

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22195-A,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25262
ORDER NO. R-22195-A**

NOTICE OF AMENDED EXHIBITS

Mewbourne Oil Company is providing the attached amended exhibit packet, which includes a revised tract ownership list for Exhibit A-3.

Respectfully submitted,

HARDY MCLEAN LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hardymclean.com

jmclean@hardymclean.com

*Counsel for Earthstone Permian LLC and
Permian Resources Operating, LLC*

**STATE OF NEW MEXICO
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EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Brad Dunn
A-1	Application & Proposed Notice of Hearing
A-2	Order No. R-22195-A
A-3	Order No. R-22195-B
A-4	Plat of Tracts, Tract Ownership, Additional Pooled Parties
A-5	Sample Well Proposal Letter & AFEs
A-6	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Sample Notice Letter Sent March 19, 2025
B-2	Postal Delivery Report
B-3	Electronic Return Receipts
B-4	Affidavit of Publication for March 23, 2025

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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LEA COUNTY, NEW MEXICO**

**CASE NO. 25262
ORDER NO. R-22195-A**

**SELF-AFFIRMED STATEMENT
OF BRAD DUNN**

1. I am a Petroleum Landman with Mewbourne Oil Company ("Mewbourne"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in this case. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. On August 25, 2023, the Division entered Order No. R-22195-A ("Order") in Case No. 23639, which pooled uncommitted interests in the Wolfcamp formation underlying a non-standard horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Beefalo 7/6 State Com #713H (W1NC) well ("Well") and designated Applicant as operator of the Unit and Well.

5. A copy of the Order is attached as **Exhibit A-2**.

6. Following entry of the Order, Mewbourne determined there were additional interests in the Unit that had not been pooled under the terms of the Order and filed Case No. 24066 to pool those additional interests.

**Mewbourne Oil Company
Case No. 25262
Exhibit A**

7. On February 28, 2024, the Division entered Order No. R-22195-B, which pooled additional interests under the terms of the Order.

8. A copy of Order No. R-22195-B is attached as **Exhibit A-3**.

9. Since Order No. R-22195-B was entered, Mewbourne has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

10. **Exhibit A-4** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interest to be pooled under the terms of the Order, which is highlighted in yellow. The additional interest owner to be pooled is locatable.

11. **Exhibit A-5** is a sample well proposal letter and AFEs that I sent to the additional party to be pooled under the terms of the Order.


12. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-6**.

13. Mewbourne requests the additional uncommitted interest be pooled under the terms of the Order.

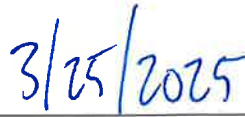
14. In my opinion, the granting of Mewbourne's application would serve the interests of conservation and prevention of waste.

15. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my signature below.



Brad Dunn



Date

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
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LEA COUNTY, NEW MEXICO.**

**CASE NO. 25262
ORDER NO. R-22195-A**

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company (“Applicant”) (OGRID No. 14744) files this application with the Oil Conservation Division (“Division”) seeking to pool additional uncommitted interests under the terms of Division Order No. R-22195-A. Applicant states the following in support of its application.

1. On August 25, 2023, the Division entered Order No. R-22195-A (“Order”) in Case No. 23639, which pooled uncommitted interests in the Wolfcamp formation underlying a non-standard horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Beefalo 7/6 State Com #713H (W1NC) well (“Well”) and designated Applicant as operator of the Unit and Well.

2. Following entry of the Order, Mewbourne determined there were additional interests in the Unit that had not been pooled under the terms of the Order and filed Case No. 24066 to pool those additional interests.

3. On February 28, 2024, the Division entered Order No. R-22195-B, which pooled additional interests under the terms of the Order.

4. Since Order No. R-22195-B was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

**Mewbourne Oil Company
Case No. 25262
Exhibit A-1**

5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on April 10, 2025, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22195-A.

