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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21292, LEA COUNTY, NEW MEXICO

Case No. 21479 Order No. R-21292

### MEWBOURNE OIL COMPANY'S HEARING EXHIBITS

Exhibit A	Self-Affirmed Statement of Brad Dunn
A-1	Application
A-2	Order No. R-21292
A-3	Order No. R-21292-A
A-4	Plat of Tracts
A-5	List of Tract Ownership and Pooled Parties
A-6	Well Proposal Letter
A-7	Summary of Communications
A-8	Proposed Notice of Hearing
A-9	Hearing Notice Letter and Return Receipts
A-10	Affidavit of Publication

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21292, LEA COUNTY, NEW MEXICO

Case No. 21479 Order No. R-21292

### SELF-AFFIRMED STATEMENT OF BRAD DUNN

- 1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
- 2. I am a landman for Mewbourne Oil Company ("Mewbourne"). I am familiar with Mewbourne's application in this case and with the status of the lands in the subject area. A copy of Mewbourne's application is attached as Exhibit A-1.
- 3. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.
- 4. Division Order No. R-21292, entered on April 28, 2020 in Case No. 21156, created a 240-acre, more or less, standard horizontal spacing unit ("HSU") comprised of the W/2 E/2 of Section 26 and the W/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico and designated Mewbourne as the operator of the HSU. Order No. R-21292 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the HSU to the Inland 26/23 B2OJ State Com #1H well, to be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit J in Section 23, Township 21 South, Range 34 East. A copy of Order No. R-21292 is attached as Exhibit A-2.

Case No. 21479

MEWBOURNE OIL

Exhibit A

- 5. On April 30, 2020, the Division issued Order No. R-21292-A to amend Exhibit A to Order No. R-21292, but the amendment did not otherwise affect the terms of Order No. R-21292. A copy of Order No. R-21292-A is attached as Exhibit A-3.
- 6. Since the orders were entered, Mewbourne has determined that there are additional uncommitted mineral interests in the HSU who were not provided notice of the April 16, 2020, compulsory pooling hearing in Case No. 21156, and as a result, whose interests were not pooled by the terms of Order No. R-21292.
  - 7. Exhibit A-4 provides a plat of the tracts included in the HSU.
- 8. Exhibit A-5 identifies the mineral interests in each tract included in the HSU and identifies the additional uncommitted mineral interests to be pooled under the terms of Order No. R-21292. Exhibit A-5 also identifies the additional uncommitted mineral interest owners who are unlocatable.
- 9. I sent well proposal letters to the additional uncommitted interests, other than the Heirs and/or Assigns of Ruth E. Tull, on June 15, 2020. I sent a well proposal letter to the Heirs and/or Assigns of Ruth E. Tull on July 6, 2020. A sample of the letter is attached as Exhibit A-6. A summary of my follow-up contacts with the additional uncommitted interests is attached as Exhibit A-7.
- 10. In my opinion, Mewbourne has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed well.
  - 11. Mewbourne's proposed notice of hearing is attached as Exhibit A-8.
- 12. At my direction, notice of Mewbourne's application and the Division hearing was provided to the additional uncommitted interests more than 20 days prior to the hearing date. The notice letter and associated receipts are attached as Exhibit A-9.

- 13. Notice of Mewbourne's application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as Exhibit A-10.
- 14. Mewbourne requests that the additional mineral interest owners be pooled under the terms of Order No. R-21292. In my opinion, the granting of Mewbourne's application would serve the interests of conservation and the prevention of waste.
- 15. The exhibits attached hereto were either prepared by me or under my supervision, or were compiled from company business records.
- 16. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 15 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.

19/28/2020

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-21292, LEA COUNTY, NEW MEXICO

Case No. 21479 Order No. R-21292

### **APPLICATION**

Mewbourne Oil Company ("Mewbourne"), by and through the undersigned counsel, files this application with the Oil Conservation Division ("Division") to pool additional interest owners under the terms of Order No. R-21292. In support of its application, Mewbourne states the following.

- 1. Division Order No. R-21292, entered on April 28, 2020 in Case No. 21156, created a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 26 and the W/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico ("the Unit") and designated Mewbourne as the operator of the Unit. Order No. R-21292 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the Unit to the Inland 26/23 B2OJ State Com #1H well, to be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit J in Section 23, Township 21 South, Range 34 East.
- 2. On April 30, 2020, the Division issued Order No. R-21292-A to amend Exhibit A to Order No. R-21292, but the amendment did not otherwise affect the terms of Order No. R-21292.

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MEWBOURNE OIL

Exhibit A-1

3. Since the entry of Order No. R-21292, Mewbourne has determined that there are

additional mineral interest owners in the Unit who were not provided notice of the April 16, 2020,

compulsory pooling hearing in Case No. 21156, and as a result, whose interests were not pooled

by the terms of Order No. R-21292.

