

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 30, 2026**

CASE No. 26153

COUSIN EDDY FEDERAL COM 78H WELL

EDDY COUNTY, NEW MEXICO



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

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

CASE NO. 26153

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 26153	APPLICANT'S RESPONSE
Date	June 30, 2026
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company [OGRID 14744]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Cousin Eddy Federal Unit Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code (Only if NSP is requested):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480-acres, more or less
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	E/2 SE/4 of Section 16, E/2 E/2 of Sections 21 and 28, and E/2 NE/4 of Section 33, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico
	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Mewbourne Oil Company Hearing Date: June 30, 2026 Case No. 26153
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-2
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	Cousin Eddy Federal Unit Com 78H (API No. Pending) SHL: 2,600' FNL & 500' FEL (Unit H) of Section 33 BHL: 2,540' FSL & 450' FEL (Unit I) of Section 16 Completion Target: Bone Spring formation Well Orientation: Standup Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	Exhibit D
Released to Imaging: 6/24/2026 10:40:01 AM 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-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	6/23/2026

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

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

CASE NO. 26153

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interest owners in a standard 480-acre, more or less, well spacing unit in the Bone Spring formation underlying the E/2 SE/4 of Section 16, E/2 E/2 of Sections 21 and 28, and E/2 NE/4 of Section 33, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Cousin Eddy Federal Unit Com 78H** well, to be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 33, a first take point in the SE/4 NE/4 (Unit H) of Section 33, and a last take point in the NE/4 SE/4 (Unit I) of Section 16.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Mewbourne Oil Company
Hearing Date: June 30, 2026
Case No. 26153

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on June 4, 2026, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By: 
Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
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Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
agrarkin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE: _____

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in a standard 480-acre, more or less, well spacing unit in the Bone Spring formation underlying the E/2 SE/4 of Section 16, E/2 E/2 of Sections 21 and 28, and E/2 NE/4 of Section 33, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed **Cousin Eddy Federal Unit Com 78H** well, to be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 33, a first take point in the SE/4 NE/4 (Unit H) of Section 33, and a last take point. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northeast of Loving, New Mexico.

**STATE OF NEW MEXICO
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CASE NO. 26153

SELF-AFFIRMED STATEMENT OF ADRIANA JIMENEZ-SALGADO

1. My name is Adriana Jimenez-Salgado. 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 pooling all uncommitted interest owners in a standard 480-acre, more or less, well spacing unit in the Bone Spring formation underlying the E/2 SE/4 of Section 16, E/2 E/2 of Sections 21 and 28, and E/2 NE/4 of Section 33, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico.

6. Mewbourne seeks to initially dedicate the above-referenced spacing unit to the proposed **Cousin Eddy Federal Unit Com 78H** well, to be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 33, a first take point in the SE/4 NE/4 (Unit H) of Section 33, and a last take point in the NE/4 SE/4 (Unit I) of Section 16.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Mewbourne Oil Company
Hearing Date: June 30, 2026
Case No. 26153

7. **Mewbourne Exhibit C-1** contains a draft Form C-102 for the proposed well. The exhibit shows that the well will be assigned to the Billbrey Basin; Bone Spring [5695].

8. **Mewbourne Exhibit C-2** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The parties Mewbourne seeks to pool are highlighted in yellow. The exhibit also includes the commitment status and, if applicable, type of commitment for each interest owner.

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

10. 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.

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

12. 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.

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

14. 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.



Adriana Jimenez-Salgado



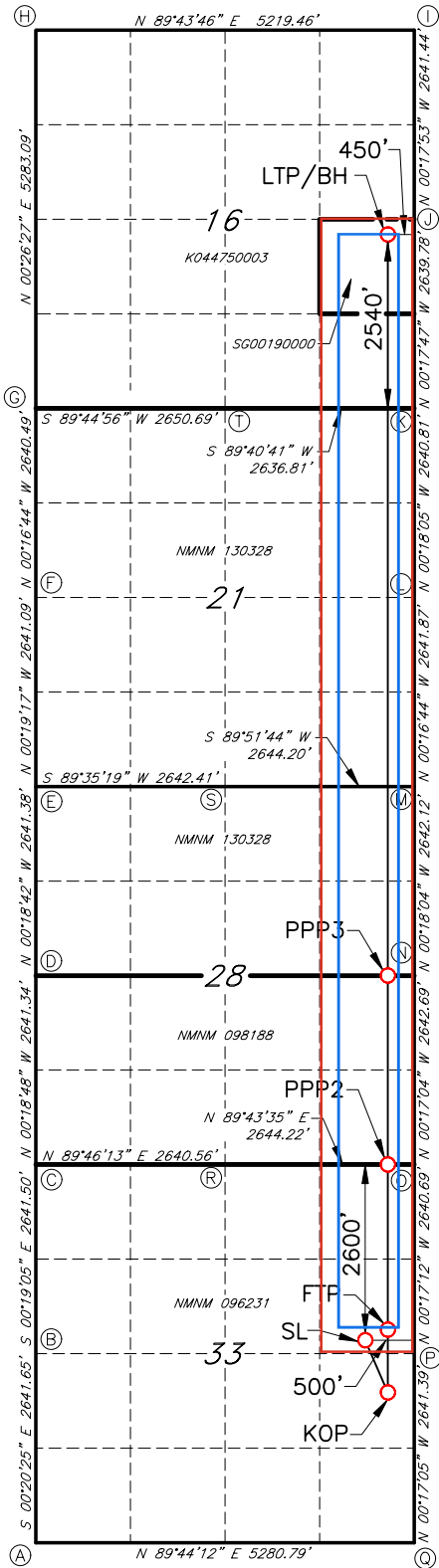
Date

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is 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.