Respectfully submitted,

/s/ Dana S. Hardy
Hardy McLean LLC
Dana S. Hardy
Jaclyn M. McLean
125 Lincoln Ave., Suite 223
Santa Fe, NM 87501
505-230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com

ATTORNEYS FOR MEWBOURNE OIL
COMPANY

Application of Mewbourne Oil Company to Pool Additional Interests Under Order No. R-22195-A, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22195-A. Order No R-22195-A (“Order”) pooled uncommitted interests in the Wolfcamp formation underlying a non-standard horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Beefalo 7/6 State Com #713H (W1NC) well (“Well”) and designated Applicant as operator of the Unit and Well. The Division subsequently entered Order No. R-22195-B, which pooled additional interests under the terms of the Order. Since Order No. R-22195-B was entered, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 18 miles west of Hobbs, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING AND NON-STANDARD
SPACING UNIT SUBMITTED BY MEWBOURNE
OIL COMPANY**

**CASE NO. 23639
ORDER NO. R-22195-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on July 7, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) requesting an extension to Drill the well(s) as required by Order R-22195 as amended (“Order”).
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. Operator has demonstrated good cause to extend the deadlines in the Order.
4. Operator submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) which was approved under order R-22195
5. The Application also seeks approval of a Non-Standard horizontal spacing unit (“NSP”) for production from all Division-designated pools underlying the Unit.
6. Operator provides evidence in support of an NSP application.
7. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
8. Operator identified the owners of interest in the offset oil and gas minerals from the Unit and provided evidence that notice was given.
9. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

10. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.

**Mewbourne Oil Company
Case No. 25262
Exhibit A-2**

11. Operator is the owner of an oil and gas working interest within the Unit.
12. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
13. Operator has met the notice requirements for approval of non-standard horizontal spacing units in accordance with 19.15.16.15(B)(5) NMAC.
14. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
15. OCD's rules allow the approval of a non-standard horizontal spacing unit, after notice and opportunity for hearing, "if necessary to prevent waste or protect correlative rights" 19.15.16.15(B)(5)(a) NMAC.
16. While the OCD is authorized to approve a non-standard spacing unit, Rutter & Wilbanks Corp. v. Oil Conservation Comm'n, 1975-NMSC-006, OCD lacks the authority to approve unitization and will disapprove an application if it determines that it is actually unitization. Order R-13554 (May 18, 2012) (disapproving application for a non-standard spacing unit consisting of 16 standard spacing units).
17. Approval of the Non-Standard Spacing Unit promotes effective well spacing and allows the Operator to therefore prevent waste and protect correlative rights.
18. The Unit contains separately owned uncommitted interests in oil and gas minerals.

ORDER


19. The period to drill the well(s) is extended until July 25, 2024.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 of this order unless prior to termination Operator applies, and OCD grants, to amend the Order for good cause shown.
21. The Unit is approved as a non-standard horizontal spacing unit.
22. Operator shall file Forms C-102 reflecting the correct acreage dedicated for each of the Wells.
23. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
24. Operator is designated as operator of the Unit and the Well(s).

CASE NO. 23639
ORDER NO. R-22195-A

Page 2 of 6

25. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
26. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
27. The remaining provisions of the Order remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**


DYLAN M FUGE
DIRECTOR
DMF/hat

Date: 8/25/2023

CASE NO. 23639
ORDER NO. R-22195-A

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23639	APPLICANT'S RESPONSE
Date	July 6, 2023
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 14744
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Mewbourne Oil Company to Amend Order No. R-22195 and Extend Deadline to Commence Drilling, for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenor:	None
Well Family	Beefalo 7/6 State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Scharb; Wolfcamp (Code 55640)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	632.08-acres
Building Blocks:	quarter-quarter
Orientation:	South;/North
Description: TRS/County	W/2 of Sections 6 and 7, Township 19 South, Range 35 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N). If No, describe <u>and is approval of non-standard unit requested in this application?</u>	No. Yes, approval of a non-standard spacing unit is requested in this Application. See Exhibit A.
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-5
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Beefalo 7/6 State Com #713H (W1NC) (API # —) SHL: 420' FNL & 2370' FEL (Unit B), Section 18, T19S, R35E BHL: 100' FNL & 1980' FWL (Lot 3), Section 6, T19S, R35E Completion Target: Wolfcamp (Approx. 10,871' TVD)
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00

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Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-5
Tract List (including lease numbers and owners)	Exhibit A-5
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit A-4
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-5
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
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-3
Tracts	Exhibit A-5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-5
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
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):	Dana S. Hardy

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Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	6/30/2023

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CASE NO. 23639
ORDER NO. R-22195-A

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

**APPLICATION OF MEWBOURNE OIL COMPANY,
TO POOL AN ADDITIONAL WORKING INTEREST
OWNER UNDER THE TERMS OF ORDER NO. R-22195,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24066
ORDER NO. R-22195-B**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 4, 2024, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On July 25, 2022, OCD issued Order R-22195 to Mewbourne Oil Company (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. Subsequent to the issuance of Order R-22195, Operator discovered previously unidentified interest owner(s) in the Unit.
3. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owner(s).
4. Operator presented evidence through affidavits in support of the Application.
5. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. The previously unidentified interest owner(s) has not agreed to commit its interest to the Unit.
11. The pooling of the previously unidentified uncommitted interest in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.