4. The pooling of additional mineral interest owners under the terms of Order No. R-

21292 will prevent waste, protect correlative rights, and promote administrative efficiency.

5. In order to permit Mewbourne to obtain its just and fair share of the oil and gas

underlying the subject lands, the additional interest owners should be pooled in the Unit pursuant

to the terms of Order No. R-21292.

6. In order to provide proper notice to these additional interest owners and to bring

their interests under the terms of Order No. R-21292, Mewbourne requests that this case be set for

hearing on the next available examiner docket.

WHEREFORE, Mewbourne requests that this application be set for hearing before the

Division on November 5, 2020, and after notice and hearing as required by law, the Division issue

an order pooling the additional interest owners pursuant to the terms of Order No. R-21292.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Dioscoro A. Blanco

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

dblanco@hinklelawfirm.com

Counsel for Mewbourne Oil Company

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO.	21156	
ORDER NO.	R-21292	

### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on April 16, 2020, 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") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. 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**

- 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. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

Case No. 21479

MEWBOURNE OIL

Exhibit A-2

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. 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.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who

- elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**Date:** \_\_\_\_

4/28/2020

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

### Exhibit A

ALL INFORMATION IN THE APPLICA	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	21156
Date	April 10, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID	
(affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	Dana Hardy
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Inland 26/23 B2OJ State Com. Well No. 1H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	GRAMA RIDGE;BONE SPRING, NE/Pool Code 28435
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2E/2 §26 and W/2SE/4 §23-21S-34E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	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	Exhibits A-3 and A-5
Well(s)	
Name & API (if assigned), surface and	Inland 26/23 B2OJ State Com. Well No. 1H
bottom hole location, footages,	API No. 30-025-46931
completion target, orientation,	SHL: 205 FSL & 1250 FEL §26
completion status (standard or non-	BHL: 2540 FSL & 1980 FEL §23
standard)	Second Bone Spring Sand
	Standup
	Standard
Horizontal Well First and Last Take	FTP: 100 FSL & 1980 FEL §26
Points	LTP: 485 FSL & 1980 FEL §23

Completion Target (Formation, TVD and MD)	2 <sup>ND</sup> Bone Spring Sand/TVD 10381 feet/MD 17772 feet
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000 - Exhibit A
Production Supervision/Month S	\$800 - Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	Cost + 200% - Exhibit A
Notice of Hearing	COST. EDOTE EXHIBITED
Proposed Notice of Hearing	Exhibit A-9
Proof of Mailed Notice of Hearing (20	EMINICA J
days before hearing)	Exhibit A-10
Proof of Published Notice of Hearing (10	
days before hearing)	Exhibit A-11
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibit A-3
Tract List (including lease numbers and	
owners)	Exhibit A-3
Pooled Parties (including ownership	
type)	Exhibit A-5
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including	Tree approvate
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit A-8
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-12
Cost Estimate to Equip Well	Exhibit A-12
Cost Estimate for Production Facilities	Exhibit A-12
Geology	
Summary (including special	
considerations)	Exhibit 8
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, Bone Spring
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	Not Applicable
orms, Figures and Tables	
-102	Exhibit A-2
racts	Exhibit A-3
summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits A-3, A-4
General Location Map (including basin)	Exhibit A-1
Vell Bore Location Map	Exhibits B-1, B-2, B-3

Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit 8-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana Hardy
Signed Name (Attorney or Party Representative):	Vance S. Houly
Date:	April 10, 2020

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO. <u>21156</u> ORDER NO. <u>R-21292-A</u>

### FIRST AMENDMENT TO ORDER

The Director of the New Mexico Oil Conservation Division ("OCD") issues this order to amend Exhibit A.

- 1. Exhibit A is amended to reflect the correct Exhibit A attached hereto.
- 2. The remaining paragraphs of the Order remain in force and effect.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/jag Date: \_ 4/30/2020

Case No. 21479

MEWBOURNE OIL Exhibit A-3

### Exhibit A

	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	21156
Date	April 16, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID	
(affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	Dana Hardy
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Inland 26/23 B2OJ State Com. Well No. 1H
Formation/Pool	,
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	GRAMA RIDGE;BONE SPRING, NE/Pool Code 28435
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2E/2 §26 and W/2SE/4 §23-21S-34E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes,	N/A
lescription	
Applicant's Ownership in Each Tract	Exhibits A-3 and A-5
Vell(s)  Name & API (if assigned), surface and	Intered 26/22 B20164-4-6 IN III
nottom hole location, footages,	Inland 26/23 B2OJ State Com. Well No. 1H API No. 30-025-46931
ompletion target, orientation,	SHL: 205 FSL & 1250 FEL §26
ompletion status (standard or non-	BHL: 2540 FSL & 1980 FEL §23
tandard)	Second Bone Spring Sand
•	Standup
	Standard
lorizontal Well First and Last Take oints	FTP: 100 FSL & 1980 FEL §26 LTP: 2541 FSL & 1980 FEL §23

