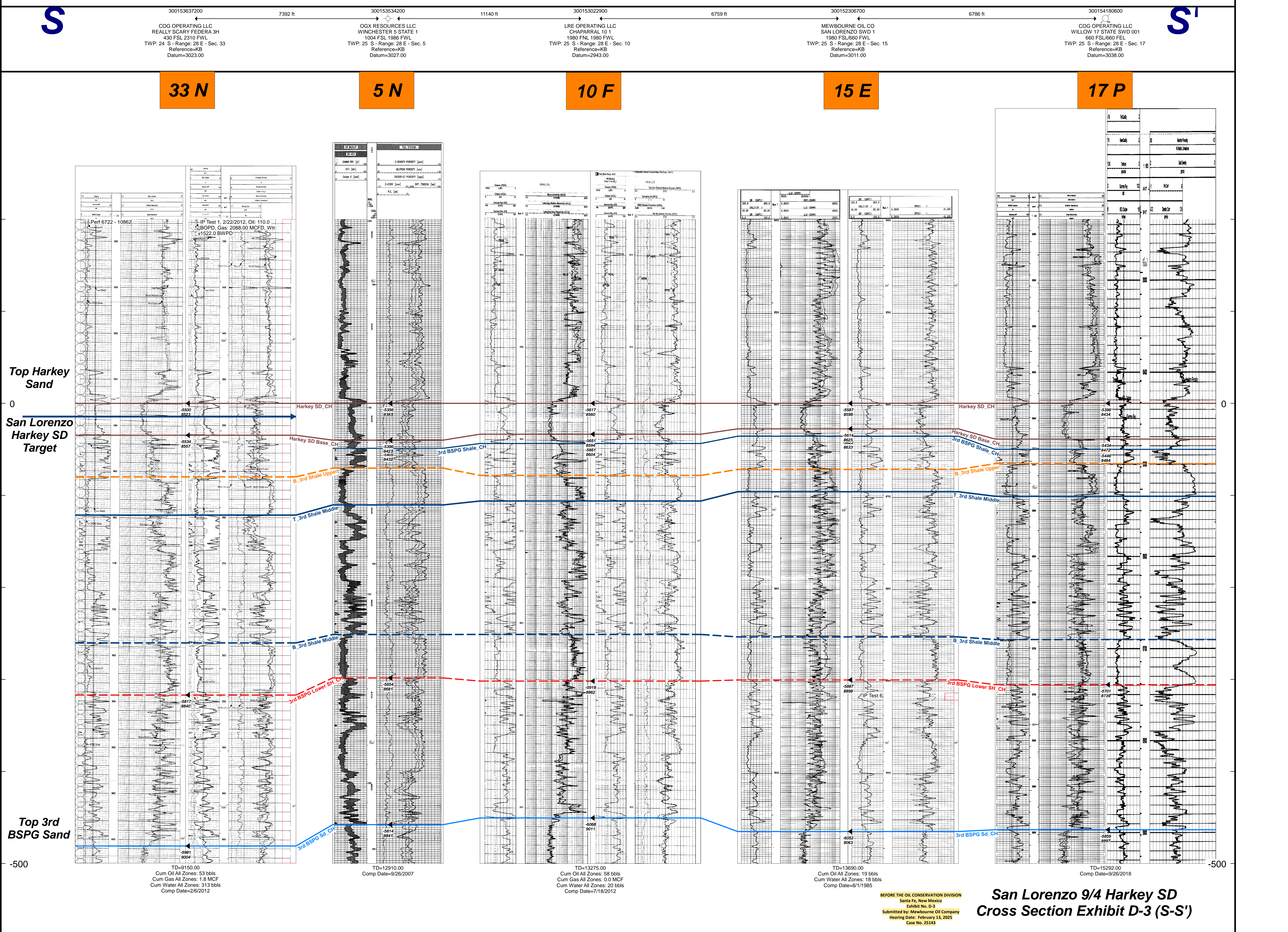
Harkey Sand

MOC Proposed Horizontal Well



<b>MOC Mewbourne Oil Company</b>		
<b>San Lorenzo 9/4 State Com 556H</b>		
<b>Horizontal Activity Map</b>		
<b>Top Harkey Sand Structure Map (C.I. 100')</b>		
February 2025	Eddy County	New Mexico
	All Vertical Wells	Geo: C. Hatchel







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

**APPLICATION OF MEWBOURNE OIL  
COMPANY FOR APPROVAL OF AN  
OVERLAPPING HORIZONTAL WELL SPACING  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25143**

**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 January 31, 2025.

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

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143**



---

Paula M. Vance

02/06/2025

---

Date



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

January 24, 2025

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND  
APPROVAL OF THE OVERLAPPING WELL SPACING UNIT**

**Re: Application of Mewbourne Oil Company for Approval an Overlapping Horizontal  
Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: San Lorenzo 9-4  
State Com #556H well**