**Mewbourne Oil Company
Case No. 25262
Exhibit A-3**

12. This Order affords the previously unidentified interest owner(s) the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

13. The previously unidentified uncommitted interest in the Unit is hereby pooled in the Unit.
14. Order R-22195 shall remain in full force and effect.
15. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



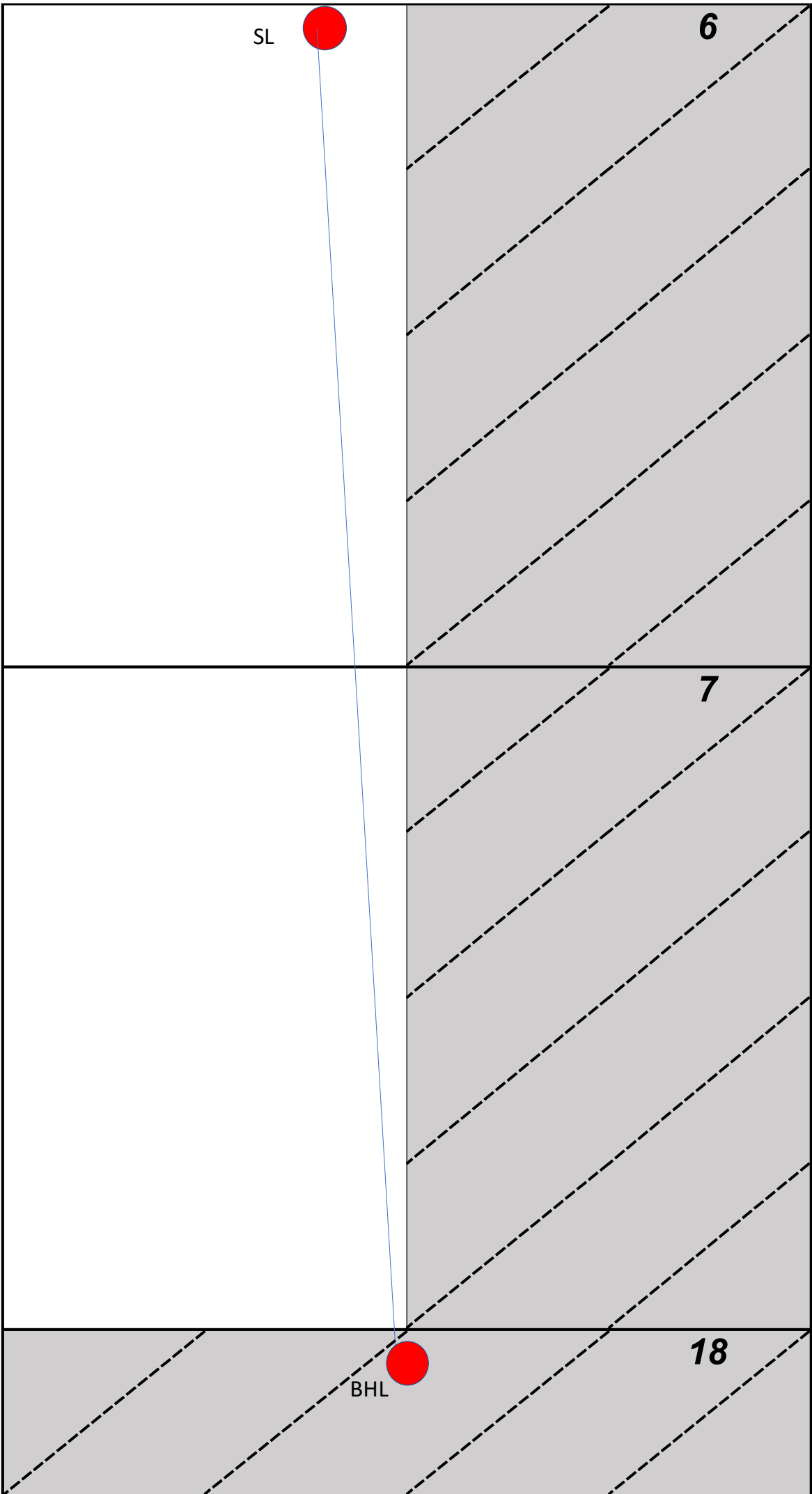
DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/hat