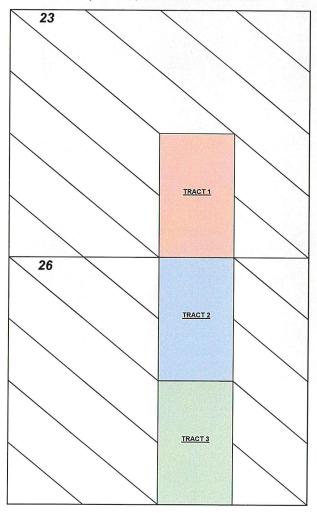
Completion Target (Formation, TVD and MD)	2 <sup>ND</sup> Bone Spring Sand/TVD 10381 feet/MD 17772 feet
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000 - Exhibit A
Production Supervision/Month \$	\$800 – Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	Cost + 200% - Exhibit A
Notice of Hearing	COSC + 200% - EXHIBIC A
Proposed Notice of Hearing	Exhibit A-9
Proof of Mailed Notice of Hearing (20	EXTIDIT A-9
days before hearing)	Fullifia A 40
Proof of Published Notice of Hearing (10	Exhibit A-10
days before hearing)	# 1 W 2 4 4
	Exhibit A-11
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibit A-3
Tract List (including lease numbers and	
owners)	Exhibit A-3
Pooled Parties (including ownership	
type)	Exhibit A-5
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including	
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit A-8
Chronology of Contact with Non-Joined Working Interests Overhead Rates In Proposal Letter	Exhibit A-7 Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-12
Cost Estimate to Equip Well	Exhibit A-12
Cost Estimate for Production Facilities	Exhibit A-12
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, Bone Spring
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	
Forms, Figures and Tables	Not Applicable
C-102	Fubility A. 2
	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits A-3, A-4
General Location Map (including basin)	Exhibit A-1
Well Bore Location Map	Exhibits B-1, B-2, B-3

Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana Hardy
Signed Name (Attorney or Party Representative):	long S. Houly
Date:	April 16, 2020

### **SECTION PLAT**

West Half of the East Half (W/2E/2) of Section 26, Township 21 South, Range 34 East West Half of the Southeast Quarter (W/2SE/4) of Section 23, Township 21 South, Range 34 East

County of Lea, State of New Mexico



Tract 1: W2SE4 SEC. 23—STATE OF NEW MEXICO LEASE NO. B-11610

Mewbourne Oil Company

ZPZ Delaware I LLC

Southwest Royalties, Inc

BEXP I, LP

**BTA Oil Producers** 

Case No. 21479
MEWBOURNE OIL
Exhibit A-4

### Tract 2: W2NE4 SEC. 26—STATE OF NEW MEXICO LEASE NO. V-5887

Mewbourne Oil Company

Siana Oil & Gas Co.

CM Resources, LLC

### Tract 3: W2SE4 SEC. 26—STATE OF NEW MEXICO LEASE NO. B-158

Mewbourne Oil Company

McCombs Energy, LTD

**Axis Energy Corporation** 

Great Western Drilling LTD.

Alpha Energy Partners, LLC

Fall Creek of San Angelo

Brian McLaughlin, heirs and/or assigns

Patco, Ltd.

Donald H. Witte, heirs and/or assigns

Broken Bridge Farms

The Lynn Parsley Maxwell Trust

The Jan Parsley Sheffield Trust

Craig Bishop, heirs and/or assigns

Ruth E. Tull, heirs and/or assigns

Barry Hopkins, heirs and/or assigns

Henry Hwang, heirs and/or assigns

# TRACT OWNERSHIP Inland 26/23 B2OJ State Com #1H Sections 26 (W/2E/2) & 23 (W/2SE/4), T21S, R34E Lea County, New Mexico

### Sections 26 (W/2E/2) & 23 (W/2SE/4): Bone Spring formation:

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	% Leasehold Interest 81.030000%
*SIANA Oil & Gas Company, LLC 810 Houston Street Fort Worth, Texas 76102 (Previously pooled under order #R-21292)	10.000000%
*Patco, Ltd. 7977 Caruth Ct. Dallas, TX 75225-8136	1.833333%
*Donald H. Witte, heirs and/or devisees 500 Lakeside Dr. Altus, OK 73521 (Unlocatable)	1.791667%
*Broken Bridge Farms 225 Rocky Point Rd. Palos Verdes Estates, CA 90274-2621 (Unlocatable)	1.595000%
*The Lynn Parsley Maxwell Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*The Jan Parsley Sheffield Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*Craig Bishop, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	0.666667%
*Ruth E. Tull, heirs and/or devisees P.O. Box 11107 Midland, TX 79702	0.333333%
	Case No. 21479

MEWBOURNE OIL
Exhibit A-5

\*Barry Hopkins, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)