Greetings:

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 February 13, 2025, 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/>.**

*Your interest is not being pooled. This notice is for approval for the overlapping spacing unit. 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 Carson Cullen at (432) 682-3715, or at [ccullen@mewbourne.com](mailto:ccullen@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](http://www.hollandhart.com)

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



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

January 24, 2025

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND APPROVAL OF THE OVERLAPPING WELL SPACING UNIT**

**Re: Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *San Lorenzo 9-4 State Com #556H well***

Greetings:

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 February 13, 2025, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

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**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](http://www.hollandhart.com)

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

## Postal Delivery Report

9414811898765457978609	Raybaw Operating, LLC	2626 Cole Ave Ste 300	Dallas	TX	75204-1094	Your item was delivered to the front desk, reception area, or mail room at 5:37 pm on January 30, 2025 in DALLAS, TX 75204.
9414811898765457978692	Chevron U.S.A. Inc.	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to an individual at the address at 2:22 pm on January 27, 2025 in MIDLAND, TX 79706.
9414811898765457978685	Northern Oil & Gas, Inc.	4350 Baker Rd Ste 400	Minnetonka	MN	55343-8628	Your item was delivered to the front desk, reception area, or mail room at 10:30 am on January 28, 2025 in HOPKINS, MN 55343.
9414811898765457978630	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at a postal facility at 7:52 am on January 29, 2025 in SANTA FE, NM 87501.

## Postal Delivery Report

9414811898765458844842	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston TX	77024-2217	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping partner with any inquiries.
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## AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS  
PO BOX 507  
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

Account Number: 1232  
Ad Number: 31780  
Description: MOC - San Lorenzo 556H 25143  
Ad Cost: \$141.01

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

January 30, 2025

That said newspaper was regularly issued and circulated on those dates.  
SIGNED:

*Sherry Groves*

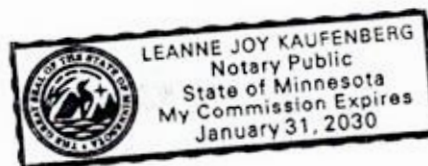
Agent

Subscribed to and sworn to me this 30<sup>th</sup> day of January 2025.

*Leanne Kaufenberg*

Leanne Kaufenberg, Notary Public, Redwood County  
Minnesota

KARI REESE  
HOLLAND & HART LLP  
420 L STREET, SUITE 550  
ANCHORAGE, AK 99501  
kreesee@hollandhart.com



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. F  
Submitted by: Mewbourne Oil Company  
Hearing Date: February 13, 2025  
Case No. 25143

## PUBLIC NOTICE

Case No. 25143: Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.

Notice to all affected interest owners, including all heirs, devisees and successors of:

Raybow Operating, LLC;

Chevron U.S.A. Inc.;

Northern Oil & Gas, Inc.;

New Mexico State Land

Office; Marathon Oil Per-

minian, LLC. 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

February 13, 2025, to consider

this application. The hearing

will be conducted in a hybrid

fashion, both in-person at the

Energy, Minerals, Natural Re-

sources 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 partici-

pate in the hearings

electronically, see the

instructions posted on the

docket for the hearing date:

<https://www.emnrd.nm.gov/oed/hearing-info/> or contact Freya

Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov). Applicant in the

above-styled cause seeks an

order (1) approving a 320.38-

acre, more or less, overlapping

horizontal well spacing unit in

the Bone Spring formation

underlying Lot 2, SW/4 NE/4,

and W/2 SE/4 (W/2 E/2

equivalent) of irregular Section

4, and W/2 E/2 of Section 9,

Township 25 South, Range 28

East, NMPM, Eddy County,

New Mexico, and (2) pooling

all uncommitted interests in

this acreage. Mewbourne seeks

to dedicate the above-

referenced overlapping hori-

zontal spacing unit to the

proposed **San Lorenzo 9-4**

**State Com #556H** well to be

drilled from a surface hole

location in the SE/4 SW/4

(Unit N) of Section 9 to a

bottom hole location in Lot 2

(NW/4 NE/4 equivalent) of

irregular Section 4. This

proposed horizontal well spac-

ing unit will overlap the

following existing spacing

units in the Bone Spring

formation:

160-acre spacing unit com-

prised of Lot 2, SW/4 NE/4,

and W/2 SE/4 (W/2 E/2

equivalent) of irregular Section

4, T25S-R28E, dedicated to the

Kayro 4 State 1H (API:

30-015-41292) well currently

operated by RAYBAW Operat-

ing, LLC.

Also to be considered will be

the cost of drilling and

completing the well, the

allocation of the cost thereof,

as well as actual operating

costs and charges for supervi-

sion, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.

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