Date: 2/28/2024

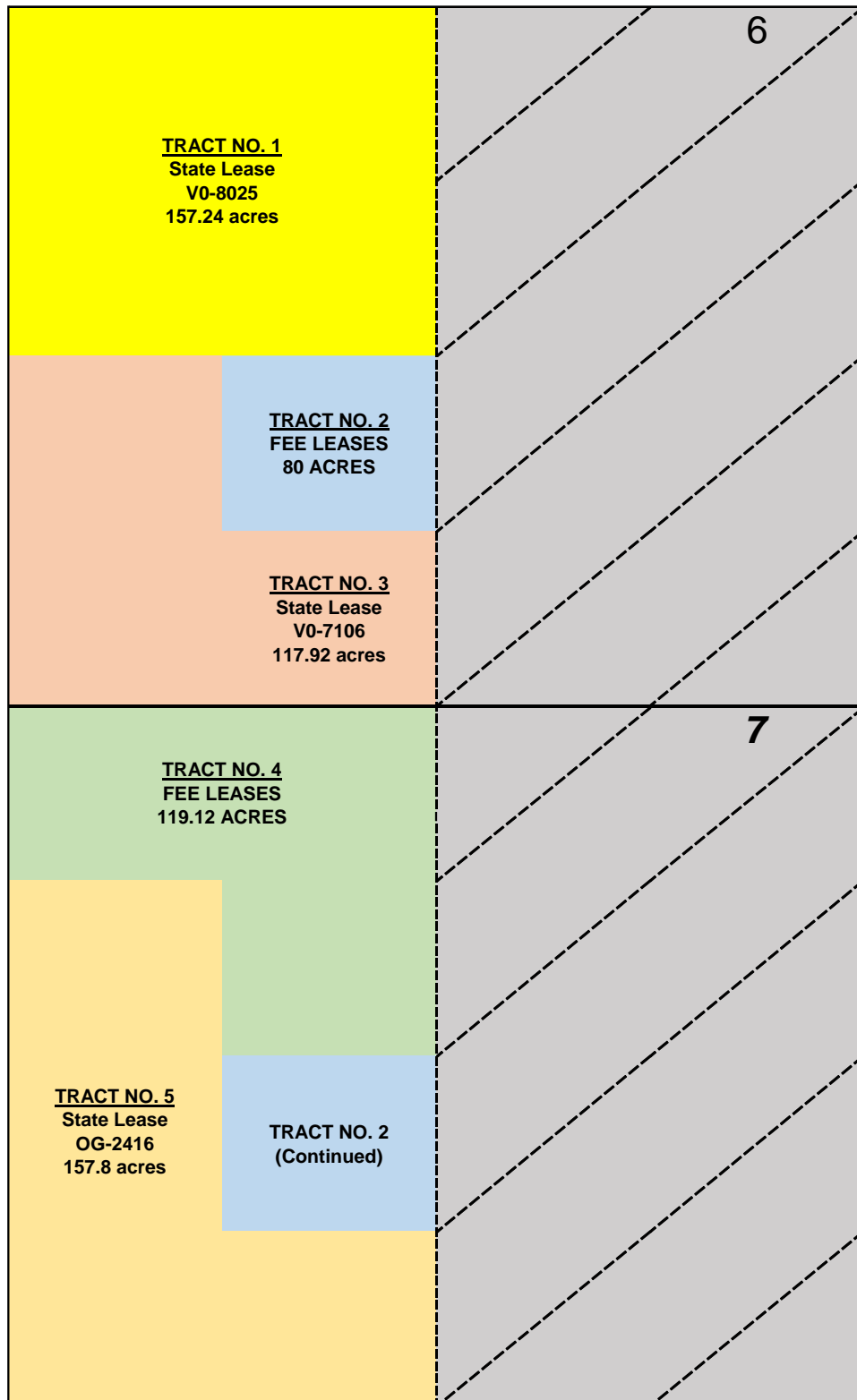
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BEEFALO 7/6 STATE COM #713H (W1NC)
W/2 of Sections 6 & 7, T19S, R35E
Lea COUNTY, NM



Section Plat
BEEFALO 7/6 STATE COM #713H (W1NC)
SECTIONS 6 (W/2) & 7 (W/2), T19S, R35E
LEA COUNTY, NEW MEXICO



Tract No. 1: NW/4 Section 6—STATE LEASE V0-8025

Mewbourne Oil Company, et al

Tract No. 2: NE/4SW4 Section 6 & NE4SW4 Section 7—MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

Chevron USA Inc.

Tract No. 3: W/2SW/4 & SE/4SW/4 Section 6—STATE LEASE V0-7106

Mewbourne Oil Company, et al

Chevron USA Inc.