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

COUSIN EDDY FED UNIT COM #78H



GEODETIC DATA

NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)

2600' FNL & 500' FEL (SEC.33)

N: 522499.5 - E: 713317.2

LAT: 32.4351834° N

LONG: 103.7758935° W

KICK OFF POINT (KOP)

2168' FSL & 450' FEL (SEC.33)

N: 521986.3 - E: 713369.8

LAT: 32.4337720° N

LONG: 103.7757318° W

FIRST TAKE POINT (FTP)

2541' FNL & 450' FEL (SEC.33)

N: 522559.2 - E: 713366.9

LAT: 32.4353466° N

LONG: 103.7757313° W

PROPOSED PENETRATION POINT 2 (PPP2)

0' FSL & 450' FEL (SEC.28)

N: 525099.2 - E: 713354.0

LAT: 32.4423284° N

LONG: 103.7757303° W

PROPOSED PENETRATION POINT 3 (PPP3)

2643' FNL & 451' FEL (SEC.28)

N: 527741.3 - E: 713340.6

LAT: 32.4495910° N

LONG: 103.7757291° W

LAST TAKE POINT/BOTTOM HOLE (LTP/BH)

2540' FSL & 450' FEL (SEC.16)

N: 538203.4 - E: 713287.3

LAT: 32.4783486° N

LONG: 103.7757245° W

CORNER DATA

NAD 83 GRID - NM EAST

- | | |
|--|--|
| A: FOUND BRASS CAP "1916"
N: 519796.2 - E: 708550.9 | K: FOUND BRASS CAP "1916"
N: 535666.3 - E: 713750.4 |
| B: FOUND BRASS CAP "1916"
N: 522437.2 - E: 708535.2 | L: FOUND BRASS CAP "1916"
N: 533026.1 - E: 713764.2 |
| C: FOUND BRASS CAP "1916"
N: 525078.1 - E: 708520.5 | M: FOUND BRASS CAP "1916"
N: 530384.9 - E: 713777.1 |
| D: FOUND 1" PIPE
N: 527718.8 - E: 708506.1 | N: FOUND BRASS CAP "1916"
N: 527743.4 - E: 713791.0 |
| E: FOUND BRASS CAP "1916"
N: 530359.6 - E: 708491.7 | O: FOUND BRASS CAP "1916"
N: 525101.3 - E: 713804.1 |
| F: FOUND BRASS CAP "1916"
N: 533000.0 - E: 708476.9 | P: FOUND BRASS CAP "1916"
N: 522461.2 - E: 713817.3 |
| G: FOUND BRASS CAP "1916"
N: 535639.9 - E: 708464.1 | Q: FOUND BRASS CAP "1916"
N: 519820.5 - E: 713830.4 |
| H: CALCULATED CORNER
N: 540921.7 - E: 708504.7 | R: FOUND BRASS CAP "1916"
N: 525088.7 - E: 711160.5 |
| I: FOUND BRASS CAP "1916"
N: 540946.3 - E: 713723.0 | S: FOUND BRASS CAP "1916"
N: 530378.5 - E: 711133.5 |
| J: FOUND BRASS CAP "1916"
N: 538305.5 - E: 713736.7 | T: FOUND BRASS CAP "1916"
N: 535651.5 - E: 711114.2 |