0.333333%

0.2500000%

\*The heirs and/or devisees of Brian McLaughlin

Church Lane, Remenham

Henly-on-Thames Oxon RG 9 3EX England

(Previously pooled under order #R-21292)

\*Henry Hwang, heirs and/or devisees 97 Lafayette St. Apt San Francisco, CA 94103-2544

0.166667%

100.000000%

### **OWNERSHIP BY TRACT**

W/2SE/4 Section 23 (80 Acres):

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701

% Leasehold Interest

100.00000%

100.000000%

W/2NE/4 Section 26 (80 Acres):

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701

% Leasehold Interest 70.00000%

\*SIANA Oil & Gas Company, LLC

810 Houston Street Fort Worth, Texas 76102

(Previously pooled under order #R-21292)

30.000000%

100.000000%

W/2SE/4 Section 26 (80 Acres):

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701

% Leasehold Interest

73.090000%

<sup>\*</sup> Total interest being pooled: 18.970000%

*Patco, Ltd. 7977 Caruth Ct. Dallas, TX 75225-8136	5.500000%
*Donald H. Witte, heirs and/or devisees 500 Lakeside Dr. Altus, OK 73521 (Unlocatable)	5.375000%
*Broken Bridge Farms 225 Rocky Point Rd. Palos Verdes Estates, CA 90274-2621 (Unlocatable)	4.785000%
*The Lynn Parsley Maxwell Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	3.000000%
*The Jan Parsley Sheffield Trust P.O. Box 11005 Midland, TX 79702 (Unlocatable)	3.000000%
*Craig Bishop, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	2.000000%
*Ruth E. Tull, heirs and/or devisees P.O. Box 11107 Midland, TX 79702	1.000000%
*Barry Hopkins, heirs and/or devisees P.O. Box 11005 Midland, TX 79702 (Unlocatable)	1.000000%
*The heirs and/or devisees of Brian McLaughlin Church Lane, Remenham Henly-on-Thames Oxon RG 9 3EX England (Previously pooled under order #R-21292)	0.750000%
*Henry Hwang, heirs and/or devisees 97 Lafayette St. Apt San Francisco, CA 94103-2544	0.500000%
	100.000000%

### MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

June 15, 2020

Via Certified Mail

Barry Hopkins P.O. Box 11005 Midland, TX 79702

Re:

- Inland 26/23 B2PI State Com #1H 205' FSL & 1220' FEL (26) (SL) 2540' FNL & 500' FEL (23) (BHL) Sections 26/23, T21S, R34E Lea County, New Mexico
- Inland 26/23 B2OJ State Com #1H 205' FSL & 1250' FEL (26) (SL) 2540' FNL & 1980' FEL (23) (BHL) Sections 26/23, T21S, R34E Lea County, New Mexico

### Dear Mr. Hopkins:

Under the terms of the governing Operating Agreement dated May 15, 2018, Mewbourne Oil Company ("Mewbourne") as Operator withdraws its proposals to drill the Inland 26/23 B2ML State Com #1H and the Inland 26/23 B3ML State Com #2H, and hereby proposes to drill the following horizontal Bone Spring wells:

- 1. Inland 26/23 B2PI State Com #1H will have a surface location 205' FSL & 1220' FEL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 500' FEL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,364' and an approximate total measured depth of 17,978'. The E2E2 of Section 26 and the E2SE4 of Section 23 will be dedicated to the well as the proration unit.
- 2. Inland 26/23 B2OJ State Com #1H will have a surface location 205' FSL & 1250' FEL in the above captioned Section 26 and a bottom hole location approximately 2540' FNL & 1980' FEL of the above captioned Section 23. We anticipate drilling to an approximate total vertical depth of 10,381' and an approximate total measured depth of 17,772'. The W2E2 of Section 26 and the W2SE4 of Section 23 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated January 29, 2020 for the captioned proposed wells. In the event that you elect to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30) days.

Case No. 21479

MEWBOURNE OIL Exhibit A-6

Should you have any questions regarding the above, please email me at <a href="mailto:bdunn@mewbourne.com">bdunn@mewbourne.com</a> or call me at (432) 682-3715. Thank you.