Tract No. 4: N/2NW/4 & SE/4NW/4 Section 7— MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

Chevron USA Inc.

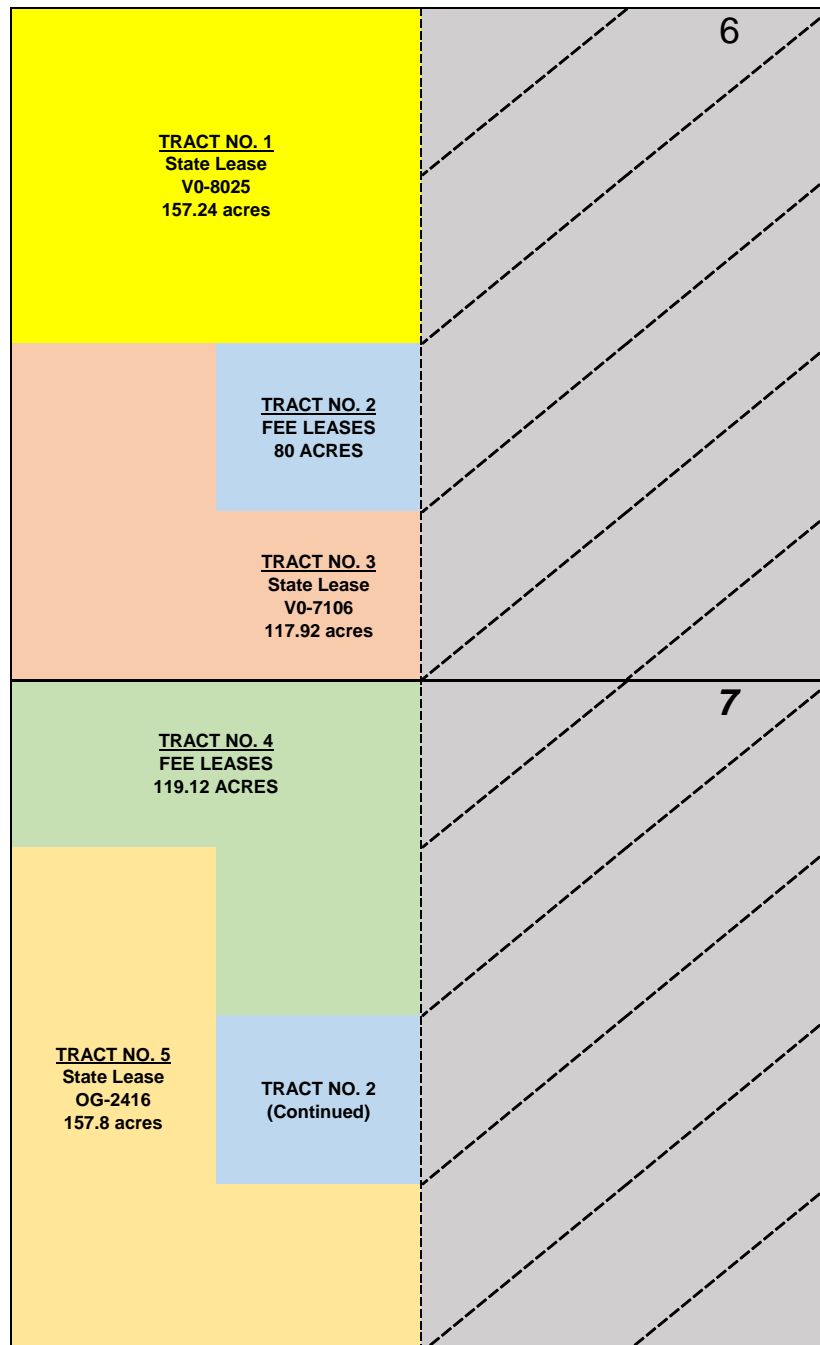
Tract No. 5: Lot 2, 3, 4, & SE/4SW/4 Section 7—STATE LEASE OG-2416

Mewbourne Oil Company, et al

Chevron USA Inc.