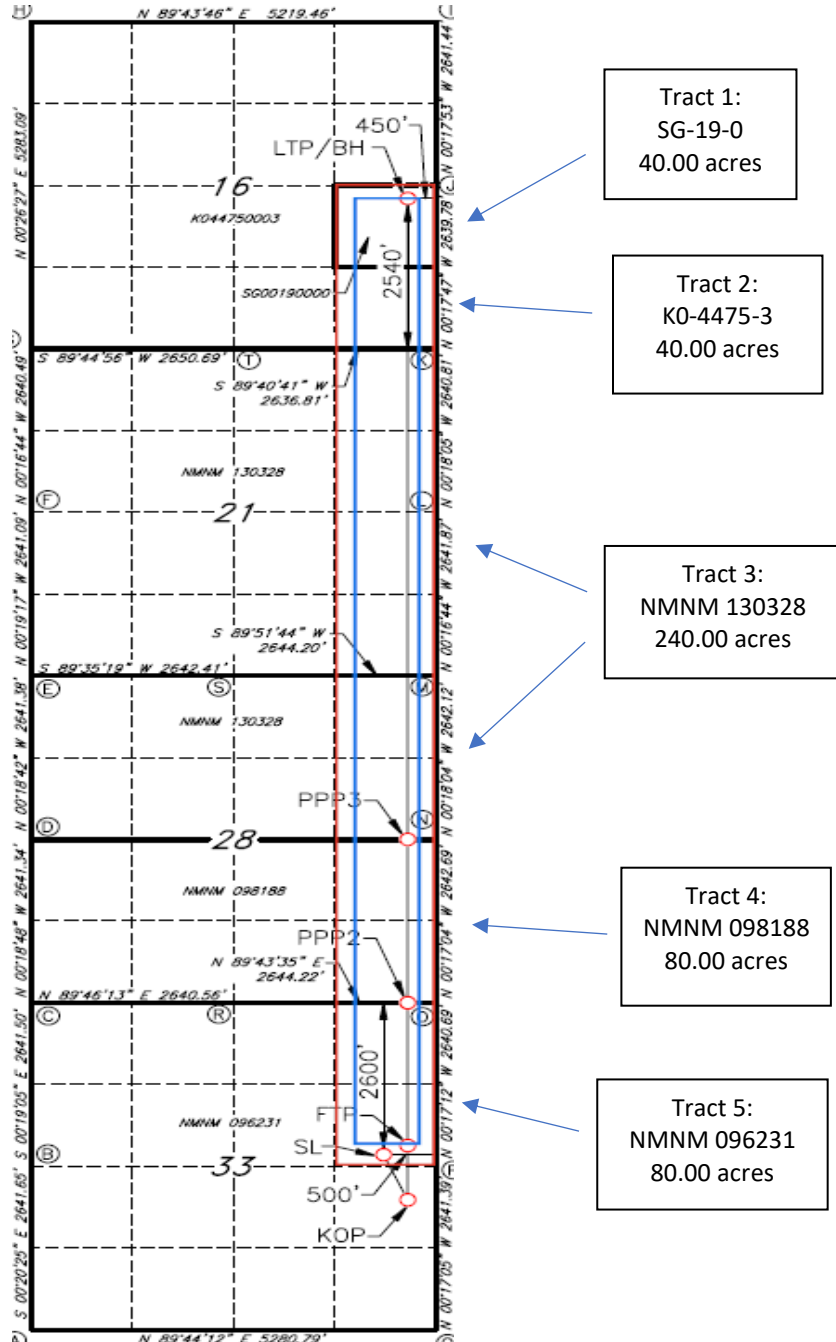
EXHIBIT A

Section Plat

Cousin Eddy Federal Unit Com #78H

E2SE of Section 16, E2E2 of Section 21, E2E2 of Section 28 & E2NE of Section 33

T21S-R31E, Eddy County, NM



Tract 1: NESE of Section 16
 Tract 2: SESE of Section 16
 Tract 3: E2E2 of Section 21 and E2NE of Section 28
 Tract 4: E2SE of Section 28
 Tract 5: E2NE of Section 33

OWNERSHIP BY TRACT		
Cousin Eddy Federal Unit Com #78H Well		
Tract 1: NESE of Section 16		
	Net Mineral Acres	Tract Working Interest
Mewbourne Oil Company	40.00	8.333333%
TOTALS	40.00	8.333333%
Tract 2: SESE of Section 16		
	Net Mineral Acres	Tract Working Interest
Mewbourne Oil Company	6.67	1.388892%
MRC Permian Company	16.80	3.500000%
COG Operating LLC	6.84	1.425000%
Concho Oil & Gas LLC	0.36	0.075000%
Paloma Permian AssetCo, LLC	8.00	1.666667%
PBEX, LLC	1.33	0.277775%
TOTALS	40.00	8.333333%
Tract 3: E2E2 of Section 21 and E2NE of Section 28		
	Net Mineral Acres	Tract Working Interest
Mewbourne Oil Company	148.19	30.872758%
OXY USA Inc.	29.31	6.105371%
OXY Y-1 Company	5.62	1.170557%
OXY USA WTP Limited Partnership	1.00	0.208062%
MRC Hat Mesa, LLC	16.29	3.394115%
REG XI Assets, LLC	8.24	1.716512%
Cimarex Energy Company	11.98	2.496744%
Penroc Oil Corporation	4.49	0.936279%
Sharbro Energy, LLC	3.21	0.667879%
Northern Oil and Gas, Inc.	11.67	2.431725%
TOTALS	240.00	50.000000%
Tract 4: E2SE of Section 28		
	Net Mineral Acres	Tract Working Interest
Mewbourne Oil Company	49.40	10.290919%
OXY USA Inc.	9.77	2.035124%
OXY Y-1 Company	1.87	0.390186%
OXY USA WTP Limited Partnership	0.33	0.069354%
MRC Hat Mesa, LLC	5.43	1.131372%
REG XI Assets, LLC	2.75	0.572171%
Cimarex Energy Company	3.99	0.832248%
Penroc Oil Corporation	1.50	0.312093%
Sharbro Energy, LLC	1.07	0.222626%
Northern Oil and Gas, Inc.	3.89	0.810575%

Parties highlighted in yellow are being pooled.