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn

Petroleum Landman

### MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Sequilationy Permits & Surveys	Well Name: INLAND 26/23 B	2OJ STATE COM #1H		Pro	spect: O	SUDO (INLAND	26/23)	
Sec.   28   Bilc   Survey   MTANGIBLE COSTS 0180   CODE   TOP   CODE   CODE   TOP   CODE	Location: SL: 205 FSL & 125	0 FEL (26); BHL: 2540 FSL & 1980	) FEL (23)		County: Le	a		ST: NM
INTANGIBLE COSTS 0180			NACONZOGS			AND DESCRIPTION OF THE PARTY OF	VD- 10381	TMD: 17772
Seguidation   Permits & Surveys				210	1 1110.[	1 (up. 1	7	11112
Cocation / Robor   Foreign   Septiminary   Cocation / Robor   Foreign   Septiminary   Cocation / Robor   Septiminary   Septimi		INTANGIBLE COSTS 0180			_			cc
		on						
Daywork   Turnkey   Footage porling   28 cays drig / 3 days come @ \$2150004   0100-0110   \$393.000   0380-0214   0100-0110   \$393.000   0380-0214   0100-0110   \$393.000   0380-0214   0100-0120   \$200.000   0380-0214   0100-0212   0300-0214   03								\$37,5
Table	Daywork / Turnkey / Footage Dri	lling 28 days drig / 3 days comp @	D \$21500/d					
								\$310,0
Cementing				11 33				
					1 379,577		0180-0222	\$200,0
Casting / Tubing / Snubbing Service								\$30,0
Model Laggaling		9			_			\$310,0
Simulation   38 Stg 15.0 MM gal/13.0 MM ib   0180-0241   0180-02								\$90,0
Simulation Rentate & Other	Stimulation	39 Stg 15.0 MM gal / 15.0 MM	M Ib		0100-013	1 425,00		\$1,450,0
Valer & Olher								\$200,0
					0180-0145	\$80,00		\$530,0
								\$8,0
Setting & Flowback Services				100			_	\$5,0
Completion / Worksover Rig   1000-0200								\$10,0
Big Mobilization					0180-0158	\$15,000	-	\$30,0
Transportation				1	0190 0164	1 8150 000		\$10,5
Welding Services								\$20,0
Ontract Services & Supervision   Onto-0770   \$46,500   0160-0770   S40,000   Onto-0770   S40,000   O	Welding Services							\$15,0
Directions  Services   Includes Vertical Control   0180-0775   \$350,000   0180-0280   0180-0280   0180-0280   0180-0280   0180-0280   0180-0280   0180-0280   0180-0280   0180-0281   01								\$52,5
Company Suprement   Comp		Includes Vertical Control	1 1 20 3	The Til				44214
Veli / Lesse Insurance				a Vel				\$30,0
						\$5,000	0180-0284	1000
Damages				W. 5				
OWA & Essements			The state of the s					\$10,0
						\$20,000		540
Origony Supervision					0100-0192	Walter Street		\$4,0
	ompany Supervision			_	0180-0195	5148 800		\$91,20
Vell Abandonment	Overhead Fixed Rate							\$20,00
TOTAL   S2,843,100			The state of the s	20.70				<b>\$20,0</b>
TANGIBLE COSTS 0181  asing (19.1" - 30") asing (10.1" - 19.0") 1800' - 13 3/8" \$4.58 J55 ST&C @ \$32,16/11 0181-0793	onlingencies	2% (TCP) 2% (CC)				\$55,700		\$71,30
Basing (19.1" - 30")			TO	DTAL		\$2,843,100		\$3,633,90
Basing (19.1" - 30")		TANGIBLE COSTS 0181			V 12341		3578,0759	
Asing (10.1" - 19.0")   1800' - 13 3/8" 54.5# J-55 \$T8C @ \$32.18/ft   0181-0794   \$51,800   1803/ft   19.0")   1800' - 13 3/8" 54.5# J-55 \$T8C @ \$32.48/ft   0181-0795   \$315,600   18310 (6.1" - 8.0")   10700' - 7" 29# HCP-110.TRC @ \$21.5/ft   0181-0795   \$245,700   1081-0797   29# HCP-110.TRC @ \$21.5/ft   0181-0797   29# HCP-110.TRC @ \$21.5/ft   29# HCP-110.TRC					0181-0793			
Basing (6.1" - 10.0")   \$890' - 9 588' 40# N-80 LTAC @ \$24.48lt   0181-0795   \$151.600		1800' - 13 3/8" 54.5# J-55 ST&C	C @ \$32,16/ft			\$61,800		
Assing (4,1" - 6.0")   8200 - 4 1/2" 13.5# P-110 BPN @ \$11.75/ft		5800' - 9 5/8" 40# N-80 LT&C @	2 \$24.48/ft		0181-0795			1 1000
Jubing 9850* - 2 7/8" 6.5# EUE tbg @ \$4.54/ft					0181-0796	\$245,700		
OB1-0860   S40,000   OB1-0860   S40,000   OB1-0870   OB1-0870   OB1-0870   OB1-0870   OB1-0870   OB1-0870   OB1-0870   OB1-0875   OB1-0885   OB1-0875   OB1-0885		8200' - 4 1/2" 13.5# P-110 BPN	@ \$11.75/ft		200	THE AR WAY		\$102,90
ubing Head & Upper Section orizontal Completion Tools		9850' - 2 7/8" 6.5# EUE tbg @ \$	\$4.54Ift				0181-0798	\$47,80