RECAPITULATION
BEEFALO 7/6 STATE COM #713H (W1NC)

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	157.24	24.876598%
2	80.00	12.656626%
3	117.92	18.655866%
4	119.12	18.845716%
5	157.8	24.965194%
TOTAL	632.08	100.000000%



TRACT OWNERSHIP (Additional parties)
BEEFALO 7/6 STATE COM #713H (W1NC)
Sections 6 (W/2) & 7 (W/2), T19S, R35E
Lea County, New Mexico

Sections 6 (W/2) & 7 (W/2)

Wolfcamp formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	85.811668%
* Harvard Petroleum Corporation (Previously pooled via Order R-22195)	7.566867%
* Chevron USA Inc.	4.357963%
* Devon Energy Production Company LP (Previously pooled via Order R-22195)	1.242642%
* Occidental Permian Limited Partnership (Previously pooled via Order R-22195-A)	1.020860%
	<hr/> 100.000000%
* Total interest being pooled: 14.188332%	

OWNERSHIP BY TRACT

NW/4 Section 6 (157.24 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	100.000000%
	<hr/> 100.000000%

NE/4SW4 Section 6 & NE4SW4 Section 7 (80 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	82.930015%
* Harvard Petroleum Corporation (Previously pooled via Order R-22195)	12.090155%
* Chevron USA Inc.	4.979830%
	<hr/> 100.000000%

W/2SW/4 & SE/4SW/4 Section 6 (117.92 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	83.996971%
* Occidental Permian Limited Partnership (Previously pooled via Order R-22195-A)	11.007488%
* Chevron USA Inc.	4.995541%
	<hr/> 100.000000%

N/2NW/4 & SE/4NW/4 Section 7 (119.12 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	95.004459%
* Chevron USA Inc.	4.995541%
	<hr/> 100.000000%

Lot 2, 3, 4, & SE/4SW/4 Section 7 (157.8 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	60.882542%
* Harvard Petroleum Corporation (Previously pooled via Order R-22195)	24.180310%
* Chevron USA Inc.	9.959650%
* Devon Energy Production Company LP (Previously pooled via Order R-22195)	4.977498%
	<hr/> 100.000000%

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:		BEEFALO 7/6 STATE COM #713H (W1NC)		Prospect:		SANTA VACA 19/18									
Location:				SL: 420 FNL & 2370 FEL (18); BHL: 100 FNL & 1980 FWL (6)		County: Lea		ST: NM							
Sec.		7		Blk:		Survey:		TWP: 19S		RNG: 35E		Prop. TVD: 10871		TMD: 21000	

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$45,000
Daywork / Turnkey / Footage Drilling 24 days drlg / 3 days comp @ \$30000/d		0180-0110	\$769,000	0180-0210	\$96,100
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$169,900	0180-0214	\$398,000
Alternate Fuels		0180-0115		0180-0215	\$121,000
Mud, Chemical & Additives		0180-0120	\$45,000	0180-0220	
Mud - Specialized		0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$130,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$591,000
Casing / Tubing / Snubbing Services		0180-0134	\$35,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation 81 Stg 25.3 MM gal / 25.3 MM lb				0180-0241	\$3,587,000
Stimulation Rentals & Other				0180-0242	\$343,000
Water & Other 100% FW @ \$1.00/bbl		0180-0145	\$35,000	0180-0245	\$639,000
Bits		0180-0148	\$94,000	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$154,000		
Transportation		0180-0165	\$30,000	0180-0265	\$25,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$170,100	0180-0270	\$78,000
Directional Services Includes Vertical Control		0180-0175	\$357,000		
Equipment Rental		0180-0180	\$168,200	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,400	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$97,200	0180-0295	\$43,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$146,300	0180-0299	\$321,700
TOTAL		\$3,073,100		\$6,755,000	

TANGIBLE COSTS 0181					
Casing (19.1" – 30")		0181-0793			
Casing (10.1" – 19.0") 1850' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft		0181-0794	\$150,800		
Casing (8.1" – 10.0") 3600' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft		0181-0795	\$233,900		
Casing (6.1" – 8.0") 10375' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796	\$662,900		
Casing (4.1" – 6.0") 10825' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft				0181-0797	\$387,000
Tubing 10150' - 3 1/2" 9.2# L-80 IPC Tbg @ \$23.11/ft				0181-0798	\$250,500
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/5) TP/CP/Circ pump				0181-0886	\$7,000
Storage Tanks (1/5) 6 OT/5 WT/GB				0181-0890	\$82,000
Emissions Control Equipment (1/5) 3 VRT/1 VRU/1 Flare/3 KO/1 AIR				0181-0892	\$81,000
Separation / Treating Equipment (1/5) 1 Bulk H Sep/2 Test H Sep/1 V Sep/2 VHT/1 HHT				0181-0895	\$52,000
Automation Metering Equipment				0181-0898	\$44,000
Oil/Gas Pipeline-Pipe/Valves&Misc (1/5) Gas Line & GL Injection				0181-0900	\$16,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	
On-site Valves/Fittings/Lines&Misc				0181-0906	\$125,000
Wellhead Flowlines - Construction				0181-0907	\$54,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$114,000
Equipment Installation				0181-0910	\$70,000
Oil/Gas Pipeline - Construction				0181-0920	\$15,000
Water Pipeline - Construction				0181-0921	\$9,000
TOTAL		\$1,097,600		\$1,436,500	
SUBTOTAL		\$4,170,700		\$8,191,500	
TOTAL WELL COST		\$12,362,200			

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.