TOTALS	80.00	16.666667%
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Tract 5: E2NE of Section 33		
	Net Mineral Acres	Tract Working Interest
Mewbourne Oil Company	49.40	10.290919%
OXY USA Inc.	9.77	2.035124%
OXY Y-1 Company	1.87	0.390186%
OXY USA WTP Limited Partnership	0.33	0.069354%
MRC Hat Mesa, LLC	5.43	1.131372%
REG XI Assets, LLC	2.75	0.572171%
Cimarex Energy Company	3.99	0.832248%
Penroc Oil Corporation	1.50	0.312093%
Sharbro Energy, LLC	1.07	0.222626%
Northern Oil and Gas, Inc.	3.89	0.810575%
Mewbourne Oil Company	80.00	16.666667%
TOTALS	80.00	16.666667%

TOTAL INTEREST BEING POOLED	27.291414%
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RECAPITULATION FOR COUSIN EDDY FED UNIT #78H WELL

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	8.333333%
2	40.00	8.333333%
3	240.00	50.000000%
4	80.00	16.666667%
5	80.00	16.666667%
TOTAL	480.00	100.000000%

MEWBOURNE OIL COMPANY

414 West Texas
Midland, Texas 79701
Phone (432) 682-3715

February 24, 2026

Via: Certified Mail

MRC Permian Company
MRC Hat Mesa, LLC
One Lincoln Centre
5400 LBJ Freeway Suite 1500
Dallas, Texas 75240
Attn: Mr. Clay Wooten

Re: Proposed Horizontal Bone Spring Wells - **REVISED**
Cousin Eddy Fed Unit Com #78H (33/16 B2HI)
Cousin Eddy Fed Unit Com #79H (33/16 B2GJ)
Cousin Eddy Fed Unit Com #90H (33/16 B2FK)
Cousin Eddy Fed Unit Com #91H (33/16 B2EL)
S2 of Section 16, All of Sections 21 & 28, & NW of Section 33,
T21S-R31E
Eddy County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company (“Mewbourne”) previously proposed the subject wells, and the Operating Agreement that govern those wells. **Mewbourne hereby retracts those prior proposals, along with the Operating Agreement previously proposed.**

Mewbourne now proposes these wells again, along with a revised governing Operating Agreement, in order to drill these referenced horizontal Bone Spring wells. The referenced wells will be drilled to depths as stated on the corresponding AFEs, along with information detailing drilling costs. To make your election to participate in the proposed wells, **properly execute and return the AFEs to my attention within 30 days of receipt of such.** You will also need to provide your “Well Information” requirements. As a reminder, Mewbourne’s AFEs provide all participants the opportunity to opt out of the “Extra Expense Well Control Insurance” that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate “Well Control Insurance”.

To facilitate the drilling of these wells and the development of this project area, Mewbourne, as Operator, proposes forming a working interest unit by signing the attached Operating Agreement (“OA”) with a Contract Area comprised of All of Sections 21, 28 and the N2 of Section 33, which are included in the Cousin Eddy Federal Unit (“CEFU”), along with the S2 of Section 16, which lies directly north of Section 21, lying just outside of the CEFU, Township 21 South, Range 31 East, Eddy County, New Mexico. After review, please **execute and return the OA to my attention.**

Revised Communitization Agreements for these wells will be sent over to your office shortly, and you may disregard the ones that were previously sent.

If you do not wish to participate in these wells, Mewbourne is interested in discussing other options for your interest. Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,
MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Mewbourne Oil Company
Hearing Date: June 30, 2026
Case No. 26153

EXHIBIT C - SUMMARY OF COMMUNICATIONS

For the following wells:

Cousin Eddy Federal Unit Com #78H	Cousin Eddy Federal Unit Com #90H
Cousin Eddy Federal Unit Com #79H	Cousin Eddy Federal Unit Com #91H

We sent proposals for the above listed wells to the following pooled parties on February 24, 2026:

MRC Permian Company
MRC Hat Mesa, LLC
COG Operating LLC
Concho Oil & Gas LLC
OXY USA Inc.
OXY Y-1 Company
OXY USA WTP Limited Partnership
Cimarex Energy Company

Company Name: MRC Permian Company and MRC Hat Mesa, LLC
2/28/26: Certified mail receipt shows the proposal were delivered.
5/1/26: MRC emailed me regarding the JOA.
5/5/26: I emailed MRC regarding the JOA.
6/19/26: Negotiations are still under way for a deal with MRC in this area.