Original Completion Tools Completion Liner Hanger Original Completion Tools Under Rods Original Completion Tools Original Completion Original Complet					0181-0860	\$40,000		
		Completion Liner Hanger						\$30,00
Absurface Equipment    Interview   Intervi		Completion that Hanger						\$82,00
dificial Lift Systems  Gas Lift Valves & Packer  O181-0884 Imping Unit Imping Unit Intace Pumps & Prime Movers  (1/2) Surface pumps/VRU Ints - O181-0866 Inks - O19 Inks - O18 Inks - O19 Inks - O19 Inks - O18 Inks - O19 Inks - O18 I	bsurface Equipment				i			
Imping Unit		Gas Lift Valves & Packer		-				\$25,00
urface Pumps & Prime Movers (1/2) Surface pumps/VRU (1/2) 6 - 750 bbl   0181-0886   nks - Oil (1/2) 5 - 750 bbl   0181-0890   nks - Water (1/2) 5 - 750 bbl   0181-0890   paration / Treating Equipment (1/2) 30"x10"x1k# 3 ph/36"x15"x1k#//VRT/Plare/GB   0181-0895   paration / Treating Equipment (1/2) 8"x20"x75# HT   0181-0897   paration / Treating Equipment   0181-0897   paration / Treating Equipment   0181-0897   paration / Treating Equipment   0181-0898   paration / Treating Equipment   0181-0898   paration / Treating Equipment   0181-0898   paration / Treating Equipment   0181-0990   par								V2J,00
inks - Oil (1/2) 6 - 750 bbl   0181-0890   0181-0890   0181-0890   0181-0890   0181-0890   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0895   0181-0990		(1/2) Surface pumps/VRU						\$62,50
paration / Treating Equipment (1/2) 30"x10"x1k# 3 ph/36"x15'x1k#l/VRT/Flare/GB					i			\$60,00
ater Treaters, Line Heaters (1/2) 8"x20"x75# HT								\$53,00
etering Equipment e Pipe & Valves - Gathering 1/4 mile gas line in pipe & Valves - Gathering 1/4 mile gas line in pipe & Valves & Accessories includes Automation incl	paration / Treating Equipment		(1k#//VRT/Flare/GE					\$150,00
tings / Valves - Gathering 1/4 mile gas line 1/4		(1/2) 8'X2U'X75# HT		_				\$25,50
tings / Valves & Accessories		1/4 mile cas lice		-				\$15,00
thodic Protection Includes Automation 0181-0908 ctrical Installation 0181-0909   0181-0909   0181-0909   0181-0909   0181-0909   0181-0909   0181-0909   0181-0900		na truc Ana litte		-				\$12,500 \$175,000
intercical Installation   181-0909   181-090		Includes Automation		-				\$175,000
priment Installation   0181-0910   0181-0920   0181-09		7.000		-				\$37,500
TOTAL \$499,100  SUBTOTAL \$3,342,200  TOTAL WELL COST \$8,037,300  TOTAL WELL COST \$1,000  TOTAL WELL COST \$1,000  TOTAL WELL COST \$1,000  TOTAL								\$100,000
SUBTOTAL  SUBTOT	eline Construction							\$25,000
SUBTOTAL S3,342,200  TOTAL WELL COST \$8,037,300  ra 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 0180-018   I alect to purchase my own well control insurance policy.			TO:	TAL				\$1,061,200
TOTAL WELL COST  \$8,037,300  ra 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 0180-018  I elect to purchase my own well control insurance policy.  (ither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.  Prepared by:  Levi Jackson  Date: 1/29/2020  Company Approval:  Amount:			SUBIO	AL		\$3,342,200		\$4,695,100
lelect 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 0180-018 I elect to purchase my own well control insurance policy. Ither box is checked above, non-operating working Interest owner elects to be covered by Operator's well control insurance.  Prepared by: Levi Jackson Date: 1/29/2020  Company Approval: Date: 1/29/2020		тота	L WELL COS	Γ		\$8,03	37,300	
Company Approval: Date: 1/29/2020 int Owner Interest: Amount:	l elect to be covered be Operator has secured be lelect to purchase my	Extra Expense Insurance covering costs of the control insurance policy.	of well control, clea	n up an	nd redrilling a	the premium. s estimated in Lir	ne Item 0180-0	185.
Company Approval: Date: 1/29/2020  Dint Owner Interest: Amount:						)		
						-		
	int Owner Interest:	Amount:	100000000000000000000000000000000000000	- 13	Maria Services			
	9 09 5							
oint Owner Name: Signature:	Jini Owner Name:							