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

Prepared by: Andy Taylor		Date: 3/31/2023
Company Approval: 		Date: 4/3/2023
Joint Owner Interest: Amount:		Signature:
Joint Owner Name:		

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

August 24, 2023

Via Certified Mail

CHEVRON U.S.A. INC.
1400 Smith Street
Houston, TX 77002
Attn: Permian Land Manager

Re:

1. BEEFALO 7/6 STATE COM #713H AFE
2. BEEFALO 7/6 STATE COM #716H AFE
3. Beefalo 7/6 Joint Operating Agreement dated April 6, 2023
All of Sections 6 & 7, T19S, R35E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1271.48 acre Working Interest Unit ("WIU") covering the All of the above captioned Sections 6 and 7 for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp Formation. Mewbourne as Operator hereby proposes to drill the following horizontal Wolfcamp wells:

1. BEEFALO 7/6 STATE COM #713H will have a surface location 420' FNL & 2370' FEL of Section 18 (T19S-R35E) and a bottom hole location approximately 100' FNL & 1980' FWL of the above captioned Section 6. We anticipate drilling to an approximate total vertical depth of 10,871' and an approximate total measured depth of 21,000'. The W2 of Sections 6 & 7 will be dedicated to the well as the proration unit.
2. BEEFALO 7/6 STATE COM #716H will have a surface location 420' FNL & 2330' FEL of Section 18 (T19S-R35E) and a bottom hole location approximately 100' FNL & 1980' FEL of the above captioned Section 6. We anticipate drilling to an approximate total vertical depth of 10,871' and an approximate total measured depth of 21,000'. The E2 of Sections 6 & 7 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated April 3, 2023, for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return them to me within thirty (30) days.

Our proposed Operating Agreement will have COPAS rates of \$10,000/month while drilling, \$1000/month for a producing well and a non-consent penalty of 100%/300%. Should you wish to

Mewbourne Oil Company
Case No. 25262
Exhibit A-5

participate, please email me at bdunn@mewbourne.com and I will promptly email you a copy of the Beefalo 7/6 Operating Agreement dated April 6, 2023, for your review.

Should you have any questions regarding the above, please email me at bdunn@mewbourne.com or call me at (432) 682-3715. Thank you.

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in blue ink, appearing to read 'Brad Dunn', is positioned above the typed name.

Brad Dunn
Petroleum Landman



September 6, 2023

Dear Simple Certified:

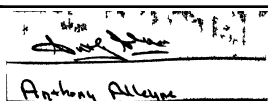
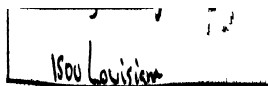
The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8361 0544 0271 8148 06.

Item Details

Status:	Delivered to Agent for Final Delivery
Status Date / Time:	September 6, 2023, 9:36 am
Location:	HOUSTON, TX 77002
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	PERMIAN LAND MANAGER

Recipient Signature

Signature of Recipient:
(Authorized Agent)

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Permian Land Manager
Chevron USA Inc.
1400 Smith Street
Houston, TX 77046
Reference #: Beefalo

Summary of Communications
BEEFALO 7/6 STATE COM #713H (W1NC)

CHEVRON U.S.A. INC.

- 1) 8/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/6/2023: Well proposal letter with AFEs delivered to owner.
- 3) 9/6/2023: Phone correspondence with owner answering questions about their interest. Made an offer to owner purchase their interest. Owner evaluating offer.
- 4) 12/4/2023: Phone correspondence with owner answering questions about their interest. Owner still evaluating offer.
- 5) 1/29/2024: Email correspondence with owner discussing drafting a term assignment to assign interest to Mewbourne.
- 6) 6/28/2024: Email correspondence with owner discussing the term assignment and various red-lined versions.
- 7) 8/29/2024: Email correspondence with owner discussing title.
- 8) 1/27/2025: Email correspondence with owner discussing term assignment.
- 9) 3/25/2025: Owner hasn't participated yet or signed the JOA. Nothing has yet to actually be agreed upon on the term assignment.