Company Name: COG Operating LLC and Concho Oil & Gas LLC
3/2/26: Certified mail receipt shows the proposal were delivered.
4/8/26: I emailed Reece Cook to inquire on their elections.
5/4/26: I emailed Reece Cook again to inquire on their elections.
5/5/26: COG emailed me to let me know a new person was in charge of this area and they would look at the proposals.
5/19/26: Reece Cook from COG emailed me to tell me he forwarded this project to a new person handling this area.
5/21/26: COG emailed me regarding negotiating the JOA. We corresponded.
5/22/26: COG emailed me regarding negotiating the JOA. We corresponded.
5/28/26: I emailed COG following up on our JOA negotiations.
6/9/26: I emailed COG following up on our JOA negotiations.
6/10/26: COG emailed me to let me know that the person handling this area is no longer with the company. They've sent it to someone else for review.

Company Name: OXY USA Inc., OXY Y-1 Company and OXY USA WTP Limited Partnership
2/28/26: Certified mail receipt shows the proposal were delivered.
3/12/26: OXY reached out with technical questions for these proposals.
3/16/26: I responded to OXY's technical questions via email.
4/8/26: I emailed Courtney Carr at OXY to inquire on their review of these proposals; Courtney responded that she was going to check with their legal department.
4/13/26: We emailed each other regarding JOA negotiations.
4/14/26: We emailed each other regarding JOA negotiations.
5/4/26: I emailed Courtney to follow up on the review of the JOA/Proposals; she responded that she would check up on it.
5/5/26: Courtney emailed me with timing questions; I responded.

5/6/26: I emailed Courtney regarding the JOA.
5/21/26: OXY emailed me regarding well locations; I responded.
5/28/26: OXY emailed me regarding meeting about well locations.
6/4/26: We met with OXY via Teams to discuss well locations.

Company Name: Cimarex Energy Company
2/27/26: Certified mail receipt shows the proposal were delivered.
4/1/26: Spoke to Tristan Walker at Cimarex by phone regarding the JOA for this prospect.
4/2/26: Tristan emailed me asking for changes to the JOA.
5/8/26: Cimarex emailed me regarding the JOA.
5/15/26: Cimarex emailed me regarding the JOA; I responded.
5/18/26: Cimarex emailed me regarding the JOA; I responded.
5/19/26: Cimarex emailed me regarding the JOA; I responded.
5/20/26: Cimarex emailed me regarding the JOA; I responded.
5/22/26: We met Cimarex for lunch and discussed this project.

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

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

CASE NO. 26153

SELF-AFFIRMED STATEMENT OF TYLER HILL

1. My name is Tyler Hill. 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 an expert in petroleum geology 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. Mewbourne is targeting the Bone Spring formation in this case.
4. **Mewbourne Exhibit D-1** is a general locator map.
5. **Mewbourne Exhibit D-2** is a subsea structure map that I prepared for the Bone Spring. The contour intervals are 50 feet. The area comprising the proposed spacing unit is outlined in black with the approximate location and orientation of the initial well noted with a dashed green line. The structure map shows the targeted formation gently dipping to the southeast. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.
6. 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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
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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.

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

8. In my opinion, standup orientation of the proposed well is the appropriate orientation for horizontal well development in this area.

9. 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.

10. 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.

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

12. 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

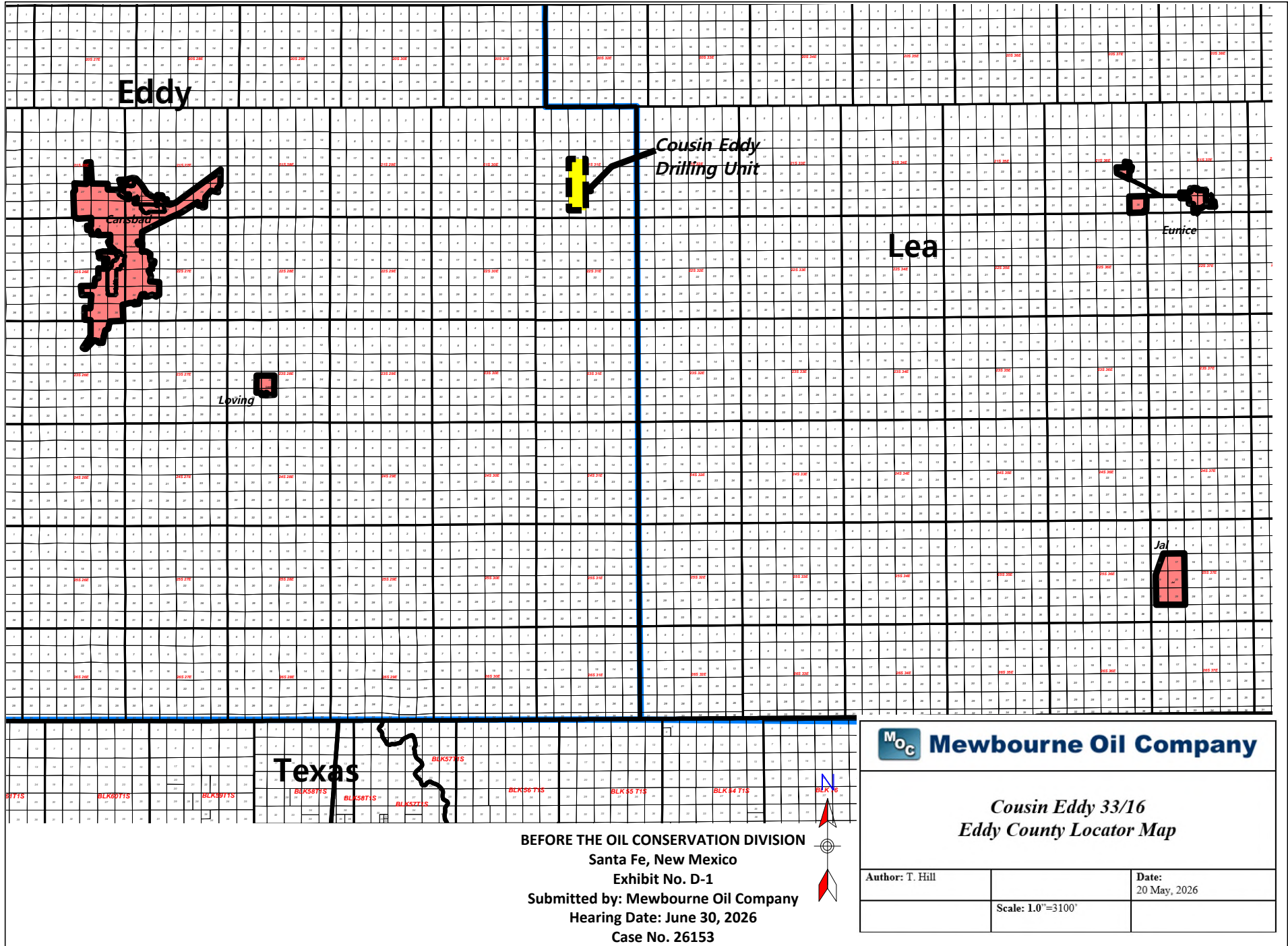
used as written testimony in this case. This statement is made on the date next to my signature below.