### **Summary of Communications** Inland 26/23 B2OJ State Com #1H

### Siana Oil & Gas Company, LLC

- 1) 6/19/2018: Mailed the proposed Operating Agreement for this prospect via certified mail.
- 2) 6/20/2018: Email from Karen Stanford discussing Siana's interest in the wells.
- 3) 6/25/2018: Email correspondence with Karen Stanford discussing Siana's interest and the JOA.
- 4) 11/1/2018: Email chain with Karen Stanford discussing the proposed JOA as well as well timing.
- 5) 11/9/2018: Email chain discussing well timing.
- 6) 12/17/2018: Email correspondence discussing terms in the proposed JOA.
- 7) 1/3/2019: Sent email replying to JOA change requests.
- 8) 1/8/2019: Still waiting on Siana's election.
- 9) 02/10/2020: Siana received well proposal letters with AFEs via certified mail
- 10) 02/12/2020-02/13/2020: Email chain with Karen Stanford at Siana Oil & Gas Company requesting more information on these newly proposed wells.
- 11) 02/13/2020: Emailed Karen Stanford for an update on participating in these wells
- 12) 03/23/2020: Emailed Karen Stanford for an update on participating in these wells. Still waiting on Siana Oil & Gas Co's election.

### The heirs and/or devisees of Brian McLaughlin

- 1) 10/14/2019-01/15/2020: Email exchanges with Fiona Thorpe who represents the interest of Brian McLaughlin.
- 2) 02/03/2020: Emailed well proposals and corresponding updated AFE's to Fiona Thorpe and Fiona emailed me back confirming receipt of these documents.
- 3) 03/11/2020-03/14/2020: Email exchanges with Fiona Thorpe regarding Brian McLaughlin's options to participate with his interest with Mewbourne. Fiona anticipates wanting to assign his interest to us. Still waiting on the heirs and/or devisees of Brian McLaughlin's election.

### Patco, Ltd.

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 07/07/2020: Phone call with Sutton who represents this interest regarding whether or not they are still claiming this interest
- 3) 07/08/2020: Email correspondence with Sutton who represents this interest discussing this interest's history and its current status. Sutton said he wanted until 08/08/2020 to figure out if he thinks they might still own this interest or not. Never heard back from him again.

Case No. 21479

MEWBOURNE OIL

Exhibit A-7

### The heirs and/or devisees of Donald H. Witte

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

### Broken Bridge Farms

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

### The Lynn Parsley Maxwell Trust

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

### The Jan Parsley Sheffield Trust

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

### The heirs and/or devisees of Craig Bishop

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

### The heirs and/or devisees of Ruth E. Tull

- 1) 06/01/2020: Phone call with Doug Tull who represents this interest regarding whether or not they are still claiming this interest. He provided me with his email address.
- 2) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 3) 07/06/2020: Emailed Doug Tull asking if he is claiming this interest and how he would like to proceed. Also emailed him the Inland 26/23 well proposal letter and corresponding AFE's. Never heard back.

### The heirs and/or devisees of Barry Hopkins

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 09/28/2020: Certified mail returned due to unlocatable/undeliverable address.
- 3) 10/02/2020: Detailed search on the internet for a new address of this person/current contact information. Nothing more found.

### The heirs and/or devisees of Henry Hwang

- 1) 06/15/2020: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 06/21/2020-07/10/2020: Many Email correspondences with David Hwang who represents this interest regarding whether or not he is still claiming this interest and how he would like to proceed. David was unable to provide any form of proof that he indeed owns this interest of his father now. He said he is out of luck on claiming this interest and to just force-pool this interest.

Application of Mewbourne Oil Company to Pool Additional Interest Owners Under the Terms of Order No. R-21292, Lea County, New Mexico. Applicant seeks to pool additional interest owners under the terms of Oil Conservation Division Order No. R-21292, which created a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 26 and the W/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico ("the Unit") and designated Mewbourne as the operator of the Unit. Order No. R-21292 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the Unit to the Inland 26/23 B2OJ State Com #1H well, to be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit J in Section 23, Township 21 South, Range 34 East. The well is located approximately 12.5 miles west of Eunice, New Mexico.

Case No. 21479

MEWBOURNE OIL
Exhibit A-8



### HINKLE SHANOR LLP

ATTORNEYS AT LAW
PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

October 6, 2020

### VIA CERTIFIED MAIL

Broken Bridge Farms 225 Rocky Point Rd Palos Verdes Estates, CA 90274-2621

Re: Mewbourne Oil Company NMOCD Applications

Dear Sir or Madam:

Enclosed are copies of two applications that Mewbourne Oil Company ("Mewbourne") has filed with the New Mexico Oil Conservation Division ("the Division"). The applications request the following.

In Case No. 21479, Mewbourne seeks to pool additional interest owners under the terms of Division Order No. R-21292, which created a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 26 and the W/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico and designated Mewbourne as the operator of the Unit. Order No. R-21292 further pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the Inland 26/23 B2OJ State Com #1H well, to be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit J in Section 23, Township 21 South, Range 34 East.

In Case No. 21480, Mewbourne seeks to pool additional interest owners under the terms of Division Order No. R-21293, which created a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico and designated Mewbourne as the operator of the Unit. Order No. R-21293 further pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the Inland 26/23 B2PI State Com #1H well, to be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit I in Section 23, Township 21 South, Range 34 East.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. Broken Bridge Farms is not required to attend the hearing, but as an owner of an interest that may be affected by Mewbourne's application, it may appear at the hearing and present testimony. If Broken Bridge Farms does not appear at that time and become a party of record, it will be precluded from contesting the matter at a later date.