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22195-A,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25262
ORDER NO. R-22195-A**

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am the attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit B-1**, and caused the Notice Letter, along with the Application in this case, to be sent to the parties listed in the Postal Delivery Report attached as **Exhibit B-2**.

3. Exhibit B-2 also provides the date the Notice Letter was sent, along with the delivery status of each.

4. An electronic return receipt is attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On March 23, 2025, I caused a notice to be published in the Hobbs News - Sun. An Affidavit of Publication from the legal clerk of the Hobbs News - Sun along with a copy of the Notice Publication, is attached as **Exhibit B-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/Dana S. Hardy
Dana S. Hardy

March 27, 2025
Date

**Mewbourne Oil Company
Case No. 25262
Exhibit B**



March 19, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL PERSONS ENTITLED TO NOTICE

Re: Case No. 25262 - Application of Mewbourne Oil Company to Pool Additional Interests Under Order No. R-22195-A, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division ("OCD"). The hearing will be conducted on **April 10, 2025**, beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and 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. The hearing may be held only virtually at the discretion of the Division. To confirm the manner in which the hearing will be held, and to participate virtually, please visit the OCD Hearings website at the following link: <https://www.emnrd.nm.gov/oed/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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days prior to the scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. If you are not registered with OCD's E-Permitting system, you must submit the statement via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties; whether or not the parties are represented by counsel; a concise statement of the case; the names of witnesses anticipated to be called to testify at the hearing; the approximate amount of time needed to present the case; and an identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this application, please contact Brad Dunn, Landman at Mewbourne Oil Company at bdunn@mewbourne.com.

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMcClean.com

Writer:
Jaclyn M. McLean
Managing Partner
jmclean@hardymc Clean.com

Mewbourne Oil Company
Case No. 25262
Exhibit B-1

Hardy McLean LLC
March 19, 2025

Page 2

Sincerely,
/s/ Jaclyn M. McLean
Jaclyn M. McLean

Postal Delivery Report
MEWBOURNE OIL COMPANY CASE NO. 25262

Recipient	USPS Tracking Number	Date Mailed	Date Received	Delivery Status
Chevron U.S.A. Inc.	94148362085512 80003702	3/19/2025	3/26/2025	Delivered

Mewbourne Oil Company
Case No. 25262
Exhibit B-2



March 26, 2025

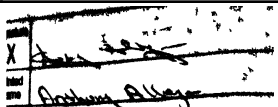
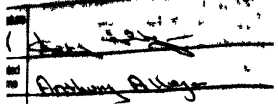
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8362 0855 1280 0037 02.

Item Details

Status:	Delivered to Agent, Picked up at USPS
Status Date / Time:	March 26, 2025, 12:59 pm
Location:	HOUSTON, TX 77002
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Chevron U S A Inc

Recipient Signature

Signature of Recipient: (Authorized Agent)	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Chevron U.S.A. Inc.
Attn: Permian Land Manager
1400 Smith Street
Houston, TX 77002
Reference #: Beefalo R-22195
Item ID: Beefalo R-22195

Mewbourne Oil Company
Case No. 25262
Exhibit B-3

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
March 23, 2025
and ending with the issue dated
March 23, 2025.



Publisher

Sworn and subscribed to before me this
23rd day of March 2025.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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	LEGAL
<p>LEGAL NOTICE March 23, 2025</p> <p>This is to notify all interested parties, including: Chevron U.S.A. Inc. and their successors and assigns; that the New Mexico Oil Conservation Division will conduct a hearing on the application submitted by Mewbourne Oil Company ("Applicant") (Case No. 25262). The hearing will be conducted on April 10, 2025, in a hybrid fashion, both virtually and in person at the Energy, Minerals, Natural Resources Department, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD website: https://www.emnrd.nm.gov/oed/hearing-info/. In Case No. 25262, Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22195-A. Order No R-22195-A ("Order") pooled uncommitted interests in the Wolfcamp formation underlying a non-standard horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Beafalo 7/6 State Com #713H (W1NC) well ("Well") and designated Applicant as operator of the Unit and Well. The Division subsequently entered Order No. R-22195-B, which pooled additional interests under the terms of the Order. Since Order No. R-22195-B was entered, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 1.8 miles west of Hobbs, New Mexico. #00299366</p>	

67118479

00299366

HARDY MCLEAN LLC
125 LINCOLN AVE, STE. 223
SANTA FE, NM 87501

Mewbourne Oil Company
Case No. 25262
Exhibit B-4