Tyler Hill

TYLER HILL

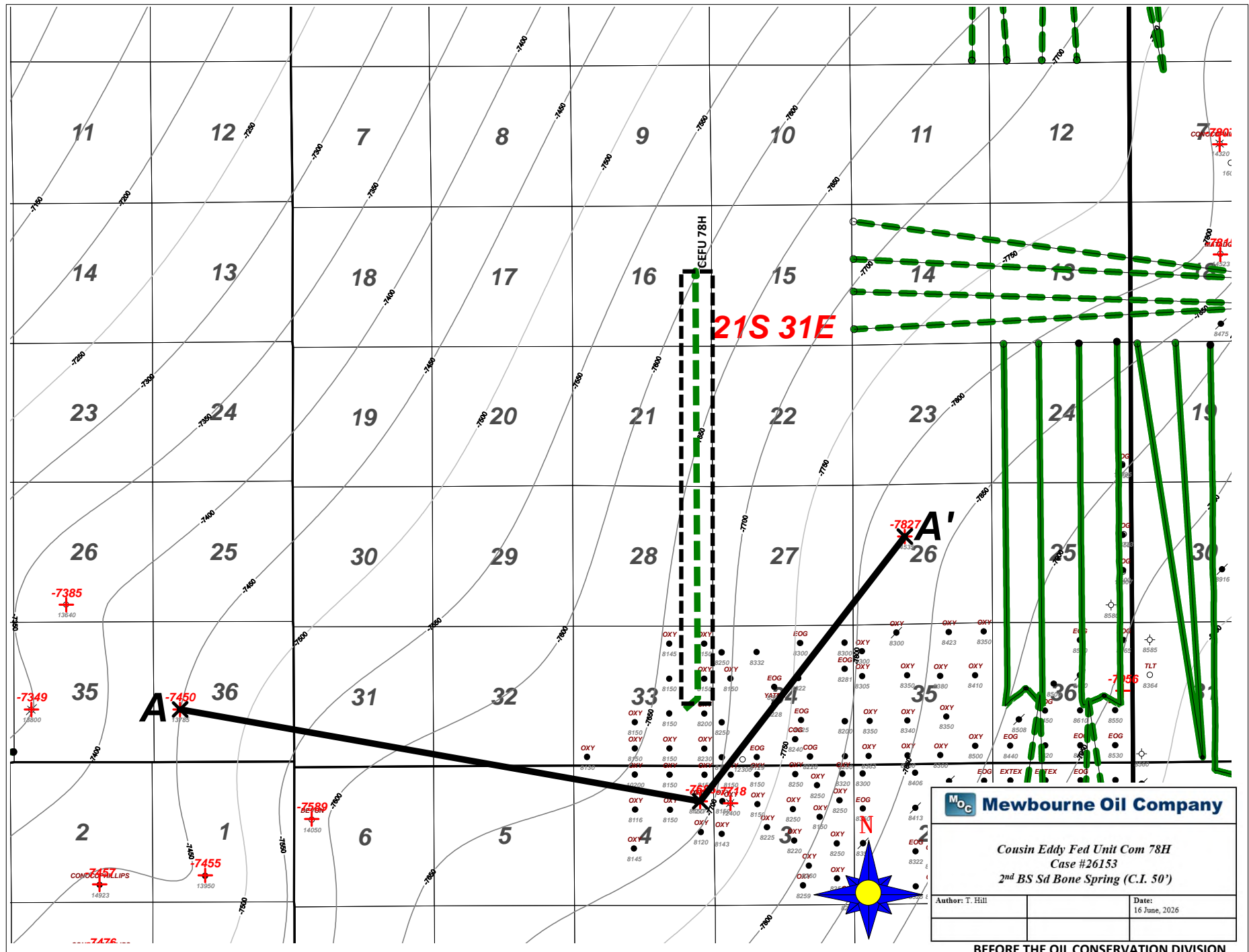
5/21/26

Date



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-1
 Submitted by: Mewbourne Oil Company
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<p><i>Cousin Eddy 33/16</i> <i>Eddy County Locator Map</i></p>		
Author: T. Hill		Date: 20 May, 2026
	Scale: 1.0"=3100'	



MOC Mewbourne Oil Company

Cousin Eddy Fed Unit Com 78H
 Case #26153
 2nd BS Sd Bone Spring (C.I. 50')