Casé No. 21479

MEWBOURNE OIL

Exhibit A-9

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, October 29, 2020. The Pre-Hearing Statement must be filed with the Division and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Enclosures

Very truly yours.

Dana S. Hardy

#### 357 COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature Complete items 1, 2, and 3. ☐ Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. Date of Delivery B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. D. Is delivery address different from item 1? If YES, enter delivery address below: ☐ Yes 1. Article Addressed to: Broken Bridge Farms 225 Rocky Point Rd Palos Verdes Estates, CA 90274 ☐ Priority Mall Express® ☐ Registered Mall™ ☐ Registered Mall Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ 3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® 9590 9402 4582 8278 5987 12 ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) ☐ Signature Confirmation Restricted Delivery 7019 2970 0000 7642 9805 Domestic Return Receipt PS Form 3811, July 2015 PSN 7530-02-000-9053 U.S. Postal Service" **CERTIFIED MAIL® RECEIPT** Domestic Mail Only 5 T L Certified Mall Fee 기 Extra Services & Fees (check be 0000 Return Receipt (hardcopy) Return Receipt (electronic) Cortified Mail Restricted Delive Hera Adult Signature Required Adult Signature Restricted Del 2970 Postage Total Postage and Fees U Barry Hopkins Heirs 707 P.O. Box 11005 Street and Apt. No., or PO Box No. Midland, TX 79702 City, State, ZIP+40 PS Form 3800, April 2015 PSN SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3.

#### Agent Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the mallpiece, 2020 or on the front if space permits. 1. Article Addressed to: D. Is delivery address different from item 1? Ø No If YES, enter delivery address below: Henry Hwang Heirs 636 Noriega Street San Francisco, CA 94122-4616 Service Type Adult Signature ☐ Priority Mall Express® □ Registered Mall™ □ Registered Mall Restricted □ Delivery □ Return Receipt for Merchandise ☐ Adult Signature Restricted Delivery Certified Mall® 9590 9402 4582 8278 5987 29 ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation<sup>TM</sup>☐ Signature Confirmation 2. Article Number (Transfer from service label) Il Restricted Delivery Restricted Delivery 7019 2970 0000 7642 9799



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
<ul> <li>Complete items 1, 2, and 3:</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> </ul>	A. Signature X C1 G	☑7Agent □ Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Delivery
Article Addressed to:	D. Is delivery address different from	
Patco, Ltd.	If YES, enter delivery address	below: 🗆 No
7977 Caruth Ct.		
7977 Caruth Ct. Dallas, 7 × 75225-8136		
7977 Caruth Ct. Dallas, 1 × 75225-8136		
	3. Service Type ☐ Adult Signature	☐ Priority Mail Express®
Dallas, 7 × 75225-8136	☐ Adult Signature ☐ Adult Signature Restricted Delivery	☐ Registered Mail™ ☐ Registered Mail Restricted
	☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery	☐ Registered Mail™ ☐ Registered Mail Restricter Delivery ☐ Return Receipt for
Dallas, 7. 75225-8136	☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail®	☐ Registered Mail ™ ☐ Registered Mail Restricted Delivery



CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

Extra Services & Fees (check box, add fee by appropriate)

Return Receipt (hardcept)

Return Receipt (hardcep

### **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 October 08, 2020 and ending with the issue dated October 08, 2020.

Publisher

Sworn and subscribed to before me this 8th day of October 2020.

Business Manager

My commission expires

January 29, 2023 OI

OFFICIAL SEAL GUSSIE BLACK Notary Public State of New Mexico

My Commission Expires 1-292

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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

#### LEGAL NOTICE October 8, 2020

This is to notify all interested parties, including Barry Hopkins, heirs and/or devisees, Broken Bridge Farms, Craig Bishop, heirs and/or devisees, Donald H. Witte, heirs and/or devisees, Henry Hwang, heirs and/or assigns, The Jan Parsley Sheffield Trust, The Lynn Parsley Maxwell Trust, Patco, Ltd., Ruth E. Tull, heirs and/or devisees, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 21479). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. Applicant seeks to pool additional interest owners under the terms of Oil Conservation Division Order No. R-21292, which created a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 26 and the W/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico ("the Unit") and designated Mewbourne as the operator of the Unit. Order No. R-21292 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the Unit to the Inland 26/23 B2OJ State Com #1H well, to be horizontally drilled from a surface location in Unit J in Section 23, Township 21 South, Range 34 East, The well is located approximately 12.5 miles west of Eunice, New Mexico.

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00247220

HINKLE, HENSLEY, SHANOR & MARTIN, LLP PO BOX 2068 SANTA FE, NM 87504

Case No. 21479

MEWBOURNE OIL Exhibit A-10