Author: T. Hill	Date: 16 June, 2026
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BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-2
 Submitted by: Mewbourne Oil Company
 Hearing Date: June 30, 2026
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Cousin Eddy Fed 33/16

A

A'

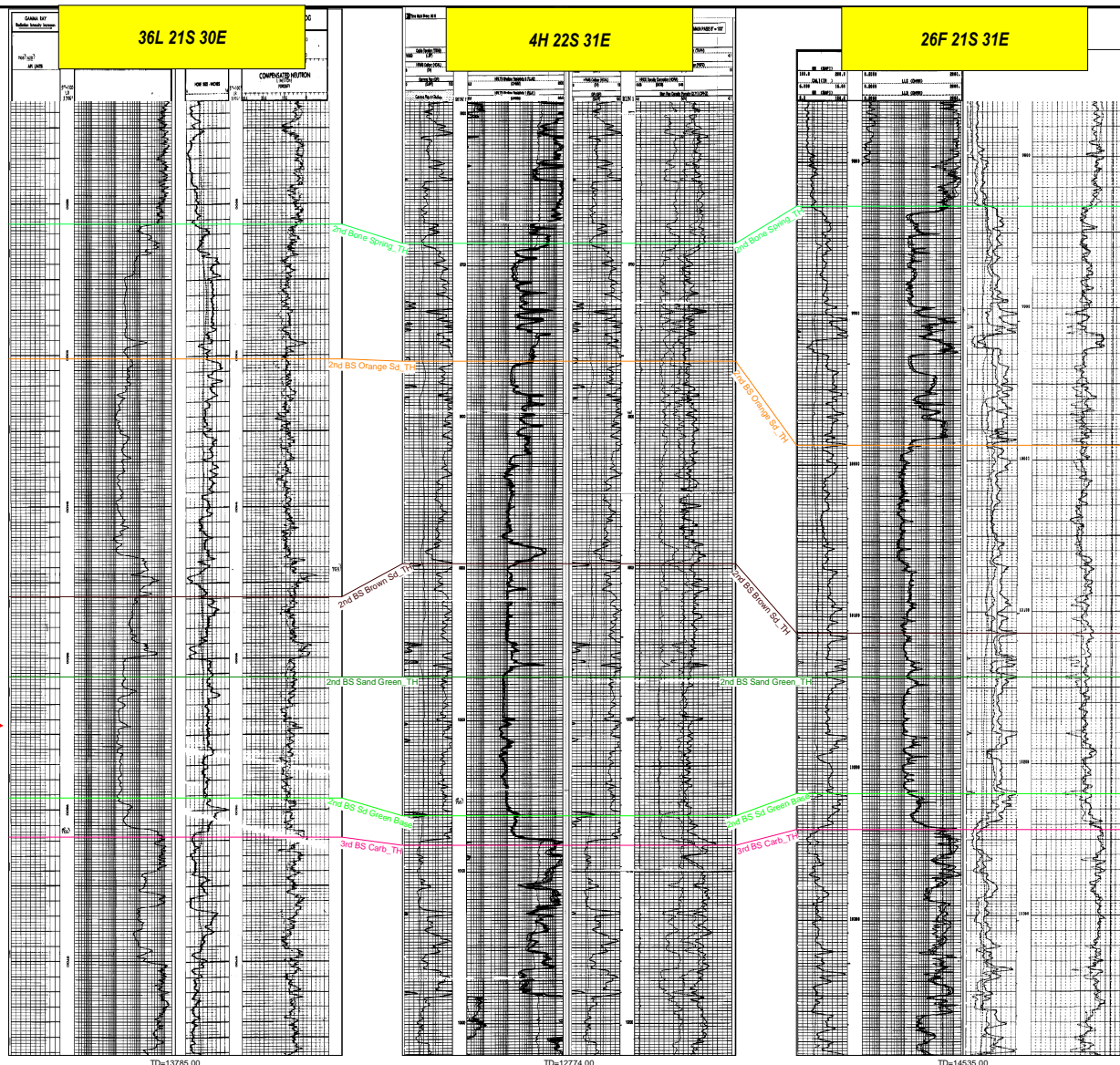
300152150100
 GRACE CORINE
 LIVINGSTON RIDGE U 1X
 E NW SW
 Datum=3256.00
 Reference=KB
 TWP: 21 S - Range: 30 E - Sec. 36

19937 ft

300153491800
 POGO PRODUCING CO
 LOST TANK 4 FEDERAL 20
 NE SE NE
 Datum=3486.00
 Reference=KB
 TWP: 22 S - Range: 31 E - Sec. 4

12629 ft

300152304500
 POGO PRODUCING CO
 FEDERAL 001
 1980 FNL/1980 FNL
 Datum=3551.00
 Reference=KB
 TWP: 21 S - Range: 31 E - Sec. 26



Cousin Eddy Fed Unit Com 33/16

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-3
 Submitted by: Mewbourne Oil Company
 Hearing Date: June 30, 2026
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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

CASE NO. 26153

**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 June 18, 2026.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice 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: June 30, 2026
Case No. 26153**



Paula M. Vance

06/23/26

Date



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

May 15, 2026

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico: Cousin Eddy Federal Unit Com 78H 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 June 4, 2026, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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

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

If you have any questions about this matter, please contact Adriana Salgado at (432) 682-3715, or at asalgado@mewbourne.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR MEWBOURNE OIL COMPANY

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

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

MRC - Cousin Eddy 78H - Case no. 26153
Postal Delivery Report

9414811898765527867857	PBEX, LLC	223 W Wall St Ste 900	Midland	TX	79701-4567	Your item was delivered to an individual at the address at 3:46 pm on May 19, 2026 in MIDLAND, TX 79701.
9414811898765527867826	Oxy USA Inc., Oxy Y-1 Company, OXY USA WTP Limited Partnership	Attn Ms. Courtney Carr, 5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent. The item was picked up at USPS at 10:56 am on May 18, 2026 in HOUSTON, TX 77046.
9414811898765527867895	Mrc Permian Company, Mrc Hat Mesa, LLC Attn Mr. David Johns	One Lincoln Centre, 5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Your item was delivered to the front desk, reception area, or mail room at 10:14 am on May 18, 2026 in DALLAS, TX 75240.
9414811898765527867833	Cimarex Energy Company	Attn Mr. Tristan Walker, 6001 Deauville Ste 300N	Midland	TX	79706-2671	Your item was picked up at the post office at 8:47 am on May 18, 2026 in MIDLAND, TX 79701.
9414811898765527867710	Paloma Permian Assetco, LLC Attn Mr. Scott Secrest	1100 Louisiana St Ste 5100	Houston	TX	77002-5220	Your item arrived at our SOUTH HOUSTON PROCESSING CENTER destination facility on May 17, 2026 at 1:32 pm. The item is currently in transit to the destination.
9414811898765527867765	Reg XI Assets, LLC Attn Ms. Preston Whitehurst	1200 Smith St Ste 1950	Houston	TX	77002-4322	Your item was delivered to the front desk, reception area, or mail room at 2:12 pm on May 18, 2026 in HOUSTON, TX 77002.
9414811898765527867796	Cog Operating LLC, Concho Oil And Gas LLC Attn Mr. Reece Cook	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at the post office at 7:59 am on May 19, 2026 in MIDLAND, TX 79701.

Affidavit of Publication

Copy of Publication:

No. 104650

State of New Mexico

County of Eddy:

Adrian Hedden

being duly sworn, says that he is the **Publisher**

of the Carlsbad Current Argus, a weekly newspaper of general circulation, published in English at Carlsbad, said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said Carlsbad Current Argus, a weekly newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/day on the same

day as follows:

First Publication May 20, 2026

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

Seventh Publication _____

Eighth Publication _____

Subscribed and sworn before me this

20th day of May 2026

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027

Latisha Romine

Notary Public, Eddy County, New Mexico

Legal Notice (Publication)
Case No. 26153: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: PBEX, LLC; OXY USA Inc., OXY Y-1 Company, OXY USA WTP Limited Partnership; MRC Permian Company; MRC Hat Mesa, LLC; Cimarex Energy Company; Paloma Permian AssetCo, LLC; REG XI Assets, LLC; COG Operating LLC; and Concho Oil and Gas 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 June 2, 2026, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in a standard 480-acre, more or less, well spacing unit in the Bone Spring formation underlying the E/2 SE/4 of Section 16, E/2 E/2 of Sections 21 and 28, and E/2 NE/4 of Section 33, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed **Cousin Eddy Federal Unit Com 78H** well, to be drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 33, a first take point in the SE/4 NE/4 (Unit H) of Section 33, and a last take point. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northeast of Loving, New Mexico.
104650-Published in Carlsbad Current Argus May 20, 2026.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Mewbourne Oil Company
Hearing Date: June 30, 2026
Case No. 26153